

Presentation: The Business Advantage of Saving the Planet

Trevor Berry, Regional Facilities Manager, GeoPost UK Ltd.

Trevor put his company's environmental policy into perspective by telling us that it is the second largest parcel and express business in Europe and is wholly owned by La Poste. It delivered 598 million parcels in 2010, employs more than 20,000 workers, in more than 830 depots and hubs, by means of 26,000 vehicles. That gives them the potential to make impressive savings.

In the UK, GeoPost used to be "Parceline" and now comprises two companies, DPD for the main business and Interlink Express a franchise organisation. DPD employs about 4,400 staff in 42 strategically placed depots throughout the UK. The company has a strong Corporate Responsibility programme aimed at looking after its own **people**, reducing the impact on the **planet** and supporting the **communities** in which it operates. Humorously, they refer to this ethos as "**Thinking Outside the Box**", a tongue-in-cheek reference to their core activity of carrying parcels and addressing issues not normally considered to be mainstream activities! As an example of the latter element, Trevor cited the Phoenix School painting project supported by the firm as part of their Business in the Community programme.



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Homing in on the topic for today, Trevor explained the main facets of their environmental Policy: -

1. Reduce the impact of our vehicle fleet on the environment by:
 - Reducing CO2 emissions through a combination of vehicle engineering, design, route optimisation, good maintenance, driver assessment and awareness.
 - Committing to regular fleet replacement.
2. Consider our impact on the environment when starting new activities and projects.
3. Reduce the environmental impact of our current operations by:
 - Managing our energy consumption through efficient use of electricity, gas, water and other resources, and monitor progress
 - Using recyclable and reusable materials wherever possible.
4. Develop targets to enable the continual improvement of the company's environmental performance.
5. Inform everyone working for the company or on our behalf of the requirements of this Policy.
6. Comply with applicable environmental legal and other requirements.
7. Ensure that preventative or corrective action is taken in the event of non-compliance.

8. Review this Policy regularly and amend as and when required.

This policy is driven vigorously from the top level of management to the bottom level of the management organisation.

Trevor added that the energy consumption in DPD, 90% on Transport and 10% in Buildings, justified their investment in the **DriveSmart** campaign. Given the nature of their business, Trevor added, Fuel Performance is a Key Performance Indicator. Through the use of dedicated fuel monitoring software, detailed reports and analysis are generated on weekly, monthly and year-to-date vehicle performances. Two key sources of information about this are: -

1. Transport Monthly Reports (TMR)
2. Transport dashboards.

The Transport Department has the responsibility for producing monthly reports for depot performance for the following key indicators: -

- Road Traffic Accident (RTA) performance
- Fuel Performance reporting (FPR)
- Vehicle repair charges for damage and depot cost repairs (RAM)
- Transport Audit League Table (Showing Transport Audit compliance)
- TMR Headline sheet (Giving key headline messages in one page snapshot)

The FPR provides the DPD network with a monthly update of fuel performance in each of the depots. Each vehicle has a unique key to obtain fuel and this is used to collect usage figures across the company. Spare keys are also available for emergency use in each depot.

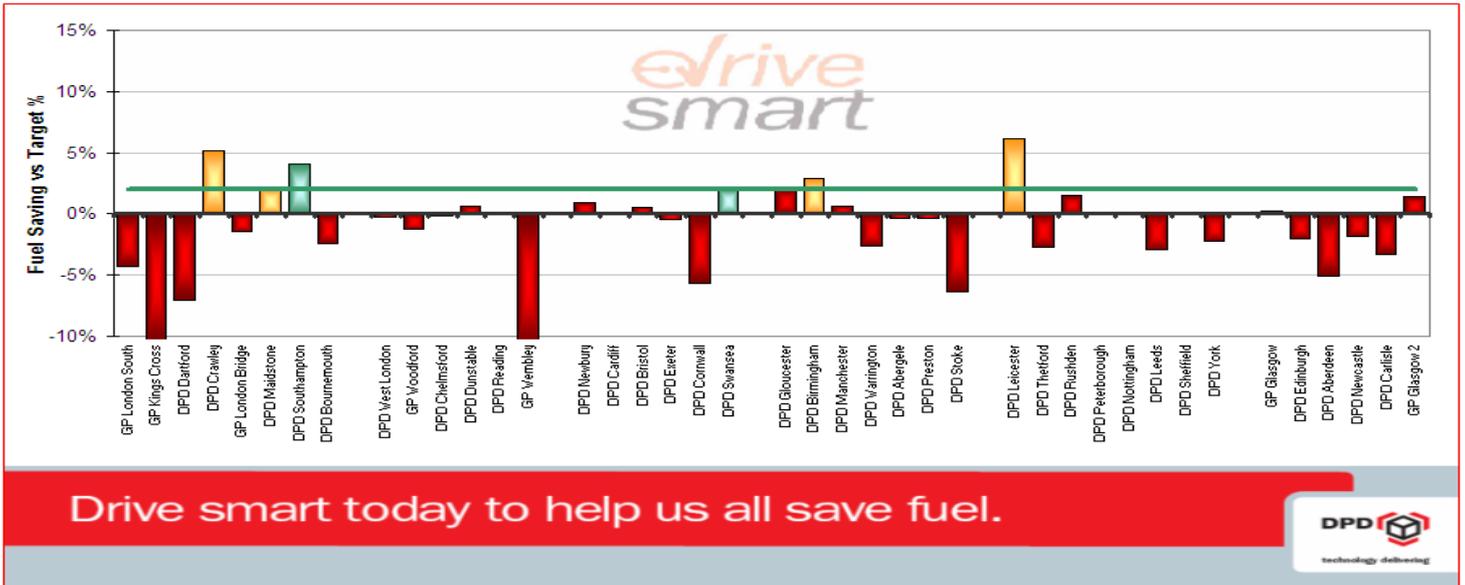
GeoPost UK Ltd - Transport Department - Monthly Fuel Performance Report

September 2010 - DPD Network Report

Fuel figures up to and including 2nd October 2010

DPD Network - Drive Smart Fuel Saving Target Graph 2010 YTD

Graph shows Fuel Saving performance (2% target) against figures from the previous year (Details of error vehicles that are not included can be found in the depot report)



Drive smart today to help us all save fuel.



Key to Graph: — = Improvement target ■ = Target not achieved ■ = Target achieved but with invalid fuel figures ■ = Target achieved with valid fuel figures

The graph shows the MPG (miles per gallon) performance compared to previous year.

Each depot is targeted on improving their own mpg figure, from the same time period from the previous year. 0% relates to the average mpg achieved last year with a positive % showing an improvement and a negative a decrease in performance. The target for 2010 was a 2% improvement.

Tables are also produced, which show the average mpg for the previous month by vehicle & model type. Tables are split into National, Regional and Depot performance, with a comparison to last month's achieved figures given. The depot to be viewed for the entire report is also selected from here.

The quality of the reported data is also monitored for depots achieving this target by colour coding the chart as to whether their figures are valid or not. A bar graph shows whether the depot selected has achieved valid fuel figures for the previous month and YTD. Valid fuel figures are achieved if:

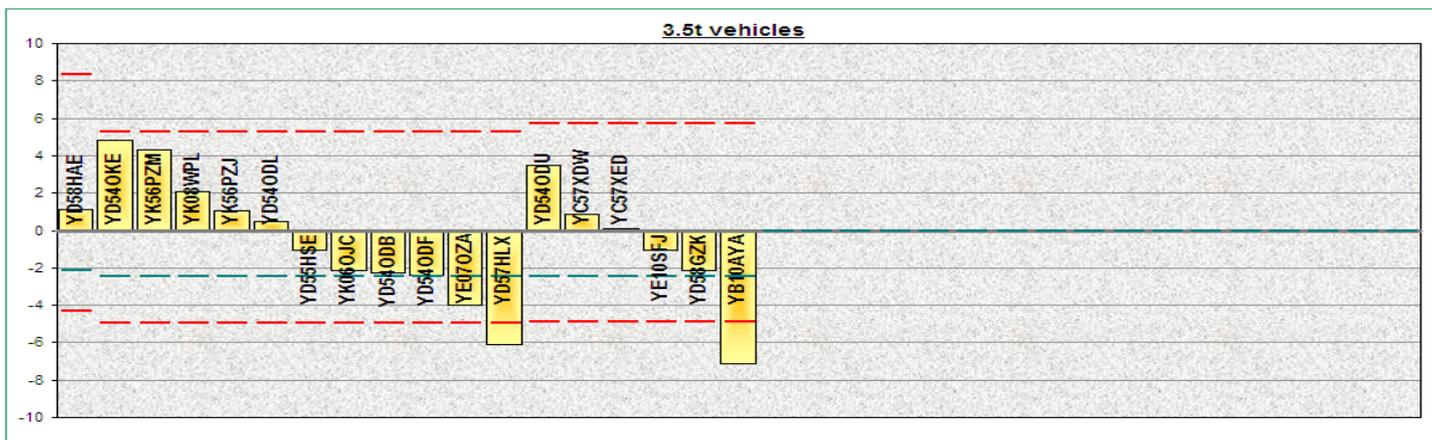
- 1) every fleet vehicle has mpg recorded
- 2) these mpg's are within 20% more or less of the target figure for the vehicle
- 3) the target for valid fuel figures is set at 95% monthly and Year-to-Date (YTD)

The depot's performance for the previous month is also summarised here. A green box shows that the depot's mpg has improved with **valid** fuel figures being achieved. A yellow box shows that the depots mpg has improved but with **invalid** fuel figures. A red box shows that no improvement in mpg has been achieved. Spare key usage is also given and the target for this is less than 5% monthly and YTD. Within a depot, in

Graphs show mpg by individual vehicles for September 2010 compared to the target figures detailed below

Graphs show performance for each vehicle against the target MPG figure for that vehicle type at its specific depot. The Zero figure on the X axis represents the target MPG figure for the vehicle type at its specific depot. These targets are shown below:

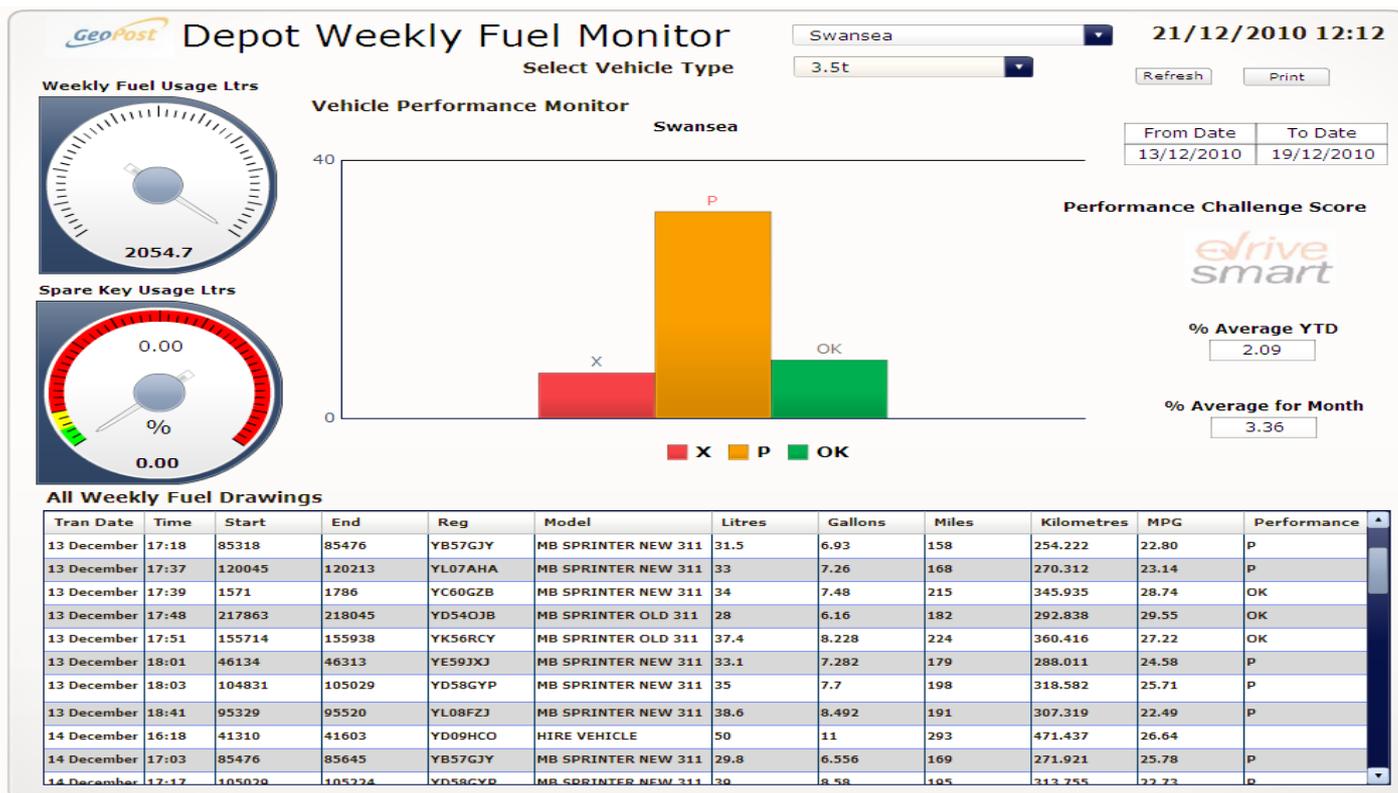
| | | | | | |
|---------------------------|-----------------|-----------------|------------------|-------------|---|
| DPD Dunstable depot Drive | 308 = 22.08 | 311 New = 24.80 | DAF 7.5t = 15.54 | 18t = 12.20 | — = Limits for valid figures — = Performance Limit |
| Smart Target MPG's | 311 Old = 25.25 | Vito = 28.56 | MAN 7.5t = 14.28 | | |



the case above Dunstable, an analysis of fuel consumption is produced for all vehicles to show performance **+ 20%** of the target figure for a specific make and size. Any figure outside these limits is deemed to be invalid. There is also a smaller limit, below the target line and any vehicle under this, but inside the negative validation limit, is considered to be poorly performing and submitted for investigation.

A final table lists all vehicle mileages, fuel drawn and average mpg, against the previous month's results. Target mpg figures each 3.5t, 7.5t and 18t vehicle type are also listed at the top of the analysis. Any vehicle considered to be poorly performing is marked with a **blue 'P'** and investigated. The result of the investigation is recorded in a box on the report. Any vehicle with invalid figures are marked with a **red 'X'** and reported on.

An important element of the DriveSmart campaign is that a close control is kept of any variance in performance. It is important, therefore, that any poor performance is identified early and corrected, if possible, before the publication of the monthly TMRs. This is done by means of another bulletin called the **Transport Dashboard**, which is produced weekly. This dashboard is live-linked to GeoPost UK's fuel system, so the updates occur automatically. At the top of each dashboard there is a Depot and Vehicle Type selector box for fast access to specific results. The dashboard also displays weekly fuel usage and % spare key usage for the selected depot, alongside bar charts for poor performers, invalid figures and above target performers. Figures are also produced for the previous month and YTD.



An important facet of this system is that it is as much for drivers, as for managers, Trevor added.

All these analyses form an important first stage of GeoPost UK's strategy to improve and monitor fuel usage. The overall strategy is: -

- Reduce carbon emissions from fossil fuels by 9% by 2012. - Actual reduction of 2% in 2010
- Reduce wasted miles via route optimisation
- Carry out Driver Training to promote smoother driving
- Improve driver safety.

As an example of some engineering improvements, Trevor went on to describe their investment in the industry's largest fleet of "double-decker" linehaul vehicles. From the outside these are like normal articulated trailers but inside they are like a lightweight version of a car transporter. This gives a greater fill rate and effectively takes a vehicle

off the road. In addition, 300 vehicles have been replaced with more energy efficient vehicles.

Trevor continued by turning to the reduction of energy use in buildings and the **Power Points** campaign. They were very proud, he said, of their recent achievement of Carbon Trust Status and were hoping to achieve BS 16001 next year! The main thrust of this campaign was to use Energy management in all buildings, with the introduction of Automatic Meter Readings (AMRs) in all depots. At the DPD Hub they were also introducing Powersave software on the parcel sorting equipment and movement responsive lighting. At all new sites and major refurbishment projects they were investing 'smart lighting' that switched off lights in unoccupied areas and energy management systems.

As with the DriveSmart initiative, the basis for Power Points is the system of **Energy Management Reports**, the aim being to reduce energy use by 3% by 2012. These use controls set to monitor usage on a ½ hourly basis to produce very detailed and comprehensive Weekly and Monthly reports for all depots and hubs. Initial reports, Trevor said, were quite informative and he quoted one recent comparison of Preston and Warrington depots' results that showed the latter's lighting had been set for longer periods, leading to excess usage. He also quoted experiences at the Leeds depot, where the installation of a Dextra Lighting System saved £27,000 in six months. (Interestingly, BHSEA members had a presentation form Dextra in December 2009). He added that, at their Nottingham depot, alarms were set to activate lights for security cameras and resulted in a 35% reduction in power over the weekends, making an annual saving of £1,800!

Trevor then went on to address the conventional issues of waste reduction and the **3Rs**



- *Reduce*
- *Reuse*
- *Re-cycle*

The strategy is: -

- Reduce waste at every location
- Segregate waste at every location
- Use degradable express bags – 14 million purchased each year – An industry 'first'
- Recycle Cardboard, paper and wood
- Use Compactors at all hub locations

The statistics are enormously impressive, Trevor said.

- **Pallet Collection** Surplus pallets – Scrap pallets and waste wood are collected daily from both Hubs.
Network also send in pallets for recycling.
Revenue of **£144k** - 2010
- **Office paper** 25 tons recycled -2010

- **Cardboard** 250 tons per annum recycled – compacted and FOC collection daily. Majority of cardboard collected FOC- savings on transport cost.
 - **Shrink-wrap** 75 tons recycled 2010 – FOC collection daily
 - **Aluminium Cans**
35 kgs recycled 2010 – foc collection
 - **Vending Cups**
25kgs recycled 2010 – foc collection
 - **Hub cages**
Cage repair within the Hubs - cages beyond repair are sent for recycling-revenue for 2010- **£1901**
 - **Shoe Recycling**
Shoe banks situated at each site to collect boots/shoes 125kgs -2010 (sent to developing countries by ERC)
 - **Battery Collection**
New initiative last Qtr 2010-Small battery collection points at each Hub
 - **Compactors** Oldbury and Smethwick Hubs have Compactors for collecting waste
4 General Waste
2 Cardboard
- Total Waste collected 2010 = 725.185 tons**

Recycled Waste (not Landfill), 48% = 350.185 tons

Savings on Transport cost @ £81 collection = £4,725

Saving in Disposal cost @ £74.80 ton = £26,180

Total Savings on waste collection = £30,905

Other innovations have been: -

- Increased ‘first time’ delivery success rates through use of PREDICT technology, giving 1 hour delivery time slots!
- Re-usable tote box – saves 2 million cardboard boxes a year and allows swap product, saving on journey.
- Concrete and brickwork from demolished buildings used in foundations of the new superhub.
- All furniture made from **40%** reclaimed materials
- Rainwater collected on site is used to wash vehicles.



New DPD Hub Extension

Trevor concluded that GeoPost UK was well on the way to being sustainable. The initiative was being driven from the top by a very proactive CEO and UK were leading the way in Europe with presentations at the Paris HQ of the French parent company because we make the theory actually work!

In summary, he said, “There is a Business Advantage in Saving the Planet”

Members' Questions

Dave Lilley, of National Grid Metering, asked if the GeoPost fleet used all diesel vehicles or whether there were hybrid-engined versions as well. Trevor replied that they were all diesels, at the moment, although some hybrids were being planned for London. He added that there were electric vehicles in the company’s Paris depots, where they were more suited to the journey profile than somewhere like Carlisle that was more rural. He said that the preferred make for these hybrid versions was Mercedes.

Dave Lilley went on to ask another question about whether the carbon footprint mileages were captured by in-house software or a bespoke program. Trevor replied that it was bespoke.

Trevor’s colleague, **BHSEA Council Member, Malcolm Copson**, added another element to the carbon footprint discussion by saying that the Linehaul (long distance) drivers were drawn mainly from the 50 – 60 years old age group. Their driving technique has a marked influence for good/bad on fuel consumption and so external trainers were used to achieve the desired reductions in consumption. Within the DPD Group, he added, the UK drivers were considered to be the best and were held up as an example of best practice.

Vice-Chairman Dally Masaun, Sandwell and West Birmingham Hospitals, asked how GeoPost obtained acceptance of the new principles at the lower levels in the company. Trevor said that the automatic monitoring was on the vehicles and that education was needed to get co-operation through understanding.

Malcom Copson added that the system provided comprehensive data on the performance of vehicle weights/types and depot overall results. These were used to create inter-depot league tables to promote peer pressure and competitions with prizes. Trevor went on to say that Managers were also trained by the external driver/trainers so that they developed better driving habits in their company cars and even took the practice home! This wider 'social' use of better practice also applied, he added, to use of electricity at home!



Malcolm Copson, GeoPost
Health and Safety Manager

Martin Thompson, of ICDM Ltd., enquired if GeoPost used consultants for their training. Trevor replied that they used in-house "On the Job Trainers" (OJTs). In reply to Martin's supplementary question about the source of the training for OJTs, Malcolm said that it was obtained via RoSPA. He added that it had produced a noticeable reduction in accidents and corresponding major cost savings. Martin followed up with another question about savings on the administration costs in the offices. Trevor explained that the depots operated more intensively during the night and that is when most of the economy measures were applied. During the day the major part of the buildings were closed down and the offices had minimal footprint. Martin's final question was about the use of Photovoltaic cells on the roofs and Trevor said that the possibility was being considered.

As there were no more questions, the Vice-Chairman closed the meeting, thanked the speaker(s) for a very useful and challenging presentation, which the audience supported in the usual manner.