



Sustainable Green Corridors Via Efficiency & Collaboration

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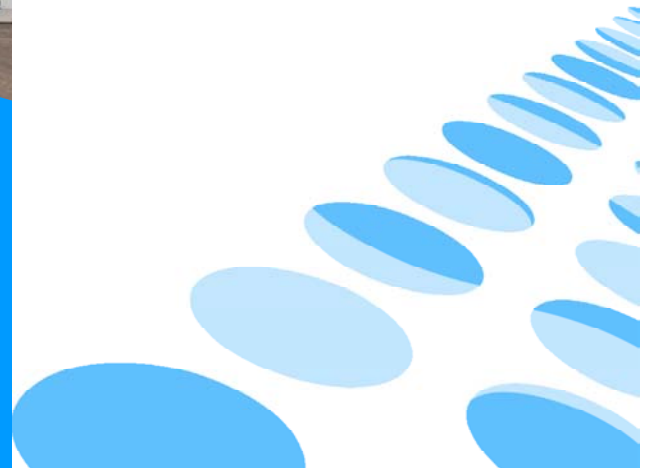
EIRAC, TASK Force Chairman

Three billion times a day, P&G brands touch the lives of people around the world.



P&G Logistics Operations in Western Europe

- + 50 distribution centers
- + 200 million vkm per year
- + 70 million liters diesel per year
- + 90% by road in 2007



Sustainability Embedded in Our Purpose and Values

P&G Principle:
We incorporate sustainability into our products, packaging and operations.



P&G Brands and P&G People are the foundation for P&G's success. We bring the values to life by improving the lives of the people we serve. **NOW AND FOR GENERATIONS.**

ers,
OCCUPY



2012 Strategies

2009 REVISED GOALS

PREVIOUS GOAL

REVISED GOAL

Strategy 1

Products



Cumulative sales of sustainable innovation products

\$20 billion

\$50 billion

Strategy 2

Operations



Reduction (per unit production)

10%

20%

Strategy 3

Social Responsibility



Number of children reached

250 million

300 million




Liters of clean water delivered

2 billion

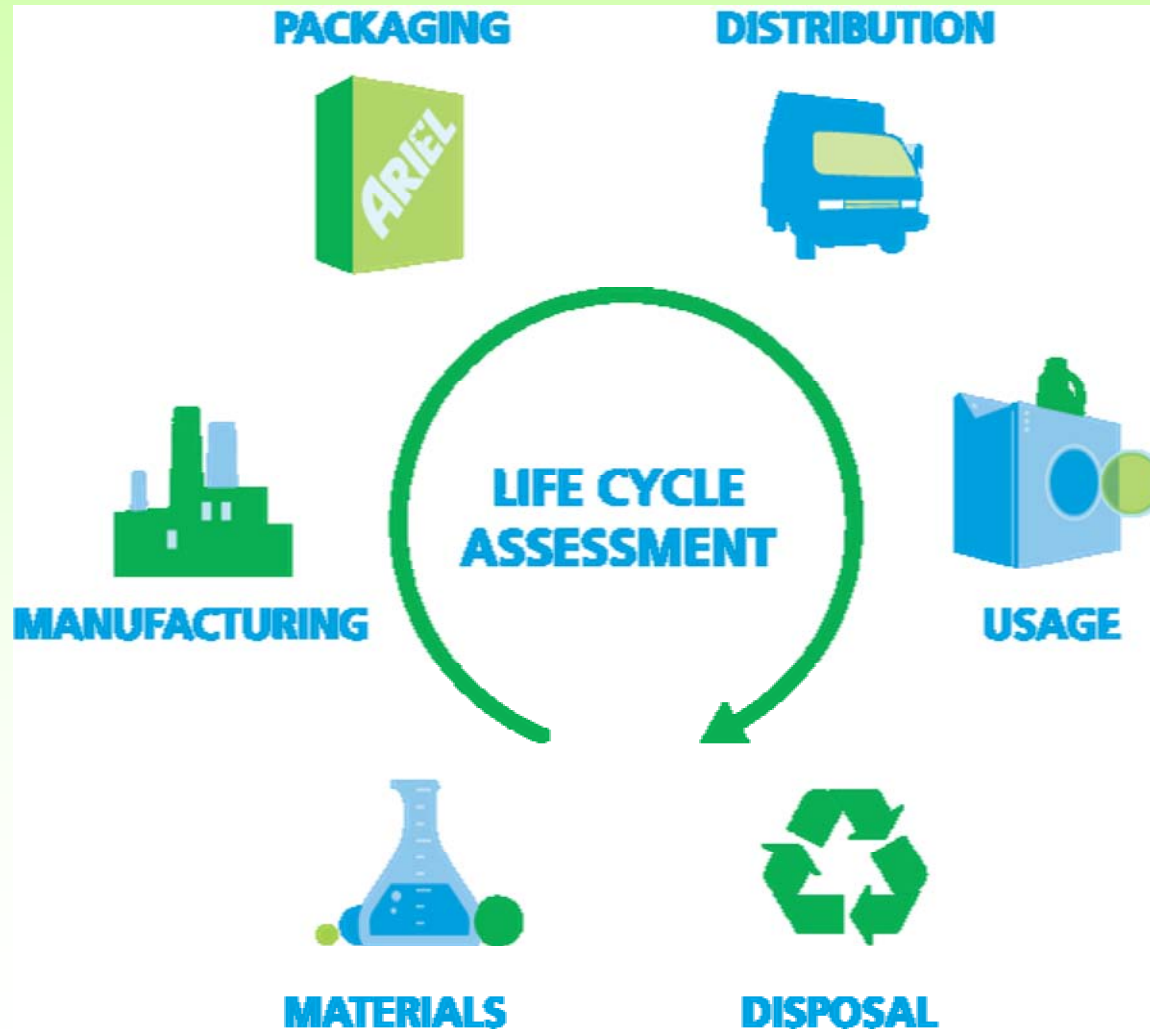
3 billion

2012 Strategies

June 2009 Report Card

Strategy	2012 Goal	Progress															
 <p>Products</p>	\$20 Billion	\$13.1 Billion															
 <p>Operations</p>	10% reduction (per unit production) in: <ul style="list-style-type: none"> - Energy consumption - CO₂ emissions - Disposed solid waste - Water consumption Total reductions over the decade of at least 40%	<table border="1"> <thead> <tr> <th>SINCE</th> <th>2007</th> <th>2002</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>-11%</td> <td>-48%</td> </tr> <tr> <td>CO₂ emissions</td> <td>-10%</td> <td>-52%</td> </tr> <tr> <td>Solid waste</td> <td>-30%</td> <td>-53%</td> </tr> <tr> <td>Water</td> <td>-13%</td> <td>-53%</td> </tr> </tbody> </table>	SINCE	2007	2002	Energy	-11%	-48%	CO ₂ emissions	-10%	-52%	Solid waste	-30%	-53%	Water	-13%	-53%
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 <p>Social Responsibility</p>	Live, Learn and Thrive 250MM Children	135 MM Children															
	Prevent 80 million days of disease and save 10,000 lives by delivering 2 billion liters of clean water in our Children's Safe Drinking Water program	39 MM Days >5200 Lives 930 MM Liters															

Sustainable innovation is about considering the full life cycle



Sustainable Network Design & Transport = Cutting “consumer invisible costs”

Logistics burden = **Volume shipped** X **KM travelled** X **“Cost”** of 1 Km

COMPACTION



SHORTER
SUPPLY CHAIN



EFFICIENCY



Product Compaction in Europe



1990s



Early
2000s



2008

Less volume shipped. Same value.

Network Design: Co-locating Customization

At P&G's Customization Center in Euskirchen, Germany, more than 1MM truck km's/year saved through centralised operation



=> Less kms traveled

Efficiency = Less km's by "smarter" vehicles

Double Deck



Combi trailer



Eco-Combi



Road transport is often the only alt

Efficiency

= Less km's by smarter **vehicle fill**

Adjust pallet height to
double-stack



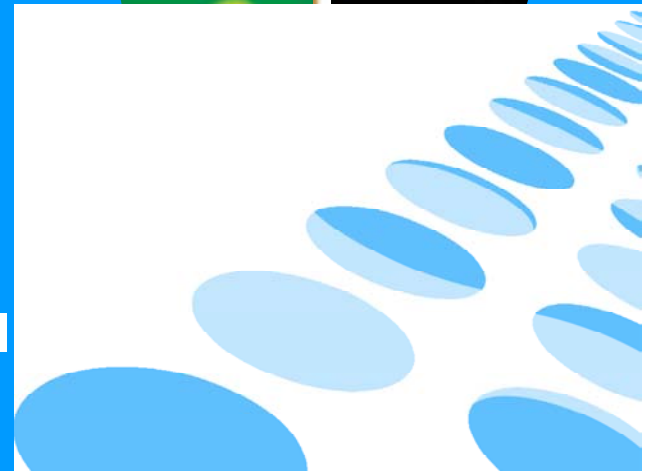
Optimal cube fill
eliminate air/wood



Heavy & Light
Synergies



Collaborate to maximize cube and weight fill



Efficiency = Project TINA

Our aim is to increase
intermodal/rail transport
from 10% to 30% by
2015.



Winner 'Intermodal Award'
EIA 2009



Sustainability in Logistics: No Trade-offs

- **Cost** – get the value equation right for customers and consumers
- **Service** – in full and on-time
- **Reliability** – in full and on-time – every time.



Progress To Date

Spain/UK – July 2008

- Belgium è UK
- North-Europe è Spain

Italy/Greece – June 2009

Nordic Domestic – JAS 2009

- Customer Deliveries in Sweden



What will it take to scale successful in intermodal transport?

- Close collaboration:
 - Shipper / container operators / transport providers
- Collaboration with other shippers
 - Scale / cost sharing
- Right infrastructure and operations

Example: A Metro for Freight

An innovative system for intermodal freight transport



Ample room for improvement!

World Economic Forum Study (Feb.09)

- 24% of freight vehicles in the EU run empty
- Average loading of the rest is only 57%
- Overall efficiency = 43%!!! L

Estimated Recoverable Loss for EU 27:

- Euro 22 Billion
- 1.2% of CO₂ emissions

Thank you.

