

# Panalpina Welttransport Holding AG (Panalpina)

ACKNOWLEDGE  
PRIORITISE  
SET STRATEGY & GOALS  
TRACK

## GHG EMISSIONS



## Background on Panalpina

Panalpina is a Swiss forwarding and logistics company. It was founded in 1935 and is headquartered in Basel, Switzerland. The company offers air freight, ocean freight, and other logistic services within the technology, automotive, telecoms, retail, health care, and oil and gas sectors. It employs an estimated 12,000 people within the 80 countries it operates in and reported revenues of CHF8.1 billion in 2014. It is a publicly listed company on the Swiss stock exchange.

## How did Panalpina come to start thinking about context?

Panalpina implemented an internal initiative called PanGreen in 2009 aimed at extending the company's global environmental capabilities and embedding a consistent company-wide approach to reducing GHG emissions<sup>1,2</sup>. The PanGreen initiative was designed around four pillars that aimed to progressively lay the foundation for the organisational processes that would support future reduction initiatives and to improve the company's understanding of its GHG emissions<sup>3</sup>. The first pillar aimed to develop and implement a global certification ([ISO 14001:2004](#)) across all its operations<sup>2</sup>. The second pillar comprised the company's activities to develop and integrate the measurement of its own GHG emissions into its organisational processes<sup>2</sup>. The third pillar aimed to expand the company's efforts at measuring its GHG emission to its value chain around the work<sup>2</sup>. Lastly, the fourth pillar comprised the company's work to measure the GHG emissions generated through the execution of its customer's orders<sup>2</sup>. Panalpina has been reporting its GHG emissions data through the [CDP](#) climate impact surveys since 2009<sup>4</sup>.

<sup>1</sup> Panalpina (2017). Panalpina Supply Chain Management. Accessed at: [www.rdk.am.gdynia.pl/materials/03.ppt](http://www.rdk.am.gdynia.pl/materials/03.ppt)

<sup>2</sup> Panalpina (n.d.) PanGreen. Accessed at: [http://www.panalpina.com/content/dam/internet/about\\_panalpina/downloads/Panalpina%20PanGreen.pdf](http://www.panalpina.com/content/dam/internet/about_panalpina/downloads/Panalpina%20PanGreen.pdf)

<sup>3</sup> Panalpina (2010). Panalpina Carbon Footprint. Accessed at: <http://www.panalpina.com/content/dam/internet/PanGreen/Panalpina%20Carbon%20Footprint%202010.pdf>

<sup>4</sup> Panalpina (2015). Panalpina continues to gain ground in climate disclosure program. Accessed at: [http://www.panalpina.com/www/global/en/home/news\\_media/news\\_archive\\_folder/news\\_2015/15\\_12\\_22.html](http://www.panalpina.com/www/global/en/home/news_media/news_archive_folder/news_2015/15_12_22.html)

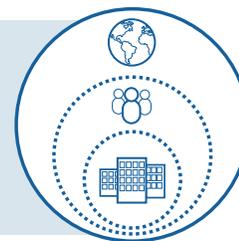
In 2015, Panalpina announced that it would commit to developing a contextual GHG emissions goal, with Peter Ulber, Panalpina's CEO, commenting that "Companies like ours should support the global effort to mitigate climate change. Besides, continuously extending our commitment to sustainability and setting ambitious targets is in Panalpina's own interest; as it can help drive innovation and secure a long-term competitive advantage<sup>4</sup>." Panalpina believed that through its PanGreen initiative, it was in position to develop a contextual goal, and Lindsay Zingg, Global Head of QHSE, commented that "today, we better understand how our activities impact the environment. Moving forward, we want to continue to steadily decrease this impact<sup>4</sup>." Following [COP21](#) at the end of 2015, Panalpina began to work to deliver against its commitment to set a contextual GHG emissions goal<sup>5</sup>.

Towards the end of 2016, the [Science-Based Targets initiative](#) confirmed that it had assessed the GHG emissions goal submitted by Panalpina, found it to be consistent with its evaluation criteria, and judged that the goal can be described as "science-based<sup>5</sup>." Also in 2016, Panalpina decided to support the [UN Sustainable Development Goals](#) (SDGs) and assess how it could contribute towards the outcomes of SDGs through its sustainability program<sup>5</sup>. Panalpina has highlighted that its current sustainability focus areas align with six of the SDG areas, namely: Good health and well-being; Decent work and economic growth; Industry, innovation and infrastructure; Sustainable cities and communities; Climate change; and Partnerships for the goals<sup>5</sup>.

## What does context look like at Panalpina?

### 1 **ACKNOWLEDGE** the need to operate within global, regional, and/or local socio-ecological thresholds.

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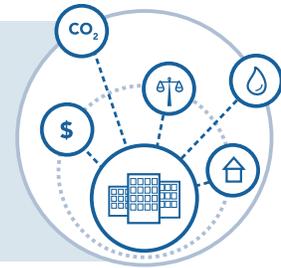
GHG emissions: Panalpina acknowledges the existence of climate change and that its business activities impact this global issue<sup>5</sup>. The company sees the work it does under the PanGreen initiative as its way to continuously strive to minimise its impact on this threshold<sup>2</sup>. Panalpina has yet to commit to operate within the limits of this threshold. The PanGreen initiative intentionally includes the emissions of Panalpina's customers and its value chain; thus, the company has committed to working with both of these groups to support them in adhering to the limits of this threshold<sup>2</sup>.

Other thresholds: Panalpina acknowledges the importance of other socio-ecological issues including water, energy, waste, biodiversity, labour relations, human rights, child labour, and diversity but does not yet discuss them with reference to thresholds.

<sup>5</sup> Panalpina (2016). Annual Report 2016. Accessed at: <http://annualreport.panalpina.com/>

## 2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

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Panalpina appears to use what we call a ‘classic’ materiality approach whereby it prioritises its key socio-ecological issues based on the feedback and expectations of a range of internal and external stakeholders<sup>6</sup>.

GHG emissions: Panalpina recognises that it is “asset light” but that the services it offers its customers and the services it receives from its value chain have an impact on this threshold; therefore, the company prioritises this threshold<sup>5</sup>. The company outlines the impacts that its own business activities have on this threshold within its sustainability material (Figure 1).

### CO<sub>2</sub> emissions by scope and activity in tons of CO<sub>2</sub> equivalents

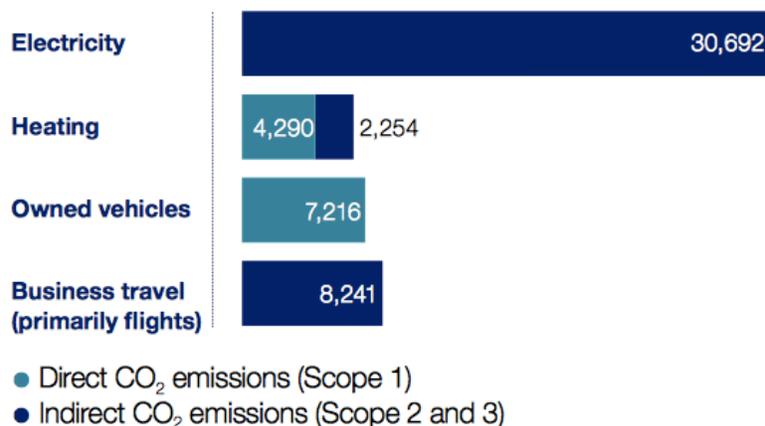


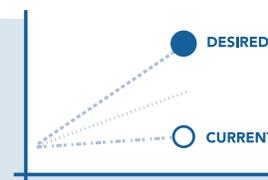
Figure 1: CO<sub>2</sub> emissions attributed to Panalpina’s own business activities in 2015<sup>5</sup>.

Panalpina recognises that the handling of materials within its global logistics value chain also generates GHG emissions and so impacts this threshold<sup>2</sup>. However, the company has yet to present its understanding of the impacts that arise from the business activities of its value chain. The company aims to expand its sphere of influence to its customers through the provision of its CO<sub>2</sub> calculation tool that aims to help inform its customers of the generated GHG emissions from the transportation of their goods by Panalpina<sup>2</sup>.

<sup>6</sup> Panalpina (2013). Corporate Sustainability Report 2013. Accessed at: <http://panalpina.com/content/dam/internet/publications/QHSE/Panalpina%20CSR%20final.pdf>

### 3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

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GHG emissions: Panalpina commits to reduce its scope 1 and 2 GHG emissions by 20% by 2025 using a 2013 baseline<sup>7, 8</sup>. Additionally, it commits to reduce its scope 3 GHG emissions from outsourced transportation and travel by 15% over the same period<sup>7, 8</sup>. Panalpina has said that its contextual GHG emissions goals have been independently calculated and are based on science but it has yet to explain the assumptions or rationale it used to develop its goal<sup>7</sup>.

Other thresholds: Panalpina has not yet set contextual goals in relation to any other thresholds.

### 4 Transparently TRACK performance against realistic trajectory targets.

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GHG emissions: Panalpina has a history of reporting its performance against this threshold, but has yet to use this to set a realistic set of annual trajectory targets that could be used to monitor its progress towards achieving its goal<sup>5</sup>. The company has not yet outlined if it intends to develop metrics or targets to monitor the effectiveness of its influence in supporting its value chain and customers in their adherence to the limits of this threshold.

Other thresholds: Panalpina reports its performance against other socio-ecological issues including water, energy, waste, biodiversity, labour relations, human rights, child labour, and diversity but does not yet report its progress in relation to their associated thresholds.

## What is the road ahead for context at Panalpina?

Panalpina has made strides in embedding its PanGreen initiative into its business processes since its introduction in 2009, and this has allowed it to lay the organisational processes its needs to deliver on the commitments of its contextual GHG emissions goal<sup>5</sup>.

<sup>7</sup> Panalpina (2016). Media Release: Panalpina sets ambitious CO2 emissions targets for 2025. Accessed at: <https://theloadstar.co.uk/wp-content/uploads/20161219-Panalpina.pdf>

<sup>8</sup> Science-Based Targets (2016). Companies Taking Action. Accessed at: <http://sciencebasedtargets.org/companies-taking-action/>