

GreentoGold

Welcome to Green to Gold, a special series of feature articles examining the issues surrounding green transportation practices. Come back to this section over the next few issues to find out how anticipated changes to environmental legislation will impact your operation, read about practices that make sense from both an environmental and economic stand point, and learn from the industry leaders putting such practices in play.

Stuck in **neutral** - and proud of it

Lakeside Logistics has joined the elite group of companies who can claim to have carbon neutral businesses. Find out how they got there and what it means for the carriers doing business with them.

By Adam Ledlow

The term "sustainability" in the transportation industry has almost reached buzz word status because of its liberal use over the last several years. With intense pressure from organizations such as the US Environmental Protection Agency for businesses to literally clean up their acts, sustainability has ceased to be an idealistic way of operating and become the only way to operate. Companies are no longer inclined to simply think favourably on environmentally sound practices, but must act them out in order to survive.

Such was the way Lakeside Logistics, an Oakville, Ont.-based 3PL provider of supply chain and transportation management services, approached the problem of achieving carbon neutral status under its Vision Green umbrella. For the novice, becoming carbon neutral involves balancing one's carbon emissions through limiting energy use, using renewable energy and offsetting remaining emissions through carbon reducing projects like tree planting.

"This is not an initiative because we're environmentalists. This is a business decision," admits Lakeside's managing director, Jeff Moore. "I really did a lot of thinking about whether this was the right thing for us to do. I knew that in my heart of hearts, for my kids and my grandkids and 100 years down the road, obviously this is the right thing to do, but you also have to look at it from a business side."

The creation of Lakeside's in-house greening program in April coincided with the creation of an entirely new position in the company. The director of sustainability would oversee the program's implementation and further ensure that its initiatives would not only be achieved, but continuously built upon. That position was taken up by Jeff's wife, Susan Moore, a former stay-at-home Mom with a 10-year history at Proctor & Gamble.

With Susan now heading the company's "green team," the first step towards carbon neutrality was receiving an environmental audit from Zerofootprint, a Toronto-based company dedicated to helping businesses reduce their environmental impact through a combination of information, products and services. Zerofootprint began by calculating the carbon dioxide the company produced through a variety of means, including paper use, electricity, employee commuting, travel and office heating. In total, Lakeside was producing about 320 tonnes of CO₂ per year - the equivalent of

about 64 cars on the road - a full third of which was coming from employee commuting. But since public transit was not an option for many employees, Lakeside realized other methods to reduce emissions would have to be explored.

After much consultation and establishing further partnerships with other businesses and organizations, Lakeside had come up with several means to reduce its carbon footprint.

To begin with, Lakeside would now purchase green, carbon-free, renewable electricity from Bullfrog Power for its corporate office in Oakville, effectively eliminating the company's electricity carbon footprint. Green electricity comes from clean, renewable sources like wind power and low-impact water power that displace polluting and carbon-intensive sources like coal.

Other changes at Lakeside included investing in hybrid technology for its carrier relations vehicle; instituting an idle free zone at its loading docks to reduce carbon emissions; and re-programming computers with Local Cooling to reduce power usage.

But one of the most drastic changes in the company's carbon footprint was also one of the easiest to implement: eliminating all bottled water on site. Susan says water had literally been coming in by the pallet-full, amounting to 20,000 plastic bottles per year. To help wean Lakeside off those wasteful bottles, each employee received their own Vision Green refillable water bottle. "Many of (Lakeside's employees) are saying that they drink more water now because they carry it with them wherever they go," Susan said, adding that the elimination of bottled water sent a message to both Lakeside employees and its customers that the company was serious about change.

To remove the remaining emissions necessary to attain carbon neutral status, Lakeside turned to carbon offsetting, by using an ISO-certified forest restoration project. By offsetting in this manner, Lakeside ensured that the remaining CO₂ it generated would not only be taken out of the atmosphere, but the environment would also be helped by revitalizing degraded ecosystems, improving biodiversity, and fighting climate change. Susan noted that deforestation is responsible for about 20% of carbon dioxide issues in the atmosphere.

"At the end of the day, you look at your carbon footprint and

you eliminate everything you can. But you have to heat the building, your employees have to drive to work and at this point they don't all have electric vehicles," she said. "You can choose to say, 'We're going to eliminate all we can and not do anything else,' or you can choose to do more. We wanted to do more and at this point the only way to do that is to offset it."

Offsetting tipped the scales for Lakeside, which officially joined the elite group of carbon neutral businesses on Nov. 29. But that milestone was by no means the end of the road for Lakeside. In fact, becoming carbon neutral was just the first step towards a bigger goal – much bigger.

Lakeside's Vision Green program consists of a three-tiered approach to quantifying and reducing impact on the environment: the in-house program already in place, the Carrier program, and the Customer program. The Carrier program will target Lakeside's 3,500 partner carriers across Canada and the US in an effort to help them audit their current carbon footprint.

Sound a bit daunting? Maybe. But consider the results if Lakeside is successful. The cumulative fleet mileage of Lakeside's partner carriers in the 12-month period between June 2006 and May 2007 was 19 million miles, producing 35,484 tonnes of CO₂. The company's initial target is to generate a 10% (3,500-tonne) reduction in these emissions by the end of 2010. This translates to taking 700 cars or 20 Class 8 trucks off the road.

So how does Lakeside expect to reach all 3,500 carriers? By connecting with Smartway, an EPA program designed to increase energy efficiency in the North American transportation system and Fleetsmart, an initiative of Natural Resources Canada. Through these organizations, Lakeside will work to demonstrate and promote tools that help to clearly define fuel efficiency and carbon footprints. Lakeside will also be moving at reasonable pace, starting with 20 carriers and moving down the line.

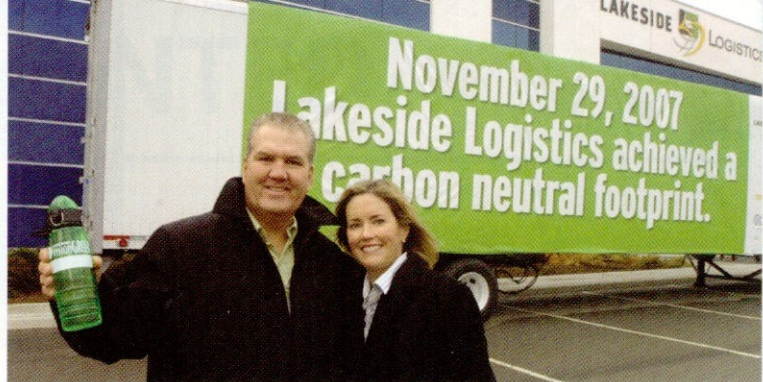
When Lakeside joined Smartway as a logistics provider in September, there were 15 Smartway carriers already in its carrier base. Today there are 30 and the list is growing. Lakeside's goal is to double the miles hauled by Smartway carriers over a three-year period.

"Working with our carriers will enable us to respond to our customers' requirements around sustainable practices," Susan says. "We are not looking for a huge change overnight, but rather a change in the way we do business in the long term. At Lakeside, Vision Green is a continuous journey."

With the third phase of Vision Green, the Customer program, Lakeside will work with customers to measure the carbon footprint of their supply chain. As with phase two, Lakeside has put the resources in place to consult with customers to help them clearly understand their supply chain footprint, and more importantly, how to optimize logistics solutions to make sense economically and environmentally.

"The day is coming when shippers will need to quantify their transportation emissions through either voluntary or mandated programs. Lakeside is providing the leadership now in preparation for regulations and guidelines that need to come into play in the future," said Chris Magill, managing director at Lakeside. "Each step may seem small but we know that each initiative we take, in our own operations and through working with our carriers and customers, combines to make major progress in taming the beast of climate change. The more companies we bring on board the greater our collective impact will be."

And the impact is being felt across the board, from Lakeside's



biggest customers to its own employees. In addition to Lakeside's original audit, Zerofootprint has also been engaging employees in sustainability issues with a customized calculator. The calculator is designed to help the user both understand and minimize their environmental impact over time. The innovative tool combines an ecological footprint calculator, social networking software, and a Web 2.0 environment and enables users to collaborate around environmental goals, share information, and participate in interactive initiatives.

"The Zerofootprint Calculator helps staff see where they stand in the climate crisis and that they can make a difference, especially when they work together," explains Deborah Kaplan, executive director of Zerofootprint. "Lakeside Logistics is an example of how companies can best deal with this issue; they have addressed climate change from the top-down and bottom-up."

For customers and suppliers, Lakeside's Vision Green program has become a desirable value-added service. "You've got to keep raising the bar," says Jeff Moore. "This is one way we're raising the bar: by helping our carriers become more fuel efficient, reduce their impact, help them make more money. I think that the effect is win-win all around."

But Jeff is first to admit that the program was first and foremost a business decision and not a marketing ploy. "You don't want to create something that's kind of smoke and mirrors. You don't want anybody to shoot holes in what you're doing. This was never meant to be a marketing ploy," he says. "If you don't do this thing right, it just takes one customer to call us on something; that we haven't done what we've said we've done, and your credibility's out the window."

Because the whole field is so new, Susan warns against "greenwashing" or misleading customers about your environmental output. "That's something we're not guilty of and never want to be guilty of. We stand behind our numbers 110%, but making sure of that has taken some time."

With the possibility of carbon taxes or caps on trade systems looming in the near future, Susan says the company is quite happy to stay ahead of the game with its Vision Green initiative. The time for questioning the importance of sustainability is over, adds her husband, Jeff. And the time to act is now.

"This isn't going to happen all overnight, but we definitely going to lead this charge in our industry and I hope that others will follow. We're going to be better off in the end," Jeff says. **MT**



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