

Greening your ecommerce operations

A practical guide
to developing
more sustainable
shipping practices



Overview

Today's shoppers want it all from you.
Be sustainable but be speedy. Be efficient
but deliver with the planet in mind.
Be affordable but reduce impact.

Sustainability is full of challenging paradoxes,
but one of the most challenging balances to
strike is between demands for green products,
services and practices and the need to
maintain profitability.

No matter where you are in the sustainable
business journey, this guide can help inspire
you with insights, strategies and considerations
to inform how you think about environmental
opportunities across your operations.

From packaging and shipping, to returns
and last-mile delivery. You'll find advice on
how to optimize your brand's approach
to more sustainable practices alongside
examples of ecommerce businesses just
like yours that manage to combine
sustainable practices with profitability.

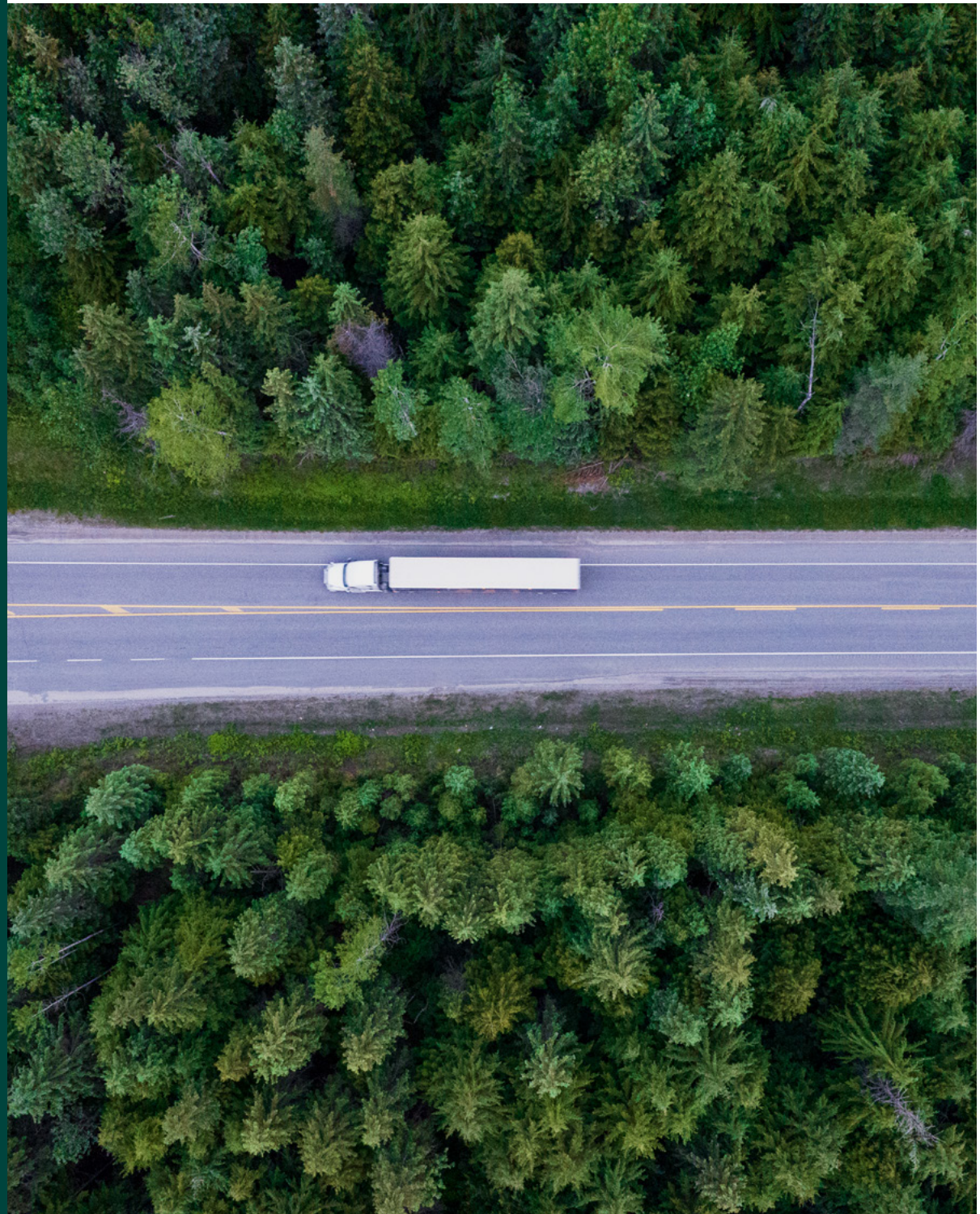








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01.

Understanding the conscious consumer

Sustainability isn't a fad or a buzzword – it reflects ingrained values and expectations of Canadians. Reducing waste and pollution. Using natural resources wisely. Keeping waterways clean and free of plastics. These topics – and a lot more – are important to Canadians.

Shoppers are evaluating retailers against their competition, but they're not only considering product, price, and choice. Our recent research tells us that two-thirds of Canadian online shoppers want businesses to take meaningful action on environmental and social issues.¹

Here's a glimpse of insights we found.



Finding alignment

Canadians will shop more often with brands that follow environmentally sustainable or ethical practices like:¹



“A company that is considered socially responsible provides quality, transparency, eco-consciousness, and sustainable manufacturing practices. They work to benefit the environment and health of their workers over profits. They create while also leaving behind the smallest footprint they can. They are the opposite of fast fashion or fast fashion companies slapping a ‘recycled material’ label on their products and calling themselves environmentally conscious while simultaneously polluting the water with dye runoff.”

— Canadian Online Shopper

Willing to pay

Canadians are willing to pay more for goods and services from brands committed to environmental, social and governance (ESG) practices like:¹



“ I need to have more education on what product materials are good/bad for the environment. I see and hear a lot of news about many socially responsible products and companies, but I do not know if it’s true or not. ”

— Canadian Online Shopper

Breaking down barriers



Cost and information are Canadians' biggest barriers to sustainable consumption. How can you respond?



Offer sustainable solutions

When online shopping, 71% of Canadians are looking to brands to provide more sustainable solutions to help reduce packaging waste and offset the impacts of climate change.¹



Share educational information

Another 71% say they need more information to make more sustainable choices when shopping.¹



Take meaningful action

Two-thirds of Canadians (66%) say it's important the businesses/brands they support take meaningful action to improve their environmental and social performance.¹

Doubling down on positive impact

How can brands make their values known with real impact?

As you prepare for what's next on your sustainable business journey, embrace and explore consumer sentiments to help you evaluate key aspects of your ecommerce operations and identify gaps between your current practices and how to make a positive difference.

Additional reading

Want to know more?

Read our report, ***Pulse of the conscious consumer: Insights for navigating the new frontier of sustainable commerce.***



Retailer spotlight



“Slow fashion does not necessarily work for everyone. But our community has really taken to it and even educates their friends and families on what to expect when ordering.”

— Candice Munro, Buttercream Clothing Founder

Buttercream Clothing is a direct-to-customer ethical clothing e-retailer known as much for inclusivity as for the quality and comfort of its collections.

Discover how the company embraced community and communication to bring slow fashion into the future.

[Learn more](#)

02.

Packaging with the planet in mind

The sustainability of your packaging can greatly influence environmentally minded consumers to shop with you.

In fact, a majority of Canadians say sustainable packaging (61%) and waste reduction (54%) are valued most when purchasing from a particular retailer brand. It's important to consider, as it's an element that continues to become a powerful motivator for shoppers.¹



10 ways to reduce your brand's footprint

There are many effective ways that retailers can reduce their impact on the environment.



1. Increase the percentage of recycled content in your packaging

This is different from material that can be recycled; it's material that has already been recycled, and it's a big selling point with eco-minded customers.



2. Avoid multi-material packaging

Packaging that is composed of different materials can make it difficult for customers to recycle.



3. Use optimally sized packaging

Don't pack items in boxes that are unnecessarily large or that are filled with a lot of unrecyclable filler. It's wasteful and suggests you are not taking excess packaging into consideration – which could get you a bad review or make you the subject of a bad post on social media.



4. Pack items from a single order together when possible

Avoid sending two separate packages to the same address. This will help you save on several fronts: shipping costs, inventory of packaging materials and carbon emissions.



5. Consult suppliers on sustainable packaging

Growing ecommerce businesses can seek environmental consulting firms to help understand the pros and cons of using different packaging materials and for advice on taking steps in the right direction.

10 ways to reduce your brand's footprint

There are many effective ways that retailers can reduce their impact on the environment.

Additional reading

Interested in understanding how to optimize your packaging for a healthier bottom line?

Check out our guide, **Packaging for success**, for all the details.



6. Explore reusable packaging models

This would allow customers to send back the package in which they received their item to the seller or third-party company that was responsible for the shipment, for the packaging to be controlled, cleaned, and returned for reuse by a third party or the seller again.



7. Train your packaging teams

Ensure they know that customers are evaluating packaging in environmental terms and have staff package items securely to avoid excess space, damage and a return as a result, which would increase packaging waste.



8. Communicate with your customers

Tell them if and how your packaging can be recycled and how they can help. Whether on your website, social media, or order confirmation emails, make sure they are aware of your commitment and how it supports theirs.



9. Invest in recyclable void fillers

Packaging paper, tissue paper, biodegradable or corrugated bubble wrap, crinkled and shredded paper, biodegradable packaging peanuts and die-cut kraft paper are all environmentally conscious options that will protect items during transit.



10. Factor in weather conditions

Some compostable and biodegradable packaging options can be affected by extreme weather conditions. This means that additional care and considerations are needed due to the biodegradable nature of the packaging. It's important to work with partners that have weather secure mailboxes or lockers that will protect items and keep them intact upon delivery.

Retailer spotlight

“ We are not only selling litter, but we are also giving information and advice to customers, while also helping them lessen their impact on the planet. ”

— Carl-Philippe Nantel, Ecocat Founder

Ecocat offers soybean-based cat litter – a completely plant-based product that controls odour while being biodegradable and compostable. Discover how the Montréal-based company engineered a vacuum bag and biodegradable packaging to maximize the shipping efficiency and minimize environmental impact.

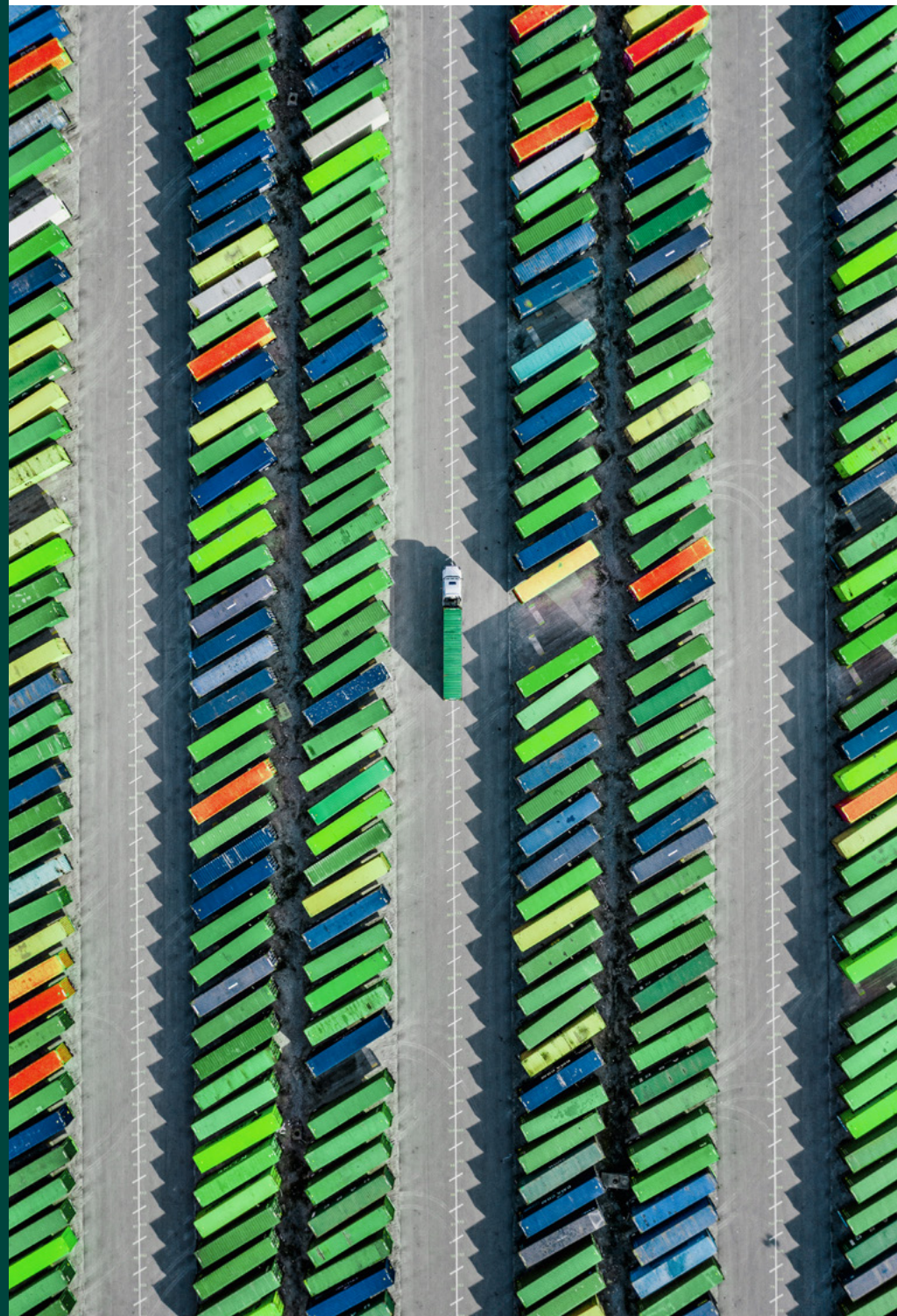
[Learn more](#)



03.

Making your shipping processes sustainable

Growing concern about climate change has caused ecommerce brands to rethink their shipping strategies. As Canadians become more interested in sustainable options, businesses in the supply chain must adapt their processes to meet demands.



Understanding greenhouse gas emissions

Trucks, airplanes, trains, and ships are used to move parcels across Canada and around the world. These modes of transport use fossil fuels like gas, oil, and diesel that emit CO₂ emissions.



Greenhouse gas

Greenhouse gas – often abbreviated as GHG – emissions are measured in carbon dioxide equivalents (CO₂e). Carbon dioxide equivalents attempt to convert the warming impact of the range of GHG into a single metric.

Carbon dioxide emissions

Carbon dioxide emissions – or CO₂ emissions – are the primary GHG emitted through the burning of fossil fuels like coal, natural gas, oil, and the manufacture of cement.

Calculating GHG emissions from shipping

Understanding your business's GHG emissions from ecommerce delivery is a critical first step to reducing your environmental impact.

Canada Post's GHG emission calculation methodology helps ecommerce customers determine the GHG emissions released into the environment from their packages, from origin to destination, in our delivery network. This methodology has been verified by UL Solutions and provides businesses with accurate, data-driven reporting to help leaders make more informed decisions.

Four ways to reduce your environmental impact

There are many effective ways that retailers can reduce their impact on the environment.

1. Offering customers the option of shipping services that are less impactful on the environment

Greener shipping methods can help you meet and exceed customer expectations and set your business apart while lessening your environmental footprint.

Carbon-neutral shipping is the practice of balancing carbon emissions generated from shipping by purchasing carbon offsets and neutralizing their impact.

Shifting to shipping services that are carbon neutral brings you one step closer to helping protect the environment and ensuring that as your ecommerce business grows, you are taking into consideration the impact on the environment.

To accomplish carbon-neutral shipping, you can work with a partner that offers solutions to offset carbon emissions from ecommerce delivery. For instance, when using Canada Post, all ground shipping services are carbon neutral, including Domestic Regular Parcel™ items and Expedited Parcel™. GHG emissions are calculated from delivering parcels and purchasing the equivalent amount of carbon credits to balance out those emissions.

2. Encouraging ground shipping services when possible

Items travelling by air emit more GHG than ground delivery services. When you provide shoppers with the information and options to make informed purchasing decisions, they may surprise you.

For example, more than half of shoppers are interested in receiving their online orders through environmentally friendly delivery methods – and 54% are prepared to wait longer for an item if it's being shipped by a more sustainable method.²

Shoppers benefit from more information about their choices. Help them balance speed and responsibility.

Four ways to reduce your environmental impact

There are many effective ways that retailers can reduce their impact on the environment.

Additional reading

Need to know more about carbon-neutral shipping? Discover how we're **providing more sustainable shipping options for Canadians.**

3. Distributing inventory to multiple fulfillment centres

Distributing your inventory across multiple fulfillment centres can not only help you reduce shipping costs and improve delivery times, but it can also help reduce carbon emissions. Multi-location order fulfillment allows you to split inventory across locations and pick, pack, and ship orders from the distribution centre closest to where the customer lives.

To keep your shipping costs and carbon emissions down, it's essential that you don't run out of stock at any of your multi-warehouse locations, causing you to ship extra inventory from another location. Data from each warehouse will need to be integrated to get a full picture of your inventory.

4. Scheduling parcel pickup

It can be more eco-friendly to arrange for parcel pickup rather than making multiple trips to a facility for business deposit. Major delivery service routes are optimized to be environmentally efficient; when each vehicle on the road is optimized to carry as much volume as possible, fewer vehicles are needed to meet demand in a region.

04.

Reducing the environmental impact of returns



The role of returns in the purchase journey

Free shipping on returns can greatly influence a shopper's decision to buy from a brand. Yet, nearly half of Canadians (48%) say they are concerned about the environmental impact of product returns from online shopping.¹

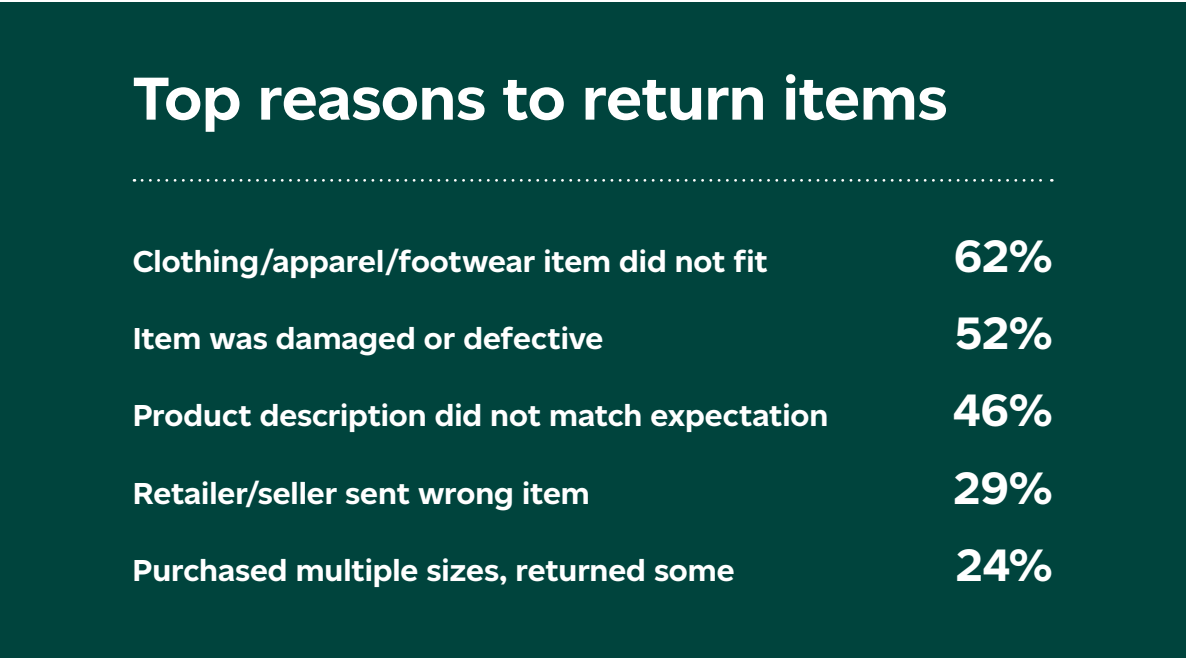
That's understandable when you consider that 5 billion pounds of waste is generated annually through returns.³

Retailers have the hard task of balancing the best shopper experience and protecting their margins – all while figuring out what to do with the return on the back end.

Here are some hints on how to improve sustainability of the returns process and reduce costs:

Understanding why returns are happening is key to reducing the number of returns and your returns waste.

Experts say the best way to reduce waste is to prevent waste from occurring in the first place. So, what are the top reasons Canadians return items?¹



While this data can act as a guide, capturing this level of detail from your customers at the point of return will help paint a clearer picture and inform areas where you need to improve.

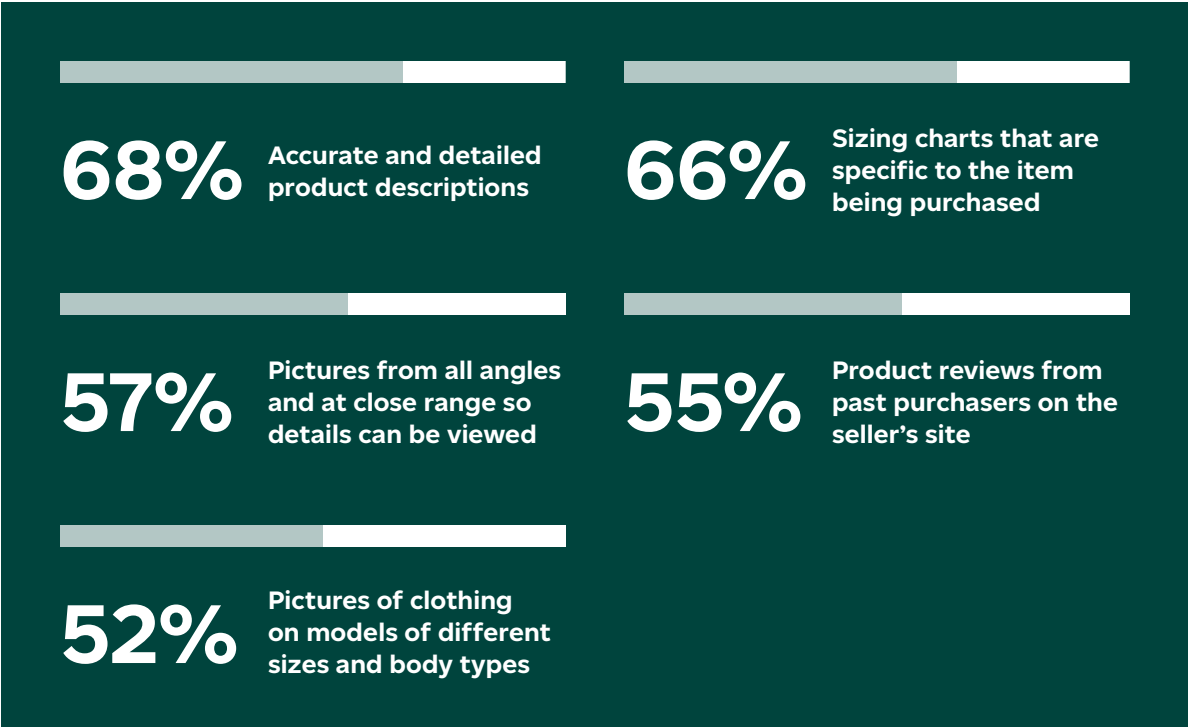
Balancing returns and sustainability

Improve the online customer experience by providing more detailed information, user-generated content, and realistic visuals.

How are you helping your customers make informed purchases?

Explore virtual try-on experiences and/or ensure that your product pages have plenty of information. You could share detailed descriptions, measurements, and high-quality product imagery to encourage your customers to visualize wearing or using an item themselves.

What kind of features do Canadians say would help?¹



Balancing returns and sustainability



Ensure products are tightly and securely wrapped with sufficient cushioning and reinforcing materials so they arrive undamaged.

This helps eliminate the need for unnecessary returns from the start, but it will also ensure that items are protected should they have to be sent back since 81% of customers re-use the original packaging to return items.¹



Offer a “re-commerce” program for your products.

Sustainability and reverse commerce initiatives allow customers to return their used products in exchange for things like store credits, gift cards, and discounts. The retailer will then clean up the items and resell them in-store or online at a reduced price. Resell programs get brands one step closer to a fully circular supply chain while driving customer loyalty.



Consider donating ecommerce returns.

Rather than destroying returned merchandise, consider doing something positive with unwanted products by donating the items to support those who might need them.



Lean on a carrier that supports reusable packaging.

Reusable packaging can be used to facilitate returns or be sent back empty – both options divert waste from landfills and keep packaging in circulation for future use.



Educate consumers to think about the decisions they make around returns.

Tell them how you’re making it easier for them to make sustainable choices and help them understand how different options have different impacts. For example, using carbon neutral shipping services reduces the impact of the returns, while also maintaining the convenience shoppers are looking for.

05.

Optimizing delivery methods and last-mile delivery

The last mile – that final stage of the shipping and delivery process – should never be an afterthought. As online sales continue to grow steadily, so do GHG emissions from ecommerce delivery.

The way ecommerce orders get delivered has a substantial impact on a brand's carbon footprint. When choosing a delivery partner, consider the sustainability of their delivery model and the steps they're taking to reduce their environmental footprint.



The sustainability checklist: What to look for in a partner

All sustainable brands have common characteristics which help them succeed in improving their collective environmental impact.

Consider these characteristics as a compass to guide your work with partners that align with your environmental interests and objectives.



Shares goals and values

Knowing your values and the values of suppliers and partners is essential in building a relationship that works for both parties. It's important that partners share the same vision and goals for their business to achieve positive outcomes.



Embraces diversity, equity, and inclusion

Sustainable businesses are not only focused on the environment, but also include greater equality, fair wages, and investing in diversity to build stronger operations.



Reduces fossil fuel use in vehicles

This could be through remote work, electric vehicles and cargo-bikes, or an energy-efficient fleet.



Is trustworthy

Providers that are able to combine reach and trust while positively contributing to the community will see sustained success with customers.



Focuses on employee well-being

Employees are an imperative link in helping consumers complete their online shopping journey. Prioritizing people and purpose are critical for business results.



Supports the local community

Community support and presence provides opportunities to help create a stronger, more sustainable community while stimulating the local economy.



Calculates carbon and GHG emissions

Identifying GHG emission via your partners brings accountability to your sustainability program and makes it easier to assess your current state and inform your future goals.

Retailer spotlight

“ I’m proud my business reflects this and sustainability practices that cultivate abundance – from how we source our furs, to the delivery carrier we use. ”

— Brenda Dragon, Aurora Heat Founder



Aurora Heat promotes the traditional use of fur while educating shoppers about what sustainability means in the modern world. The brand ships in simple, minimal packaging of recyclable, lightweight cardboard and paper inserts. Part of their sustainability commitment also involves creating positive impact in their community.

[Learn more](#)

06.

Sustainability at Canada Post

At Canada Post, we are focused on the environment and are committed to reducing our impact to deliver a more sustainable future for Canadians.



Moving your sustainability objectives forward

We are journeying toward a 50% decrease in greenhouse gas emissions by 2030, setting Canada Post on a path to net-zero emissions by 2050.

We're investing in electrifying our fleet of 14,000 vehicles by 2040. We're continuing to innovate in sustainable delivery solutions, testing new types of low and zero carbon delivery vehicles like e-cargo trikes and low-speed electric vehicles on select postal routes in urban cities.

When it comes to sustainable parcel processing, we're retrofitting existing facilities and designing new facilities to be zero-carbon ready, which is why we're introducing a new state-of-the-art, net-zero parcel sorting facility in Scarborough, Ontario, that will be a key hub in our national network.

Sources

1. Phase 5, *Canadian Online Shopper Study*, May 2022
2. Descartes, *Research Report: Sustainability is Not a Challenge, It's an Opportunity*, September 2022
3. Harriet Constable, *Your brand new returns end up in landfill*, BBC Earth

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 **Contact us today**

Learn more about how Canada Post can support your sustainability objectives with the solutions, tools, and resources you need to meet the expectations of environmentally conscious customers.