



BSR®

The Business of a Better World

BSR and Clean Cargo Working Group (CCWG)

CSC SESSION 1: THE
CONTAINER SUPPLY
CHAIN COMES OF
AGE

Antwerp, May 2011

Objectives & Outcomes

- ✓ Introduction to BSR and the CCWG
- ✓ Shipper needs of CCWG

BSR & CCWG

We work with business to create a just and sustainable world



BSR membership includes over 260 companies in diverse sectors:

- Consumer Products/Retail
- Energy
- Financial Services
- Food, Agriculture, and Beverage
- Information and Communications Technology
- Media and Entertainment
- Mining and Minerals
- Pharmaceuticals and Biotechnology
- **Transportation and Logistics**
- Travel and Tourism

100 staff have worked in more than 70 countries from seven offices in Asia, Europe, and North America

San Francisco
Beijing
Guangzhou
Hong Kong
New York
Paris
Washington D.C.

Core offerings and issues

- CR Strategy and Integration
- Reporting and Transparency
- Supply Chain Sustainability
- Environmental Assessment
- Human Rights Assessment
- Community Engagement
- Stakeholder Engagement
- Working Group Collaboration

260+ Member Companies

Members Include:

Alcatel-Lucent
Aramex
AREVA
Cisco
The Coca-Cola
Company
Delhaize Group
Duke Energy
Ford
Gap Inc.
GE
H & M

IBM
IKEA
Kraft Foods
Levi Strauss & Co.
Li & Fung, Ltd.
Marks & Spencer
A.P. Møller - Mærsk
McDonald's
Microsoft
Nike
Novartis
Procter & Gamble

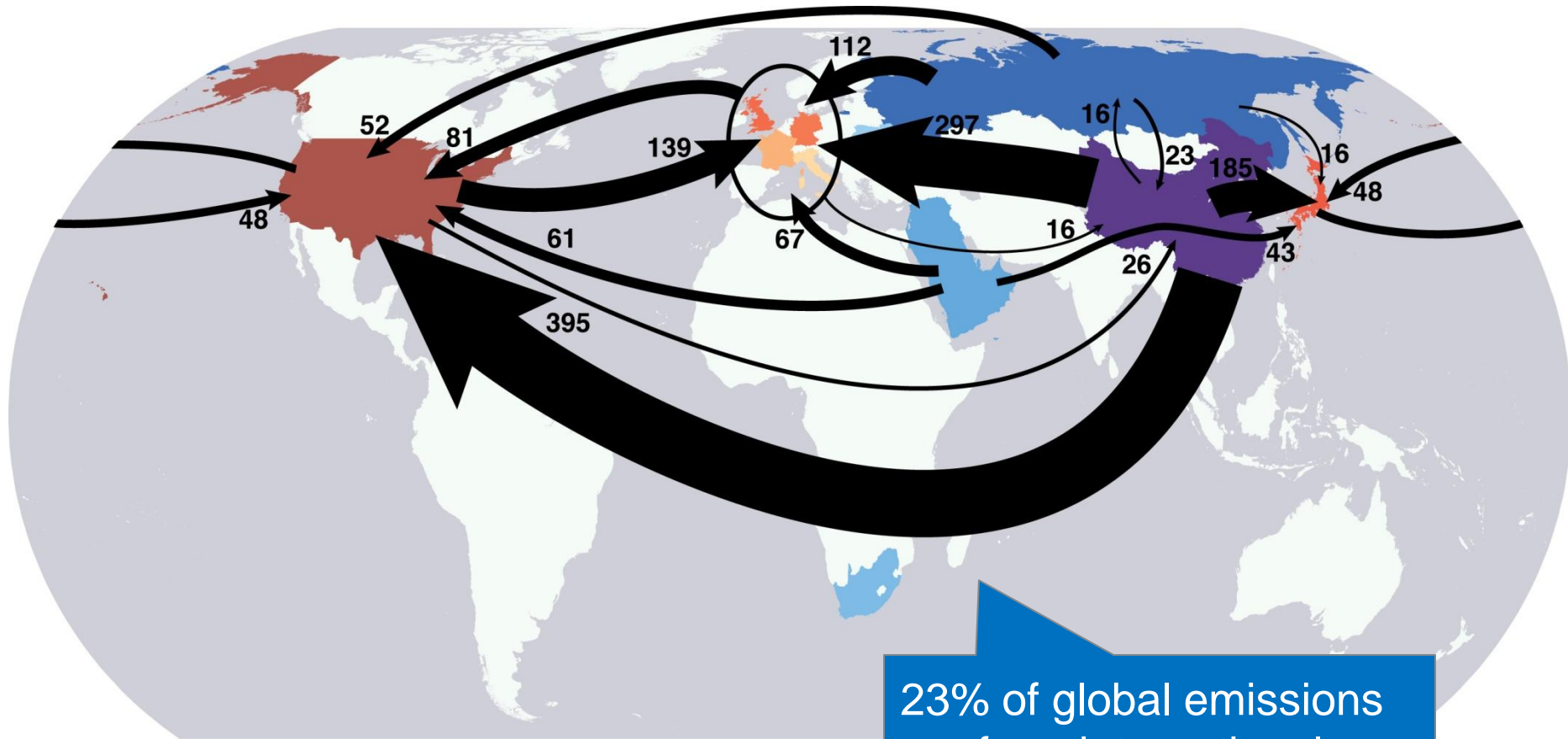
Pfizer
Shell
SAP
Sodexo
Sony
Starbucks
Unilever
United Parcel Service (UPS)
Tate & Lyle
Wal-Mart
The Walt Disney Company
Wells Fargo & Company

Why Clean Cargo Working Group?

Increased Accountability for Reporting Total Footprint



Opportunities for Emissions Reductions across Logistics



23% of global emissions are from international trade – embedded in consumption.

Need for Good Quality Information

- Increasing risks to business (regulation, reputation, competitive pressure) and complexity of supply chains
 - **Need** to understand, measure, and manage environmental impacts of transportation activities – *particularly carbon emissions*
- Brands don't have enough information when selecting transportation service providers
 - **Need** reliable information on environmental performance of carriers that can be integrated into procurement decisions
- Carriers receive redundant and time-intensive demands for environmental data from brands
 - **Need** a standard, credible, and efficient approach for sharing environmental data with brands and other stakeholders



Clean Cargo Working Group - Mission and Objectives

- **Mission:** CCWG is dedicated to integrating environmentally and socially responsible business principles into transportation management
- **Objectives:**
 - Create practical tools for measuring and reducing the environmental impact of global goods transportation
 - Enable direct dialogue between brands and transportation providers
 - Drive standardization in the industry to achieve efficiencies



CCWG's Membership in 2011

Carriers



MAERSK



Moving Business Forward

We take it personally

Matson

Shippers



NORDSTROM



AMERICAN EAGLE
OUTFITTERS



POLO
RALPH LAUREN



PHILLIPS-VAN HEUSEN CORPORATION



NVOCCs



KUEHNE+NAGEL



- Environmental Performance Metrics & Survey
- Industry Data
- Intermodal Emissions Calculator

1. Environmental Performance Metrics & Survey

Carrier Performance Metrics:

- Standardized set of metrics for assessing ocean carriers' environmental performance
- Scorecard for quantifying performance

Carrier Environmental Performance Survey:

- Gathers qualitative information on carriers' environmental management and performance
- Carriers submit metrics data and survey annually

Key areas of performance assessment:

CO₂ emissions

SO_x emissions

NO_x emissions

Waste management

Water effluents

Chemical use

Environmental Management Systems

Transparency

2. Industry Data

- Gathered CO₂, SO_X, NO_x emissions data from 10+ carriers for past 7 years – reflecting one of the largest environmental data sets in the shipping industry
- Aggregated environmental performance data is released to membership annually, highlighting industry-wide performance
- Data can be used to benchmark individual carriers against industry performance

Membership represents over

70%

of global container transport

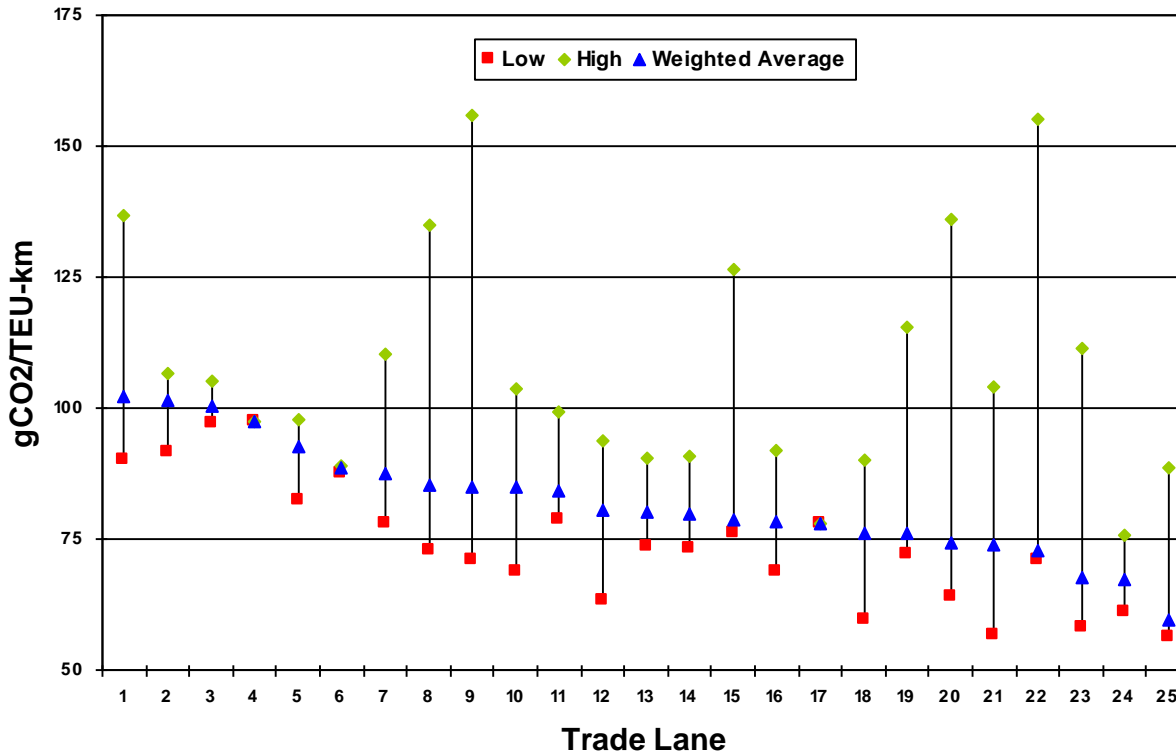
Clean Cargo gathered environmental data on

1,206

container ships in 2009 – a 50% increase over 2008

Performance Metrics Results: CO2 by Trade Lane

SAMPLE DATA



Aggregated Clean Cargo CO2 emission rates in 2008 showed nearly a

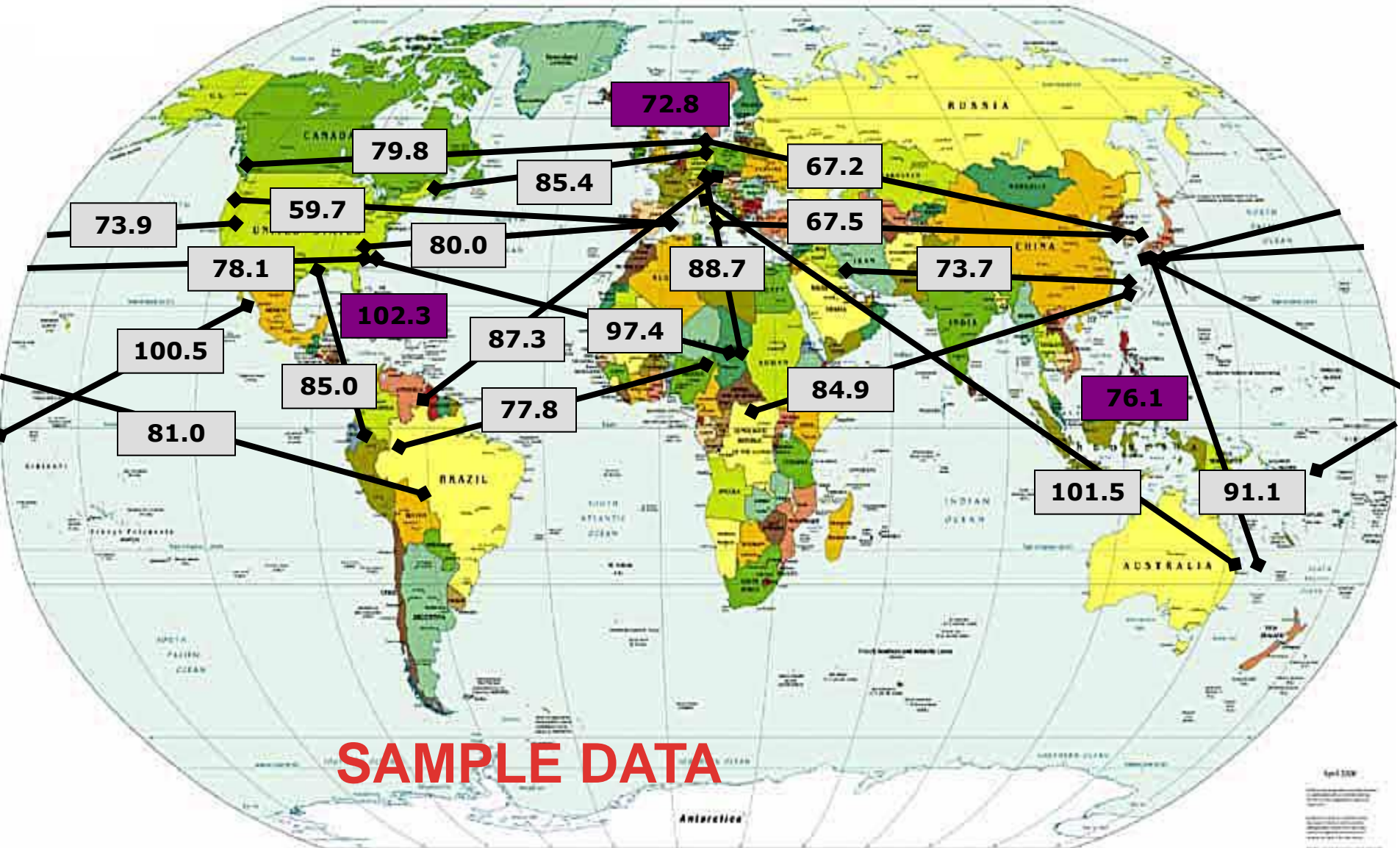
10% decrease

on average (across trade lanes) relative to 2007, and a

17% decrease

relative to 2006

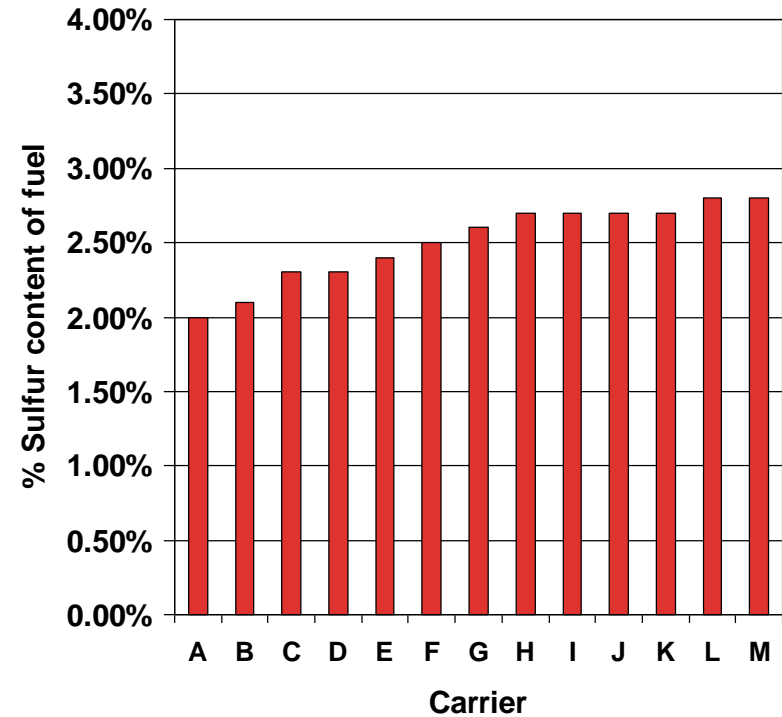
2010 CO2 Emissions by Trade Lane [g/TEU-km]



SAMPLE DATA

Sulfur Content of Fuel

Carrier	Score	Average Sulfur Content of Fuel used in Fleet (%)
A	14	2.0%
B	15	2.1%
C	15	2.3%
D	15	2.3%
E	14	2.4%
F	15	2.5%
G	14	2.6%
H	13	2.7%
I	12	2.7%
J	11	2.7%
K	12	2.7%
L	12	2.8%
M	11	2.8%



SAMPLE DATA

3. Intermodal Emissions Calculator

- Calculates the absolute carbon emissions associated with moving goods from place to place
- Uses the best available emissions factors, including primary data from Clean Cargo carriers
- Is consistent with WRI's GHG Protocol methodology
- Accommodates all modes (ocean, rail, air, road)

**Clean Cargo Working Group
Intermodal Emissions Calculator**

Route Info					Activity Data			Distance Data			Calculations	
Year	Qtr	Corridor Number [1-100]	Inbound/Outbound	Carrier Code	Mode [Specific]	Amount of Cargo Shipped	Units	Port Pair	Distance [Or manual entry]	Units of Measure	E-factor [kg CO2/t-km]	Total CO2 Emissions [kg]
2008	1	1	Inbound		Ship_Asia-North_Europe	10	Tonnes	Bangkok - Rotterdam	16,968	kilometers	0.0074	1,262
2008	1	1	Inbound		Truck_32-40t_diesel	10	Tonnes	Rotterdam - Hamburg	568	kilometers	0.0825	459
2008	2	2	Inbound		Air_Freight_1000_>1500km	2	Tonnes	Hong Kong - Seattle	10,592	kilometers	0.5070	10,841
2008	2	3	Outbound		Truck_32-40t_diesel	90	Tonnes	Hamburg - Rotterdam	568	kilometers	0.0587	5,001
2008	2	3	Outbound		Train_diesel_general	30	Tonnes	Custom	2,050	kilometers	0.0202	604
2008	2	3	Outbound		Ship_Asia-North_Europe	30	Tonnes	Antwerp - Colombo	12,507	kilometers	0.0074	901
							Tonnes		0	kilometers	0.0000	0
							Tonnes		0	kilometers	0.0000	0
							Tonnes		0	kilometers	0.0000	0
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Instructions / Distance Based Calculator / Scenario Comparisons / Summary Data / CO2 by Mode of Transport / CO2 by Corridor / Emissions Factors & Distances / Summary of Revisions

Driving Industry Standardization

- Clean Cargo looks beyond its membership to learn from other initiatives and influence the industry at large
- Vision is for CCWG tools and methodology to become *the industry standard* where applicable

CCWG tools and methods are informed by:

- WRI GHG Protocol
- Global Reporting Initiative (GRI)
- World Economic Forum (WEF)
- International Maritime Organization (IMO)
- World Shipping Council (WSC)
- U.S. EPA SmartWay
- Clean Shipping Project

CCWG currently in discussions to align intermodal tools with:

- World Economic Forum (WEF)
- EcoTransIT
- NTM
- U.S. EPA SmartWay

Membership Value and 2011 Objectives

- Ready-to-use tools for measuring environmental impacts
- Open dialogue between carriers, freight forwarders, and multi-national brands
- Long-term effectiveness and relevance
 - Credible and measurable impact
 - promoting standardization and alignment in the industry
- Roll out verification of data to more carriers
- Vision for CCWG 2011 and shipper commitments
- Continue collaboration with other organizations working on developing standardized tools across the transportation network
- Increase exposure of the CCWG as leading platform
- Continue to enhance tools and information output

In the Words of our Members

“Clean Cargo brings together large multinationals that compete with each other in the marketplace to take on environmental issues with remarkable results, helping us develop sustainable transportation strategies.”



*Thomas Bergmark
IKEA
March 2010*

"Clean Cargo inspires conversation and collaboration that wouldn't otherwise happen. By engaging closely with shippers, we increase our understanding of the difficulties before us and can work together to tackle important issues."



*-John Grenville-Goble
"K" Line
March 2010*

The challenge ahead for CCWG

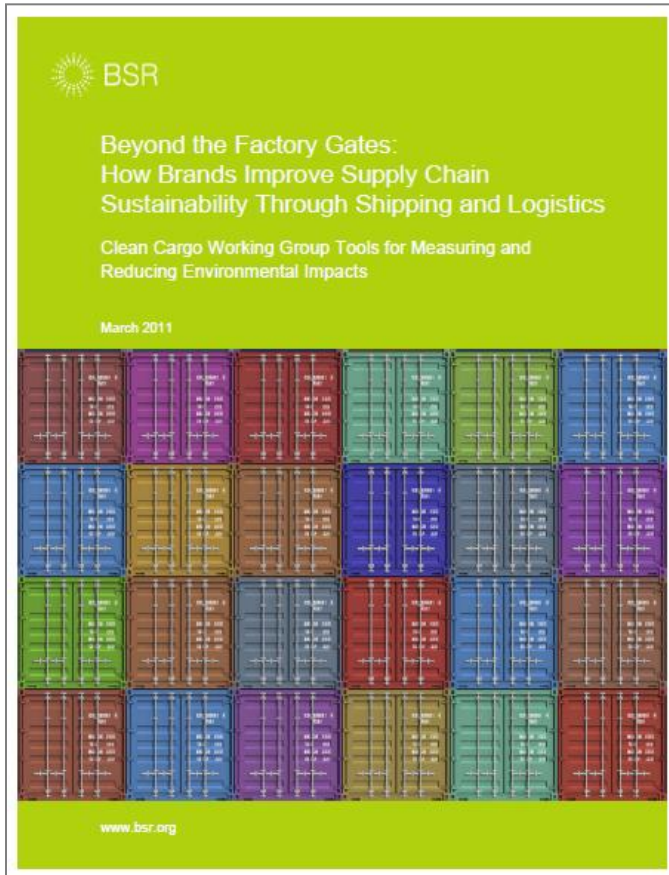
How transparent do we need to be to drive standards?

Do we need verified data?

Shippers commitments to incentivize performance improvement?

How to demonstrate performance over time to a wide variety of stakeholders

Learn More about CCWG



- CCWG public overview available online at www.bsr.org/cleancargo.
- Discloses emissions factors by trade lane.
- Committed to continuous improvement, and transparency is the first step.

Thank You!

To find out more on CCWG
please contact:

Angie Farrag

Manager, Advisory Services

afarrag@bsr.org