

## **Intensive course of Sustainable Logistics, Helsinki**

**07th – 11th of September, 2009**

### **How do I see sustainable logistics in Baltic countries and Scandinavian countries ?**

Baltic and Scandinavian countries are trying to create Sustainable development pattern of resource using that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but in the indefinite future. Sustainable development is the way in which developing nations undergoing the process of industrialisation will avoid becoming like current industrialised carbon intensive nations with high level of emissions. Sustainable development ties together concern for the carrying capacity of natural systems with the social challenges facing humanity. Sustainable transport is a concept developed in reaction to things that have gone visibly wrong with transportation policy, practice and performance through much the world over the last half of the twentieth century. Companies, authorities, government and international organisation are developing a green logistics policy or sustainable supply chain and realise an energy- and eco-efficient supply chain and transport infrastructure. Companies and authorities assess how supply chains will be affected by climate change, so they adapting their supply chain strategies in function of climate change impacts and risks.

### **Are there any similarities or differences in sustainable logistics in those countries?**

All Baltic and Scandinavian logistics organizations have the main important purpose - to increase profits. Strategic focus of the activities in this area is on the integration of various networks within and between logistics centres. In Baltic and Scandinavian countries exert every effort in order to reduce the pollution impact on the environment in logistics chain. But between these countries is the big difference. The Scandinavian countries are more focused on enhancing environmental protection than Baltic States. The main reason is economical situation. The Baltic countries are not that strong as Scandinavian, due to this fact, the possibility of a protected environment is much lower.

The Scandinavian countries Denmark, Finland and Norway are working strongly on environment-friendly logistics solutions at an early stage, and have won numerous rewards for their commitment.

In Danmark in 1998, Schenker A/S in Denmark already began to calculate its customers' carbon footprint and advise them with regard to a sustainable logistics chain Schenker A/S has already won various prizes for this environment commitment, including prizes from the customers. There is already broad consensus that both wind energy and electric vehicles have enormous potential for a sustainable energy future — bringing the two together promises to be a winning combination.

In Finland the national company supports and trains its drivers using an electronic system (on-board unit) that monitors driving behaviour and measures various parameters, such as speed, fuel consumption, etc. This permits exact, permanent control to achieve efficient and environment-friendly driving behaviour. Successful drivers receive a monthly success bonus.

One of major chains in Lithuanian transport infrastructure is the port of Klaipeda. Aiming that the port could become a mighty engine of the country's economics, it needs to comply high international standards. Road congestion, urban mobility, local air pollution and the need for CO2 reductions and energy conservation will have a dramatic impact on the future supply chain of all industries. Companies are forced to reduce the impact on the environment of their supply chains and have to develop sustainable supply chain strategies in the coming months and years.

### **What did I learn of various group presentations on Friday 11th of September ?**

Various groups of students present the various companies sustainable logistics importance. First group presented us about “KUUZAKOSKI ltd (recycling). The company develops service lines and special machinery for its own recycle plants but also for resale to small competitors. At

the end of this cycle they make sure that old products and materials are returned once more to the industrial recycling process. The environmental system is an essential part of Kuusakoski's management system. Kuusakoski Oy's Finnish, Swedish Estonian and Lithuanian organizations have ISO 14001 environmental certification. Service points are opened all over the country in cooperation with several sub-contracted partners to increase efficiency. The company educates its employees about the content of the ISO standards.

Second's group presentation was about DHL Finland. DHL is the global market leader for international express and logistics industry, specializing in providing innovative and customized solutions from a single source. DHL offers expertise in express, air and ocean freight, overland transport, contract logistics solutions as well as international mail services combined with worldwide coverage and an in-depth understanding of local markets. Sustainability is demonstrated companies responsibility for people, the planet and for future generations. It is a key part of this business strategy and essential for long-term success.

At the core of this company is a three-pronged method of assessing, reducing and offsetting. In order to reach our own targets organization will assess the carbon emissions throughout operations on a regular basis and introduce variety of measures to reduce them. In addition, this company offering them costumers the option to offset the carbon emissions caused by the transportation of their goods.

DB Schenker combines the units DB Schenker Rail and DB Schenker Logistics, comprising rail, land transport, air and ocean freight and contract logistics/SCM. DB Schenker takes its responsibility for the environment very seriously. Sustainability is an integral part of the corporate philosophy, it is practiced and constantly being developed. In the development of their products and services, for example, the logistics specialists focus on innovation and invest in new environmentally sound logistics solutions and technologies. And the rail freight carrier is particularly environment-friendly. With its rail freight operations, DB Schenker reduces the impact on the environment of over four million tons of CO<sub>2</sub> each year compared with trucking services in the same period. DB Schenker also relieves the environment by using the most appropriate modal split, when combining the benefits of trucking, ocean freight, air freight and rail.

Heinon Tukku Ltd (wholesaler, grocery shop). Heino is a family-owned company, founded in 1899. The main customer group comprises food preparation and retail firms wholesaler and importer of daily consumer goods importer of alcoholic beverages wholesaler and importer of office supplies. Heinon Tukku is already doing such a good job being ecological that is difficult to come up with any solutions on how they could improve their green policy. If we were to put a finger on some things that they could improve, Students suggest that they should start replacing regular fuel with bio-fuel for their trucks. This will result in a cut back on the CO<sub>2</sub> emissions caused by the use of normal diesel. Another thing for them to consider would be changing their European transports from roads to railways. This change would not only cut the emissions but also help to reduce the amount of traffic on European roads.

Association of Packaging Technology and Research - PTR, was established in 1971 as an international membership association to promote packaging as a global science to important target groups within international organizations and research foundations. The main problem concerned the association itself, what their role is in the logistic system. The main problems of the association are: how to find new customers and designing new sustainable packages, the costs of packaging, mixed package materials. The PTR should make more changes to become truly global, and get more knowledge in the society. Many consumers haven't heard about PTR at all. To achieve this they should put down more time and effort on marketing and advertising themselves.

Sinebrychoff (part of Calsberg Group, brewery, KERAVA). In 2000 Sinebrychoff became part of a larger entity, the Danish Carlsberg Group, that operates in over 150 market areas and employs more than 40,000 persons in almost 100 breweries. Organisation is a safe and dependable brewery and soft drink manufacturer. For them quality and environmental consideration go hand-in-hand. The basis is the continuous improvement of our operations, a respect for nature, the prevention of environmental impacts, as well as compliance with environmental regulations. This company concern for the environment can be seen clearly in the selection and use of raw materials as well as in the reuse and recycling of by-products and waste.

Between these organizations is a unique global network which allows organisations to communicate and develop ideas, exchange experiences and in many cases reduce duplication of effort.

### **What was new and meaningful to me ? What would I like to know more related to sustainable logistics ?**

All information about logistics sustainability was very useful. During this intense week I knew a lot of new things about the biggest Finland's companies, this information was meaningful: the companies develop service lines and special machinery for its own recycle plants but also for resale to small competitors. At the end of this cycle they make sure that old products and materials are returned once more to the industrial recycling process. The environmental system is an essential part of all these organizations management system. Most of these Companies in Finnish, Danish and Lithuanian organizations have ISO environmental certifications. Service points are opened all over the countries in cooperation with several sub-contracted partners to increase efficiency. The company educates its employees about the content of the ISO standards.

Companies organize seminars for their managers and also have their own auditing system. All these firms have large departments in Finland and all over the world. Organisations take into consideration sustainability across the whole supply chain. All the business partners are obligated to sign a written agreement which states that companies share the same environmental values in order to finalize and conduct a business together. One of the practical aspects is that planning of the routes has to be efficient so to make sure that no unnecessary driving has been done. Further in next couple of years to come, will be also optimized usage of the more environmentally friendly fuel. Sustainability in the companies supply chain management is also secured by the government. Keeping statistics helps in the first place to better analyze sustainability results. Firms see that recycling makes sense. Utilization is the most environmentally friendly solution. Materials suitable for reuse as such are separated in the preparation phase of the recycling process.

I want to get more information how logistics works in different parts of the worlds.