Chapter 2

Meaning of Green for 3PL Companies

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ABSTRACT

In today’s competitive environment managing green, becoming environmentally friendly and sustainable has become main topic for all industries and companies. Therefore, in this chapter it will be addressed how green logistics solutions and practices can help companies to increase their performance with specific practices, cases and results from Turkey’s 3PL service providers’ side. This chapter will discuss why being green is important for 3PL companies and the benefits of being green from the business and environment side with current data and real life examples. The main purpose of this chapter is to shed light on green performance indicators and to identify benefits of being green for 3PL companies in Turkey.

INTRODUCTION

The growth of economy and globalization have increased the usage of energy and other sources. In a rapidly changing and developing world, environmental and social issues have become more important for managing businesses and industries (Luthra, et al., 2011). Green sustainability and corporate responsibility have started to play an important role in companies and managers’ strategic decisions and plans (Lee, 2009) in recent years.

In the parallel of these developments and usage environmental issues, carbon emissions, solid waste disposals, and environmental pollution have become main topic for all industries.

Greening the supply chain is a new topic for many industries for managing their logistics activities in 21th century (Zhu et al., 2008a). Thus, companies try to find new tools or ways for being first innovator in the market.

As known the firm’s activities directly threaten the environment with carbon dioxide and carbon monoxide emission through the transportation, production or packaging activities. Managing environmental problems effectively has become strategic and vital issues for many companies in recent years (Diabat and Govindan, 2011). Environmental concerns which has directly impact on company’s supply

chain activities and performance have widely started to implement company’s business processes (Zhu, et. al., 2016). It has been an enhancing interest on reducing wastes and company’s disposals during the corporate activities (Melniky et al., 2003).

Companies have started to deal with these increasing environmental changes (Gil-Saura et al., 2009) with green solutions. Therefore, green has become current year’s trend for economic, social and environmental sustainability (as shown in Figure 1).

Developed and developing countries have started to adapt environmental solutions to their policies (Mathiyazhagan et al., 2015), likewise all countries have begun to adapt environmentally friendly formulas to their policies to reduce the impact of pollutions, hazardous gases or chemicals, solid wastes, etc. In today’s changing and developing world has increased the importance of green and protecting environment.

As seen in Figure 2, scientists and decision makers emphasize that developing countries are facing with intensive carbon dioxide emissions. Although today most developing countries contribute only minor shares to global greenhouse gas (GHG) emissions compared to the OECD and major emerging economies (OECD Report, 2012), like Turkey. Therefore, greening, green thinking, going green and green solutions have become important issues for all members, companies and also countries.

Greening means putting environmental values into each step of the processes. Essentially it can be said that being green means being environmentally friendly in each phases of processes. Companies are increasingly becoming responsible of environmental concerns and environmental issues with increased importance of being green. Therefore, environmental issues have become popular concerning factor in the last decades for the supply chain activities. Due to the increasing recognition towards green issues, firms have started to adapt green supply chain strategies to their business policies. Kurien and Qureshi (2012) emphasized that; “Green Supply Chain Management (GSCM) has become an important strategy for companies to gain profit and market advantages by reducing the environmental risks and improving efficiency”.

Today many researchers and managers interested in green business, green environment, green logistics and also green supply chain management (GSCM) not only for corporate social responsibility but also gaining sustainable competitive advantage and strengthening company’s corporate image. Thus, green

Figure 1. Components of green logistics