WHAT LEVERS CAN BE DEPLOYED FOR A MORE

EFFECTIVE LOGISTICS ESG POLICY?

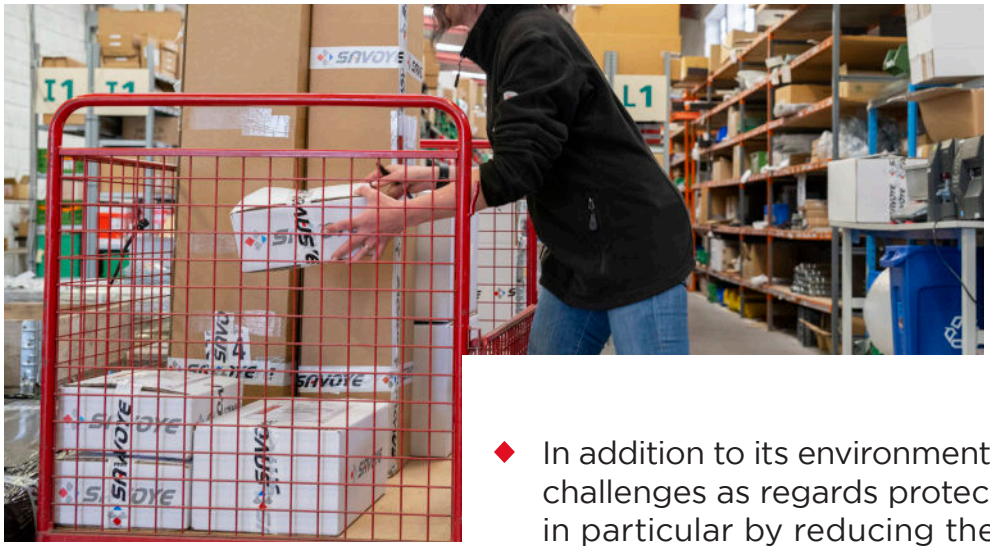
Energy consumption and well-being at work are key concerns for businesses and industries. Among measures necessitated by the energy crisis and the challenges associated with respect for people and the planet, the aims of and interest in the deployment of concrete and sustainable ESG policies are increasing within companies.

Although all a company's departments and operations are affected by these issues, logistics and transport occupy a central position.

While being heavy energy users, the Supply Chain's infrastructures and various daily activities are also consumers of raw materials. From production to transport and storage, which, when undertaken at controlled temperatures, can also be energy-intensive, to everyday operation of the logistics platform, including lighting, ventilation and heating costs, etc. there is vast scope for improving the response to the challenges of decarbonization.

WHAT LEVERS CAN BE DEPLOYED FOR A MORE

EFFECTIVE LOGISTICS ESG POLICY?

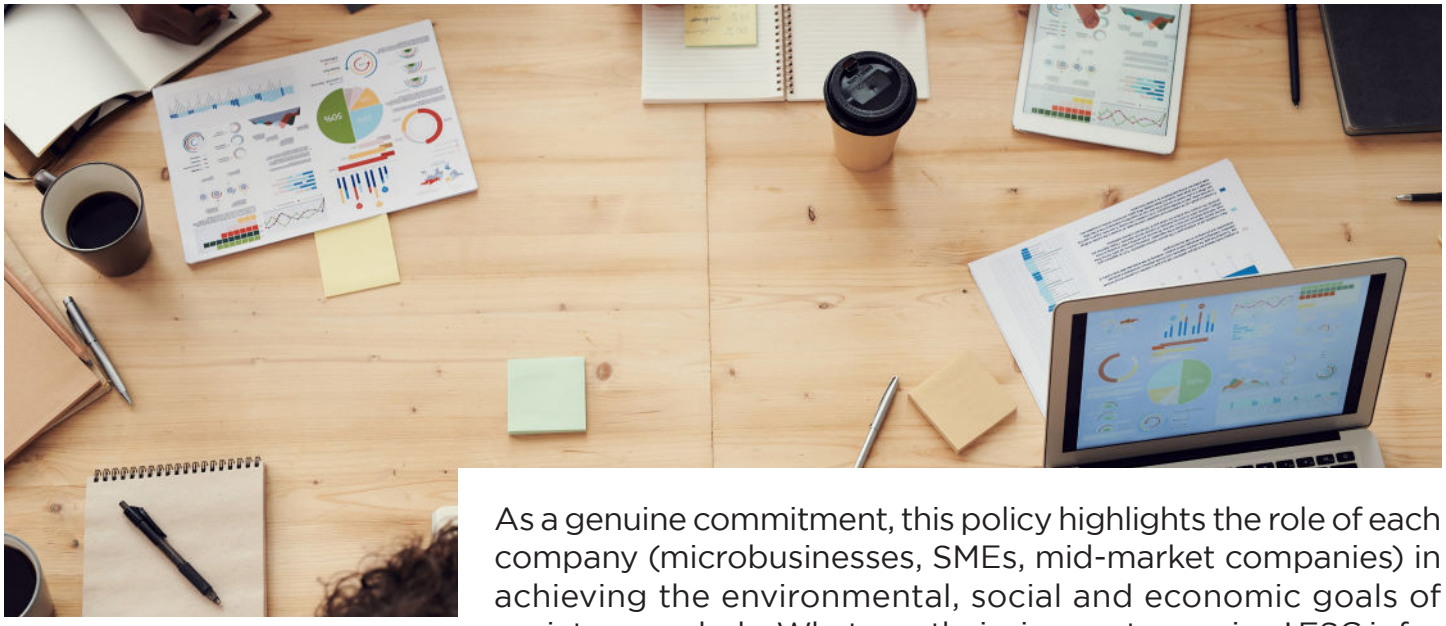


- In addition to its environmental impact, logistics also poses challenges as regards protecting the health of employees, in particular by reducing the strain of work: working in a warehouse can also be physically demanding in terms of distances covered, loads handled and repetitive movements by operators, in environments that are, at times, cold or noisy. These issues associated with logistics roles can result in a significant level of absenteeism, disengagement and sick leave. For companies affected by these issues, the challenge is on! Working to enhance your ESG policy for logistics appears to be an appropriate way of responding to numerous current issues, with many key advantages.

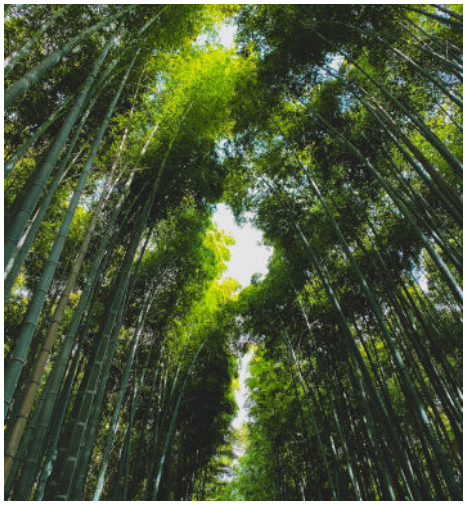
How can we identify the challenges to be addressed and anticipate future developments? What solutions are there for reducing strain and embarking on a rapid and sustainable ecological transition in logistics warehouses? Where to begin?

WHAT IS ESG
AND HOW TO APPLY IT TO LOGISTICS?

ESG stands for “Environmental Social and Governance”, which the European Commission describes as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

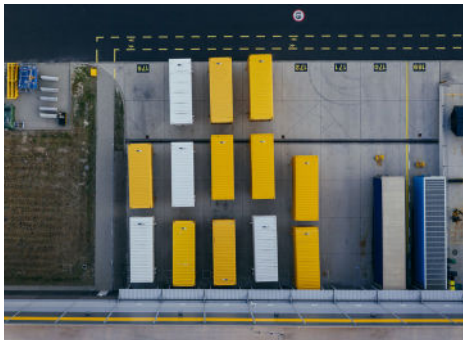


As a genuine commitment, this policy highlights the role of each company (microbusinesses, SMEs, mid-market companies) in achieving the environmental, social and economic goals of society as a whole. Whatever their size, sector or aims! ESG is for all companies seeking to have a positive impact on sustainable development issues and wishing to inject an ecological and social dimension into their organization’s values. With a scope defined by international standard ISO 26000, ESG focuses on 7 areas for development:



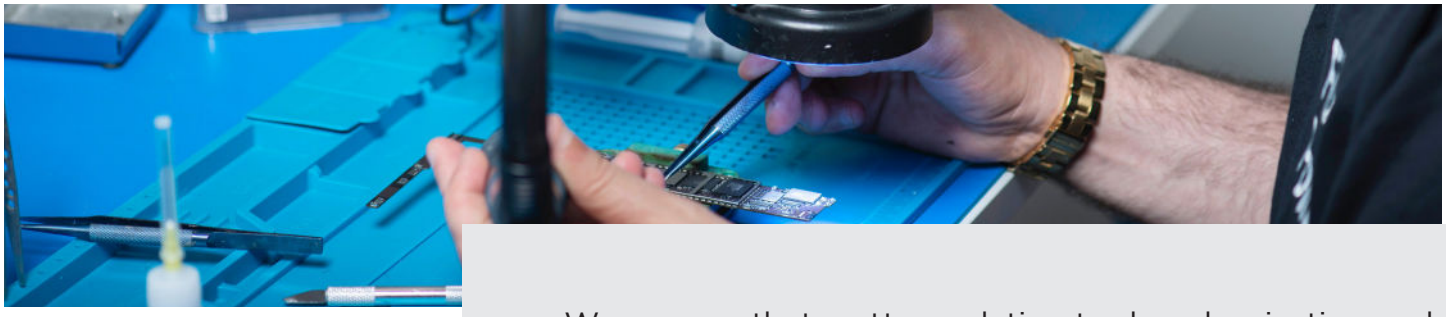
- **Governance**
- **Human rights**
- **Labor relations and working conditions**
- **The environment**
- **Fair operating practices**
- **Customer/consumer related issues**
- **The community and local development**

WHAT IS ESG
AND HOW TO APPLY IT TO LOGISTICS?

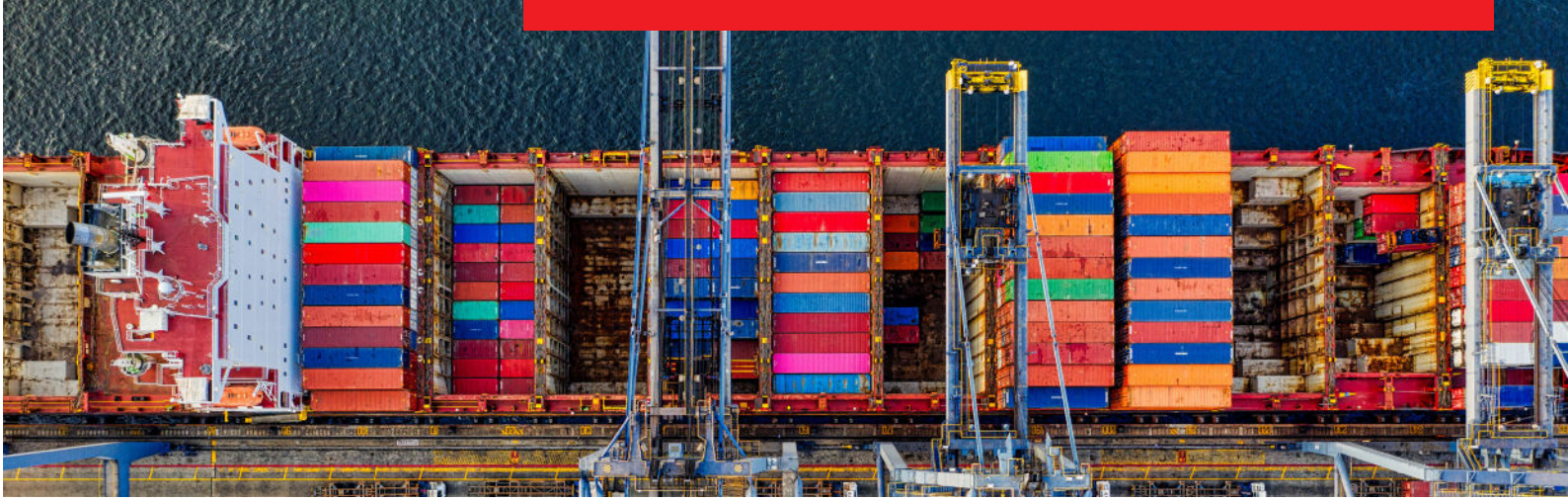


The corporate social responsibility (ESG) framework, as defined by standard ISO 26000, can also be more specifically tailored to the issues and challenges of logistics. In this case, it will focus more particularly on areas associated with the physical flow of goods, transport, storage, warehousing, handling and packaging. The CILOG (French interministerial logistics committee) has worked to adapt and enable 5 key topics to be developed:

Source : France logistique x CILOG
Référentiel de responsabilité sociétale des entreprises (RSE) en logistique | Ministères Écologie Énergie Territoires (ecologie.gouv.fr)



We can see that matters relating to decarbonization and, more broadly, ESG goals are no longer optional. Moreover, many large groups now have ESG Departments. Numerous requirements and expectations are mounting up as investors, customers, suppliers, employees and regulatory policies are putting pressure on companies to act.



TO FIND OUT MORE..

ESG: A NUMBER OF TOOLS TO HELP YOU POSITION YOURSELF

There are a number of tools, which you can use to assess your position and determine how to implement a ESG policy, and which can help you identify areas for improvement.

- Determining your **carbon footprint**: mandatory for certain companies, the aim is to measure the quantity of GHG (greenhouse gas) produced directly or indirectly by all an organization's physical flows. Knowing what your carbon footprint is means being able to act and set yourself staggered reduction targets. Numerous free, online applications allow you to perform this calculation yourself and to thus be aware of your impact.

- **GRI** (Global Reporting Initiative) indicators are also useful as part of this self-assessment approach. They enable the progress of a company's sustainable development program to be measured. It is worth including them in a ESG report as they provide further evidence of global investment in eco-responsible initiatives.

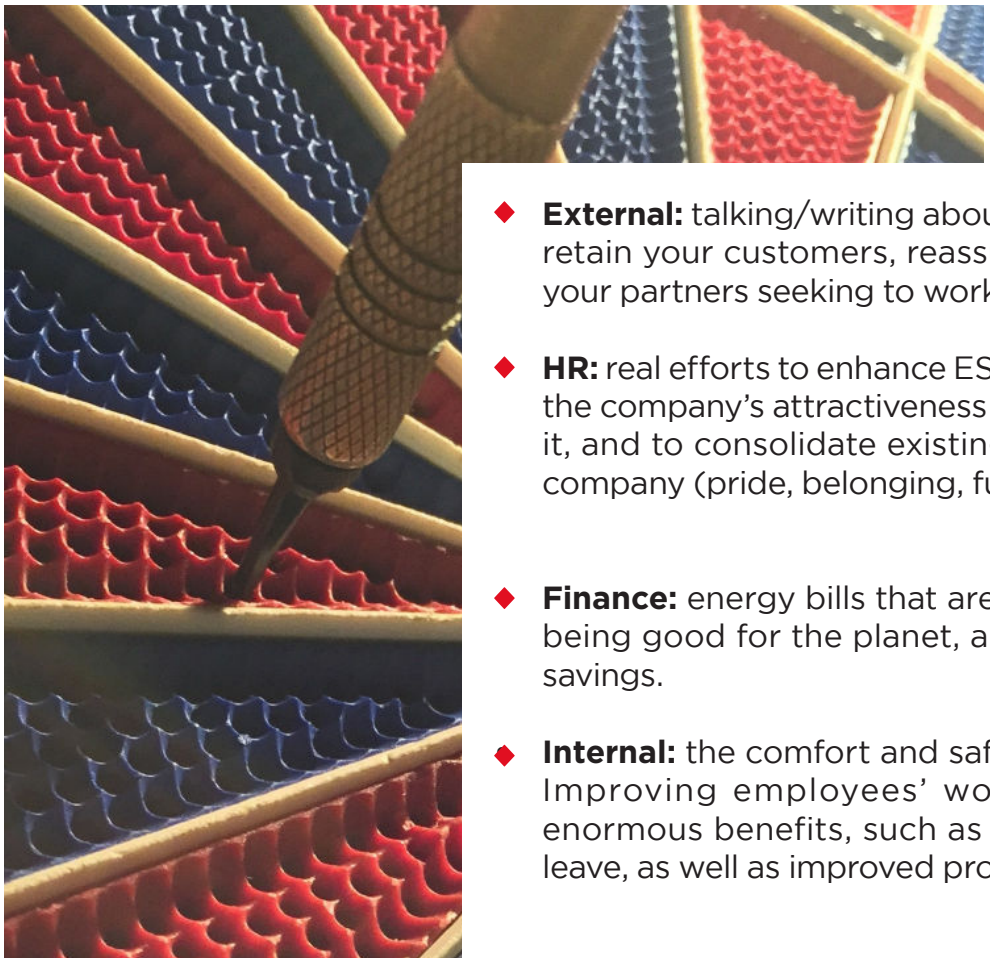
- The aforementioned **ISO 26000 standard** helps and supports organizations with their ESG initiatives by acting as a benchmark and a roadmap for companies.

- **ESG (Environmental, Social and Governance)** criteria measure the incorporation of sustainable development and long-term issues into economic operators' (companies, local authorities, etc.) strategies.

- The ESG self-diagnostic: provided by FRANCE LOGISTIQUE, this questionnaire allows you to easily measure your ESG performance in relation to the major challenges associated with logistics and to thus identify your scope for improvement. *Download you ESG self-diagnostic - France Logistique*

WHAT ARE THE BENEFITS?

Embracing a ESG initiative allows you to significantly improve the company's image, as well its overall performance. These improvements can take several forms:



- **External:** talking/writing about your initiatives can help you retain your customers, reassure your suppliers, as well as your partners seeking to work with ethical operators.
- **HR:** real efforts to enhance ESG policy allow you to increase the company's attractiveness for candidates seeking to join it, and to consolidate existing employees' loyalty to their company (pride, belonging, fulfillment).
- **Finance:** energy bills that are under control, in addition to being good for the planet, allow you to make substantial savings.
- **Internal:** the comfort and safety of employees are crucial! Improving employees' working conditions provides enormous benefits, such as reducing accidents and sick leave, as well as improved productivity.

WHAT CONCRETE MEASURES CAN BE PUT IN PLACE TO IMPROVE THE ENVIRONMENTAL AND SOCIAL IMPACTS OF LOGISTICS WITHIN A COMPANY?

A number of measures and action plans can be deployed to achieve these aims.

1/ TAKING ACTION IN RELATION TO YOUR BUILDINGS AND THEIR EQUIPMENT

Logistics platforms are mainly fairly old, large spaces, which are expensive to light, heat, cool and ventilate. There are numerous solutions when faced with soaring energy prices, as well as the need to rationalize energy consumption and to make logistics platforms more carbon neutral places.

These days, there are many systems and solutions for more effective insulation, rainwater collection and re-use, and energy production (photovoltaic, wind or geothermal). Some companies are even aiming for a degree of energy self-sufficiency! Although these different approaches can enable considerable savings to be made, they should nevertheless be accompanied by genuine reflection on the structure and design of the logistics platform.

In this context, the automation of storage and order picking processes offers numerous advantages. First and foremost, they enable very high throughput logistics operations to be carried out in a small space, where so-called “manual” warehouses are generally built around aisles with widths and heights designed to provide access for pedestrians and handling equipment.

In another respect, increasing the compactness of the warehouse by means of automation enables the surface area and, therefore, energy costs, to be reduced (as there is less space to light, heat or ventilate). In addition, the majority of these automated systems using electricity are equipped with power saving, energy recovery and **stop & start** functions, which also help save energy.

Introducing intelligence in the form of computerized management of automated systems, opens up the possibility of implementing working strategies, which are compatible with a desire to save energy. This means that it is possible to decide to opt for the most cost-effective times to run certain operations or apply performance targets (equipment speeds, for example) depending on the flow, thereby minimizing energy expenditure. Finally, preserving space and keeping it to an absolute minimum combats the artificialization of soil and, thus, responds to the ecological issues affecting land.

WHAT SOLUTIONS DOES SAVOYE HAVE TO HELP YOU ADDRESS THIS CHALLENGE?

- Goods-To-Person X-PTS Solution: this automated storage system enables the full height of your warehouse to be used (up to 65 ft) by reducing the circulation area and the picking zone to its absolute minimum.
- The MAGMATIC solution handles the automated storage of pallets to increase compactness whatever your building's configuration.
- INTELIS conveyors, designed for handling light loads, are 100% electric and equipped with a stop & start system.
- By synchronizing your automated and robotic solutions, the WaCS solution manages all your equipment via an interface with the WMS. This allows you to tailor the orchestration of your flows to the performance targets you wish to achieve (based on the times you regard as the least energy-intensive, for example.)

2/ REDUCING UNNECESSARY WASTE OF RAW MATERIALS

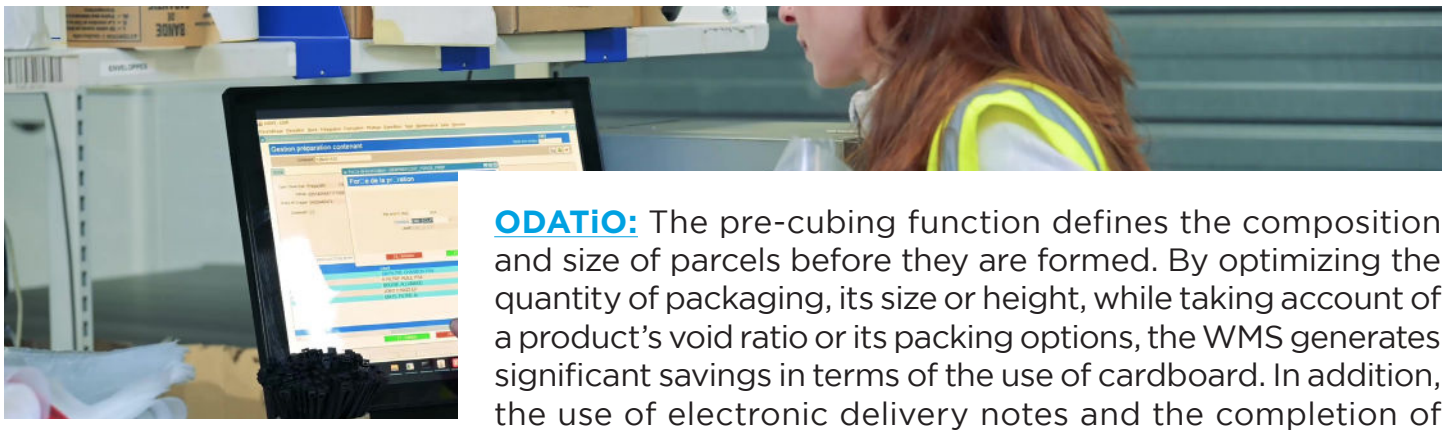
Logistics cannot be separated from the issue of packaging. Frequently highlighted because of its disproportionate size or the use of plastic wedging materials, it is nevertheless essential for shipping and plays an active part in the customer experience.

Numerous studies reveal that consumers are increasingly aware of their suppliers' environmental commitments. As a result, to make packaging effective, as well as more responsible, priority action must be taken on the basis of 4 criteria:

- Size (and therefore control of the volume shipped)
- Quantity (and therefore, again, control of the volume shipped)
- Robustness (to guarantee the integrity of the product without the need for wedging and, at the same time, reducing the flow of returns due to breakages)
- Re-use (either to return an item, or for subsequent use)

The combination of IT and packaging automation solutions leads to real optimization of the packaging process, as well as both considerable economic and environmental gains.

WHAT SOLUTIONS DOES SAVOYE HAVE TO HELP YOU ADDRESS THIS CHALLENGE?

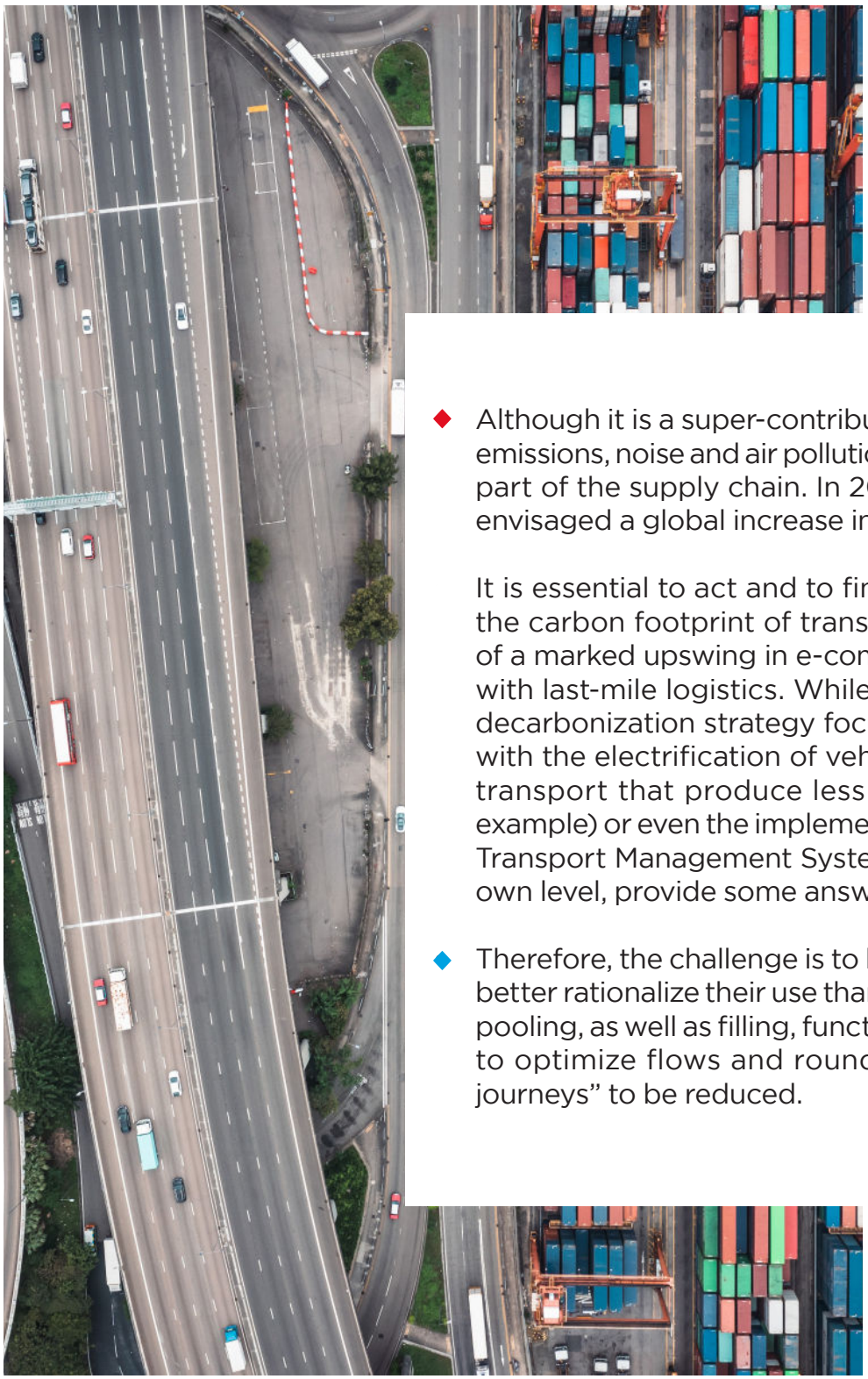


ODATiO: The pre-cubing function defines the composition and size of parcels before they are formed. By optimizing the quantity of packaging, its size or height, while taking account of a product's void ratio or its packing options, the WMS generates significant savings in terms of the use of cardboard. In addition, the use of electronic delivery notes and the completion of processes without printing helps reduce the use of paper.

The JIVARO range: packaging machines, which, by tailoring the size of the parcel to the product it holds, protect the contents and dispense with the need for additional wedging materials. The average saving on wedging is assessed as being approximately 1550 lbs of paper a day, which is equivalent to 66 tons of CO2 a year.

The PAC600 range of secure parcels: these forming machines allow you to design very strong packaging, which is complemented by wedging using a shrink wrap film. Just adding a lid, rather than using flaps, reduces the cardboard area by 10%.

3/ OPTIMIZING TRANSPORT AND REDUCING GHG EMISSIONS



- Although it is a super-contributor of GHG (greenhouse gas) emissions, noise and air pollution, transport is still a necessary part of the supply chain. In 2021, COP 26 in Glasgow even envisaged a global increase in GHG of 25% by 2050...

  It is essential to act and to find effective ways of reducing the carbon footprint of transport against the background of a marked upswing in e-commerce and issues associated with last-mile logistics. While the initial approaches of the decarbonization strategy focus on the "greening of fleets" with the electrification of vehicles, the revival of modes of transport that produce less GHG (rail or waterways, for example) or even the implementation of specific regulations, Transport Management System (TMS) software can, on its own level, provide some answers.

- Therefore, the challenge is to limit the number of lorries and better rationalize their use thanks, primarily, to grouping and pooling, as well as filling, functions. At the same time, efforts to optimize flows and rounds will enable "empty return journeys" to be reduced.

WHAT SOLUTIONS DOES SAVOYE HAVE TO HELP YOU ADDRESS THIS CHALLENGE?

ODATiO: ODATiO's TMS functions ensure a high level of optimization when it comes to transport.

- Firstly, the chartering grouping function contributes to a more responsible approach by combining shipping units (manually or automatically) and by, thereby, ensuring the optimized filling of lorries (by linear loading feet or by volume).

- Secondly, the round optimization functions are an undeniable way of reducing the miles covered. This reduces transport costs, as well as GHG, and also optimizes transport times.

- Finally, the TMS enables CO2e emissions to be monitored. By comparing the figure declared by the carrier (a legal obligation since 2015) with that produced by a calculation recommended by the ADEME (the French Environment and Energy Management Agency), it is possible to track changes. This makes it possible to opt for the most responsible carriers. .

In addition, ODATiO's WMS function will, as explained above with pre-cubing, enable the quantity of packaging to be reduced and help to fill lorries in a more rational way.

The JIVARO range: This range of packaging machines also ensures greater control of the volume shipped. By way of an example, the average fill level of a parcel in the e-commerce sector is estimated to be 43%. The use of a solution like JIVARO enables this level to be increased to 78% by reducing the void.

By eliminating, on average, 20 % of parcels shipped, the saving is assessed as being 100 tons of CO2 a year.

(To find out more, view the study conducted by MACS in collaboration with SAVOYE Green logistics: Optimize your packages to reduce the environmental impact of your supply chain - Savoye)

4/ PROMOTING THE WELL-BEING OF EMPLOYEES AND ACCESSIBILITY

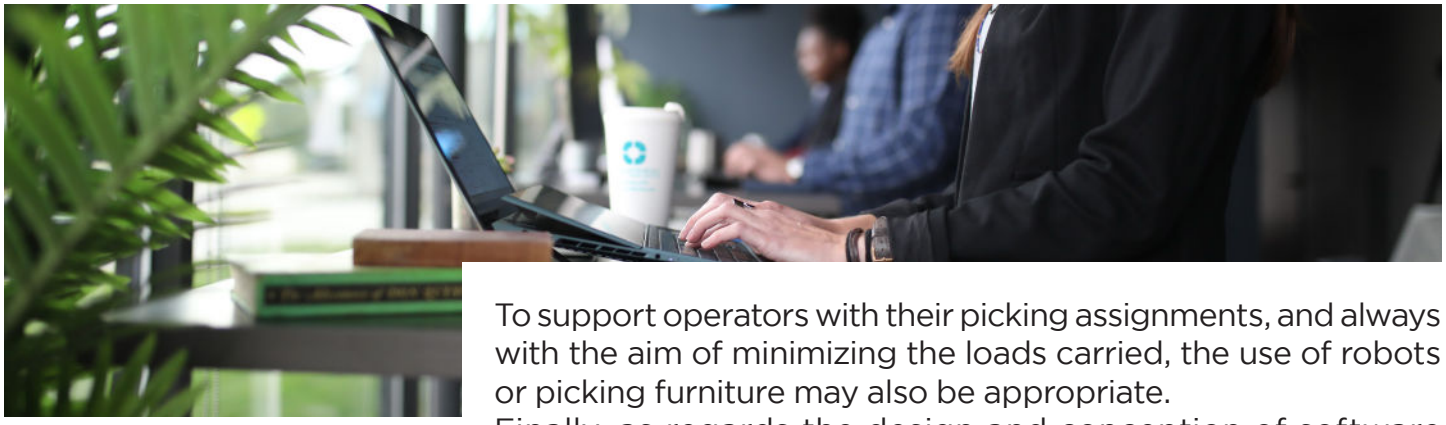
The well-being of employees is one of the cornerstones of companies' ESG policy. The relationship between ESG and logistics necessarily involves taking action in terms of the working conditions, as well as the well-being and safety of operators and warehousemen/women working on the platform every day.
Substantial improvements can be made in this respect and numerous actions can be taken to achieve the many resulting benefits:

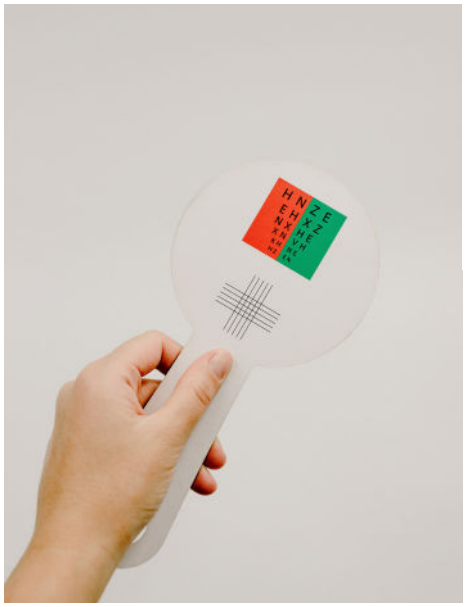
- A reduction in absences caused by MSDs (Musculoskeletal Disorders) and other occupational diseases: offering operators appropriate stations and working conditions leads to a reduction in absenteeism.
- Increased loyalty and attractiveness: better working conditions not only reduce staff turnover, but enable the employer's attractiveness and brand to be improved.
- Greater productivity: suitable tools improve comfort and, therefore, the productivity of logistics operations.

Given the size of certain logistics platforms, it is actually important to optimize movements and the order picking path. It is estimated that a logistics operator covers a distance of more than 10 km a day on average. WMS software has a role to play in this respect as, by proposing picking strategies and collection routes, it enables movements to be optimized, as well as allowing the weight of parcels to be reduced, in order to improve comfort and productivity.

Automation will also play a dual role as it will have the effect of reducing movements (a Goods-To-Person system will bring the product to the operator picking it) as well as improving comfort and reducing MSDs.

Built in collaboration with ergonomics professionals, picking stations combined with Goods-To-Person solutions are now designed around the person in order to guarantee performance and working comfort, by avoiding twisting of the torso, shoulder movements and carrying heavy loads.





To support operators with their picking assignments, and always with the aim of minimizing the loads carried, the use of robots or picking furniture may also be appropriate.
Finally, as regards the design and conception of software solutions, there have been numerous advances in recent years, making these tools more accessible.

For example, for people with a visual, hearing or cognitive impairment, this may include:

- **text alternatives to images**
- **functionalities that can be used on a keyboard**
- **work on the application's contrasts and colors and on the volumes and layout of text and images**

These adaptations enable eye strain to be reduced and allow people with greater or lesser visual impairments to comfortably use the solution.

WHAT SOLUTIONS DOES SAVOYE HAVE TO HELP YOU ADDRESS THIS CHALLENGE?

- **ODATiO:** by adapting the ergonomics of our software solutions while taking account of WCAG standards, SAVOYE is improving the accessibility of its solutions for the greatest number of people.

- **X-PTS Pick Station:** this station, combined with a Goods-To-Person picking system, enables picking operations to be performed while maintaining the best possible posture. The tilting trays, touch buttons and screens, have been designed to minimize stress on the upper limbs and reduce the biomechanical load. *(To find out more about our stations: Goods-to-person: reconciling performance and working comfort with 1-to-1 preparation stations - Savoye)*
- **Picking tools:** this range of smart picking furniture equipped with LED technology ensures simpler and more efficient picking.

- **The FLEEXEE mobile robot:** moving independently, this solution enables items to be transported throughout the warehouse, thereby sparing operators journeys between different zones and avoiding the need to handle heavy loads.

CONCLUSION

ESG policy is often a global business approach led by general management and potentially involving every department within the company. However, it must be acknowledged that numerous solutions can be advanced by the logistics sector by means of appropriate equipment and best practice.

While there are many challenges for logistics specialists, certain trends and solutions are taking shape, producing numerous benefits while making a real contribution to reducing the carbon footprint and strain.

SAVOYE

REACH WHAT MATTERS

SAVOYE:
BEST IN CLASS AUTOMATION
FOR YOUR LOGISTICS
AND SUPPLY CHAIN NEEDS