

## Press Release

### ***NexTrust research delivers breakthrough in the freight transportation market enabling positive sustainable impacts***

- **Innovative new trustee business model supports networked collaboration-centric approach**
- **Over 40 pilot cases set up involving more than 90 industry players**
- **Sustainability demonstrated with CO2 reductions of 20 to 70 percent observed**

**Brussels, 5<sup>th</sup> December 2018.** Road traffic makes up one-fifth of the EU's total emissions of carbon dioxide while at the same time about one in five trucks on European roads is running empty. In a quest for a more efficient use of our roads, supply chain experts are piloting collaborative networks to connect producers, retailers and carriers in order to reduce emissions, fuel waste and costs, as well as traffic congestion.

Thanks to the EU Horizon 2020 fund, more than 30 project partners dedicated the time and resources necessary to develop and validate a concept with which shippers, retailers and carriers are able to reduce greenhouse gas emissions by increasing load factors as well as reducing empty running (km). The concept creates antitrust-compliant collaboration networks, built around the NexTrust protocol, intended to build “trusted transportation networks” with like-minded partners, some of whom may even be competitors.

The key innovation of the new business model is the neutral trustee function, which guarantees legal compliance with competition law, whilst also ensuring that companies’ own legal compliance rules are respected, e.g. controls are in place, allowing the exchange of non-commercially sensitive information between trusted collaborative partners.

*“In every collaboration undertaking, it must be safeguarded that the means of collaboration are legally compliant and especially respect anti-trust law. Together with the NexTrust partners, in our capacity as a multi-disciplinary law firm we established a collaboration model which is legally compliant and at the same time commercially feasible for all participants.”* - says Jikke Biermasz, from Kneppelhout & Korthals Lawyers.

Within the 42 month project duration, more than 90 industry players participated in over 40 pilot cases. Over 40 shippers, manufacturers, retailers and 50 carriers actively worked



together to develop scenarios to bundle freight volumes in order to reduce empty trips and shift loads from the road to environmentally friendly transport such as intermodal rail and sea.

*“We have a wide range of pilot cases in NexTrust, covering inbound supply chain, cross supply chain transport, intermodal optimisation and last mile logistics including e-commerce. Therefore it is very important to align all partners, to build the network and to identify opportunities”,* says Bernd Weisweiler, Head of Project Management from the NexTrust project coordinator TX Logistik AG.

The more than 40 pilot projects were operated in four categories: Less-than-truckload (LTL) pilots, Full Truck Load (FTL) and intermodal pilots as well as e-commerce pilot cases.

### **Pilot case category 1 – LTL (less-than-truck load) transportation**

Within the LTL category, a new Multi-Supplier/Multi-Retailer platform demonstrated positive benefits. A key component for this pilot was a cooperating 3PL warehouse, which acted as a consolidation centre for the participants. Here, each supplier keeps a certain level of stock available, and retailers can check the inventory and order full trucks with a mix of products from various platform suppliers. There are already instances where retailers ask suppliers of the same product category to deliver on a common platform, and these have demonstrated benefits. However, these cases usually end up unilaterally favouring the organising retailer. The approach in this pilot was ground-breaking because of its impartiality and neutrality towards all supply chain partners, including multiple suppliers such as Vondelmolen, Vermeiren Princeps, Poppies and Desobry, and also retailers such as Delhaize Le Lion/De Leeuw, Colruyt, OKay and Retail Partners Colruyt Group RPCG. The results were convincing:

- 16.6 percent less GHG emissions
- Increase of number of full truck loads from 48 to 91 percent

A video on the Multi Supplier Multi Retailer (MSMR) pilot can be viewed by visiting the ‘videos’ section on the NexTrust website ([www.nextrust-project.eu](http://www.nextrust-project.eu)).

Frozen Food manufacturers Ysco, Greenyard and Agristo, serving the European market from the Benelux region (Belgium, the Netherlands and Luxembourg), collaborated on a project with SmartWay Logistics, a leading 4PL Control Tower provider, to consolidate Less



than Truckload (LTL) shipments from the Flanders region, destined to common retailer destinations in Germany and Austria, into more sustainable Full Truck Load (FTL) movements. The results were significant; moreover the business model could be highly scalable:

- 45 percent less GHG emissions
- Increase of number of full truck loads from 19 to 153
- Almost 50 percent saving of transport kilometers

Another groundbreaking pilot centered in the UK demonstrated the potential to remove 30 percent of road journeys and reduce up to 95 percent GHG emissions by creating an environmentally viable solution, using consolidation centers and electric vehicles (EV) for the commercial delivery arrangement of chilled products and fresh produce in the center of London. The results lead to the idea to create similar solutions for other big cities:

- 95 percent less GHG emissions
- 30 percent less delivery vehicles on London's roads
- 50 percent increases load factor

A video on the Cool Runnings pilot can be viewed by visiting the 'videos' section on the NexTrust website ([www.nextrust-project.eu](http://www.nextrust-project.eu)).

### **Pilot case category 2 and 3 – FTL flows optimisation, including FTL road conversion to intermodal**

Multiple shippers with structural full-truck-loads (FTL) have joined the FTL pilot cases to reduce empty mileages and pro-actively design a new more efficient collaborative network. Some of the shippers involved were snacks company Mondelēz International with brands such as Oreo, Cadbury and Milka chocolate and other shippers such as Unilever, Panasonic, Beiersdorf, Kimberly Clark, Ysco, Greenyard, Iglo-Nomad, Danone Waters and Diageo.

They set up, with the support of a neutral trustee, multiple competition law compliant pilot cases across Europe. These pilot cases involved working closely with numerous carriers to synchronize these new efficient freight networks, extending the collaboration business model to the transport asset owners.



This was the first time ever in European logistics history that shippers were pro-actively cooperating on a large scale to reduce the environmental impact of transport and create logistics efficiency gains, all while in compliance with EU competition regulations. Over the duration of the project 2016 to 2018, 210,000 annual truck shipments were put out to collaborative tender to implement this new, efficient set-up of 1,045 collaborative freight lane combinations across Europe. The results showed that it was possible to achieve savings in the region of:

- 3.4 millions of tons CO2
- Reduction of 3.7 million vehicle kilometers

Interested companies can learn more by viewing the FTL pilot video on NexTrust website ([www.nextrust-project.eu](http://www.nextrust-project.eu)) or by contacting the FTL trustee [nextrust@pastu.eu](mailto:nextrust@pastu.eu).

#### **Pilot case category 4 – E-Commerce regarding multi-vehicle collaborative delivery network**

Online retail sales, so called e-commerce, is a booming business sector. The impressive growth has created a significant impact on the delivery component of e-commerce supply chain, also called “last-mile” delivery. The e-commerce boom has led to a continuous expansion of delivery fleets operated by traditional parcel networks. The logistics sector predominantly uses small delivery vehicles, such as 7.5 ton lorries as well as even smaller delivery vans with a weight of up to 3.5 tons. The expansion of delivery fleets to accommodate demand has increased congestion and air pollution (especially fine particle). At the same time, a considerable number of underutilized delivery vehicles is available for use at off hours. The NexTrust pilot aimed to pool these company owned vehicles outside of their regular working hours for e-commerce deliveries – thereby utilizing this spare capacity, without adding to current congestion levels.

The pilot, named ANGEL, runs in partnership with several retailers (e.g. Kisura) and vehicle owners (e.g. Berlin Last Mile). Since launching in July 2017, ANGEL has shown positive results:

- Reduction of re-deliveries
- reduction of greenhouse gas
- improvement of load factors



A video on the ANGEL pilot can be viewed by visiting the 'videos' section on the NexTrust website ([www.nextrust-project.eu](http://www.nextrust-project.eu)).

### **Trusted collaboration is demonstrating market breakthrough**

*“The concept of collaboration has existed for over a decade, but so far only small pilot cases have demonstrated the real potential. Today, we can see that pilot cases on a large scale are having a real impact across Europe, and this collaboration can finally become standard practice in the transportation industry to achieve sustainability”,* says Mike Bogen from Giventis International working as neutral trustee to manage the multiple collaboration pilot cases.

### **How had NexTrust calculated the reduction of greenhouse gas emission savings?**

To date, there has been no globally accepted standard for calculating greenhouse gas emissions, including CO<sub>2</sub>, along the supply chains. The Global Logistics Emission Council (GLEC) proposes a method to increase the overall market acceptance of guidelines to calculate sustainability in collaborations. For the first time the Free University of Amsterdam (Vrije Universiteit Amsterdam, VU Amsterdam) used the GLEC Guideline in the NexTrust pilots under real conditions to calculate the greenhouse gas emission savings.

Interested parties can find all public reports, case studies and public pictures on [www.nextrust-project.eu](http://www.nextrust-project.eu)

#### **Contact:**

Sebastian Ruckes  
Project Manager  
TX Logistik AG  
Junkersring 33 | DE 53844 Troisdorf  
Tel.: +49 2241 1492-159  
[s.ruckes@txlogistik.eu](mailto:s.ruckes@txlogistik.eu) | [www.txlogistik.eu](http://www.txlogistik.eu)

#### About NexTrust:

NexTrust ([www.nextrust-project.eu](http://www.nextrust-project.eu)) is funded by Horizon 2020 and is administrated by the EC's Innovation and Networks Executive Agency (INEA). The project duration is 42 months. NexTrust's objective is to increase efficiency and sustainability in logistics by developing a flexible innovative business model with interconnected, trusted, collaborative networks along the entire supply chain. The pilot cases cover a broad cross section of the entire supply chain (from raw materials to finished goods to retail inbound and to end consumers) for multiple industries. NexTrust expects its pilot cases to reduce 40 percent of lorries, 15 percent of delivery vehicles, 70 percent of greenhouse gas emissions and increase load factors by 50 percent.



The full consortium comprises: 2degrees, Alpega, Arcese, Beiersdorf, BLUEWAVE, Borealis L.A.T, Colruyt Group, CRITT Transport et logistique, Delhaize Le Lion/De Leeuw, ELUPEG, EVO Dutch Shippers Council, Fiege Logistik, Giventis International, Greenyard Foods GS1 Belgium & Luxembourg, GS1 Germany, GS1 Switzerland, Kimberly Clark, Kneppelhout Korthals Lawyers, Mondelez, Norwegian Logistics, Panasonic Europe, Pastu Consult, Scala, TRI-VIZOR, TX Logistik (Co-ordinator), Unilever, Vlerick Business School, VU University Amsterdam, Wenzel Logistics, , YSCO.

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