



LQ's Third-Party Sustainability Study and Awards Program 2011



Applications due:
March 11, 2011 (Extended Deadline: March 21)



We are pleased to support the inaugural LQ 3PL Sustainability Study. For C.H. Robinson Worldwide, sustainability is not a single initiative, but an overall approach to business that continually adds value, improves efficiencies, and invests in the long-term success of our customers, contract carriers, growers, employees and communities. As a leader in our industry, we believe it's important to help drive innovations that reduce the freight logistics industry's impact on the environment. We salute LQ for its commitment to highlighting the significant contributions our industry is making, and we are proud to help underwrite such an important effort.

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You're Invited to Participate in *LQ's* 3PL Study and Sustainability Award Program to Showcase Your Collaboration with a Leading Client

What Makes *LQ's* Program Unique?

- *LQ* focuses on U.S. and Canadian firms (*LQ's* traditional focus for more than 16 years in its editorial and symposiums).
- *LQ's* inclusion and impartial evaluation of business innovation and sustainability.
- *LQ* considers your firm's entire organization and measures in addition to its financial performance.
- *LQ's* program is designed to recognize that some of the best sustainability practices are achieved through collaboration between 3PLs and their key customers.

Why Participate?

- *LQ's* Sustainability Study and Awards Program is designed to develop more awareness of sustainability practices to assist firms in improving their business processes and environmental credentials.
- *LQ's* Sustainability Study and Awards Program includes a survey of *LQ's* Top North American 3PLs jointly with their innovative clients.
- Building on the North American 3PL responses, *LQ's* Awards Committee will identify *LQ's* 3PL Sustainability Award winners for 2011 as well as honorable mentions.



The Value of the Evaluation Process

LQ's Sustainability Study and Awards Program enables your firm to enhance its sustainability awareness and hone the steps it plans to take to achieve its objectives. LQ's impartial team of evaluators, David Closs, PhD, Michigan State and Thomas Goldsby, PhD, University of Kentucky, will share insights on the winners and the overall landscape of sustainability based on the information LQ garners in this process.

LQ's editorial team is also available to interview executives and applicants to assist you with your application. We believe this process is valuable, no matter whether your firm wins or not.

After LQ's independent evaluation process is completed, **LQ will honor leading 3PLs and their partner client** — who have enhanced their sustainability — by celebrating their achievements in *LQ Magazine* and through LQ's Sustainability Symposiums.

In summary, LQ's Sustainability Study and Awards Program will:

- Encourage and recognize sustainability excellence;
- Support innovation in sustainability;
- Generate case studies highlighting sustainability effectiveness;
- Enhance industry research regarding 3PL sustainability practices; and
- Celebrate American and Canadian business supply chain excellence.

Finalists can look forward to:

- An invitation to present at LQ's Sustainability in the Supply Chain Symposium recognizing their partnership's sustainability initiatives;
- An invitation to publish a white paper on their achievement in *LQ Magazine* (subject to LQ's traditional editorial review process to ensure quality);
- An invitation to participate in an LQ Executive Insight Video Series;
- Honorable mentions will go to those companies that are nominated and/or apply, which meet the required criteria for sustainable supply chain practices set out by LQ's Sustainability Committee. **All evaluations must be submitted by March 11th, 2011. (Extended Deadline to March 21)**



Introducing LQ's Sustainability Study and Awards Program

LQ's Sustainability Study and Awards Program investigates the sustainability dimensions of your firm's strategic vision including long-term environmental, social and economic value for all stakeholders along with business innovation.

Defining Market Leaders: LQ's Sustainability Awards Criteria

Why are leading firms looking at sustainability in their supply chain practices? They know these practices, much like quality assurance, contribute to the desirability of a firm's brand, ensure business continuity, and enhance operations.

This means they need to focus on their business partners' practices as well, such as relationships with their suppliers and providers whose expertise is in supply chain management. For non-asset-based 3PLs, this may refer to their customers, as well as the providers of transportation services they employ.

The automotive sector is a good example as its global supply chain touches virtually every other industry sector from steel to plastics and electronics. Today's automotive sector knows that it is essential to consider the automotive supply chain's social, talent, financial, and environmental conditions in light of public scrutiny worldwide from many stakeholders.

In summary, supply chain sustainability practices can contribute to brand desirability, deliver operational benefits, may raise profitability, contribute to succession planning and other business continuity programs, plus mitigate risks.

The first step toward supply chain sustainability begins with evaluating the business case for action and understanding the external landscape. This helps to illustrate to firms the top supply chain priorities, risks and opportunities and develop the internal support to move forward.

LQ's Sustainability Study and Awards Program focuses on two dimensions. The *first* considers *your firm's strategic vision regarding corporate sustainability, economic, environmental, and societal performance*. The *second* considers scaled questions, designed to rank the key success factors underlying *collaboration and governance between the client your firm has chosen for this process and your firm, to enable best practices in sustainability*. LQ's Sustainability Study and Awards Program is also designed to give credit to the logisticians and shippers that work closely with 3PLs to demonstrate leadership in sustainable supply chain practices. As a study, LQ's program also plans to present aggregate data about the state of 3PL sustainability practices.



Application Package



1. Your Organization

Company Name: _____

Mailing Address: _____

Web address: _____

2. Company Size and Nature of Operations

Number of Employees: _____

3. Your Selected Client: _____

4. Description of Business:

5. Official Contact

Name: _____

Title: _____

Mailing Address: _____

Email: _____

Telephone: _____

5. Release of Information and Signature

(1) I have reviewed the information provided by my organization in this award application package.

(2) To the best of my knowledge all information is correct and there are no untrue statements of material facts.

Signature

Date



Logistics Quarterly Sustainability Awards 2011



Application Package

Please limit your answers to 400 words maximum to these open-ended questions.

Completing the Application Package

LQ's Sustainability Study and Awards Program evaluates 3PLs based on four criteria: 1) Your firm's *strategic vision regarding corporate sustainability* performance; 2) *Economic performance*; 3) *Environmental performance*; and 4) *Societal performance*. Also, LQ has a section of its application dedicated to documenting the dynamics between your firm and its partner firm(s) *in recognition of the fact that leading sustainability practices are often cooperative efforts between logisticians and 3PLs*. For non-asset-based 3PLs this may also include work with clients on items such as the assignment of carriers, for example. *If you require additional space to answer LQ's questions, please limit your answers to 400 words maximum to the open-ended questions.*

YOUR FIRM'S STRATEGIC VISION FOR SUSTAINABILITY:

ECONOMIC/FINANCIAL PERFORMANCE:

Several broad criteria are used in this section to evaluate a 3PL's sustainability leadership strategy as studies have shown that market leaders tend to evolve through several principal stages of value creation when developing in the context of emerging megatrends, from the dot.com boom to sustainability. These stages of *sustainability value creation* include: 1) Reduce costs, risks and waste and find opportunities for revenue growth; 2) Redesign services and processes to reduce waste; and 3) Develop new practices to differentiate a firm's value proposition.

1. Financial Performance: Please state how your firm has reduced costs, risks, and waste to save money and improve performance in measureable and quantifiable terms. ***How has your firm worked to "do old things in new ways," with a client chosen for this application*** (for example, in the assignment of carriers and use of technology — pollution prevention programs, regulatory compliance to show pollution prevention pays).



Logistics Quarterly Sustainability Awards 2011



Application Package

Please limit your answers to 400 words maximum to these open-ended questions.

ENVIRONMENTAL SUSTAINABILITY PRACTICES

This section focuses on your *firm's initiatives and its client's practices* relating to material usage, energy, water, biodiversity, by-products and waste. It addresses the broad question of: **how does your firm, and the client it has selected for this application**, work to reduce the supply chain's impact on the environment?

Material Usage: This directly affects the overall cost of operations and is an indicator of overall material efficiency. Indicate the type(s) and extent to which your firm and your client selected for this program use remanufactured packaging goods and recycled materials. For a non-asset-based 3PL, for example, **how has your work with a client, which you've selected for LQ's Sustainability Study and Awards Program**, yielded measureable results? Has the application technology and visibility in the supply chain to develop new methods of distribution, for example?

Energy: The quantity and type of energy (for manufacturing and transportation) used by a firm is another indicator of environmental sustainability. For example, an asset-based 3PL has reported it plans to reduce its fuel consumption by 20 percent in the coming years. Others have documented quantities of carbon avoidance and cost savings through sustainable practices.

Describe the type of energy/fuel your firm uses and the strategies and savings it has applied to save energy **when working with a specific client for this document**.

** Please note: Non-asset based 3PLs may refer to initiatives, which can include information technology applications, technology change or integration, information sharing, and business intelligence, that they have conducted with a client to help the client reduce their environmental impact. For example, this may include a reduction in mileage (carbon footprint reduction), or the application of new energy saving technologies.*



Application Package

Please limit your answers to 400 words maximum to these open-ended questions.

ENVIRONMENTAL SUSTAINABILITY PRACTICES (Cont...)

Technology: For example the use of bio fuels, alternative energy vehicles, as well as other new technologies in transportation and IT: ***How has your firm applied best practices in this area to achieve results with a specific client?*** For example, some 3PLs have applied software programs to optimize their fleet’s transportation schedules and routes and applied solar-energy systems distribution hubs.

By-products and Waste: This refers to gaseous (greenhouse gases, ozone depleting substances, etc.), liquid and solid output discarded by the supply chain. ***What are the results your firm has achieved in this area with a specific client?***

Compliance: This aspect is concerned with the extent to which the firm complies with relevant environmental regulations. ***What initiatives has your firm put in place to help your client comply with government regulations focused on protecting the environment?***

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Logistics Quarterly Sustainability Awards 2011

Application Package



Please limit your answers to 400 words maximum to these open-ended questions.

SOCIETAL SUSTAINABILITY PRACTICES

This section evaluates corporate performance on human rights, product responsibility and social responsibility.

Mentorship Practices: Describe the scope and diversity of the workforce, emphasizing aspects of gender and age distribution at your firm, and in regard to work with your selected client (e.g., mentorship of women in supply chain management).

Society: Some 3PLs issue reports that indicate they have a corporate culture that gives back to the community in the ways that communities require the most: time, money and skills. For example, how do volunteers from your firm donate to non-profit organizations that require one or more of the following: time, money and/or skills. Describe how your firm gives back to the community with respect to time, money and volunteer work.



LQ SUSTAINABILITY COLLABORATION AND PARTNERSHIP APPRAISAL

In order to develop leading-edge sustainability practices, 3PLs must collaborate with key partners. ***This questionnaire is designed to document the value to the 3PL and one client firm that is exemplary*** in terms of a collaborative sustainability initiative with your firm. *In this case, input from your client would add to the value of this section.*

Please indicate your answers below. ‘5’ is a highly favorable rating and a ‘1’ is a highly unfavorable rating.

A. Value and alignment between the 3PL and your select client firm

- | | | | | | | |
|---|--|----------|----------|----------|----------|----------|
| 1 | There is clarity on what the relationship will achieve in terms of sustainability efforts. | 1 | 2 | 3 | 4 | 5 |
| 2 | There are joint metrics of success to measure achievements. | 1 | 2 | 3 | 4 | 5 |
| 3 | There are shared incentives to perform innovative sustainability practices. | 1 | 2 | 3 | 4 | 5 |
| 4 | Strong working relationships regarding sustainability issues exist on all levels in both organizations. | 1 | 2 | 3 | 4 | 5 |

B. Frequency of meetings on sustainability practices

- | | | | | | | |
|---|--|----------|----------|----------|----------|----------|
| 1 | There are strategic C-level meetings regarding sustainability between the client and the 3PL. | 1 | 2 | 3 | 4 | 5 |
| 2 | There are annual planning sessions regarding sustainability between the client and the 3PL. | 1 | 2 | 3 | 4 | 5 |
| 3 | There are monthly key performance indicator (KPI) reviews regarding sustainability performance. | 1 | 2 | 3 | 4 | 5 |
| 4 | There is weekly and daily coordination regarding sustainability. | 1 | 2 | 3 | 4 | 5 |



C. Information systems

- | | | | | | | |
|---|--|----------|----------|----------|----------|----------|
| 1 | There is clarity of systems regarding sustainability between logistician and the 3PL. | 1 | 2 | 3 | 4 | 5 |
| 2 | There is sufficient integration to get the job done. | 1 | 2 | 3 | 4 | 5 |
| 3 | There are visibility, metrics and events regarding sustainability practices. | 1 | 2 | 3 | 4 | 5 |
| 4 | Sufficient training of users exists in order to apply sustainability practices. | 1 | 2 | 3 | 4 | 5 |

D. Business risk

- | | | | | | | |
|---|---|----------|----------|----------|----------|----------|
| 1 | There are business continuity plans in place. | 1 | 2 | 3 | 4 | 5 |
| 2 | There is prompt resolution of costing issues regarding sustainability initiatives. | 1 | 2 | 3 | 4 | 5 |
| 3 | There is a clear recognition regarding thresholds in sustainability applications. | 1 | 2 | 3 | 4 | 5 |
| 4 | There is proactive communication of known sustainability changes. | 1 | 2 | 3 | 4 | 5 |

E. Sustainability innovation

- | | | | | | | |
|---|--|----------|----------|----------|----------|----------|
| 1 | There is an alignment with joint strategies between the client and the 3PL. | 1 | 2 | 3 | 4 | 5 |
| 2 | Joint project teams are in place and work together. | 1 | 2 | 3 | 4 | 5 |
| 3 | There are incentives for all contributors. | 1 | 2 | 3 | 4 | 5 |
| 4 | There are 3PL off-site symposiums/summits to share lessons learned. | 1 | 2 | 3 | 4 | 5 |



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Please limit your answers to 400 words maximum to these open-ended questions.

Conclusion: An executive summary of your firm’s collaborative sustainability efforts in four key areas with a selected client: 1) Financial; 2) Environmental; 3) Societal; and 4) Client Collaboration and Appraisal (*comments from your firm’s client is encouraged for this section*).

Financial

Environmental

Societal

Client Collaboration in Sustainability
