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# GREEN LAST MILE EUROPE REPORT 2022



April 2022

# CONTENTS

▪ Executive summary	3
▪ Definitions	7
▪ About the authors and partners	10
▪ Background to the report	23
▪ Green last mile topology	27
▪ Why is the green last mile relevant today?	40
▪ EVs for the green last mile	44
▪ Participants of the report	57
▪ Review of initiatives	60
▪ Assessment of the value of projects	122
▪ The environmental impact of the last mile	125
▪ How do we plan to develop the report for next year?	133
▪ Conclusions and the future	135
▪ Terms and conditions	139



# DEFINITIONS

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## Definitions and abbreviations used in the report

- APM Parcel locker
- B2C Business to consumer
- CEE Central Eastern European countries
- CEP Courier Express Parcel
- COD Cash on delivery
- CX Consumer experience
- D2D Door-to-door delivery
- ESG Environmental, social and governance
- EV Electric vehicles
- E-VEHICLE Ecological (low emission) vehicle
- GHG Greenhouse gas emission
- IDM Interactive Delivery Management
- LAST MILE Leg of a journey comprising the movement of goods from a distribution centre to a final destination
- LCV Electric light commercial vehicles
- LME Last Mile Experts
- OEM Original Equipment Manufacturer
- OOH Out-of-home
- Paczkomaty® Reserved name for InPost parcel locker
- PUDO Pick up and drop off location

# BACKGROUND TO THE REPORT

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In 2021, the European CEP market exceeded 7 billion parcels and over 80 billion Euros. The expectations for 2022 are even higher\*

The CEP industry is driven by very dynamic growth in e-commerce, which continues to be strengthened by restrictions in retail caused by Covid-19.

This has led to a dramatic increase in the number of parcel related vehicles on the streets and to the carbon footprint associated with them.

Our report looks at how the last mile is affecting the environment, and seeks to identify key trends as well as initiatives aimed at mitigating a growing environmental issue.

In particular, we aim to help understand what is behind the carbon footprint and to assess what future impact this will have on our environment - assuming no action or the use of best in class Green Last Mile projects.

The CEP (Courier Express & Parcel) market is served by a combination of carriers ranging from the national postal operators to parcel locker operators' commercial carriers.

There are a number of new factors which have become more relevant in recent years, such as faster delivery times and the associated need for localised stock.

LME has in-depth knowledge of this market and there are various studies and reports we have already shared in the public domain.

Together with our partners, we aim to offer a good initial status report on an area which is much spoken about but where remarkably few significant initiatives are currently visible.

We have contacted every key operator directly and used industry media and business social media (especially Last Mile Prophets) to obtain project submissions. This has given us just under 20 projects over several markets that cover various aspects of the last mile.

One of the most important findings is that "greenwashing" (behaviour or activities that make people believe that a company is doing more to protect the environment than it really is - Cambridge Dictionary) appears to be a major issue across the board and that few players have a coherent and effective green last mile strategy and can really "walk their green talk".

On a more optimistic note, some players are taking this issue seriously and other stakeholders, in particular, local authorities and governments, are becoming actively interested in monitoring and controlling the environmental impact of the last mile.

\* Assumptions based on web research and Statista 77bln Eur in 2020 and 6,5bln parcels in 2019

## What can you find in this report?

- The report covers green last mile initiatives from all Logistics & CEP players who have shared information about their green initiatives on the European arena as well as selected other projects that we have been able to identify with desk research or in expert interviews.
- We also seek to identify the most promising initiatives and to extrapolate what their impact could be if they were to be implemented on a wider scale.

## What are the sources and methodology?

The main sources for the report are:

- Extensive desk research on the CEP market covering company press releases, websites and other sources.
- Use of UPIDOs advance internet search algorithm outcomes to estimate CO2 emissions in 27 EU countries plus Norway, Switzerland and the UK. .
- Published information on the environmental impact of the last mile.
- Interviews with senior-level contacts in the market.
- Use of InPost's GLM reports and, in particular those prepared by the TOR Consulting Group
- LME's own, in depth, expert knowledge.
- Verification by subject matter experts including the LME team and prof. Arkadiusz Kawa, Marta Cudzito, Ian Streule, James O'Neill, Jose Anson and Heleen Buledo Rai have been made to confirm our data and conclusions.
- Where the actual or published date is not available, we have made estimations based upon our market knowledge.

## Who will benefit from our report?

The report is intended for:

- Owners and operators of CEP networks
- Online retailers
- Governmental departments and local authorities
- Investors in these businesses
- Market regulators and policymakers
- Journalists and editors of newspapers and magazines
- Analysts, consultants and other stakeholders

## Projects & Case Studies

All business cases have been described by the solution owners and have not been subject to any modifications by Last Mile Experts.

Last Mile Experts do not bear civil and legal liability for possible inaccuracies and errors in project descriptions.

Both the content and the vocabulary used in the descriptions come from the authors and owners of the projects.

# NOTES TO THE REPORT

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- It has been very difficult to obtain concrete carbon emissions data from companies who do not generally provide detailed or current data.
- Data has been obtained from contributors to the report, publicly available sources and from commercially available sources. The data published represents the latest information available from these sources at the time we carried out our research.
- The authors have reviewed company websites and publications or news items. Moreover, we have conducted numerous interviews (CEO, senior-level of CEP, EV and automotive experts) to develop our core knowledge and understanding of environment. We have used Last Mile Experts and our partners' own market "know how" and expectations for future developments.



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