

# Freight in ESG 2023

**Stop guessing; Choose an FTA Ireland TruckSafe green standard operator.**

In Ireland almost 99% of freight is moved by land transport due to the significantly lower contribution of other modes of transport (In Europe it is approx. 75%). There is an expected 91% growth in freight Tonne/Km to 2050 (DoT) and must still reduce its GHG/CO<sub>2</sub> to net zero by 2050.

**How will your business grow to 2030 whilst halving its CO<sub>2</sub>, and to 2050 with net zero emissions?**

Whilst 'ESG' or Environmental, Social and Governance concerns are new to many, FTA Ireland was founded on the accreditation programme now known as TruckSafe in 2010 ie, **'ESG' is our DNA.**

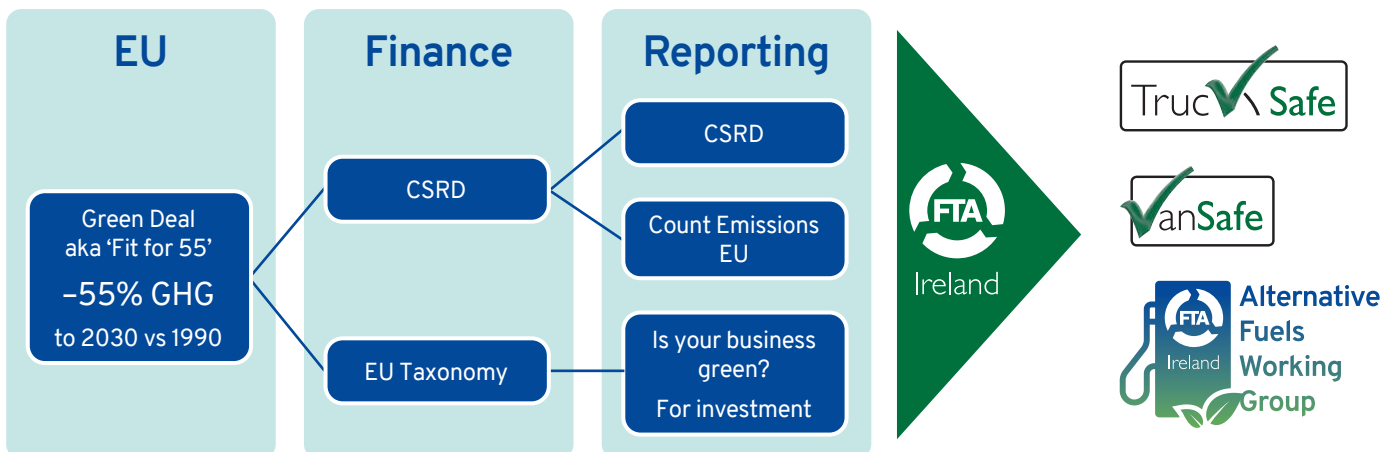
To meet its GHG reduction targets the EU Parliament has passed into law the CSRD<sup>1</sup> – Corporate Sustainability Reporting Directive – **for large organisations** from 1 January 2024 for those already subject to the NFRD<sup>2</sup> (reporting in 2025) and from 1 January 2025 for **all other large companies (reporting in 2026).**

Large organisations are gathering data across their supply chains ie, even if CSRD only applies to your customers, you may be asked to supply a lot more information than heretofore.

“EU law requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment. This helps investors, civil society organisations, consumers and other stakeholders to evaluate the sustainability performance of companies, as part of the European green deal.”

– EU Finance

**Figure 1** All of the directives contribute to delivering on the EU target of -55% CO<sub>2</sub> by 2030 vs 1990 and to a 'climate neutral' economy by 2050.



1 CSRD [https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting\\_en](https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en)

2 Non Financial Reporting Directive – <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0189>

## Green Freight EU and Count Emissions EU

### Green Freight Strategy

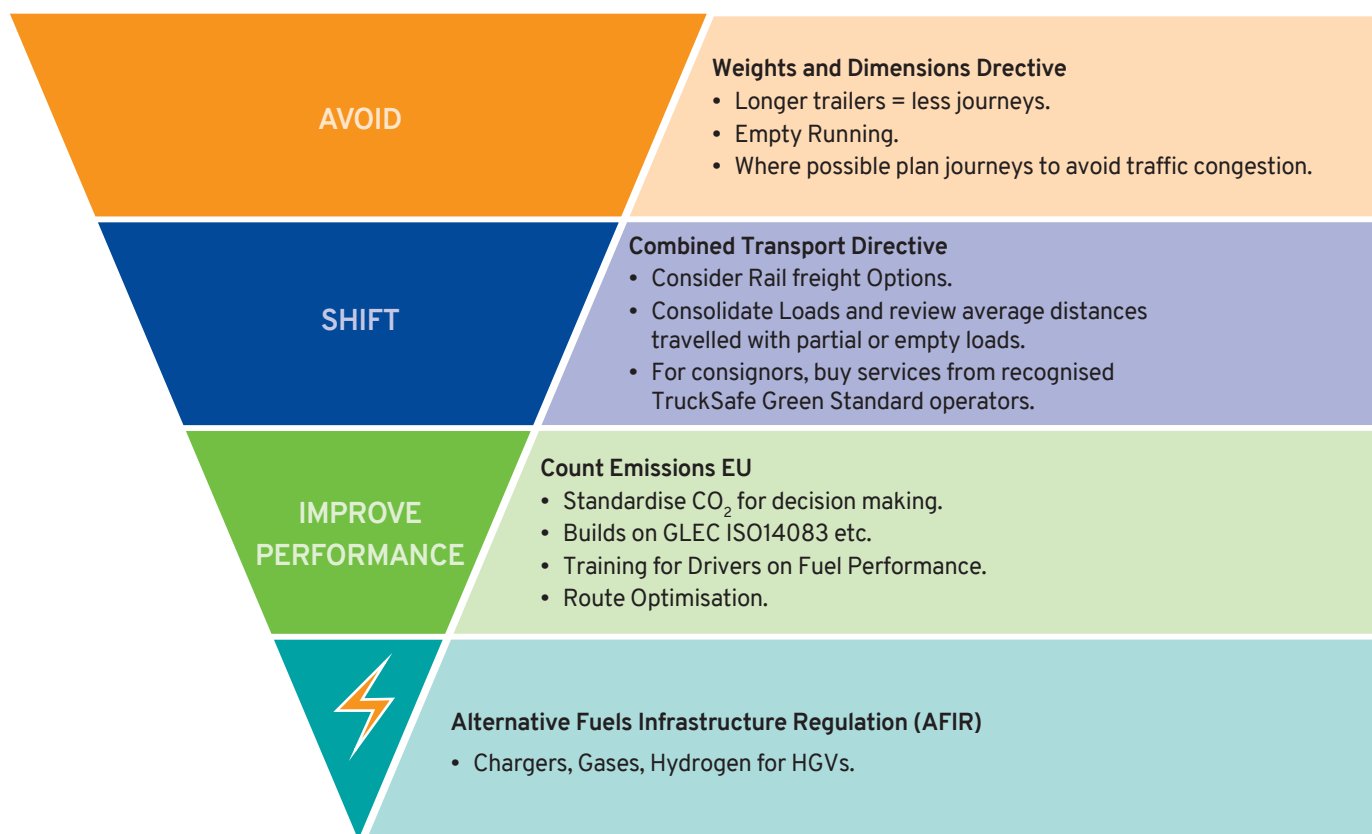
A new Green Freight Strategy will be published by the EU in imminently. In the interim it is prudent to remind ourselves of the green, smart and affordable mobility policy as published<sup>3</sup>.

### Summary of Milestones for a smart and sustainable future

By 2030	By 2050	Challenge for Ireland
At least 30 million zero-emission cars will be in operation on European roads	nearly all cars, vans, buses as well as new heavy-duty vehicles will be zero-emission.	As an Island with a very limited Core Ten T Network, A population that is Urban and East Coast Centric it is difficult to transpose general EU Sustainable Transport Policy such as greater us of inland waterways and rail freight. The focus must therefore be on ensuring that Irelands Circumstances are conveyed to Europe to support a just transition that works for all in the freight distribution and logistics sector.
100 European cities will be climate neutral	Rail freight traffic will double.	
Scheduled collective travel for journeys under 500 km should be carbon neutral	A fully operational, multimodal Trans-European Transport Network (TEN-T) for sustainable and smart transport with high speed connectivity.	
Zero-emission marine vessels will be market-ready		

## Suggestions on how to reduce CO<sub>2</sub> emissions across all modes

**Figure 2** A summary of EU Green Freight initiatives expected Q2'23 laid out to show they will help reduce GHG emissions from road freight.



<sup>3</sup> [https://transport.ec.europa.eu/transport-themes/mobility-strategy\\_en](https://transport.ec.europa.eu/transport-themes/mobility-strategy_en)

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## Actions to report your freight impacts in CSRD as a supplier

- **Set your boundary** – how far up and down your supply chain can you go?
  - Remember: *As long as you own the goods you own the CO<sub>2</sub> (or GHG).*
- **Establish your Tonne and Km travelled** (ie, tonne x km not total tonne x total km).
  - Use the GLEC framework to calculate your overall emissions and identify your significant emitters; small changes in big emitters will generally reduce more CO<sub>2</sub> than big changes in small emitters (Pareto rule).
- Where applicable **identify empty running** and engage with your suppliers to reduce.
  - Agree split of savings beforehand to ensure open and transparent reporting.
  - Support your suppliers to invest in alternative fuels such as electric trucks and HVO (Hydrotreated Vegetable Oil) with longer contracts and higher rates for lower CO<sub>2</sub> services.
- Where possible **investigate alternative modes** of transport eg:
  - Road & Rail freight are more carbon efficient than air transport.
  - LOLO services offer lower CO<sub>2</sub> than accompanied freight via RORO.
  - Different routes and timings may also deliver CO<sub>2</sub> reductions.

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## How prepared are FTAI members for CSRD?

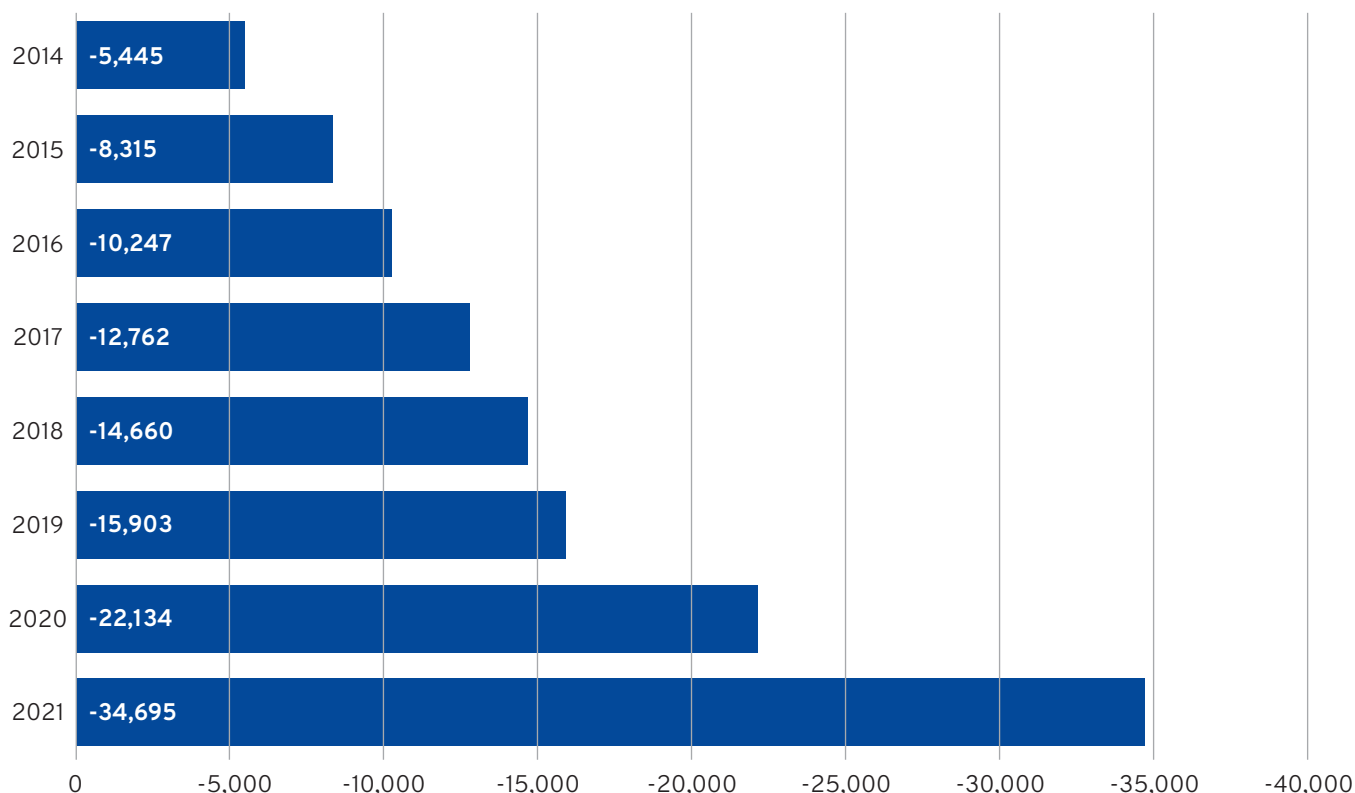
- **Environmental**, since 2012 members have been participating in the Enprova funded ECOfleet programme now known as TruckSafe Green Standard [since 2016].
  - Reporting their diesel use in Litres – quarterly.
  - Calculating and improving their energy performance in L/100km.
  - Moving to energy intensity in kWh/tonne.km as data becomes available (with consignor collaboration in planning, filling, and compliance).
  - Reducing CO<sub>2</sub>/tonne.km with improved operational control (avoid), and performance (EnMS, ecodriving, CNG & BETs).
- **Social** FTAI Members developed and participated in the Transport Operations and Commercial Driving Apprenticeship and Logistics Associate Apprenticeship programmes, both of which incorporate sustainable transport modules. In addition, the TruckSafe™ Standard is encouraging progression from Bronze, Silver, Gold to Green that enables commercial fleet operators be recognised for operating to the highest safety and professional standards but also incorporating sustained environmental management systems in place that are audited on an annual basis.
- **Governance:** FTAI Ireland members TruckSafe™ is a governance regime that was recently recognised by the Road Safety Authority as a Leading Light in Road Safety and can be specified in procurement.
  - **TruckSafe or VanSafe** Bronze, Silver & Gold include environmental aspects in their annual audits.
  - **Since 2018 Green Standard** means continuous improvement in energy performance akin to ISO50001 (EnPi = L/100km), moving to Tonne.Km as measured data becomes available.

As data reporting works upstream and downstream, FTAI Ireland members offer detailed data to objectively choose the lowest CO<sub>2</sub> routing, and operator for your work.



**Figure 3** Graph depicting cumulative tonne CO<sub>2</sub> avoided by ECOfleet programme

Cumulative t CO<sub>2</sub>e @3.17kg CO<sub>2</sub>e/litre **avoided** 2014–2021  
(Submitted, approved and accepted by SEAI and DECC)



## What standards do FTA Ireland members use?

Since its publication in 2019, FTA Ireland members have used the Global Logistics Emissions Council (GLEC) Framework to calculate their CO<sub>2</sub> emissions.

With the publication of ISO14083 in March 2023, members can move to this more detailed methodology, note it is a guidance standard not an auditable standard (see TruckSafe).

The calculators used by some members are however certified by Smart Freight Centre and others to be

ISO14083 or GLEC 'compliant' at extra cost to the consignor.

All members are trained to be transparent with their methodology and sources to enable you to make your own value judgements and adjustments for corporate reporting standards.

**Ask not where the ESG is in your freight;  
Ask where is the freight in your ESG?**

## What impacts will we report

Environmental impacts for moving goods (and people) are diverse, below is a short summary, followed by actions we can take to report and reduce these impacts.

- **Environment:** Climate Change (CO<sub>2</sub>), Pollution (Air quality PM & NOx), Water (use) & Marine Resources (spillages), Biodiversity & ecosystems, Resource use and circular economy
- **Social:** Own workforce, workers in your value chain, affected communities, consumers and end users.

For each of the above there is a draft European Sustainability Reporting Standard (ESRS) these can be

downloaded via <https://www.efrag.org/> in their current **draft** formats. The latest updates were as of 2022 and you can see their current endorsement status at <https://www.efrag.org/Endorsement>.

General (ESRS1 & ESRS 2)			
Topic Specific Cross Sector Standards			
Environment	Social	Governance	
ESRS E1-5	ESRS S1-4	ESRS G1-2	Sector specific standards
			Count Emissions EU
			ISO14083:2023
			GLEC Framework 2022

In freight ECOFleet has established calculation methodologies (standards) from the formation of the Global Logistics Emissions Council (GLEC) in 2014, publishing its first framework in 2019 and current update in 2022 – download free via <https://www.smartfreightcentre.org/en/our-programs/global-logistics-emissions-council/calculate-report-glec-framework/>

As of March 2023, **ISO14083:2023 Greenhouse Gases (GHG) – Quantification and reporting of greenhouse gas emissions arising from transport chain operations** is available to buy via [https://shop.standards.ie/en-ie/standards/iso-14083-2023-1320134\\_saig\\_iso\\_iso\\_3232442/](https://shop.standards.ie/en-ie/standards/iso-14083-2023-1320134_saig_iso_iso_3232442/)

We report GHGs in terms of Scope 1 (direct burning of fossil fuels), Scope 2 (indirect burning of fossil fuels) and Scope 3 everything else. Freight is often outsourced

making it a scope 3 report (optional) but CSRD makes its mandatory albeit with low expectations of accuracy and certainty for some years yet.

ISO standards use ‘categories’ rather than scopes, but the intent is the same – to avoid double counting of emissions. Transport is ‘Category 3’ where we use ISO14083:2023 to calculate emissions.

**For SMEs and busy sustainability teams the GLEC Framework remains current and is an easy to follow guidance to reporting GHG in your supply chains (it is also free to download).**

*Note: ISO14064 applies to organisations in the EU Emissions Trading Scheme or ETS eg Ryanair or the ESB. Although the EU ETS is to be extended to transport, Ireland has a derogation due to our existing carbon tax regime.*

## FTAI members accreditation programmes ESG Timeline

- 2010** FTA Ireland founded to accredit professional compliant operators governance and risk reduction.
- 2014** FTA members commence TruckSafe Silver & Gold environmental reporting under EEOS (EU EED 2012 Art.7)
- 2019** FTAI Green standard mandates quarterly reporting to keep Green accreditation.
- 2022** FTA accredited members report measured and verified CO<sub>2</sub> 1,813 Tonnes CO<sub>2</sub> avoided in 2022. Leading lights award from RSA & DoT.



## ECO Driver Training

**Fuel Efficient Drivers = Safer Drivers = Good Risk Management**

This training is designed to improve fuel efficiency and you should see an annualised improvement of 7% on average?

*There can be bigger improvements but this is dependent on annual refresher training also note that reduced fuel burn is also a reduction on CO<sub>2</sub> emissions.*

There are many reasons why commercial fleet operators should engage in Eco driver training. As well as delivering fuel efficient drivers (result in lower running costs), improved profit margins and reduced emissions this training also supports safer drivers (less injuries and fatalities on our roads), less accidental damage to

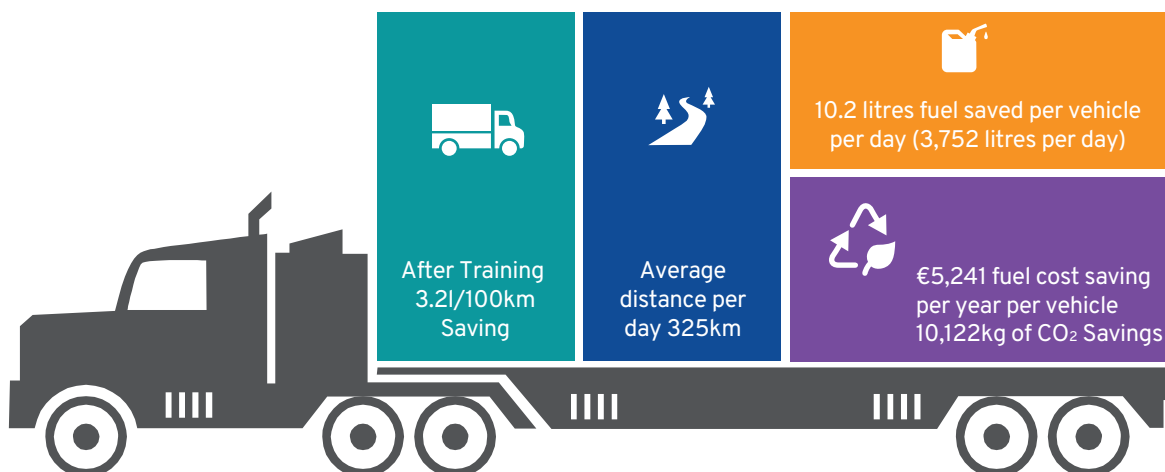
vehicles, less unproductive downtime for vehicle repair, and the potential for reduced insurance premiums. Road crashes have an enormous emotional impact on human lives, as well as a very significant socio-economic impact. International reviews show that this impact is estimated at 0.5% up to 6% of gross domestic product (Wijnen & Stipdonk, 2016)<sup>4</sup>.

FTA Ireland Silver/Gold/Green, ECOfleet programme ensures that L/100km is actively reported and can be used as a leading indicator of deterioration in driver behaviour ahead of incidents occurring, which with proactive management allows for weekly feedback.

For more information please visit <https://www.ftai.ie/ecodrive-training>

Alternative fuels working group visit <https://www.ftai.ie/alternative-fuels-working-group>

**Figure 4** Case study – ECO Driver Training (June 2023)



<sup>4</sup> [https://www.rsa.ie/docs/default-source/road-safety/r4.1-research-reports/cost-report-analyses/costs-of-congestion-related-to-road-crashes-in-ireland-2018.pdf?Status=Master&sfvrsn=4ac408a\\_3](https://www.rsa.ie/docs/default-source/road-safety/r4.1-research-reports/cost-report-analyses/costs-of-congestion-related-to-road-crashes-in-ireland-2018.pdf?Status=Master&sfvrsn=4ac408a_3)

# Green Standard Training (GST)

Climate action training for fleet operators



FTAI provide a range of membership driven safety and environmental standards; **TruckSafe**, **VanSafe** and the recently launched **PassengerSafe**. TruckSafe has bronze, silver and gold levels of increasing scrutiny and performance requirements.

Since 2021 the Green Standard level has been available to silver and gold standard members, the safety standard is recognised by the Health and Safety Authority and Road Safety Authority, the Green Standard certification is backed by an Enprova funded fuel performance bonus paid annually for continuous improvement in L/100km (regulated under the EEOS by SEAI). The scheme now wants to move on to a more formal training programme for those fleets applying for Green Standard accreditation.

## Course description

This training course will equip Transport Managers with the skills and tools to review the efficiency of their truck fleet, and to introduce a fuel management program that can potentially save 5% of fuel use in year 1. The course covers the five pillars of truck fleet efficiency: fuel management, driver and staff skills, vehicles and maintenance, performance monitoring and information technology.

Fuel is 20-40% of freight operators costs, carbon tax is currently 11c/L. Road freight accounts for 20% of land transport carbon emissions. Ireland recently adopted its carbon budgets to 2035.

This two-day training explains the challenges, how to set science-based targets in line with Ireland's carbon budgets and most importantly **how to reduce fuel use, cost and emissions with the vehicles you have now.**

- 1 **Climate context and the business case**
- 2 **Significant users and activity data**
- 3 **Targets and opportunities**
- 4 **Get going: action plan**
- 5 **Pitch [draft] action plan and policy**

Alternative fuels, energy sources and how to calculate your carbon emissions will also be covered along with funding sources and grant applications.

## Course content/benefits

Delivered as **2 full days in person** leading to a signed action plan.

**Workbook** for each step supplied as a single Excel spreadsheet.

**Surveys** will be online with results shared anonymously on the spot (slido) and in summary form via slides as reference ie **all sources linked and live.**

At final afternoon session participants present their climate/fuel action plans, and commit to a date for a follow-up by trainer to collect signed copy of action plan, usually within 2 weeks.

- Commit to date for signature (they will have prepared for this before final workshop).
- Agree/sign-up to funding eg FTAI Green Standard fuel bonus (under EEOS).
- Agree next steps for collaboration if any across the group/sector.

## Price on application

## How does green integrate with safety?

When fleets are well operated incidents reduce close to zero; green metrics provide indicators to monitor and improve performance over time with reducing L/100km acting as a proxy for safer driving.

### Safety



### Metrics

- L/100km
- CO<sub>2e</sub>/Tonne-Km
- CO<sub>2e</sub>/Pax-Km

### Continuous improvement year on year



### Green certificate



- Gather your data (as per DRS)
- Annual action plan signed by C
- Upload your results quarterly
- Get paid bonus annually

# ECO and defensive driving

Delivering Safe, Efficient, Sustainable Logistics

## DEFENSIVE DRIVING



As a professional driver you have a major role to play in ensuring that accidents are prevented. You must always demonstrate a high degree of skill and expertise and operate your vehicle in a safe and responsible manner. You must ensure that your vehicle is always travelling at the correct speed, is always in the correct position on the road and that you are always ready for the next manoeuvre. You should always be aware of how other road users see you. They may not understand why you are adopting a certain position on the road and that you need that space to negotiate and complete a manoeuvre. Remaining calm and professional will lead to a safer and more pleasant working environment for you.

### Being prepared

One of the main factors in increasing road safety is the emphasis on planning ahead so that you are prepared in advance for potential hazards. This will mean you are able to:

- Anticipate problems.
- Take appropriate action in good time.
- Ensure you are travelling at the correct speed when dealing with a hazard.

**Always** keep a safe distance from the vehicle in front as this will help you to plan your driving this will mean you don't have to brake immediately or harshly when traffic in front of you slows or stops.

### Hazard Identification

A hazard is anything with the potential to cause harm. It can be something that causes you to alter your position on the road, or to slow down or stop. There are predominantly three types of hazard:

- 1 **Stationary hazards:** Junctions, Low bridges, Pedestrian/zebra crossings, etc.
- 2 **Moving hazards:** Pedestrians, Cyclists, Motor cyclists, Other vehicles, etc.
- 3 **Environmental hazards:** Ice, Low sun, Rain, Glare, Hedges, Road surface conditions.

Watch for vehicles entering the road in front of you and vehicles ahead changing lane or turning.

Look for other vehicles' indicators, brake lights or movements. By checking these things, you can anticipate and adjust your speed or change lanes to avoid problems.

### Space around your vehicle

When driving, you need space all around your vehicle. Space gives you time to stop. Space gives you time to check your mirror and make a lane change. Manage your space all the time. That way you will have space around you should things go wrong.

### Mirrors

Use all mirrors to monitor traffic beside and behind you this will ensure you are fully aware of hazards around your vehicle.

### Speed

Always drive at a speed appropriate for the vehicle, road, weather conditions and load, even if this is less than the posted speed limits.

### Distractions

Under no circumstances should drivers use a mobile phone whilst driving.