

SUPPLY CHAIN CANADA™

PROFESSIONALS ADVANCING THE FUTURE™

ISSUE 2 2025



Tariffs, Tensions and Turning Points

Charting a Resilient Future for Canada's Supply Chains

Procurement

From Field to Fork

AI Systems in Canada's Food Chain Are Vulnerable to Attack

Logistics

Automation Gap

Canada's Warehouses Are Losing the Robot Race

Warehousing

It's Easy To Be Green

There's Plenty of Low-Hanging Fruit in Your Warehouse

Inventory Management

Double Vision

How Digital Twins Are Transforming Supply Chain Strategy

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IN THIS ISSUE



COVER STORY

Tariffs, Tensions and Turning Points

06 Charting a Resilient Future for Canada's Supply Chains

ALONG THE SUPPLY CHAIN

Procurement

11 **From Field to Fork**
AI Systems in Canada's Food Chain Are Vulnerable to Attack

Logistics Management

15 **Automation Gap**
Canada's Warehouses Are Losing the Robot Race

Inventory Management

19 **Double Vision**
How Digital Twins Are Transforming Supply Chain Strategy

Warehousing

23 **It's Easy To Be Green**
There's Plenty of Low-Hanging Fruit in Your Warehouse

Transportation

27 **Gear Down for Grammar Checks!**
U.S. Rule Could Send Cross-Border Truckers to the Off-Ramp

DEPARTMENTS

02 **Message from the President and CEO**

03 **Message du président et chef de la direction**

Opinion

04 **The Trade Dispute Could Catalyze Canada's Comeback**

SUPPLY CHAIN CANADA™

VOLUME 11 / NUMBER 2 ISSUE 2 2025

Published for

SUPPLY CHAIN CANADA™

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Supply Chain Canada magazine is published
four times per year for Supply Chain Canada.

Published by

davis
media company

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Cover Photo: © Freepik.com

Publications Mail Agreement # 43361037

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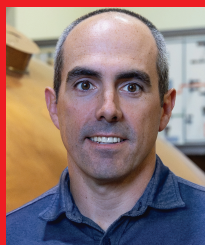
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Message from the President and CEO



Dylan Bartlett

President and CEO,
Supply Chain Canada

IT'S BETTER WHEN WE'RE TOGETHER!

NAVIGATING OPPORTUNITIES AND CHALLENGES IN A DYNAMIC MARKET.

WOW! I can't say enough about our team, board, partners, sponsors, members and attendees! Our 2025 National Conference in Calgary was absolutely incredible. Thank you to everyone who made this event possible!

Navigating Opportunities and Challenges in a Dynamic Market

Canada is a vital link in North America's supply chain network. With our vast landmass and close ties to the U.S., Canada's supply chain plays a key role in global trade. An efficient supply chain is essential for economic growth, especially after the disruptions caused by the pandemic. Factors like trade agreements, new technology and regional infrastructure shape how Canada's supply chain functions today.

At Supply Chain Canada, we continue to reach out to our members, gathering feedback and advocating for the profession. Based on the feedback, we have identified a few key areas of focus.

Regulatory and Trade Policy Barriers

Trade agreements have helped, but complex policies and rules still cause delays. Customs procedures at the U.S.-Canada border often add time and expense. Changes in policies can shake up supply chains quickly and also force companies to adapt fast. We are working with our partners to ensure these barriers are being addressed and are hopeful that a new trade agreement will be negotiated soon.

Labour Shortages and Workforce Issues

Finding skilled workers remains an industry challenge. Many supply chain roles require specialized training. Demographic shifts mean fewer young workers are available, which puts pressure on companies to keep their workforces well-trained and motivated. If you'd like to perform a skills gap analysis, our Competency Benchmarking Tool™ (CBT™) is a great place to start!

Supply Chain Disruptions and Risks

Canada relies heavily on imports and foreign manufacturing, but disruptions in other countries, such as factory closures or natural disasters, can create delays. Climate change brings risks like wildfires and floods that can damage key infrastructure, so it's important to have a detailed ESG strategy.

Canada remains a key player in global supply chains. Our strategic location and resources give us unique advantages, but challenges like infrastructure gaps and global risks remain. Embracing new technology and sustainable practices can help strengthen Canada's supply chain future. Planning now ensures resilience and growth ahead.

As leaders in the industry, we must stay alert, continue to innovate and work together to keep Canada's supply lines strong.

For all the latest industry news and updates, make sure you follow Supply Chain Canada.

Together, we are Professionals Advancing the Future™.

Thank you for your confidence and ongoing support. 🍁

Message du président et chef de la direction



Dylan Bartlett
président et chef de la direction,
Chaîne d'approvisionnement Canada



ENSEMBLE, C'EST MIEUX! SAISIR LES OCCASIONS ET FAIRE FACE AUX DÉFIS DANS UN MARCHÉ DYNAMIQUE

WOW! Je ne trouve pas les mots pour exprimer toute ma gratitude envers notre équipe, notre conseil d'administration, nos partenaires, nos commanditaires, nos membres et nos participants! Notre conférence nationale de 2025 à Calgary a été absolument incroyable. Merci à tous ceux qui ont rendu cet événement possible!

Saisir les occasions et faire face aux défis dans un marché dynamique

Le Canada est un maillon essentiel du réseau de la chaîne d'approvisionnement nord-américaine. Grâce à son vaste territoire et à ses liens étroits avec les États-Unis, la chaîne d'approvisionnement du Canada joue un rôle clé dans le commerce mondial. Une chaîne d'approvisionnement efficace est essentielle à la croissance économique, surtout après les perturbations causées par la pandémie. Des facteurs comme les accords commerciaux, les nouvelles technologies et les infrastructures régionales façonnent le fonctionnement actuel de la chaîne d'approvisionnement du Canada.

Chez Chaîne d'approvisionnement Canada, nous continuons de communiquer avec nos membres, de recueillir leurs commentaires et de défendre la profession. À la lumière des commentaires, nous avons ciblé quelques domaines d'intérêt essentiels.

Obstacles à la réglementation et à la politique commerciale

Les accords commerciaux ont été utiles, mais la complexité des politiques et des règles entraîne encore des retards. Les procédures douanières à la frontière canado-américaine augmentent souvent le temps et les coûts. Les changements de politiques peuvent rapidement bouleverser les chaînes d'approvisionnement et obligent les entreprises à s'adapter rapidement. Nous collaborons avec nos partenaires pour nous assurer que ces obstacles soient éliminés et nous espérons qu'un nouvel accord commercial sera bientôt négocié.

Pénuries de main-d'œuvre et problèmes de main-d'œuvre

Trouver des travailleurs qualifiés demeure un défi dans l'industrie. De nombreux postes dans la chaîne d'approvisionnement nécessitent une formation spécialisée. Les changements démographiques signifient qu'il y a moins de jeunes travailleurs disponibles, ce qui pousse les entreprises à maintenir leur main-d'œuvre bien formée et motivée. Si vous souhaitez effectuer une analyse des lacunes en matière de compétences, notre Outil de comparaison des compétences est un excellent point de départ!

Perturbations et risques liés à la chaîne d'approvisionnement

Le Canada dépend fortement des importations et de la fabrication étrangère, mais les perturbations dans d'autres pays, comme les fermetures d'usines ou les catastrophes naturelles, peuvent entraîner des retards. Les changements climatiques entraînent des risques tels que les feux de forêt et les inondations qui peuvent endommager les infrastructures clés. Il est donc important d'avoir une stratégie « ESG » détaillée.

Le Canada demeure un acteur clé dans les chaînes d'approvisionnement mondiales. Notre emplacement stratégique et nos ressources nous confèrent des avantages uniques, mais des défis persistent, tels que les lacunes en matière d'infrastructures et les risques mondiaux. L'adoption de nouvelles technologies et de pratiques durables peut contribuer à renforcer l'avenir de la chaîne d'approvisionnement du Canada. Planifier dès maintenant, c'est garantir la résilience et la croissance pour l'avenir.

En tant que chefs de file de l'industrie, nous devons rester vigilants, continuer d'innover et de collaborer pour maintenir la solidité des chaînes d'approvisionnement du Canada.

Pour toutes les dernières nouvelles et mises à jour de l'industrie, assurez-vous de suivre Chaîne d'approvisionnement Canada.

Ensemble, nous sommes des professionnels bâtisseurs de l'avenir^{MC}.

Merci de votre confiance et de votre soutien continu. 🍁

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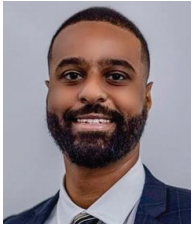
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THE TRADE DISPUTE COULD CATALYZE CANADA'S COMEBACK

As I sheltered indoors recently on a fine 30°C – and counting – afternoon in Winnipeg, a city that can't quite decide whether it wants to cook or freeze us, I reflected on the year in Canada and pondered where we may go from here. By now, most are well aware of the geopolitical and economic pressure boiling over between the United States, China and – among several other participants – Canada.

After trade discussions between the U.S. and Canada were briefly halted in late June, both sides returned to the negotiation table after Canada agreed to withdraw its short-lived digital services tax – only for President Donald Trump to almost immediately announce a new 35 per cent tariff on non-USMCA-compliant Canadian goods, scheduled to take effect August 1.

While the sheer frequency and scale of these announcements continue to fan the flames of uncertainty, a large majority of Canada's exports to the U.S. fall under the rules of USMCA, rendering this latest tariff threat relatively immaterial. There have now been over 40 unique tariff announcements from the White House since February, with the reaction from global markets becoming increasingly muted as regions learn to navigate through this new and unpredictable environment.

The ironically coined TACO acronym created by traders on Wall

Street appears to be increasingly relevant, as announcements are made and deadlines set, only for the U.S. to back out at the last moment, or in other words: Trump Always Chickens Out. This is evidenced by the fact that tariffs on Canadian crude oil exports into the United States have remained at just 10 per cent, when juxtaposed with the latest policy announcement of 35 per cent.

With oil essentially being an input to all things, coupled with a historically high level of U.S. reliance on Canadian crude oil exports, Trump appears to be operating with some level of intention and understanding of the potential impacts of his trade policies. This is certainly an encouraging sign, as a large portion of the sweeping U.S. tariffs in place appear so impractical that they're essentially impossible to maintain for a meaningful amount of time. An example would be the proposed 50 per cent tariff on copper or the recently imposed 50 per cent tariff on aluminum imports, both commodities that the U.S. imports more of than it produces, and which critical sectors including data centres, automotive manufacturing and the military heavily rely upon.

A 50 per cent tariff has also been proposed for U.S. imports of Canadian timber and lumber – a significant input in the housing market – which would almost certainly raise housing costs, precisely what

occurred in 2018 during Trump's first presidency.

America's reliance on imports makes it vulnerable in a trade war, and applying broad sweeping tariffs on key imports will only serve as an inflationary instrument rather than a true protective policy. This adds costs to American businesses and consumers without stimulating any meaningful domestic investment or supply gains.

A clear winner of this trade war thus far has been China – ironically, as it was likely one of the main catalysts prompting the U.S. to launch its broad tariff policies in the first place, possibly to nudge China out of the equation or limit its dominance. Having initially been isolated by Western governments due to concerns over unfair trade practices and intellectual property theft, China has now positioned itself as a more stable trade partner in comparison to an increasingly unpredictable United States. Chinese exports to Europe rose nearly seven per cent in the first six months of 2025, while U.S. imports from China ballooned to a record high immediately following the first wave of tariffs, as businesses worked to front-load orders to avoid surcharge premiums.

We are witnessing a juxtaposition of two very different strategies from two not-so-different superpowers, both striving toward the same goal. However, China's temperament appears largely rooted in practicality,

while the U.S. has become increasingly ideological. China maintains several comparative and competitive advantages over most regions in the world, with the largest being its scale. Now, if a country wanted to offset this particular advantage in an effort to challenge China's global dominance – let's say the United States – the only logical way to do so would be through fostering free trade partnerships with other countries. This would allow them to artificially replicate scale and efficiency by leveraging the comparative advantages other regions possess. So, where does this leave Canada?

The short-term economic outlook remains a work in progress due to persistent labour unrest, underinvestment in key infrastructure development, largely underused natural resources, stagnant productivity and minimal GDP growth dating back to before COVID-19. Despite the relatively large number of complex, multifaceted headwinds that Canada's economy has faced, opportunity and alignment have partially offset the direness of those challenges.

Canada still boasts one of the most highly educated workforces globally, vast reserves of untapped natural resources and a growing consensus among lawmakers and private citizens on the need to assert its sovereignty. An encouraging development in July saw the passage of Bill C-5, aimed at accelerating critical infrastructure development and removing internal trade barriers that tack on an estimated eight to 15 per cent to the cost of Canadian goods consumed both internally and exported to other nations.

Prime Minister Mark Carney has announced a proposed West Coast oil pipeline as a national priority, further reinforcing Canada's intent to diversify its export markets away from overreliance on the U.S. market.



Furthering initiatives that support the development of infrastructure used to extract and transport natural resources must remain one of Ottawa's priorities, as additional trade routes will bolster demand for natural resources – a critical catalyst for a potential Canadian economic comeback.

To their credit, Canadian lawmakers appear to agree with this sentiment, as evidenced by the development of the Trans Mountain expansion (TMX) pipeline, which came online in May 2024, opening new trade routes to both the Asia-Pacific and Europe. At 207,000 barrels per day, China has become the number one importer of Canadian crude oil shipped via the TMX pipeline, unexpectedly surpassing exports to the U.S. market, which are sold at a discount – a trend no doubt accelerated by the increasingly protectionist and hawkish stance on trade from our neighbours to the south.

Another positive trend is the rising volume of oil sands extraction, even as global oil prices decline. This relative inelasticity points to

sustainable demand growth, which appears poised to remain after the trade war dust settles. Canadian oil production is projected to hit a record 3.5 million barrels per day later this year and exceed 3.9 million barrels by 2030, as a few Canadian organizations have already emerged as North America's most cost-efficient oil sands producers.

All of this marks a fundamental shift in Canada's economic trajectory. This latest U.S.-initiated trade war has forced the country to re-evaluate its relationships and dependencies, reform internal systems and build bridges with new partners. While the issue of stagnating productivity is a concern, Canada is well positioned to emerge from the reshuffling of global markets stronger but it will require precise execution and dynamic risk management as we transition to becoming a more diversified and trusted global trade partner. What began as a political and economic firestorm may result in all the motivation we could ever ask for to facilitate our own economic rebirth. 🍁



TARIFFS, TENSIONS AND TURNING POINTS

CHARTING A RESILIENT FUTURE FOR CANADA'S SUPPLY CHAINS

By Linda Slobodian

Although the ongoing tariff disputes between Canada and the United States have created uncertainty and negative repercussions, Dylan Bartlett, president and CEO of Supply Chain Canada (SCC), maintains optimism continues to exist.

"I think we're actually in really good shape right now. There's a feeling of optimism among some members," says Bartlett. "Obviously, the

whole tariff situation has become a bit of a moving target. The expectation is that our government is going to advocate for us across the country, resolve these trade talks as quickly as we possibly can and get back to a regular kind of everyday business."

That expectation entails the government "proactively" engaging in discussions with a sense of "urgency" to overcome challenges and

safeguard Canadian consumers in the short and long terms. Moreover, there are additional expectations to be concurrently undertaken.

"Certainly, the work for us is only just begun. We're going to continue to advocate not just for our members, but for the supply chain profession and for Canadians across the entire country. We understand the work that we do in supply chain is integral, it's foundational, it's what



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keeps our economy moving forward. We're not interested in the same old, same old. We have to approach these topics with more urgency than we've seen in the past," Bartlett says.

He emphasizes the federal government must tackle interprovincial trade barriers to reduce "redundant" administrative complications and optimize product movement; eliminate bureaucratic obstacles prolonging project timelines; and tear down the "wall" restricting accessibility to it. Rather than arbitrarily making decisions, the federal government must include supply chain industry stakeholders and their partners in decision-making processes affecting them and all Canadians.

"Things like interprovincial trade barriers are something that needs to be addressed and addressed quickly.

These are barriers that don't serve us well as a nation. We already have a complicated logistics equation when it comes to moving freight across the country."

Bartlett cites varying province-to-province procurement policies, trucking regulations, licensing and trade standards as "some of the obvious ones we could work on immediately."

"There are things that could be addressed in the short term that would be really impactful for moving freight across this very large country. It's a very small list of provincial trade barriers that need to be dealt with," he says. "Some minor



Dylan Bartlett
President & CEO,
Supply Chain Canada

trucking regulations that cause difficulty when moving freight across the country would be relatively easy to address."

Removing interprovincial barriers will create a "much more smoothly run supply chain" and "benefit all consumers across the country in one way, shape or form." He

highlights delays in completing infrastructure projects as something SCC professionals unanimously agree must be accelerated.

"To be candid, I don't think that we're interested in promises anymore. When you have conversations with our members across the country, there's a feeling that action



is required on some of the overall red tape involved with moving projects forward. These are the kinds of topics that we're talking about most frequently."

Bartlett points to the 10-year time period it takes to get port expansion projects approved – if they get approved at all. "We want to see those timelines dramatically decreased. We need to get to a place where it doesn't take much more than a year or two to get the green light on some of these projects. So, promises – not interested in them. Removing barriers – very interested, for sure!"

Industry members expect a government that won't shut them and a "lot of other association partners" out of decision making.

"Part of the challenge is there's a real wall built up around the federal government. It's not easy to access them. Certainly, we have encouraged them on multiple occasions to reach out to us and ask for

**So, promises –
not interested in
them. Removing
barriers – very
interested!**

feedback. We're trying to collaborate with them," says Bartlett. "It would be nothing for us to reach out to our thousands of members across the country and get some real information about why some things may not work the way the government thinks they will."

Barlett provides a recent example that "put some of our partners in a challenging situation." Effective June 26, 2025, international students in Canada enrolled in non-degree programs across 178 fields of study no longer qualified for a post-graduation work permit (PGWP). Immigration,

Refugees and Citizenship Canada (IRCC) says these permits pertained to occupations no longer experiencing long-term labour shortages.

"While we don't necessarily support these changes, our bigger, more egregious concern is who is sitting at the table and helping some of these conversations happen? Who is making these decisions without necessarily gathering feedback from the appropriate parties? When I say appropriate parties, I certainly mean us at Supply Chain Canada."

Despite being willing, SCC professionals aren't consulted on decisions that "haven't fully been vetted and explored as far as what the repercussions to them might be."

"We have access to a network of thousands of supply chain professionals across the entire country who would jump at the opportunity to try to solve some of these complicated problems," Bartlett says.

Given the tasks lying ahead, then why is Bartlett optimistic? He notes

favourable outcomes arising from the Canada/U.S. tariff conflict.

"Generally speaking, among some members, the feeling is this created a unique opportunity for supply chain to shine a brighter light on the importance and impact supply chain has on our national economy, but also the global economy. We're working closely with our members trying to assess any glaring issues they have. But there's a feeling of maybe there's a shift coming and some optimism that maybe we're starting to get out of the situation that we're currently in."

Tim Webb, partner with KPMG's Supply Chain and Procurement, shares the optimism, particularly since some initiatives the government is "kicking off are really going to help."

"From a supply chain perspective right now, the federal government has a lot on its plate. It's got other things to deal with from a geopolitical perspective than from a supply chain perspective," says Webb.

"I think we have seen really good things recently through organizations like the EDC (Export Development Canada), which is making funding available to explore new markets. Those kinds of initiatives, where it helps companies actually get back to doing what they're meant to be doing – driving productivity, efficiencies and getting out into new markets – that's really positive. Those are the kinds of things that should be continued," Webb says. "It still comes down to the organization using these vehicles in a positive way for growth."

While "a lot of uncertainty" prevails, he says private enterprises must be allowed to "figure out what they need to do and then come back when we start to see more certainty."

"We're seeing what we've started calling globalization 2.0 and that is two significant, dominant markets



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with a wide range below that, which have a very high form of nationalism that we haven't seen in probably 100 years," says Webb.

"There's a new form of globalization coming, and tariffs are the start of reshaping towards that. So, to call it a 'tariff war' would suggest it's going to have an end to it, some new borders are going to be drawn and we'll move on from there. It's not just going to be tariffs – there will be something else that comes next. We're starting to see deals landing with different countries and different sectors. It's very clear that the U.S. administration wants certain industries onshore, and others they're willing to use as negotiation tools."

"The one thing I keep saying, whether it's to clients, government agencies or policymakers is that yes, we are feeling some pain, but we were already suffering from an expanding productivity gap, and now tariffs are exacerbating it. So,



Tim Webb
Partner,
Supply Chain and
Procurement,
KPMG

we really need to use this now and take a look at how we serve our consumers and focus on using technologies to get ourselves back into parity with the rest of the world. We are lagging in productivity. I think we're five out of number seven of the G7. We can't be there."

Businesses must become more productive, says Webb. "And the only way that we can do that is by bringing innovation and technology to the table."

"I heard somebody else say, 'We can't let a crisis slip through our fingers.' It really is an opportunity to focus on the supply chain in particular as an area that can generate significant cost savings and significant growth opportunities for companies in Canada. We really should use this opportunity to rethink about how we do our business, how we make our products and where we sell them," says Webb. 🌿



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FROM FIELD TO FORK

AI SYSTEMS IN CANADA'S FOOD CHAIN ARE VULNERABLE TO ATTACK

By Linda Slobodian

Cyberspace threats will intensify with advancements in artificial intelligence (AI). Since all businesses are susceptible to attacks, regardless of size or location, it's imperative that food and beverage enterprises implement proactive strategies to manage potential risks.

Cyberattacks on vulnerable companies result in losses for suppliers due to spoiled food and misdirected shipments, compromised company and customer personal data leading to potential fraud and millions of dollars in ransom demands. Another consequence is reputational damage.

As hacking grows more sophisticated, the AI field requires a delicate equilibrium between risk and advantage.

"Any time you inject a new technology into your business, you also run the risk of an increase in cybersecurity threats," says Dylan Bartlett, president and CEO of Supply Chain Canada (SCC).

"Supply chain professionals, procurement professionals, in general, I think we're in really good hands with these folks. These folks are working their way through some complicated challenges right now. I fully believe

and trust in their ability to see us through these challenges."

Nonetheless, investing in cybersecurity should be prioritized, says Sylvain Charlebois, director of the Agri-Food Analytics Lab (AAL) at Dalhousie University.

"I'm not convinced the food industry sees cybersecurity as a priority. I've been doing research in this area for 25 years and I don't think I've actually seen a conference or talk about food cybersecurity in 25 years," says Charlebois, who co-hosts The Food Professor podcast. "AI can allow companies to predict the future, so obviously you want to



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use AI as much as possible. I certainly see that as a really important feature. Already, you're seeing a lot of companies investing in AI doing exactly that."

AI refines food supply chains, reduces waste and lowers required production resources. Algorithms offer insight into consumer behaviour, facilitate scheduling and apply dynamic pricing to balance supply and demand. However, traditional security measures are no match for AI cyberattacks. The complex food supply chain requires many partners and vendors equipped with different, sometimes outdated levels of data security and protection. One AI breach can interrupt operations from hours to months.

"Cybercriminals can turn a breach against a single vendor into cascading incidents impacting multiple victim organizations," states the Canadian Centre for Cyber Security's (CCCS) National Cyber Threat Assessment 2025-2026.

Optimizing various systems may increase their susceptibility to attackers, as the emphasis shifts away from security. "That's kind of

what's going on right now with the food industry overall," says Charlebois.

How extensive are cyberattacks? "It's hard to know because no companies will brag that they've been attacked. A lot of agrifood sector companies have been attacked. Most liquor boards in Canada have been attacked. Maple Leaf has been attacked. Sobeys has been attacked and had to pay a ransom," he says.

In June, United Natural Foods, Inc. (UNFI) described a cyberattack as "unauthorized activity in our systems." The primary wholesale distributor for Whole Foods had to shut down its systems, leaving shelves and freezers bare of some items. Stock prices plummeted.

In April, United Kingdom retailers and supermarkets were hit with extortion and ransomware attacks by the cybercrime group Scattered Spider. In January, alerted to a



Sylvain Charlebois
Director,
Agri-Food Analytics Lab,
Dalhousie University

security breach, Alcool NB Liquor blocked an attempted cyberattack by temporarily shutting down many of the Crown corporation's internal systems. No ransomware or malware was detected.

However, ransomware attacks can be costly. The CCCS attributed a 2023 spike in global ransomware demands to Clon, operated by Russian-

speaking cybercriminals. Clon exploited "unpatched vulnerabilities" in file transfer software applications GoAnywhere and MOVEit. Through MOVEit alone, Clon impacted 2,750 enterprises, 94 million individuals and received US\$100 million in ransom payments.

A 2022 cyberattack cost the Sobeys grocery chain \$25 million. Pharmacy services temporarily shut down and there was a product shortage. In 2020, the Ragnar Locker ransomware group demanded \$15 million from

the Italian liquor company Campari Group. Hackers claimed they stole two terabytes of unencrypted files and accessed accounting and banking statements, and confidential employee and client business and information.

Brazil's meat-processing JBS Foods paid \$11 million to Russian REvil hackers in 2021. That year, BlackMatter ransomware group demanded \$5.9 million from Iowa-based NEW Cooperative Inc. Disruptions to chicken, pork and grain supplies led Gov. Kim Reynolds to declare a state of food emergency.

Most liquor boards in Canada have been attacked. Maple Leaf has been attacked. Sobeys has been attacked and had to pay a ransom.

According to a 2024 AAL report, by 2026 the food and beverages global market for AI is expected to hit nearly \$30 billion, growing 45 per cent every year. More than 60 per cent of food manufacturers use AI.

The CCCS says Canada's wealth will cause it to remain under "persistent threat" from cybercriminals. However, the "intensity and impact" can be mitigated through cybersecurity "awareness and best practices" by individuals and organizations. Canada's 2024 federal budget allocated \$917.4 million to enhance CCCS's intelligence, cyberoperations and awareness programs.

The FBI issued a security advisory warning in February about the



Ghost ransomware group targeting sectors in 70 countries. It urged all organizations to take these immediate steps to mitigate risks:

- Maintain regular system backups stored separately from the source systems which cannot be altered or encrypted by compromised network devices;
- Patch known vulnerabilities by applying timely security updates to operating systems, software and firmware within a risk-informed timeframe;
- Segment networks to restrict lateral movement from initial infected devices and other devices in the organization; and
- Mandate phishing-resistant multi-factor authentication (MFA) for access to privileged and email services accounts.

Food and beverage companies were encouraged to hire cybersecurity firms specializing in protecting their industry.

However, Bartlett says Canada is "a long way away from AI replacing supply chain functionality."

"When you look at supply chain functionality, we still have trained, educated professionals in these roles who do this for a living. These people didn't accidentally end up in these roles. These roles are integral. They're extremely important to the day-to-day operations of our entire country. I don't think we're close enough to AI replacing these professionals or that's a concern we need to worry about at this point in time," he says.

Procurement and supply chain professionals Bartlett deals with daily "are actively involved in the process, really have their fingers on the pulse of what's happening in the global economy."

"I can't anticipate these folks are going to let a disruption like that (empty shelves) happen because of AI. I can't speak to the future, but I don't think that's going to be the case today," says Bartlett. "A lot of the conveniences that we enjoy in our everyday lives are because of who's paying attention to what's happening in the world and ensuring that there are no disruptions to our supply chain." 🍁

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AUTOMATION GAP

CANADA'S WAREHOUSES ARE LOSING THE ROBOT RACE

By Mario Toneguzzi

Supply chain strategist Gary Newbury is blunt when he's asked to assess the use of drones and robotics in Canada's supply chain network these days.

"Canada is not leading the charge when it comes to supply chain robotics or aerial delivery. While China scales urban drone corridors and Amazon pilots humanoid robots in live warehouses, Canada is still testing the temperature of the water with one foot," he says.

"Yes, we have some domestic movement: startups exploring short-haul drone delivery in the North, robotics innovators working out of university labs and a few isolated

warehouse pilots. But it's all too small, too fragmented and too risk-averse to shift the dial."

Over the past five years, Newbury has been approached by dozens of robotics or drone companies, many with genuinely clever tech. Most are now dead or stalled. Why? No funding runway. No coherent go-to-market strategy. And no customer willing to take the plunge without a fully validated domestic use case.

Meanwhile, other countries are out-learning us by outdoing us.

"China's model? Centralized planning, dense urban demand and a culture of permissionless innovation. Amazon? Massive cash reserves and a moonshot mindset: happy to

burn millions to learn something that scales," he says.

"In Canada, by contrast, our regulations are cautious (Transport Canada's rules still choke mass roll-out). Our winters? Brutal on drones and delicate bots. And our warehouses? Often reliant on low-wage labour models that treat innovation as an expense, not an investment."

He says drones could revolutionize last-mile logistics in remote regions or in dense urban cores.

"But we're kilometres away from integration at scale. Beyond technical challenges, we face a cocktail of public backlash, municipal resistance and regulatory entanglement. Want a drone corridor in downtown

Toronto? Good luck navigating airspace laws and condo board objections,” he explains.

“We’re not being replaced by bipedal bots any time soon. These trials are slow, expensive and mostly PR at this stage. But they will mature. And when they do, they’ll augment, rather than eliminate warehouse teams. Think freezer zones, heavy loads or dull, injury-prone tasks. The human-robot team is the real future,” Newbury says.

“Right now, we’re spectators in the main event. Not because we lack talent, but because we haven’t backed it. The ecosystem isn’t set up to reward bold bets. Innovation gets stuck in pilot purgatory.”

Newbury offers the following solutions:

- Fund pilots with commercial teeth, not just academic flash and slide decks;
- Prioritize practical automation: AMRs, vision systems, real-world use cases;
- Build up the operational layer with folk who can scale, sell and support; and
- Above all, embrace failure as the cost of real progress.

“Canada has the brainpower. What it lacks is the firepower. And

if we don’t shift gears fast, we’ll be exporting our talent to Silicon Valley and importing innovation from countries who took the risk while we took notes,” he says.

Georgianna Ma, partner, supply chain and operations, EY, says there has already been adoption in Canada, where organizations are exploring and leveraging drone technology. Globally, though, other regions are moving faster in terms of both adoption and investment.

“If we don’t shift gears fast, we’ll be exporting our talent to Silicon Valley.”

“Our research shows that clearly they’re ahead in those areas. However, we do see an uptake in North America, including Canada. We will actually pick up on that,” she says.

Transport Canada has frameworks in place governing drone operations. That includes considerations around safety, privacy and management protocols, but the pace of adoption varies by organization.

Ma adds that drone usage is primarily being looked at for deliveries, especially in the last mile. Freight forwarders are exploring drones specifically for that purpose. Others are focused on getting packages from distribution centres or local hubs to the final customer, particularly in areas that are hard to reach or less cost-effective for traditional delivery.

In the broader logistics and fulfillment space, there’s growing use of automation and robotics, particularly in warehouses and along transport routes. But for delivery, drones are mainly being considered for last-mile efficiency, she says.

She also sees potential for retailers themselves to use drones.

“They’re using more and more ecosystem partners in smaller freight companies to enable it. If you look at the Amazons and the Walmarts of the world, they partner with the tech companies like Uber, but a lot of them turn from not just the delivery via cars but they actually have different modes of transportation,” says Ma.

She says many big companies are already using full robotics systems in their warehouses to drive efficiencies, including in the picking and packing processes. In some cases, warehouses are fully automated. More companies are now



Gary Newbury
Supply Chain Strategist



Georgianna Ma
Partner,
Supply Chain & Operations,
EY



Linda Montgomery
VP,
Corporate Development,
ZenaTech



Sushant Jha
General Manager,
Amazon YYC4

exploring this type of automation and incorporating varying degrees of humanoid robotics to take on tasks traditionally done by warehouse workers.

Ma says many tasks still require human input, whether for validation, error-checking or interaction. It's about humans figuring out where they add value and how they fit into the chain of activities to enable and supplement automation, rather than being entirely replaced by it.

Linda Montgomery, VP of corporate development for ZenaTech, an enterprise SaaS software company that also designs and manufactures drones, based in Toronto, says it has developed many prototypes and conducted customer trials.

"We're now at the point of manufacturing our production models. These are finalized units that will come off our assembly line at a set rate each month. This follows years of development. In addition to hardware, we're also offering 'drone-as-a-service.' (These are) packaged services designed to make it easy for businesses and governments to use drones for various applications, such as land surveys."

Montgomery says ZenaTech has a smaller indoor drone that can scan barcodes and manage warehouse inventory. It feeds data into inventory management or ERP systems, providing more accurate and frequent updates on stock levels. It's also a safer alternative because automated drones eliminate the need for workers to climb or manually scan high shelves, reducing labour costs and risks.

"We're currently conducting a paid trial with a multinational auto parts manufacturer. They're using it in one of their warehouses to test its performance and evaluate its value. The hope is that, after the trial, they'll roll it out across more of their locations," she says. This drone



can also be used for indoor security applications.

Montgomery says there are a few drone companies in Canada but more U.S. companies have been in the drone industry for a little longer. Canada is at the early stages of how drones can innovate many processes and tasks.

She says China pioneered much of the drone industry. In the U.S., 70 to 90 per cent of drones are Chinese. When building drones, it's difficult to avoid using Chinese parts. But U.S. government policy is discouraging use of Chinese drones and its components, aiming to grow the industry in America.

Sushant Jha, general manager, Amazon YYC4, one of Amazon Canada's robotic fulfillment centres in Calgary, says it is one of the largest automated robotic sites in Canada and can process close to 950,000 units a day. The building has four levels over 2.8 million square feet.

"This facility is what we call a Generation 10 robotics fulfillment centre. In different areas and process paths of our building, there are

robotics or robots which work beside our associates, making their job either from a safety perspective better, (or) from an efficiency perspective better," Jha says. The robots work side by side with humans "to do whatever they are doing in those process paths much better, much safer and easier for our associates overall."

Today, the company has a robotic palletizer with an arm that picks up totes directly from the conveyor, builds the pallet, shrink-wraps it and gets it ready for loading. The associates now monitor the robot and ensure it's operating correctly. They step in for troubleshooting, rather than lifting or stacking items themselves, so the task becomes safer and less repetitive.

The robotic palletizer also has a Hercules Drive system. In a traditional warehouse, pickers walk long distances to retrieve items. Instead, the Hercules Drive robot lifts entire shelves and brings them to the picker. The picker stays at their station, selects the item from the shelf, places it in a tote and sends it along. 🍁



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DOUBLE VISION

HOW DIGITAL TWINS ARE TRANSFORMING SUPPLY CHAIN STRATEGY

By Mario Toneguzzi

As supply chain complexity intensifies, companies are increasingly turning to digital twins – virtual replicas of their real-world operations – to gain real-time visibility and control.

A digital twin replicates a physical supply chain. It mirrors the real-world supply chain in real time, pulling data from systems like enterprise resource planning (ERP), warehouse management systems (WMS), transportation management systems (TMS) and even Internet of Things (IoT) sensors. This gives leaders a live, interactive view of how things are currently operating: from

inventory in a warehouse to trucks on the road to delays at ports.

“Think of it like Google Maps for your supply chain,” says supply chain strategist Gary Newbury. “It doesn’t just show the planned route – it shows where the traffic jams are, the detours and your actual progress.”

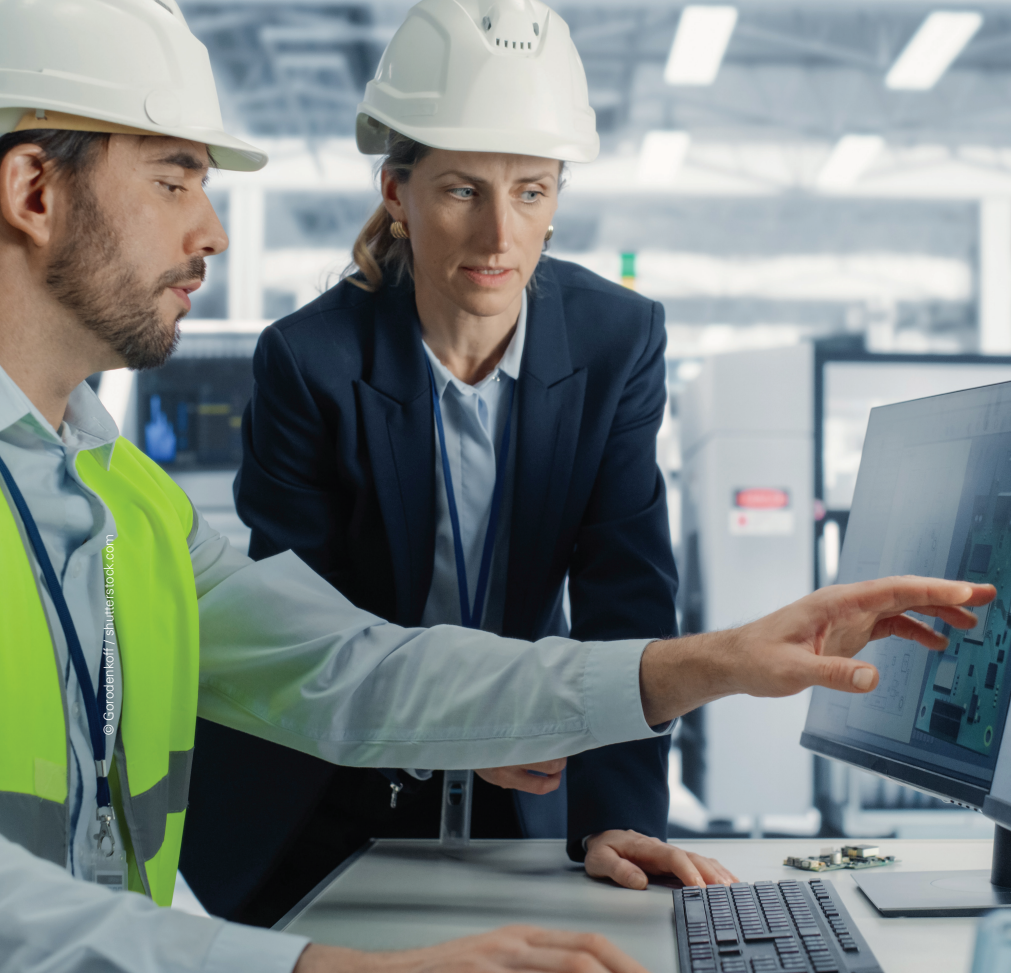
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Gary Newbury
Supply Chain Strategist

business-to-consumer (B2C) supply chains. He focuses on mid-market Canadian businesses and their investors, helping them manage the challenges they face and the opportunities arising as trade conditions harden.

Originally rooted in aerospace and manufacturing, digital twins gained major traction in supply chains after 2018, with the COVID-19 crisis acting as a catalyst.



- **Cost and Waste Reduction:** Spot bottlenecks, excess inventory or capacity issues early.
- **Resilience:** Quickly pivot in response to disruptions such as weather, strikes, demand spikes or fast-moving tariff change impacts.

Think of it like
Google Maps for
your supply chain.
It shows where
the traffic jams
are, the detours
and your actual
progress.

As Newbury explains, traditional planning tools proved too slow and inflexible in a world of constant disruption. Now, industries like automotive, high-tech and retail are leveraging these tools for scenario planning, faster decision-making and increased resilience. Major players like Unilever, Walmart and Amazon are already leading the way.

The next frontier? AI-enhanced digital twins that don't just simulate operations; they prescribe precise, data-driven actions, transforming supply chains from reactive to truly predictive.

"Digital twins gave leaders the power to simulate, predict and course-correct in real time," Newbury says. "That shift was driven by the need for resilience, agility and precision during massive disruption. While the concept's been around since aerospace and manufacturing in the early 2000s, it really started gaining traction in supply chain post-2018, driven by AI, cloud computing and the explosion of

connected data. The big push came during COVID-19, when companies realized they had very little visibility or flexibility in a crisis and demanded more from their supply chain teams to drive better outcomes."

Newbury says the trend took hold because traditional planning tools were too static. Leaders couldn't see what was happening until it was too late. The shift was driven by the need for resilience, agility and precision during massive disruption.

Here are the key benefits, according to Newbury:

- **Real-time Visibility:** Know what's happening right now across the chain.
- **Scenario Planning:** Test "what if" questions without disrupting real operations.
- **Faster Decisions:** AI-powered insights show where to act, and when.

Automotive, aerospace and high-tech manufacturing have complex, multi-tiered supply chains that are extremely sensitive to disruption. But digital twins are now moving into retail and consumer packaged goods as demand volatility and service expectations rise, and where many of the daily disruptions are quickly magnified, adds Newbury.

These companies are just a few that use digital-twin technology:

- Unilever uses it in planning, production and demand shaping.
- Walmart invests heavily in supply chain digital twins for better flow and store-level responsiveness.
- Siemens and DHL were early adopters in logistics modelling.
- Amazon uses advanced simulation and predictive tools to orchestrate global fulfillment.

"We're heading towards wider adoption, especially in mid-market and retail sectors, as cloud platforms make digital twins more

accessible and cost effective,” explains Newbury. “The big leap is AI-enhanced digital twins. These won’t just simulate operations, but prescribe actions based on real-time data and predictive modelling. These twins will offer much greater visibility, co-ordination and collaboration across partners, from suppliers to carriers to customers.”

He adds: “This shift means supply chains will respond faster to disruption, improve service and delivery reliability, minimize waste and reduce costs, (plus) build resiliency through shared insight and action. In short, AI-enhanced twins will be the brain behind the modern, responsive supply chain turning data into decisions, and complexity into clarity.”

Rajbir Bhatti, associate professor of supply chain management at Calgary’s Mount Royal University, says digital twins are a physical asset.

“What we can do with digital twins is clone that entire ecosystem in the digital world. Whether it’s a factory, a city or even a workflow, we create digital entities: digital tires, digital sensors and so on, replicating the entire vehicle or factory using data and sensors,” he says.

“Why do we do this? Because rather than physically testing a car by driving it at 180 km/h and braking to measure stopping distance, I can simulate that in software. I can model your car’s behaviour under various scenarios using a digital twin. This has been made possible because of AI. We can map any physical infrastructure digitally and simulate how it behaves under certain conditions. It helps us test combinations of variables to find the most efficient system.”

Bhatti says the concept is still very new in the supply chain. “But the origin of digital twins goes back as far as the 1950s, when



NASA used complex simulations to predict how spacecraft would behave under extreme conditions. They didn’t call it a digital twin back then, but the concept was there,” he explains.

“And now, it’s grown beyond just aerospace. Take the construction industry. Imagine you’re building a 110-floor high-rise. Earlier, we relied on calculations and paper-based modelling. Now, we can create a digital twin of that building before it’s constructed, with all its beams, stress points, trusses, etc., and simulate what happens if a certain beam fails or stress exceeds a threshold. You bring the physical infrastructure into a digital space to test it, optimize it and prevent failures before they occur.”

Bhatti says this is only the beginning. “Think of it like avatars on your phone, customized to look like you. That’s essentially what’s happening with digital twins: we’re creating avatars of infrastructure.”



Rajbir Bhatti
Associate Professor,
Supply Chain Management,
Mount Royal University

He says that industries “like oil and gas are using digital twins for maintenance. In a refinery, there are thousands of components that can fail. Traditionally, we’d rely on preventive or corrective maintenance. But now, with a digital twin of the refinery, which we’ve created right here in Calgary, we can simulate potential failures and plan ahead.”

Bhatti adds that digital twins are “helping in maintenance, design, city planning, traffic management and supply chain forecasting. In the supply chain, for example, you’ve got ships, containers, brokers, customs, documentation – so many moving parts. Now, imagine simulating what happens if the Suez Canal gets blocked for three days. You can model that and prepare contingency plans in advance. It’s a powerful concept that allows us to simulate and optimize nearly any complex system. And now, we’re moving beyond just physical infrastructure.” 🍁



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IT'S EASY TO BE GREEN

THERE'S PLENTY OF LOW-HANGING FRUIT IN YOUR WAREHOUSE

By Wendy King

All kinds of pressure – regulatory, financial and social – is being brought to bear on every business to go green.

Plan a strategy with an early, high yield. Reach for the low-hanging fruit. The more of that low-hanging fruit you grasp, the greener it gets. And warehouse operations are ripe for the picking.

Green Means Sustainable

"Warehouse sustainability refers to minimizing the environmental footprint while reducing and improving operational efficiency," says Charles-Antoine Marcil, partner at

GCL Group. "It can include reducing energy consumption, minimizing waste, eco-friendly materials and optimizing logistics to lower emissions. It can also involve a social and economic dimension, ensuring safe, fair working conditions and thinking about the long-term cost-effectiveness in things like sourcing."

Goal setting is a first step and it's important to understand what strong goals look like.

"Make sure the goals are SMART. It's the old adage of S being specific, M being measurable, A being achievable, R being relevant and T being time-bound. Know these SMART goals and you know

what you're achieving," says Sean Fiset, senior vice-president at Encor Advisors.

"Transparency is also important. This is not just kept in a file somewhere. It's shared with the employees."

Know Where Your Operation Stands

"Start with a sustainability assessment or audit. Measure current energy usage. Know your current waste output. How many containers or how much cardboard do you toss? Measure things like water consumption," says Fiset. "Review these as a baseline and then review your



"Completing regular audits, sustainability reports and ensuring we are compliant with regulations and communication to stakeholders because the market, the stock market and investors are requesting that," says Marcil.

What's the Low-Hanging Fruit?

"Energy efficiency and waste reduction are two things that really can make a big difference," says Fiset.

He lists things like solar panels and LED lighting on motion sensors both in the office and the warehouse, smart thermostats that tie into phones to adapt to different circumstances and building insulation.

"Improve the building insulation and seal air leaks. Make sure the dock seals are actually doing their job," says Fiset. "You would be surprised how many times I've walked through a warehouse in the middle of winter and the seal on the bottom of the door is completely gone and the wind is howling through that bottom quarter of an inch."

"How much does it cost to have a handy person come through and do the small things? Or even maybe the warehouse manager going to Home Depot and grabbing the seal for the door or proper caulking around windows? The payback on upgrades is getting better and better."

Marcil adds to the list smart HVAC systems based on occupancy and weather, and AI-based management to reduce energy consumption.

"Consider new ways of powering vehicles, whether it's electric or hydrogen for internal or external transport," says Marcil. "What about dynamic mobile robots, or forklifts that could be electric? How are we using the recharge cycle and how are they being powered? A pilot program in the facility can help to see how they're bringing value to the company and how they could be implemented in a master plan."

achievements against those initial goals."

Once specific goals have been communicated, staff need to buy in. "People are always central to sustainability. Even the best system will fail without buy-in from the staff. Training and sensitization of the people is a good place to start to explain why we're doing some changes. It also drives engagement," says Marcil.

He adds that key players need to be identified, such as operations managers and sustainability officers to help ensure compliance.

A whole culture of sustainability has to grow right from the leadership, Fiset says. "Coming from the top down gives the warehouse workers the comfort of knowing that



Charles-Antoine Marcil
Partner,
GCL Group



Sean Fiset
Senior Vice-President,
Encor Advisors

management will support them in decisions like purchasing, for example, cardboard for boxes that is more expensive but uses more recycled goods, or the additional expense of diverting away from single-use options."

Key performance indicators (KPI) can help assess progress. "There are some standard elements to look at. For example, reduction on energy bills, carbon emissions when we're able to have that. We can work with our suppliers to provide this information, whether it's transportation or for buying supplies," says Marcil.

Other important measures are tracking waste, water consumption metrics and tracking customer satisfaction.

Waste reduction is achievable with staff training to implement recycling and composting programs.

"Can you purchase biodegradable or reusable packaging? Are you able to buy from a vendor that uses a higher concentration of recyclables in their boxes? Eliminate single-use plastics," says Fiset. "What is our percentage of waste? What was our garbage when we did the baseline and what's our garbage now? Measure what's been diverted from landfill. That gives you a good KPI."

Marcil also suggests composting organic waste in the cafeteria and digitization of documentation to reduce paper, using low flow water fixtures and even rainwater harvesting.

"If we're in manufacturing, having close monitoring of how we're using the water, where it comes from and if we can reuse it," he says.

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to just keep filing
cabinets in your
office.**

Operational Efficiencies Underpin These Efforts

"How much inventory do you have on hand? Are you going to have spoilage or redundancies? Will it mean this inventory never goes out and ends up in a dump somewhere?" asks Fiset.

"How much can the warehouse be automated? Really doubling down on a sophisticated warehouse management system that allows

you to optimize space allows employees to navigate the warehouse quickly and reduce downtime and things like forklifts needing to be recharged more frequently."

Marcil also advocates for improved equipment maintenance.

"If we're in a manufacturing facility or area, and we're talking about IOTs for maintenance, for example, instead of waiting for machinery to break, be proactive with a preventative maintenance energy monitor," he says.

Finally, Fiset shares an all-too-real scenario.

"One thing that constantly surprises me is the number of folks that have filing cabinets filled with reams of paper they haven't looked at in 10 years," he says. "From a cost standpoint, in a warehouse, you rent by the square foot, and one of those filing cabinets is four, maybe six square feet times 18 bucks. That's what it costs you per year to just keep filing cabinets in your office. Then think about the waste that goes into building a new office space. There are so many little losses that would stem

from the footprint of those filing cabinets."

The low-hanging fruit is easy to grasp but it gets trickier to reach a little higher. That's when it's time to consider expert help.

"The value in bringing in experts is you get the specialized technical knowledge," says Fiset.

"You get help identifying government incentives, maybe even rebates. You get the experience and expertise of the advisors building green buildings or for LEAN, all ready for you to immediately implement while reducing the risk of costly mistakes."

Marcil says bringing in experts can mitigate uncertainty and accelerate progress.

"Warehouses don't operate in isolation, and partnering with eco-conscious suppliers and logistics providers will amplify the customer impact," he says. "Sharing sustainability efforts publicly can attract like-minded partners and enhance brand reputation and really increase the impact on society." 🍁



POLARIS TRANSPORTATION GROUP WINS 2025 MASTIO QUALITY AWARD AS A TOP-RANKED CARRIER

Polaris is proud to receive the 2025 MASTIO Quality Award in the Cross-Border/Regional Carrier Group category, recognizing their industry-leading performance and customer satisfaction.

This was MASTIO's 10th Canadian LTL Carrier Customer Value & Loyalty Report, an industry-wide initiative involving in-depth interviews with nearly 1,000 customers. Published in late May, the report evaluated 325 carriers across key performance metrics including reliability, service quality, ease of doing business, pricing and overall customer loyalty.

Polaris earned one of the top customer value ratings in the study, placing them in the "Highest Performance/Superior Offering" classification for cross-border and regional LTL. Among the 43 carriers in this category, Polaris stood out for consistently delivering efficient, high-quality services across North America.

The MASTIO report offers insights into carrier strengths and opportunities for improvement directly from the shipping community. Polaris' strong



performance highlights the exemplary service approach leveraging state-of-the-art equipment, expertise and cutting-edge innovations developed by their technology division, NorthStar Digital Solutions. With advanced features like real-time visual tracking, automation, accurate instant quoting and streamlined customs processes, Polaris has created operational efficiencies that lead to positive customer experiences.

"This recognition is a testament to the dedication of our entire team," Polaris CEO Dave Cox states. "It serves as a powerful reminder of the trust our customers place in us, which is not only humbling but motivates us to keep raising the bar when it comes to delivering seamless LTL solutions."





GEAR DOWN FOR GRAMMAR CHECKS!

U.S. RULE COULD SEND CROSS-BORDER TRUCKERS TO THE OFF-RAMP

By Tyler Nyquist

On the morning of June 9, 2025, the Private Motor Truck Council of Canada (PMTCC) received a memo letting the non-profit know that failure to “read and speak the English language sufficiently to converse with the general public, to understand highway traffic signs and signals in the English language, to respond to official inquiries, and to make entries on reports and records” will result in an out-of-service violation for a driver.

The news, while shocking, was not altogether unexpected as truckers’ associations across Canada and the United States had heard rumblings of the action coming into effect since President Donald Trump first mentioned it months ago. Like

many things that come from the U.S. president’s mouth, many were left wondering how reliable or serious the discussion was.

The order took effect on June 25, and while the trucking industry has had some time to prepare, many still wonder as to the actual requirements of the motion and what it will really mean for not only workers but the supply chain in Canada at large.

“Yeah, we’re not 100 per cent sure either,” says Mike Millian, president of the Milton, Ont.-based PMTCC. “(The Trump administration) issued guidance documents as to what the test was going to involve at the side of the road and what they sent was heavily redacted.”

So far, Millian and other industry professionals know that drivers will

need to possess a certain level of English literacy and proficiency as it relates to reading and understanding traffic signage and rules. The level needed is unknown, but Millian is certain that industry professionals shouldn’t panic.

“They just said, we’re not doing an exam here,” says Millian. “This is going to be a normal interview that will be done at the roadside with any driver and the test will determine if you are able to understand the basics.”

“The guidance and the enforcement document clearly state that at the roadside, you have to be able to communicate sufficiently in English, which will start off with a roadside interview and normal questions. If you can answer those, then they

move on to a road sign test to see if you can read the road signs, and if you pass that, you move on to a variable message sign test.”

Generally, the consensus is that the vast number of operating drivers should be able to pass this test if they can complete these tasks. How long the test will take, and what format it will be in remains a mystery.

Overall, the opinion on this aspect of change in a highly volatile new world has been mild. According to Millian, if you have all your ducks in a row, the mandate should be standard.

“Will this have an effect on francophone drivers if they’re unable to communicate sufficiently in English? It will, for sure,” says Millian. “However, if you’re a carrier who has drivers operating cross-border and they struggle to communicate in English, you should have already been addressing that issue, and if you haven’t been, you better get on it now.”

Millian mentions carriers operating Ontario and Quebec routes connecting through the U.S. and believes that although a large portion of the drivers could come from foreign countries, it seems unlikely that many of these drivers will be unable to satisfy basic requirements.

When it comes to francophone drivers, Canadian citizens in Quebec have been operating bilingually for decades. Even if some French-Canadian drivers struggle with English fluency outside the workplace or in everyday life, the majority should certainly know enough to communicate, understand and demonstrate basic driving knowledge and literacy as it relates to their job.

Nevertheless, the threat of being suspended from driving mid-trip looms large.

“What happens here if you get placed out of service because you can’t communicate in English?

Well, you can’t get placed back in service unless you can communicate in English, which means they’re going to have to send another driver down who can communicate in English to carry on with the loaded truck.”

Placing a driver out of service mid-trip would naturally be a costly mistake

that would not only leave the driver in limbo but the cargo as well, and that cargo won’t just grow legs and walk away. Someone will need to be dispatched to finish that already delayed trip.



Mike Millian
President,
Private Motor Truck Council
of Canada

“Then it was something that a driver could be fined for, but they weren’t placed out of service. Trump has basically resurrected this law and made it a priority to have the English proficiency enforced. So, it’s a longstanding law, but as with a lot of things, the directive of the agency has changed,” Millian adds.

“The target of this was more drivers coming up from Mexico, but the guidance doesn’t differentiate between where you’re coming from. The guidance and the enforcement document clearly state that at the roadside, you must be able to communicate sufficiently in English.”

However, the worry remains about how the enforcement will be applied. Carriers through the northern U.S. have been operating this way for some time but tension at the Mexican border has been ceaseless and Millian admits there is concern that the order will be used to discriminate.

“Will it affect some? I’m sure it will, but I think the vast majority that have been crossing the border into the states are likely to be sufficient enough in their English to be able to pass this test. But until it starts being enforced, and we see how it’s enforced, it’s hard to quantify.”

For the time being, Millian believes educating your drivers and performing a review of English standards within a company or organization should be enough to prepare for what is to come. If an internal review reveals large gaps in knowledge, the organization should take steps to address those immediately in order to comply with what should already be industry standards. 🍁

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“This isn’t a new law,” says Millian. “The way it’s going to be enforced now is, but the law has been around since roughly the late ’30s, early ’40s. During the Obama administration, they briefly took the out-of-service criteria away from it, and even before that, it wasn’t something that was heavily enforced. It was sporadically enforced here and there.”

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