



THE GREENER LAST MILE

5 Ways to Boost Your Shipping Sustainability

The Greener Last Mile: 5 Ways to Boost Your Shipping Sustainability

The transportation sector is the largest US contributor to greenhouse gases (GHG), accounting for 29% of US GHG emissions.¹ And a big chunk of those emissions come from eCommerce deliveries. eCommerce has already seen a 20-fold increase in sales between 2000 and 2019, and a continued expansion of \$1 trillion more in sales before 2025 is expected.² As a result, demand for last mile delivery is projected to grow by 78% globally by 2030.³

Pressure is coming from all sides—government, consumers, investors, and employees—for companies to adopt more eco-friendly shipping practices. A full 98% of businesses say acting on ESG-related issues is more important or much more important than it was 12 months ago. Likewise, 66% of consumers say they are more likely to support a company if they provide proof of their socially and environmentally responsible behavior. More than half (58%) of employees also say it's important to work at a company that aligns with personal values.⁴

Recent supply chain challenges have added more fuel to the fire, bringing the supply chain out of the shadows and onto front page news. The additional spotlight on the supply chain has only helped accelerate

Increasing demand for sustainable practices



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66% of consumers say they are more likely to support a company if they provide proof of their socially and environmentally responsible behavior



58% of employees say it's important to work at a company that aligns with personal values, but only **48%** rate their company as being environmentally and socially responsible



¹ "SmartWay," EPA, accessed March 3, 2022.

² Michelle Evans, "Global E-Commerce Market To Expand BY \$1 Trillion By 2025," Forbes, March 25, 2021.

³ "The Future of the Last-Mile Ecosystem," The World Economic Forum, January, 2020.

⁴ "The Purpose Action Gap," Barkley + Jeffries, 2021.

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sustainability initiatives. According to research by MIT, 83% of surveyed executives said that Covid-19 has either accelerated sustainable supply chain activity or, at the very least, increased awareness and brought urgency to the issue.⁵

For shippers worried about the pressure to green up their shipping operations and the associated costs and resources required, there's good news. Greening up your shipping footprint isn't only the right thing to do for the earth—it can be the right thing to do for your business as well.

"It's rare to find an industry where being more sustainable equals lower cost. But transportation-related sustainability is a 1:1 trade-off," says Caleb Nelson, Chief Growth Officer at Sifted. "Being greener can reduce overall cost while also reducing environmental impact."

Here's a look at how to get started and what actions you can take now to improve your shipping operations' sustainability.

Set your sustainable shipping compass to "go"

Sustainability is no longer a "nice to have." It's a must have. Consumers can see through brands' green-washing. They want real solutions—and they want transparency and accountability.

While there are no quick fixes to improving the sustainability of your shipping operations, there is a real opportunity for you to make changes that can have a big impact. And the first step is to simply start. Any direction will do. Some change is better than none.

But if you still need a little guidance, here are the biggest and easiest opportunities we see for shippers that will have a sizable impact on greening your shipping footprint.



⁵ "State of Supply Chain Sustainability," 2021," MIT, 2021.

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Work toward a sustainable shipping certification

The Environmental Protection Agency's (EPA) [SmartWay](#) program is the gold standard for shipping companies seeking to become more sustainable. The program helps shippers measure, benchmark, and improve efficiency. Launched in 2004, this voluntary public-private program gives shippers a comprehensive and well-recognized system for tracking, documenting, and sharing information about fuel use and freight emissions across supply chains.⁶

Shippers that become SmartWay certified can use the SmartWay brand to show customers, investors, and employees their commitment to building a more sustainable last mile supply chain. It's supported by major transportation industry associations, environmental groups, state and local governments, international agencies, and the corporate community.

Investing in a program such as SmartWay has many benefits—from bringing credibility to your sustainability efforts to giving you clear goals and tools to lower your carbon footprint. It also encourages shippers to collaborate with carriers to establish shared efficiency goals.

The major downside is that it can take a long time to get the data and can be quite labor intensive. Often, it's just not ideal for smaller to mid-sized brands.

If you find the EPA SmartWay program too much to tackle for your company or you want to make faster progress, there are still plenty of ways to green up your shipping operations right now with the data you do have.

52% of retailers plan to implement or expand monitoring of transportation metrics, such as fuel consumption, vehicle fill rate, distance per deliver, and carbon emissions per route.⁷



⁶ SmartWay," EPA, accessed March 3, 2022.

⁷ "Sustainability in the Last Mile," Forrester, 2021.

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Maximize local fulfillment

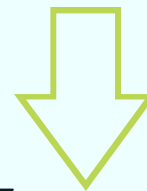
Thanks to pandemic-related consumer behavior changes, last mile delivery has become more sustainable and efficient. Greater parcel drop density, as well as local fulfillment options like ship from store and curbside pickup, could lower last mile emissions between 17% and 26% through 2025, according to Accenture.⁸

In addition to these changes, improving your distribution network so that you're shipping as much product as possible from as close as possible can lower your shipping costs and speed up delivery of packages. This has the added benefit of helping better meet customers' expectations for same-day and next-day shipping.

To determine how much you can reduce your carbon footprint by adding more local fulfillment centers, you can use your historical shipping data. Analyze the average fuel surcharges and average miles per shipment to determine what your carbon footprint is now and spot opportunities where you can optimize your network and reduce it.

17% to 26% decrease estimated by 2025 in last mile emission due to expanding local fulfillment options.

17% - 26% Decrease



Reduce packaging waste

The growth of eCommerce isn't only an emissions problem—it's a waste problem. The more packages sent—the more waste accumulates. The demand for corrugated boxes has increased 9% year over year, and it's estimated that the demand for filled-air packaging products will increase by \$1.16 billion by 2024.^{9,10} To meet this new demand, 3 billion trees are being pulped every year to produce 241 million tons of shipping cartons, cardboard mailers, void-fill wrappers, and other paper-based packaging.¹¹

⁸ "The Sustainable Last Mile," Accenture, 2021.

⁹ "Ship and Shop Early," Fibre Box Association, Nov. 18, 2020.

¹⁰ "Insights & Forecast With Potential Impact of COVID-19 - Air Cushion Packaging Market 2020-2024 | Increase in Demand for Secondary Packaging to Boost Growth | Technavio," Businesswire, June 24, 2020.

¹¹ "Pack for Good," Canopy, accessed March 3, 2022.

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One way to significantly reduce packaging waste is by eliminating excessive packaging. Excessive packaging is one of consumers' biggest pet peeves about online shopping. Almost a fifth of customers say excessive packaging negatively impacts the brand experience.¹²

You can prevent over-packaging by using box sizes that adequately fit the product. Make sure you have a variety of package sizes on hand so you can always pack products in the most appropriate box.

To help estimate what box sizes and what quantity will be needed, you can use software to model box sizes that are the most suitable. Now that the dimensional weight (DIM) is being used to calculate shipping rates, it's also usually cheaper to send out the smallest packaging size possible. Moreover, the Additional Handling – Dimension surcharge kicks in when packages exceed specific height and width parameters. So, keeping box sizes as small as possible will help you to not only eliminate waste but avoid extra shipping surcharges.



Want help calculating your DIM weight?
Check out this handy calculator
[\[Get DIM Weight\]](#)

To reduce waste even further, use biodegradable, or reusable packaging and minimize the use of plastics. Some companies are using biodegraded materials like recycled molded pulp in place of expanded polystyrene foam and plastic or creatively designing their packaging in shapes that allow for more packages to fit in fewer trucks which will lower CO2 emissions.

Harness the power of data and analytics

Data is at the heart of any sustainability effort. But no matter how far along you think you are in your sustainability journey, you're probably not using your data as effectively as you could be. According to Sheri Hinish, Sustainability Lead at IBM, 95% of supply chain leaders say they can't map their data.¹³

¹² "Packaging Your E-Commerce Shipments For Premium Shoppers," Shorr, Feb. 10, 2016.

¹³ "Sustainable, profitable and brand-building? The new normal for supply chain operations," National Retail Federation, February 2022.

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If you fall into the 95% who can't map the data on your own, you need to find a technology that can. With a data and analytics solution like Sifted, you can:



Model optimal package sizes

By modeling optimal package sizes, you can discover the most appropriate package size to eliminate packaging waste and lower shipping costs.



Calculate mileage and fuel usage

Using historical data and shipping zip codes, you can see exactly how far your packages are traveling and what you're paying in fuel surcharges. You can even use this data to benchmark against other shippers to see how your carbon footprint compares to others.



Optimize your network

Use historical data to understand your shipping patterns and footprint to create a distribution network that is optimized to ship products more locally. As an added benefit, the more local you're able to ship, the more affordable and faster it will be to ship.

Take steps toward a sustainable last mile

The shipping industry is at a tipping point. Sustainable change is both necessary and inevitable. Shippers who take a proactive approach will reap the benefits of faster and cheaper shipping and gain a competitive advantage.

Save the earth—and keep your business competitive—by investing in more sustainable shipping practices.

Start your sustainable shipping journey with Sifted.

Let Sifted help you green up your shipping operations with the data you already have.

[Join the Movement](#)

