



# Smart Freight Centre Annual Report 2020

Leading the way to efficient and  
zero emission freight and logistics

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# Freight in the limelight



When I founded Smart Freight Centre in 2013, my vision was to 'turn the freight sector on its head.' Back then, few multinationals took notice of the climate or other impacts from freight transportation, for many it was an outsourced service so out of sight. We formed the Global Logistics Emissions Council, or GLEC, to set a global norm for industry to reach zero emission logistics by 2050.

How far we've come! More than 100 multinationals use our GLEC Framework to disclose their logistics emissions, and it's one of the primary inputs for a new ISO standard. New guidelines followed: target setting, procurement, low emission fuels and vehicles, and others. This year we saw the first 17 companies develop their own 'Sustainable Logistics Roadmap' to translate corporate targets into concrete climate action. We're venturing into new topics: carbon insetting, how to reach SME carriers, and data access and ICT.

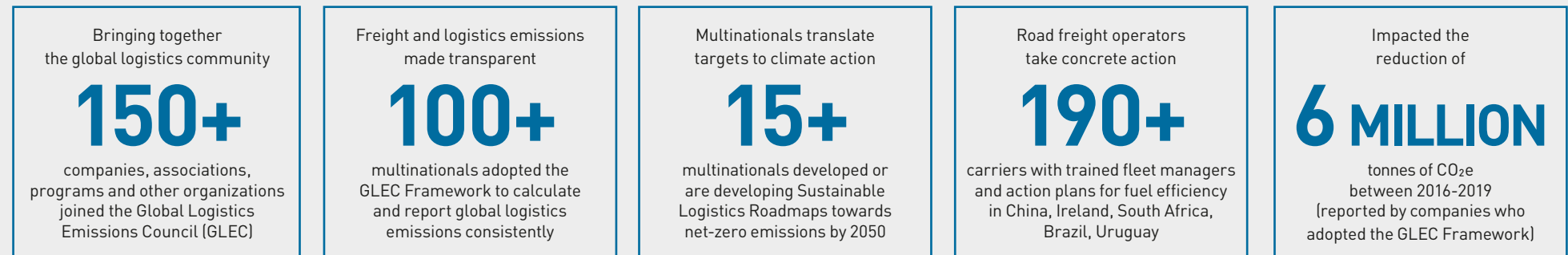
Freight is now fair and square on the global agenda, and the Covid crisis has only accelerated the push for sustainable logistics supply chains. This year's UN Climate Change conference (or COP26) in Glasgow presents an excellent opportunity to scale-up our collective efforts.

I thank our funders, partners and leading multinationals who have stood by our side for the past eight years. I invite you to read about our achievements in this Annual Report 2020 and help take our joint mission to new heights in 2021!

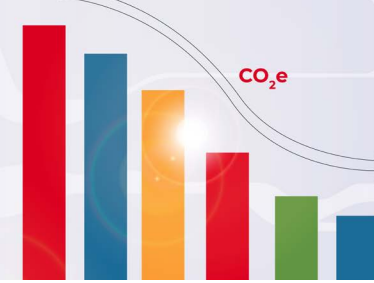


**Sophie Punte**  
Executive Director  
January 2021

## Achievements in numbers



# Towards zero emissions freight and logistics




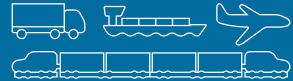
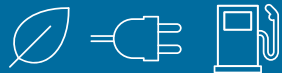


Every day goods are delivered to millions of customers around the world, and demand continues to grow.

Freight transportation generates 8% of global CO<sub>2</sub> emission and as much as 11% if logistics sites are also considered. Between now and 2050 the world will see a doubling in the freight emissions, according to the International Transport Forum. Freight transportation is also a major contributor to air pollution, noise and congestion. We cannot meet our climate and sustainability goals without efforts in this sector.

Yet, it is not high enough on the sustainability agenda of government and business. Key reasons are that the sector is fragmented, freight transportation is largely an outsourced service, and harmonized approaches and policies are lacking.

The good news is that solutions already exist for many stakeholders, sectors and countries. These solutions combined can reduce emissions by at least 80% by 2050. What is needed is sector-wide uptake of these solutions at a faster pace. We can make this happen if we ride the wave of three broader developments that are already transforming the sector: globalization, digitalization and sustainability.

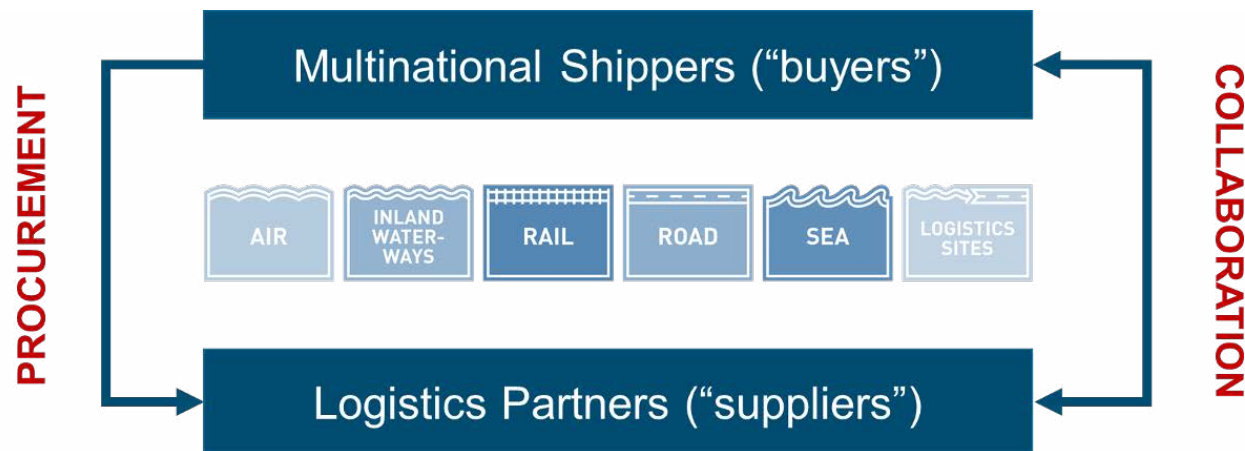
FREIGHT DEMAND GROWTH IS MANAGED	TRANSPORT MODES ARE SMARTLY USED AND COMBINED	FLEETS AND ASSETS ARE SHARED AND USED TO THE MAX	FLEETS AND ASSETS ARE ENERGY EFFICIENT	FLEETS AND ASSETS USE LOWEST EMISSIONS ENERGY SOURCE FEASIBLE
 <ul style="list-style-type: none"> <li>• Supply chain restructuring</li> <li>• Localization and nearshoring</li> <li>• 3D printing</li> <li>• Dematerialization</li> <li>• Consumer behavior</li> </ul>	 <ul style="list-style-type: none"> <li>• Increased use of rail</li> <li>• Increase use of short sea shipping and inland waterways</li> <li>• Modular road transport</li> <li>• Cargo bikes</li> <li>• Multi-modal optimization</li> <li>• Synchromodality</li> </ul>	 <ul style="list-style-type: none"> <li>• Load optimization</li> <li>• Load consolidation and asset sharing</li> <li>• Reduce empty moves</li> <li>• Modular packaging and boxes</li> <li>• Open transport networks and warehouses</li> <li>• Increase storage density and energy efficiency</li> </ul>	 <ul style="list-style-type: none"> <li>• Cleaner and efficient technologies</li> <li>• Efficient vehicles and vessels</li> <li>• High capacity vessels, vehicles, duo-trailers</li> <li>• Driving behavior</li> <li>• Fleet operation</li> <li>• Fleet maintenance</li> </ul>	 <ul style="list-style-type: none"> <li>• Electric / hybrids</li> <li>• Biofuels (from non-food feedstocks)</li> <li>• Green hydrogen</li> <li>• Bio-CNG / bio-LNG</li> <li>• Fuel management</li> </ul>

# Multinationals hold the key to change

Only through the collaboration of businesses, governments, research and civil society can a sector transformation be realized. However, in this highly commercial sector, the trigger lies predominantly with businesses, especially multinationals with global brands and value chains. As buyers ('shippers') or suppliers ('logistics partners' or 'carriers') of freight transport and logistics services, they have the power to take action and consider climate and sustainability in their business decisions. By acting as leaders, they both inspire others and set the norm for industry while society also benefits from the improvement in climate and health.

Companies that take action can benefit as they:

- Contribute to the climate goals of the Paris Agreement and Sustainable Development Goals
- Improve operational efficiency and reduce associated costs
- Improve customer service and value and employee satisfaction
- Reduce exposure to climate and air quality-related risks and regulations



# Smart Freight Centre's mission



Smart Freight Centre (SFC) was established in 2013 as a global non-profit organization dedicated to sustainable freight. We cover all freight and only freight.

## Our vision

Our vision is 'Smart Freight': an efficient and zero-emissions global logistics sector - contributing to Paris Agreement climate targets and Sustainable Development Goals.

## Our mission

Our mission is to bring together the global logistics community through our Global Logistics Emissions Council (GLEC) to work towards this vision.

We believe that increased collaboration and transparency will mobilize companies to take climate action to reduce the greenhouse gas and pollution impact arising from global freight.

## Our goal

Our goal is that 100+ multinationals reduce at least 30% of logistics emissions by 2030 compared to 2015 across their global logistics supply chains reach net-zero emissions by 2050. Concretely this means at least 80 million tonnes annual CO<sub>2</sub>e emission reductions by 2030.

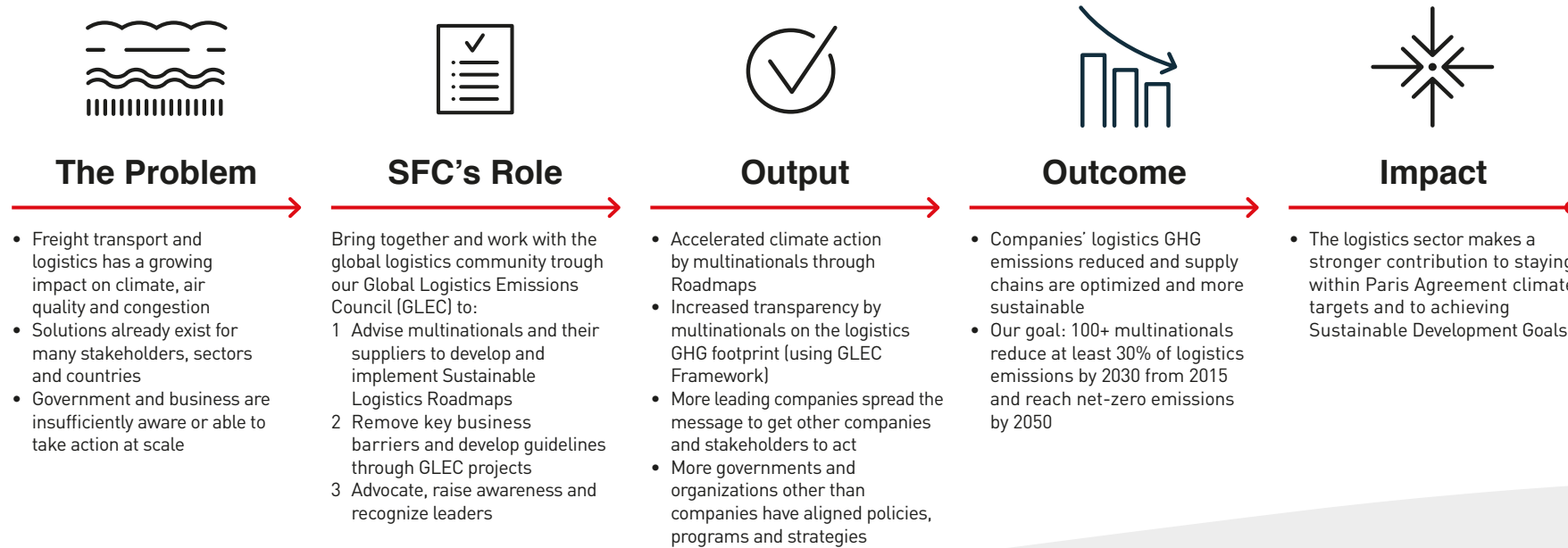
## Our role

Our main role is to advise companies on how to develop and implement their company-specific [Sustainable Logistics Roadmap](#) using the four 'Smart Freight Leadership' steps: report, set targets, reduce and collaborate. To ensure sector-wide uptake of GHG disclosure and climate action, SFC also plays an advocacy role and raises awareness among companies and other relevant stakeholders.

We put this into practice through four activities:

- **Guide multinationals and their suppliers** to develop and implement Sustainable Logistics Roadmaps, through guidelines, training and advice
- **Remove key business barriers** through GLEC projects that results in guidelines that work for industry, the first of which was the GLEC Framework
- **Advocacy** with governments and organizations for supportive policy, programs and strategies in order to scale industry action
- **Raise awareness** through events, workshops and webinars and by publishing stories of companies that demonstrate leadership

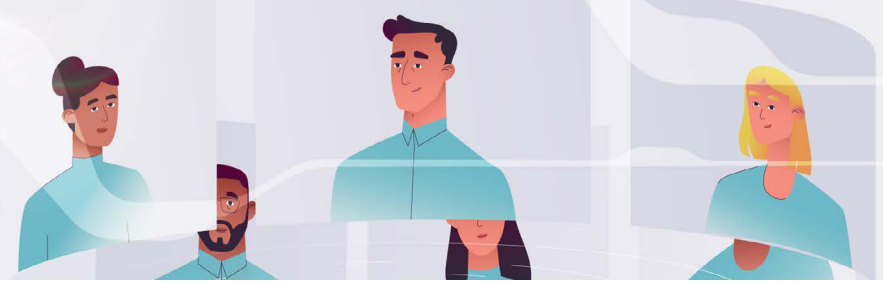
# Our strategy in a nutshell



## SFC's Achievements

- Established Global Logistics Emissions Council (GLEC) with over 150 companies, associations, programs, experts and other stakeholders
- Developed GLEC Framework as universal method for logistics emission calculation and reporting
- Sustainable Logistics Roadmap training for multinationals to build own roadmap
- Guidelines: target-setting, procurement, low emission fuels and vehicles, carrier training, programs & initiatives
- SFC has voice in 10+ leading organizations and key events
- 17 multinationals developed or are developing Sustainable Logistics Roadmaps towards net-zero emissions by 2050
- 100+ multinationals use the GLEC Framework to calculate and report logistics emissions
- 190+ carriers with trained fleet managers and action plans across China, Ireland, South Africa, Brazil and Uruguay
- 25+ initiatives and organizations other than businesses that have adopted GLEC Framework or aligned policies, programs and strategies
- Impacted the reduction of over 6 million tonnes CO<sub>2</sub>e emissions between 2016-2019 (based on emissions reported by companies in 2020 who have adopted the GLEC Framework)

# Who we work with



## Our people

Driven, professional and collaborative – the people behind SFC are all propelled by a belief in what we do. Our team, Board, SFC Advisory Council and other councils share a sense of urgency that the global freight transport and logistics sector must make a bigger contribution to the climate and sustainability movement.

SFC's dedicated purpose is to reduce emissions resulting from freight transportation. The SFC team is comprised of technical and sector experts, skilled moderators and networkers. This enables us to bring the right parties to the table and collaborate deeply across sectors.

## Our funders and partners

To scale our impact we partner with organizations and initiatives worldwide. SFC formed the Global Logistics Emissions Council (GLEC) in 2014 with more than 150 leading companies, industry associations, programs, experts and other organizations. We have formal partnerships with BSR, CDP, World Business Council for Sustainable Development, and take part in various platforms, including the WEF Global Future Council on Mobility, the UN-led Global Green Freight Action Plan, the Action towards Climate-friendly Transport Initiative (ACT), the ALICE European technology platform for logistics and US-EPA SmartWay.

SFC is a non-profit organization for the benefit of society as a whole. Charitable funds therefore continue to be essential for us to develop global standardized guidelines and advocacy work where the sector and society as a whole benefits. Our funders in 2020 were Shell Foundation, Hewlett Foundation, Trafigura Foundation, UPS Foundation, Energy Foundation China, Netherlands Ministry of Infrastructure and Water Management, and the European Commission.

Companies and organizations contribute to GLEC projects and the Smart Freight Shippers Alliance in China financially or in kind, and pay for services that benefit them directly, such as training, assessments and accreditation.

SFC's annual budget in 2020 was about 1.6 million Euros. A financial summary will be added to this report in June 2021 after completion of the financial audit.



# Global Logistics Emissions Council



To manage and improve something you need a performance indicator. At the start of Smart Freight Centre's journey, we focused on the first barrier: the lack of globally harmonized guidelines to calculate logistics GHG emissions. Secondly, we recognized that to address these barriers coordination and collaboration are required across the industry.

Together with leading companies, industry associations, green freight programs, experts and other organizations, Smart Freight Centre formed the Global Logistics Emissions Council (or [GLEC Partnership](#)) in 2014. Since then it has grown to include more than 150 partners.

The aim of the GLEC Partnership is to develop and implement global harmonized guidelines to calculate, report and reduce logistics emissions throughout industry.

GLEC partners contribute and benefit in multiple ways:

- GLEC Members can benefit from projects on reporting, target setting and reduction to improve companies' performance and visibility
- GLEC Affiliates provide input into projects which also helps them to position their programs, projects and tools with companies that want to report and reduce emissions
- All GLEC Partners benefit from guidelines that result from GLEC projects, as they will influence future standards, policy direction and investments
- Webinars, workshops and other ways of information sharing ensure that all partners are kept informed on key developments

A grid of logos representing GLEC partners, categorized into three main sections: Members, Affiliates, and Friends. The 'Members' section includes logos for companies like DB Schenker, Deutsche Post DHL Group, DOW, DSV, GEPCO, GEODIS, HEINEKEN, Hewlett Packard Enterprise, HP, KUEHNE+NAGEL, Lenovo, Microsoft, NOBIS, PEPSICO, TRAFIGURA, SCANIA, Unilever, VOLKSWAGEN, and Associations like cefic, CLECAT, and ESC. The 'Affiliates' section includes Strategic partners like alice, BSR, and CLIMATE & CLEAN F&B QUALIFICATION; Programs/Initiatives like SMARTWAY, wbcSD, WORLD RESOURCES INSTITUTE, and LogEC; and Tools like EcoTransIT, flexport, Greenouter, REIT Tool, and TK Blue. The 'Friends' section includes Companies, Associations, Other organizations, Experts, and Media Partners. At the bottom, the GLEC logo is displayed with the text 'LED BY SMART FREIGHT CENTRE'.

GLEC Partners 2020

# Sustainable Logistics Roadmap



Many companies are already reporting and taking action to reduce emissions. Other companies realize that they should act but don't know where to start. To support a company's sustainability strategy, all of them can benefit from developing a roadmap that builds on what the company already has in place and fills the gaps.

We help multinationals and their suppliers to develop and implement their company-specific [Sustainable Logistics Roadmap](#) to cut emissions by at least 30% by 2030 from 2015, and to reach net-zero emissions by 2050.

This roadmap is based on the Smart Freight Leadership approach, which was developed together with our [SFC Advisory Council](#) of leading experts. It guides a company's Roadmap in four steps.


Our guidelines and support tools can help with both roadmap development and implementation. For example, the GLEC Framework helps companies to determine their current carbon footprint. But this is not enough. Companies can also follow our e-training courses or we can moderate an in-company workshop. We can partner with associations or programs to reach more companies, for example, within one sector or country. Fifteen companies who followed our training are developing or have finalized their own [Sustainable Logistics Roadmap](#).

**1 Report**  
credible emissions  
across the multi-modal  
supply chain



**Where are we now**

**2 Set targets**  
for emission reduction  
that are science-based



**Where are we going**

**3 Reduce**  
emissions by  
implementing solutions  
as buyer or supplier



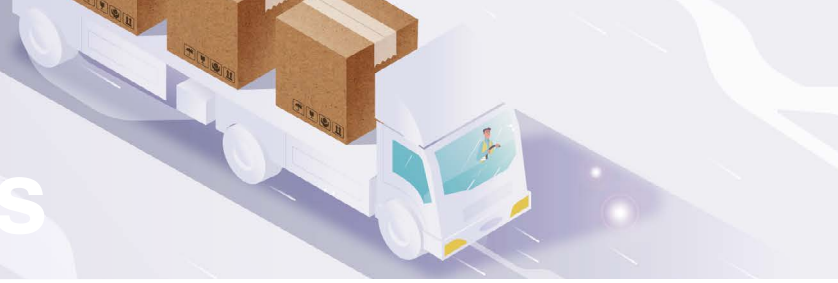
**How do we get there**

**4 Collaborate**  
and advocate for  
sector-wide action  
and supportive policy



**What do we need**

# Guidelines by SFC and GLEC and with partners



## 1 Report

## 2 Set targets

## 3 Reduce

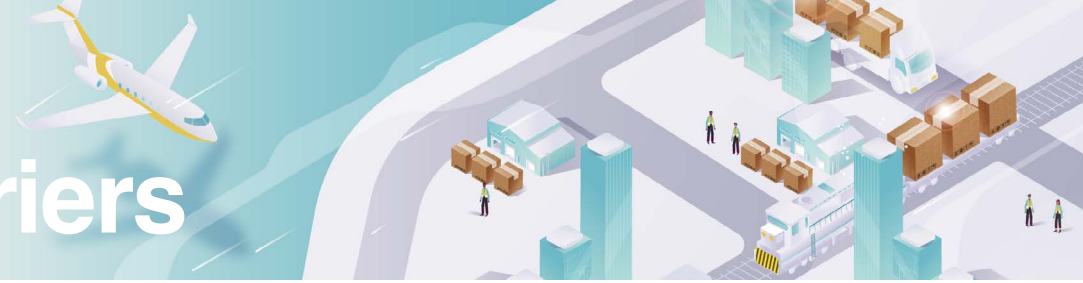
## 4 Collaborate

The collage includes the following documents:

- Global Logistics Emissions Council Framework** (ISO)
- BLACK CARBON METHODOLOGY FOR THE LOGISTICS SECTOR**
- TRANSPORT SCIENCE-BASED TARGET SETTING GUIDANCE** (Technical partners: Smart Freight Centre, icct, GLEC; Technical support: ECOFYS)
- TOWARDS ROADMAP TOWARDS ZERO EMISSIONS LOGISTICS 2050** (December 2019)
- Low Emission Fuels and Vehicles for Road Freight** (Introductory guide to support the transition to zero emissions, October 2022)
- Smart Freight Procurement Questionnaire Manual** (May 2020)
- Smart Freight Procurement Guidelines** (September 2019)
- Smart Freight Centre Assurance Guidance for GLEC Framework Implementation**
- Closing the Logistics Emissions Disclosure Gap** (An analysis of emissions disclosure to COP26 by companies worldwide)
- SEA CARBON SERVICE**
- Carbon Insets for the Logistics Sector** (White Paper, November 2020)
- Smart Transport Managers**
- The Global Green Freight Action Plan** (REDUCING THE CLIMATE AND HEALTH IMPACTS OF GOODS TRANSPORT)

Download our guidelines and resources [here](#).

# GLEC projects to address business barriers

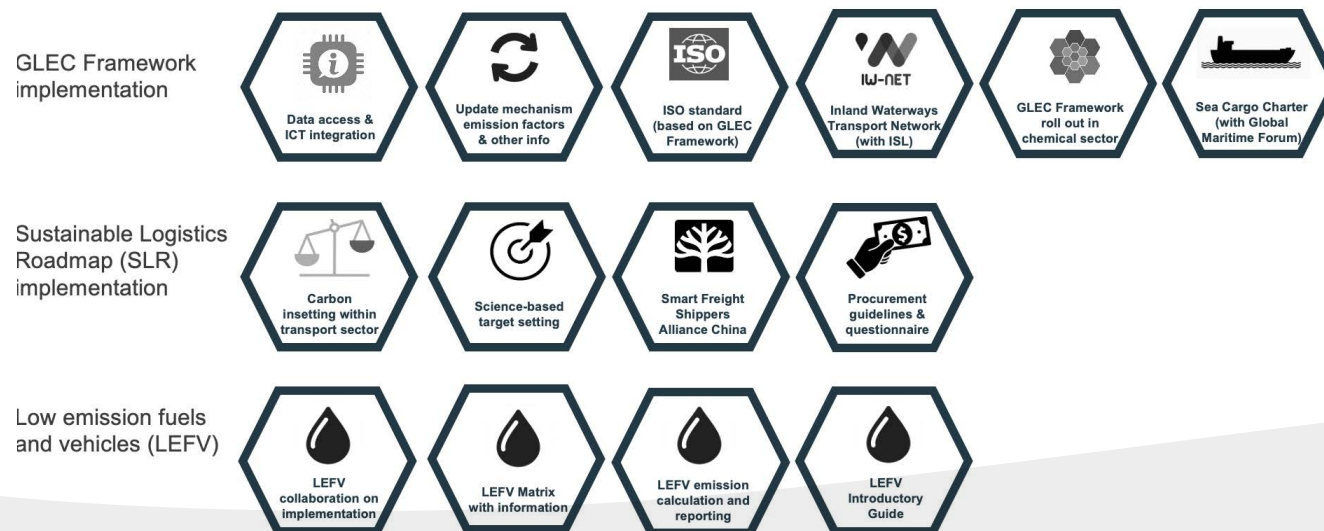


With the release of the updated GLEC Framework in July 2019, we tackled an important barrier: calculating one global GHG footprint. But there are more barriers. Together with GLEC partners, we identify the most pressing challenges for companies relating to the GLEC Framework or Sustainable Roadmap implementation. Given the importance of low emission fuels and vehicles as an emission reduction strategy for many companies, this is a separate category.

To move fast, we develop concrete projects, big and small, to address these barriers. Leading companies and other partners work with us on these projects that make use of their experience and test what works in practice. Guidelines, case studies and any other materials that are produced are shared with all stakeholders. Our existing and upcoming GLEC projects can be seen [here](#).

Highlights from projects in 2020 include:

- New guidelines on Low Emission Fuels and Vehicles for road freight and the Smart Freight Procurement Questionnaire, plus the Sea Cargo Charter for bulk shipping
- Expanded the SFC-accreditation to 8 tools and programs that can provide emissions calculation in conformance with the GLEC Framework
- Carbon Insetting Whitepaper launched with DP DHL, which kicked off discussions with relevant experts, and helped to form a project to start to draft a relevant industry guideline in 2021
- Smart Freight Shippers Alliance China (SFSA) held four Smart Freight Forums and contributed to the IKEA Summit 2020 to over 150 industry leaders, policy makers, industry associations technology providers and academia, continuously working to bridge industry dialogue with policy makers
- SFSA kicked off the Smart Carrier Pool Project with Lenovo, IKEA, Toys R US and Maersk as leading companies and will develop national carrier selection norms on compliance, efficiency and green logistics



# Advocacy and raising awareness



A key part of Smart Freight Centre's role is advocacy and raising awareness in order to scale industry action. We continue to increase our impact on a global, country and sector level. The objectives are that more governments and organizations as well as companies have aligned policies, programs and strategies, and more companies collaborate and show leadership.

To scale rapidly, we need to move beyond working with multinationals and put more emphasis on engaging with the stakeholders who influence them, building on the strategic partnerships established to date and connecting with new partners. We identified five types of stakeholders and their roles in accelerating climate transparency and action for the freight and logistics sector. We reach them through [GLEC projects](#), events and communication.



Highlights from 2020 include:

- Joint launch of the Closing the Emissions Disclosure gap [report](#), an analysis of emissions disclosure to CDP corporations worldwide, in partnership with CDP
- Establishment of the [GLEC Media partner category](#), to attract further attention to SFC's activities and to enable increased engagements and collaborations with relevant stakeholders
- Publishing the GLEC Framework in French, [Le Cadre GLEC](#), to enable GLEC Framework adoption in French-speaking countries
- Rolling out our [Smart Transport Manager Training](#) to train 210 + fleet managers at 190 + carriers globally, including a translation for Spanish-speaking participants

- Expanding our GLEC strategic partnership, through our collaboration with [Kühne Logistics University](#)
- Joining the [Getting to Zero Coalition](#), to work towards the acceleration of maritime shipping's decarbonization
- Working on a [project](#) to promote and test the use of the GLEC Framework in the European Chemical Sector with The European Chemical Industry Council (Cefic)

# Event highlights in 2020

## RACE TO ZERO TRANSPORT DIALOGUE

Can Asia lead the way to zero-emission freight?

WED 11 November 2020 • 8:00 - 9:20 CET • 15:00 - 16:20 CST



**Glynda Bathan**  
Deputy Executive Director  
Chief of Asia, Procurement & Risk manager training



**Ricky Jin**  
Category Lead/Deputy Manager  
W&A China, Sustainable Logistics solutions



**Sophie Punte**  
Executive Director  
Smart Freight Center



**Zhai Xuehun**  
Founder and CEO  
CS Global Freight Exchange  
Platforms and Decarbonization



**Rajeev Ysr**  
Chief Operating Officer  
Aircar India  
Electric Freight vehicles

#RaceToZero [www.slocat.net/race-to-zero](http://www.slocat.net/race-to-zero)

### RacetoZero Dialogues:

How Asian businesses and cities are leading the way to freight decarbonization



United Nations  
Climate Change



### Catalyzing sectoral change:

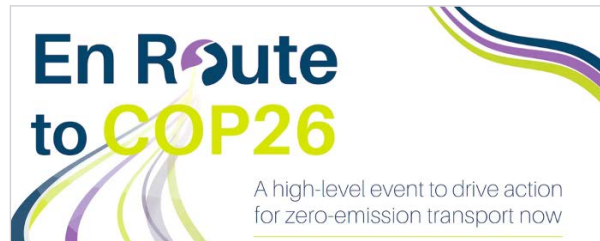
Reducing Freight emissions in the fashion industry through sustainable procurement. Webinars held in partnership with Sustainable Apparel Coalition, UN Global Climate Action, SFC and BSR



Sustainable  
Apparel Coalition

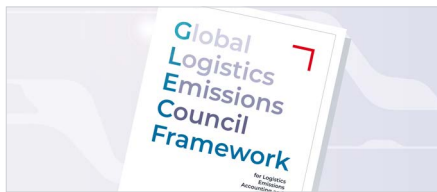
### Enroute to Cop 26 Decarbonising freight:

Insights from leading multi-nationals on action and policy asks - SFC organized a panelist discussion of leading companies and sustainability experts



### Climate Week 2020:

Promoting the importance of a company's Sustainable Logistics Roadmap at the UN ESCAP and Sum4all webinar with SLOCAT Partnership on Sustainable, Low Carbon Transport



### ISO standard: building on GLEC Framework – ongoing working group

Ensuring that industry, governments and investors use a single methodology, consistent with GLEC Framework, through developing a new ISO Standard - ISO 14083, in collaboration with DIN

### Sea Cargo Charter launch:

New benchmark for responsible shipping. SFC contributed to Technical Guidance underpinning the Charter



### “New normal, new opportunity.”

Transforming the Chinese logistics sector at the Post Covid-19 Fleet Transformation Toward Sustainability and Digitalization

### Sustainable Logistics Simplified:

Integrating sustainability into the logistics procurement process. Webinars held in partnership with DHL, including promoting uptake of SFC's Smart Freight Procurement Guidelines



# Communication highlights in 2020



**PepsiCo**  
4,717,065 followers  
1mo • Edited • 🌐

We're stepping up our efforts to reduce Greenhouse Gas emissions in our value chain. In Europe, PepsiCo has adopted the #GLECFramework and recently become a member of the Global Logistics Emissions Council (GLEC) established by Smart Freight Centre to help drive emission reduction activities across our third party logistics network.

132 • 2 Comments

News

## Hitting the High Seas with the GLEC Framework

16 June 2020 - Biofuels trial for BMW's sea transport for car carriers calculates 400 tonnes carbon reductions using the GLEC Framework

Watch our SFC and GLEC animation video [here](#).

**DSV - Global Transport and Logistics**  
336,179 followers  
1w • 🌐

Would you like to learn more about DSV's sustainability activities?

We are proud to collaborate with Smart Freight Centre – a global non-profit organisation dedicated to sustainable freight – on working towards a more sustainable future for our industry.

As part of our collaboration, Smart Freight Centre has published facts about DSV's sustainability activities and commitments on their website.

#sustainability #csr #carbonfootprint

Learn more: <https://social.dsv.com/1UH>

Facts about DSV Panalpina's sustainability activities  
smartfreightcentre.org

330 • 3 Comments

## Closing the Logistics Emissions Disclosure Gap

An analysis of emissions disclosure to CDP by corporations worldwide

CDP  
DISCLOSURE INSIGHT ACTION

Smart Freight Centre

**World Economic Forum**  
2,919,853 followers  
1mo • 🌐

## Building for resilience

How COVID-19 revealed the need to integrate passenger and freight transport  
weforum.org

# Communication highlights in 2020



This summer [Unilever](#) announced ambitious plans to protect climate and nature. We've committed to net zero emissions from all our products by 2039 – including the transportation of raw materials and finished products to the point of sale.

To reduce emissions across our logistics operations, we've joined the [Smart Freight Centre's](#) Global Logistics Emission Council [#GLEC](#). This gives us access to global logistics emissions standards. It also connects us with a large community of organisations with similar sustainability objectives, so that together we can make a significant positive impact on the planet.

[#ClimateAction](#) [#RaceToZero](#)

👍 🌱 🗨️ 589 · 17 Comments

**Transport Climate Action Directory**

"Supportive policy is critical for companies to implement their roadmaps to decarbonise freight. The **TRANSPORT CLIMATE ACTION DIRECTORY** will give governments handles to make sure that this happens."

**Sophie Punte**  
Executive Director,  
Smart Freight Centre

**Smart Freight Centre**  
1,788 followers  
2mo · Edited · 🗨️

We're happy to announce that [Nestlé](#) is our latest member of the Global Logistics Emissions Council [#GLEC](#). Another step along the road towards achieving net-zero [#emissions](#) by 2050!

Working collaboratively with like-minded organizations, we can accelerate our efforts to reduce emissions and limit the global temperature rise to 1.5°C, in line with the [#Parisagreement](#). Find out more about the [#GLEC](#) Partnership: <https://bit.ly/3ICblnD>

[#zeroemissions](#) [#freight](#) [#logistics](#) [#supplychain](#) [#climateaction](#) [#GLECFramework](#)

**Smart Freight Centre**

**Blogs**

**How corporate leadership can catalyze sectoral change**

Amsterdam, 23 October 2020 - By Eszter Toth-Weedon, Senior Partnership Manager, Smart Freight Centre. It's not always the size of the company that makes a difference. A review of the sustainable freight approaches of selected sectors.

**The Loadstar**  
3,433 followers  
2mo · Edited · 🗨️

We're very pleased to announce we've joined forces with Smart Freight Centre.

The Loadstar has become the first media partner of the Global Logistics Emissions Council (GLEC), with the aim of helping freight organisations and their customers put climate commitments into practice.

Managed by global non-profit organisation Smart Freight Centre, GLEC is a voluntary partnership with more than 150 companies, associations, programmes and experts – and now media: <https://lnkd.in/d/G9xku> [Smart Freight Centre](#) [#emissions](#) [#parisagreement](#) [#parisclimateagreement](#) [#lowemissions](#) [#environmentalimpact](#) [#freightforwarders](#) [#carriers](#) [#shippers](#) [#supplychain](#) [#logistics](#)

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Smart Freight  
Centre

