



Case Study:
Logistics Decarbonisation
May 2024

Helping you plan for, and deliver

Net Zero

Case Study: Net Zero Targets & Action Plan: **Strategy Sprint**



- This case study summarises two pieces of work completed for two companies: (1) Global Logistics Firm UPS and (2) An International Services firm.
- Both firms required significant focus on logistics as this is a key element of their business model, and a large driver of company greenhouse gas emissions



- Go Green Experts is a boutique Net Zero & ESG consultancy, focused on helping companies lower their carbon emissions and create a robust strategy for Net Zero.
- We have a proven track record of delivering high quality outcomes for our clients with a big focus on building long-term trusting relationships.

The Challenge

Two large and complex organisations, the Global Logistics Firm (UPS) and an International Services Firm, approached Go Green Experts (GGE) for assistance in developing comprehensive plans to achieve Net Zero well before 2050. Additionally, they aimed to halve their significant Scope 1 and 2 logistics-related emissions by 2030. Meeting the SBTi Net Zero requirements was essential for both ethical reasons and as a commercial imperative.

Both companies were aware of various decarbonisation options for their vehicle fleets, shipping, and even flight logistics but were uncertain about how to select the most effective solutions and implement them successfully.

The Solution

To tackle these challenges, both companies partnered with GGE and embarked on our unique “Strategy Sprint” solution. This process included interviews with key stakeholders, focused surveys, and a meticulous data analysis to assess the carbon footprint across all operational domains. This was complemented by an in-depth review of the wider market, regulatory environment, and technological advancements relevant to their specific sectors. The final components involved evaluating governance structures, operational capabilities, and conducting a change impact assessment for future business operations.

Leveraging our expertise in data analytics, energy management, fleet, and supply chain optimisation, Go Green Experts conducted a structured commercial analysis. This involved benchmarking client performance against external market standards and identifying additional areas for commercial value in achieving Net Zero.

The Outcome

The engagement culminated in presenting our findings to key senior decision-makers, instilling confidence in each business to commit to ambitious Net Zero targets. A structured plan was approved, outlining an achievable, time-bound trajectory towards Net Zero emissions and a 50% reduction by 2030. This plan provided both clients with a commercially viable framework for integrating Net Zero into their operational DNA, empowering each company to execute a clearly defined programme of work packages.

As a result of this partnership, both organisations are now well-positioned to embrace a future where Net Zero responsibility aligns seamlessly with commercial viability, equipped with a clear action plan to decarbonise their logistics operations.

“Dominic and the team from GGE were extremely professional, knowledgeable and helpful throughout our Net Zero Plan journey. We’d highly recommend working with them.”

**Director of
Sustainability**



**See next page for
specifics on logistics
decarbonisation**

Net Zero Logistics - Strategy focus

Key Strategic Themes: GGE House View

Stagger decarbonisation targets and plans so that vehicle fleets are decarbonised as a priority, enabling a halving emissions for many logistics firms by 2030. In parallel ensure that an understanding of the latest positions on flight and shipping decarbonisation is held within the organisation, so that project rollout to enable deep decarbonisation in these areas can be implemented at the right time to remain within Net Zero target pathways.

Vehicle Fleets



“Electrify Everything”

- HVO/HVMO is a useful vehicle “bridging fuel”, but the longer-term strategic solution is to electrify. Logistics firms may consider treating HVO/HVMO operational delivery as a distraction: move straight to electrification of the vehicle fleet
- GGE house view is that it is not widely appreciated how fast battery technology will develop in the next 5 years – with range increasing and prices tumbling as battery technology continues to improve exponentially
- Already cars are on a Total Cost of Ownership (TCO) price parity with ICE vehicles
- Vans will quickly reach TCO and range parity before 2028
- HGVs will also be electric in future as the main solution – well before 2050.
- “Smart Finance” is required to enable TCO benefits – otherwise upfront EV pricing can stall decision making within the organisation
- Last mile logistics can sometimes – depending on the load – be delivered by E-Cargo bike, especially if the city is supportive of this solution.
- Operational switch to EV fleets requires a charging strategy and action plan. Broadly:
 - Buildings are on an “electrify everything” pathway, in the same way as vehicles are – and that electricity will be close to zero carbon in future. Charging on site can be from zero carbon electricity today, and using dynamic off-peak tariffs will keep the price low
 - If the organisation requires vehicle charging at employee homes, then careful planning is required, with an analysis of every residential property and support for employees to enable the right charging solution for them

Shipping and Flights



“Watching Brief”

Shipping

- Shipping is beginning to shift to new fuels
- Green methanol and green ammonia are seen as promising options for achieving the decarbonisation goals set forth by the IMO
- Action for logistics firms: watching brief on trials at ports on different fuel solutions.
- GGE House view: deep decarbonisation of shipping will be possible from 2042 enabled by the success of current trials and cheap zero carbon electricity to power the creation of low carbon fuels

Flight Logistics

- One of the hardest to decarbonise sectors in the global economy
- Short term focus should be to include variables in logistics optimisation that consider: (1) pricing and incentives that influence customers to choose shipping over flight miles where feasible, with an appreciation that this will only make a difference at the margins without commercial impact (2) Choose aircraft models with lower emissions per KG of freight transported (3) Ensure flights are as close to full capacity as possible, to reduce emissions per KG
- Alternative drop in fuels make a difference at the margin, but are not scalable currently at an economically viable price point, so keep watching brief
- Action for logistics firms: watching brief on trials at airports of different fuel solutions, and in the meantime focus on easier to decarbonise areas, in particular vehicle fleets

Why Go Green Experts?



Focussed on supporting medium & large organisations

From 400 employees up to International PLCs



Bespoke, jargon free, consultancy for the long term

We visit your sites, we learn about your business, and we work in partnership with you



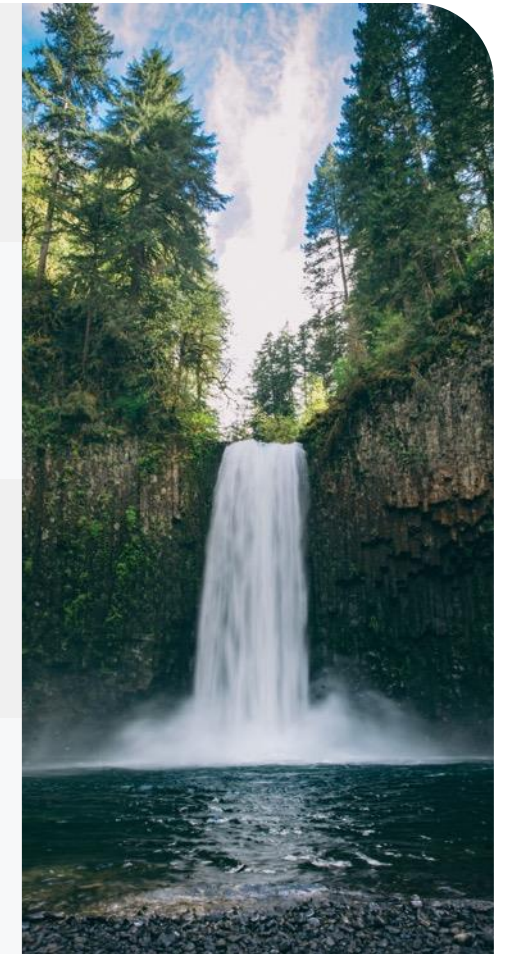
Experts in carbon reduction strategies, and delivery

You will work with senior consultants who all have a wealth of experience



Partner with experts

We have a partnership model that allows us to scale to the work required



Get in touch

For a friendly chat on how we can help your business, please give us a call. Alternatively, schedule a time and we can call you. Our helpful team will be happy to provide a no obligation consultation on how we can best position your business.



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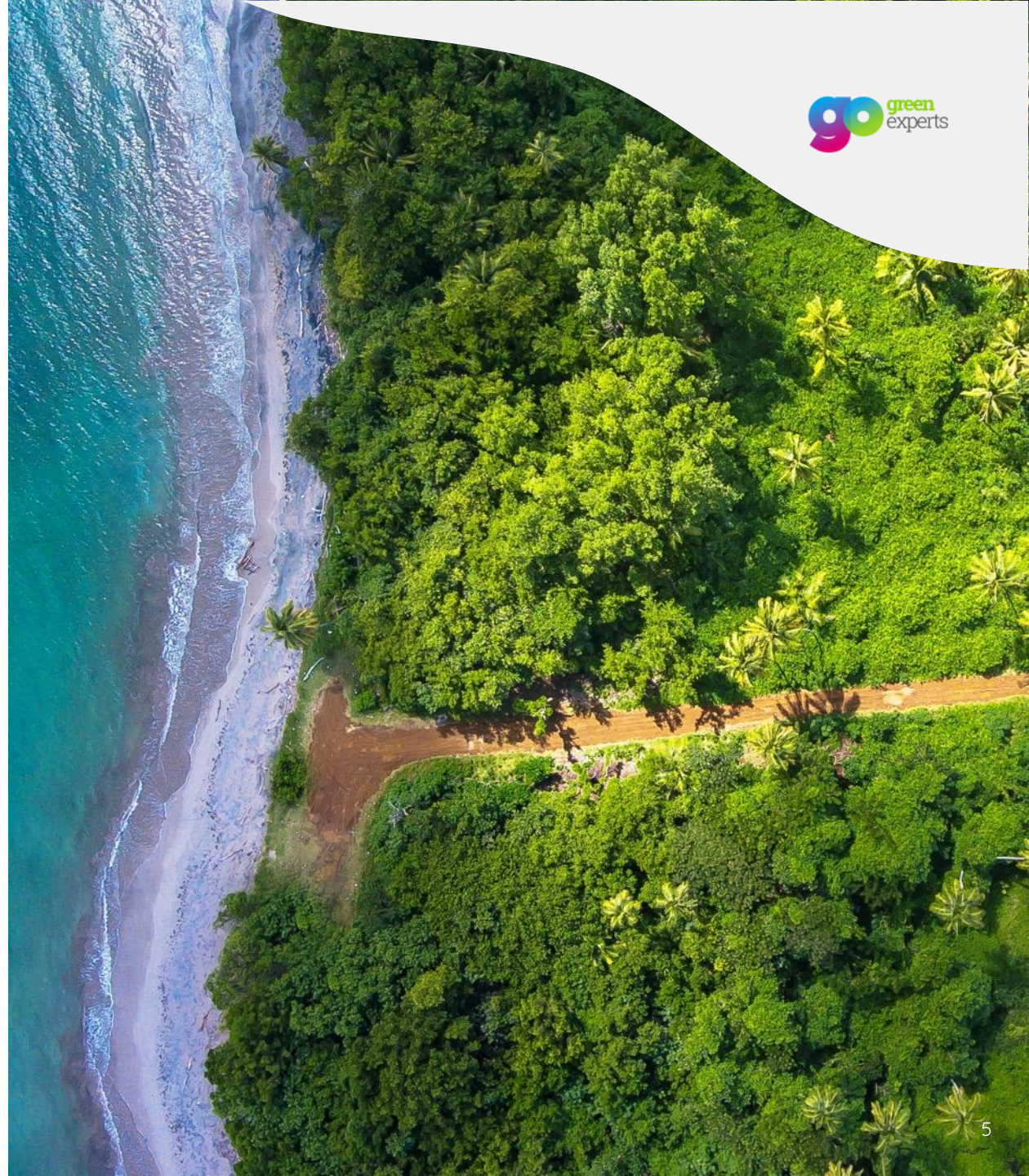
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