

## OPINION PIECE

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# Building momentum for zero-emissions freight movement

International trade is indispensable. Yet the vital role played by freight transportation and logistics is often forgotten. Only now are leaders waking up to how vulnerable the supply of essential goods is in times of crises, whether as a result of pandemics, international conflicts, or climate-related disasters. A sector that contributes around 11 per cent of both global CO<sub>2</sub> emissions and global GDP and constitutes a reliable and sustainable transport system can play a critical role in the transition to a decarbonized future as well as in adaptation to the impacts of climate change.

The key to delivering a zero-emissions freight industry lies in international cooperation based on the Paris Agreement and the UN Sustainable Development Goals.

First, to reduce emissions and respond to supply chain shocks or disruptions, we need increased transparency in the logistics supply chain. Carbon emissions are an indicator that does not lie. Price can be negotiated up or down but you cannot negotiate the actual CO<sub>2</sub> footprint, and that makes it a more reliable indicator than prices on which to base decisions. Smart Freight Centre's Global Logistics Emissions Council (GLEC) Framework – a methodology for harmonizing

the calculation and reporting of the logistics GHG footprint across supply chains – and soon the ISO 14083 standard, allow for consistent calculation and reporting of global logistics emissions. If coupled with blockchain technology, the sector could deliver a transparency revolution. This trend will go even further with the upcoming International Sustainability Standards Board (ISSB) standard, as well as EU and US regulations requiring companies to disclose sustainability and climate information that is relevant to investors and stakeholders.

Second, we must go all out to decarbonize freight transport. Solutions range from sustainable aviation fuel and zero-emission ships and trucks, to fleet efficiency, a shift to less carbon-intensive transport modes and reducing freight demand. A complex but fortunately increasingly aligned number of initiatives is bringing stakeholders together to deliver these solutions. The 50+ companies of the First Movers Coalition, supported by initiatives such as the Mission Possible Partnership, Smart Freight Centre and Climate Group, send market demand signals for zero-emission aviation, shipping and trucking. Carbon offsetting and CO<sub>2</sub> removal should

be used as a last resort where mitigation is not (yet) possible, but not as an alternative to action. A much-preferred service now offered by several logistics service providers is "carbon insetting": customers' emissions are reduced within the logistics sector, helping to drive investment into greener technologies and strategies.

Third, collaboration and supportive policy is critical, and can take various forms. For example, the Sustainable Trade Initiative works with 600 companies and governments on new sustainable production and trade models in emerging economies across 12 sectors, all of which involve transport. Policies that cut across trade and climate include carbon border adjustment mechanisms, fossil fuel subsidy reforms, renewable energy trading and technology transfer. The We Mean Business Coalition focuses on raising policy ambition with the backing of leading businesses that are setting science-based targets and taking action.

Governments, businesses and civil society all have every reason to work together in pursuit of carbon neutrality and sustainability in international transport. The benefits for international trade and the climate will be felt for generations to come.