



# Global Logistics Emissions Council

## GLEC Strategy 2022 – 2024

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### Acknowledgements

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### About Smart Freight Centre

Smart Freight Centre (SFC) is a global non-profit organization dedicated to an efficient and zero emission freight sector. We cover all freight and only freight. SFC works with the Global Logistics Emissions Council (GLEC) and other stakeholders to drive transparency and industry action – contributing to Paris Climate Agreement targets and Sustainable Development Goals.

Our role is to guide companies on their journey to zero emission logistics, advocate for supportive policy and programs, and raise awareness. Our goal is that 100+ multinationals reduce at least 30% of their logistics emissions by 2030 compared to 2015 and reach net-zero emissions by 2050.

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## Executive Summary

Multinationals have a central role to play in helping the freight and logistics sector to contribute to Paris climate goals and Sustainable Development Goals.

The Global Logistics Emissions Council (GLEC) was established in 2014 and by 2021 has grown into a voluntary membership of more than 100 companies, industry associations and green freight programs, backed by experts, governments, and other stakeholders with a wide range of levels of engagement. Smart Freight Centre (SFC), a global NGO dedicated to reduce emissions from freight and logistics, provides the secretariat to the GLEC.

GLEC's mission is to establish and implement global, harmonized guidelines for calculating and reporting logistics emissions and enhancing efficiency across global logistics supply chains with education.

GLEC in collaboration with its members has achieved many successes since its inception. The GLEC Framework is recognized as the international standard for accounting and reporting of GHG emissions from logistics operations. The collaborative work had helped SFC's contribution of at least 6 million tonnes CO<sub>2</sub>e of avoided GHG emissions.

To guide the GLEC, a 3-year strategy is established. Back in 2014, the initial focus was on filling the pressing gap for a globally recognized, harmonized methodology for calculation of GHG emissions from freight transport operations. By 2019 the focus of the GLEC strategy was on improving corporate disclosure of logistics emissions, increasing emission reduction efforts and enhancing collaboration between companies with policy makers and stakeholders.

This document sets out the GLEC strategy for the period of 2022-2024 and marks a further evolution in the focus of the GLEC. The number of organizations recognizing the need to understand and address GHG emissions from logistics has increased significantly; many are keen to implement actions quickly but are starting from a small knowledge base. Meanwhile, the number of initiatives in the transport sector that aim to undertake some form of emission reduction action has increased significantly.

In response to the needs of GLEC Members target group – multinational companies – the 2022-2024 strategy focuses on two aspects:

- Continue to act as the global focus point for harmonization and leading the way to consolidate methodology for calculation and reporting of GHG emissions from logistics operations
- Remove barriers for companies to calculate and report their logistics GHG emissions as part of a corporate emission reduction strategy

The new strategy sets out an improved membership structure, enhancing the benefits companies can get by joining the GLEC and responds to the increased interest in understanding the impact of the GHG emissions from logistics. New networking opportunities are being provided by the introduction of the Smart Freight Week, organized in collaboration with other initiatives of SFC. It also set the direction of GLEC Projects and work program, captured in the following six areas:

- Methodology development and updates
- Data transfer to support GHG calculations
- Insetting
- Low emission energy sources and vehicles
- Operational efficiency
- Advocacy and alignment

The GLEC as a whole, i.e. the secretariat, networking, advocacy activities and projects will be resourced primarily through a mix of contributions from members supplemented; where possible this will be supplemented by external stakeholders with interest in specific activities. The overall GLEC governance is described in this strategy document.

# 1 Introduction

Multinationals have a central role to play in sectoral transformation towards zero emission logistics. The Global Logistics Emissions Council (GLEC) brings the global logistics community together to advance calculation, reporting and transparency regarding GHG emissions.

Today, freight transportation and logistics contribute between 8 and 11% of total energy related GHG emissions worldwide<sup>1</sup>. By 2050, freight transport activity (measured in tonne km) is expected to increase by 150%<sup>2</sup> unless concerted and coordinated action is taken to reshape the global economy in the aftermath of the COVID-19 pandemic with climate change mitigation in mind. If this were to happen, then to reach Paris Agreement climate goals and stay within 1.5 degrees temperature rise, the logistics sector needs to almost fully decarbonize by the same date.

Only through collaboration between business, government, research and civil society can a sector transformation be realized. Governments developed nationally determined commitments (NDCs) to contribute to Paris goals and internationally, maritime and aviation bodies have set reduction targets for sea and air transportation respectively. In response to the IPCC 6th Assessment Report Summary for Policymakers (AR6 SPM), pressure is increasing to make these commitments more ambitious and comprehensive.

International freight transport is a highly commercial sector; ultimately multinational companies purchasing or organizing freight transport hold the key to decarbonization because they set the service parameters to which the companies providing transport services respond. Companies at all points in today's extensive global supply chains can take the lead and address this by calculating and reporting the GHG emissions that result from their logistics activities and use this information to reduce the future climate and pollution impact by prioritizing emission reduction actions.

We need companies that are willing to act as leaders to inspire others and set the norm for industry, with society benefitting from protected climate and health. The three leadership steps companies can take are:

- Calculate and report credible carbon emissions data and set science-based climate targets
- Reduce emissions by implementing solutions as buyers or suppliers
- Collaborate and advocate for sector-wide action and supportive policy

Companies that take action can benefit as they:

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

However, companies that see the benefits from tackling freight emissions also face barriers: a fragmented sector, scattered supporting initiatives and the lack of harmonized approaches for reporting, reduction efforts, policies, and so forth. The membership approach that embodies the GLEC is designed to support companies in overcoming these barriers and facilitate collaboration on calculating, reporting and thereby in the end, reducing logistics emissions.

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<sup>1</sup> Depending on the boundaries of the calculation and whether logistics sites such as warehouses are included in the calculation.

<sup>2</sup> International Transport Forum. Transport Outlook 2017. <http://www.oecd.org/about/publishing/itf-transport-outlook-2017-9789282108000-en.htm>

## 2 Achievements

Much has been achieved through the GLEC since its formation in 2014, including:

- The GLEC Framework for Logistics Emissions Accounting and Reporting (released in 2016 and updated July 2019), harmonizing scope 1, 2, and 3 emissions accounting for multi-modal freight transportation.
- More than 120 multinational companies have formally adopted the GLEC Framework, with an exponential increase in 2020 and more expected to follow in the coming years.
- The GLEC Framework is increasingly recognized as the ‘industry-standard’ for logistics emission calculation and reporting by GHG Protocol, CDP, SBTi, sector initiatives and industry associations, development banks, the European Commission and UN etc.
- The GLEC Framework is being used as a core input for the development of ISO 14083. This will cover GHG emission calculation and reporting from passenger and freight transport and the freight element will follow the principles established by the GLEC Framework.
- The GLEC Declaration was developed to standardize how logistics emissions and related information is reported and included in version 2 of the GLEC Framework.
- SFC has developed supporting materials to make implementation of the GLEC Framework easier and results more reliable and useful, including a training course, Q&As with company examples, comparison of calculation tools, assurance guidance, accreditation of calculation tools and green freight programs and validation of company logistics GHG calculation and reports.
- Policy and research recommendations developed under the European Commission-funded LEARN project.<sup>3</sup>
- Development of sector-specific guidance for implementation of the GLEC Framework in the global mail and parcels sector and the European Chemicals industry.
- Partnering with SFC and MIT on the development of inseting guidance for air transport.
- Smart Freight Procurement Guidelines to support companies on how to include freight emissions criteria in their procurement policies and practices.
- Introductory guidance for the application of low emission fuels and energy sources in road transport.



<sup>3</sup> [www.learnproject.net](http://www.learnproject.net)

## 3 Scope and wider positioning

The GLEC is an industry membership focused on the calculation and transparent reporting of GHG emissions from logistics activities. It is this focus that has established it as the foremost industry-led group working on these issues and distinguishes it from other initiatives and memberships. Nonetheless, the actions of the GLEC need to be aligned with other related initiatives to ensure maximum uptake and hence impact. This has been a focus since the formation of the GLEC, underpinning many of the achievements to date, and will remain in this three-year strategy period as the landscape of emission reduction initiatives becomes ever-more complex.

SFC is well positioned to achieve this, as SFC will host a new initiative – the Sustainable Freight Buyers Alliance (SFBA) – which is designed to act as an umbrella for many freight transport initiatives that are focused on implementing emission reduction actions and which need to use consistent, state-of-the-art calculation and reporting methodologies to demonstrate the results of their actions.

The vision of the GLEC for 2022 to 2024 remains unchanged.

### 3.1 Vision

To drive widespread, transparent, and consistent calculation and reporting of logistics GHG emissions by multinationals in support of emission reduction actions within their global logistics supply chains.

Recognizing the need to focus more on removing barriers for companies that recognize the need to calculate and report logistics GHG emissions alongside ongoing global leadership in respect of the methodology for calculation and reporting of GHG emissions from logistics, the mission statement has been revised as follows:

### 3.2 Mission

As an industry-led global authority and resource center, to establish and support implementation of global, harmonized guidelines for calculating and reporting logistics GHG emissions, through development, education and promotion actions, in order to bring about the GLEC vision.

### 3.3 Goals

The GLEC supports the 3 leadership steps that companies can take, leading to the following goals:

1. Improve corporate disclosure of logistics GHG emissions and progress towards targets
2. Support emission reduction efforts by companies as buyers or suppliers
3. Enhance collaboration between companies and with policy makers and other stakeholders

Our key measures of success relate to the adoption of the GLEC Framework given that this is furthest advanced:

- Number of companies that report logistics emissions and reductions in conformance with the GLEC Framework
- Number of organizations/associations/initiatives other than companies that have endorsed the GLEC Framework or embedded its provisions in their purview

## 4 GLEC Membership

### 4.1 Development Approach

Since its inception in 2014, GLEC membership has until now been restricted to those companies, associations and green freight programs that have been able and willing to contribute proactively either to the development of calculation and reporting frameworks or to participating in one of the defined GLEC projects.

However, during 2020 and 2021 we received an increasing number of expressions of interest to join the GLEC membership, based on the desire of companies to join the conversation about what implementing the GLEC Framework and subsequently taking emission reduction actions actually means to them. This demonstrates value to companies from a form of GLEC membership that is based more around networking and discussions/training to develop the core skills needed to start calculating and reporting. At the same time, we recognize that there is a group of well-established, leading companies that have been engaged on this topic since the inception of the GLEC, or even beyond, who still welcome the opportunity of pushing the boundaries and content of the calculation and reporting methodology, recognizing the importance of this for emission reduction actions.

### 4.2 GLEC Membership Structure

Taking into account the recent developing interest in understanding logistics GHG emissions, full GLEC membership will now take the following structure:

**Standard Membership:** The standard membership of the GLEC will be open to all companies that wish to share their experiences and to learn from the wider community about all aspects of logistics emissions. There will still be minimum expectations set for all companies that wish to join, intended to ensure that organizations don't join solely with the intention of using GLEC membership as some form of 'eco accreditation' that comes without expectations and responsibilities.

**GLEC Leadership (by invitation only):** In addition to the standard membership, we designed this type of membership to provide an option to create additional engagement opportunities. This follows the previous approach to GLEC membership and provides organizations that are able and willing to contribute proactively to shaping the further development of the calculation and reporting methodology. Initially only open to companies that were GLEC members in 2021 it will subsequently be open to those companies that are actively contributing to the GLEC.

**Associate Membership:** In response to the growing number of initiatives and associations recognizing the importance of (reducing) supply chain (scope 3) emissions, we also offer an Associate Membership. These memberships are designed to avoid inactive membership or 'greenwashing' and aim to help build stronger connections with a broad range of initiatives. This membership is open to:

- **Industry Associations:** Associate membership is open to industry associations that wish to promote the GLEC Framework, encouraging their members to join the GLEC membership and/or adopt the GLEC Framework, as well as becoming an ambassador for the GLEC. These associate members will be given four licenses for the GLEC Framework e-training and will be invited to GLEC digital and in-person events. They can participate in GLEC projects in return for a one-off fee appropriate to the individual project. In addition, they will get access to the SFC Library, including a communication toolkit, leadership stories, annual reports and recently published guidelines.



- **Accredited Tool Providers & Accredited Green Freight Programs:** Associate membership is open to accredited tool providers and Green Freight programs. Accredited tools and GFPs already embedded the GLEC Framework in their processes. They will receive four licenses for the GLEC Framework e-training and gain access to SFC Library. They can participate in GLEC projects from their methodological perspective, to give novel insights in the real-life effects of adopting and implementing the GLEC Framework, in return for a one-off fee appropriate to the individual project. In addition, they are asked to share SFC's logo on their website and be an active ambassador for the GLEC Framework.

In addition, we provide a **SFC Training package** which will provide preferential access for members to a complete training package available through SFC; primarily intended for companies that not only recognize the importance of calculating and reporting logistics GHG emissions but wish to proactively and quickly upskill in this area.

Until end of 2021, the most accessible way to get involved with the GLEC Membership was to become a **GLEC Friend**. Considering that the nature of GLEC Friendship is non-committal and primarily targeted at updating and informing interested companies, this type of engagement will be transformed into the broader **SFC Friendship**. Signing up as an SFC Friend will enlist registrants on the newsletter distribution list, updating them on all relevant activities and news from SFC.

### 4.3 Benefits of GLEC Membership

The introduction of a revised membership structure and a more open approach to standard membership requires an adjustment to the way that the GLEC is organized, with more frequent meetings to share information on selected topics and much greater interaction between SFC and the members. It will also require a greater resource from SFC for delivery of the secretariat function. When combined with a reduction in core funding to SFC there is an expectation that the GLEC is self-financing, with a more structured approach to membership fees and a clear set of benefits that members can expect.

In addition to the reputational benefit of membership, all **GLEC members** can benefit as follows:

- Stay updated on state-of-the-art regarding GHG emission reporting and GLEC Framework updates
- Attend regular digital and in-person events
- Participate and opportunity to speak at webinars
- Two delegate passes to Smart Freight week
- Participate in open network discussions<sup>4</sup>. This provides visibility to all stakeholders and engagement/collaboration among likeminded professionals working in this same space
- Participate in the discussions that review ongoing developments to, and updating of, the GLEC Framework, the future direction of related guidance for logistics GHG emission calculation and reporting actions and the collaboration required to achieve this
- Opportunity to participate in collaborative GLEC projects
- Access to SFC's technical staff to answer queries relating to the implementation of the GLEC Framework, up to a limit of 10 hours per year
- Access to the SLR Assessment Tool (expected 2022)
- Access to SFC Library: reports, onboarding package, workshops

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<sup>4</sup> As long as they do so in an open and mutually respectful manner, avoiding disclosure of commercially sensitive information that may breach anti-trust rules.

- Access to communications package to promote membership and the wider GLEC mission as a GLEC ambassador

### GLEC Leadership

In addition to the benefits from the regular Membership, GLEC Leadership will infer the following additional benefits:

- Co-determine the direction and development of GLEC Framework and related topics
- Propose topics to be included in the GLEC work program, subject to sufficient peer group support to make the project idea viable<sup>5</sup>
- Contribute to development of detailed content for collaborative GLEC projects, with the goal of deepening and rolling out the GLEC Framework implementation across modalities, sectors, countries, and initiatives (with the option of in-kind contribution)
- Option of a place on SFC’s Advisory Council;
- Opportunity to be a speaker on SFC’s Sustainable Logistics Roadmap training course

**Table 1. Overview of Membership benefits**

Benefit	GLEC Associate	GLEC Member	GLEC Leader (by invitation only)
<b>GLEC Membership</b>			
Participate and contribute to GLEC Projects	By invitation	✓	✓
Participate to discussion of direction of GLEC Framework	By invitation	✓	✓
Access to SLR Assessment Tool		✓	✓
Access to GLEC Library		✓	✓
Access to 10 hours technical advice to answer queries relating to the implementation of the GLEC Framework		✓	✓
Benchmarking & Tracking impact		✓	✓
<b>GLEC Leadership</b>			
Co-determine direction and development of GLEC Framework and associated topics			✓
Propose topics for GLEC work program	By invitation	By invitation	✓
Contribute to developing detailed content for collaborative projects	By invitation	By invitation	✓
Place on SFC Advisory Council (optional)			✓
Speak and present at Sustainable Logistics Roadmap Training Course (optional)	By invitation	By invitation	✓
<b>Impact Reporting and Networking</b>			
Delegate passes (two) to Smart Freight Week	By invitation	✓	✓
Attend quarterly webinars/in-person meetings	✓	✓	✓
Participate and opportunity to speak at webinars	By invitation	✓	✓
Receive regular update on GLEC Framework & related projects & newsletter	✓	✓	✓
Communications package to promote the GLEC partnership	✓	✓	✓
<b>Total</b>	-	€ 6.000	€ 10.000

<sup>5</sup> This could involve shaping the idea, promoting to all stakeholders and engagement/ collaboration among likeminded professionals working in this same space.

## Training Package

The training package is designed to upskill the knowledge of your organization and consists of the following benefits:

- Five licenses for the GLEC Framework e-training. This online training covers the essentials of calculating and reporting emissions according to the GLEC Framework and why it is important.
- Two licenses for the GLEC Framework live training. This live classroom training covers the essentials of calculating and reporting emissions according to the GLEC Framework and why it is important.
- Five licenses for the Sustainable Logistics Roadmap e-training. This online course is about creating your company-specific sustainable logistics roadmap on how to calculate, set targets and identify solutions to reduce your logistics emissions.
- Two licenses for the Sustainable Logistics Roadmap live training. This live classroom course is about creating your company-specific sustainable logistics roadmap on how to calculate, set targets and identify solutions to reduce your logistics emissions.
- Four licenses to the Smart Transport Manager e-training (STMT). This training provides transportation managers with the tools and skills needed to reduce fuel consumption and cut costs within their own transport operations.
- One workshop on the SLR Assessment Tool.
- Dedicated Training Workshops on relevant and recent guidelines, such as Procurement and Sustainable Aviation Fuel Insetting.

<b>Training Package</b>	
Training Package	
GLEC Framework e-training (5 vouchers)	✓
GLEC Framework live training (2 participants)	✓
SLR e-training (5 vouchers)	✓
SLR live Training (2 participants)	✓
SLR Assessment Tool (1 workshop)	✓
STMT e-training (4 vouchers)	✓
Dedicated Training Workshops (Procurement, SAF, SFPG)	✓
<b>Annual Cost</b>	<b>€ 8.000</b>

## 4.4 Expectations of a GLEC Member

Each GLEC member is expected to:

- Use the GLEC Framework as the basis for its methodology of calculation of its global logistics GHG emissions across all modes, whether calculations are performed in-house, using an accredited calculation tool, or on the basis of primary data provided either directly by transport service providers or through green freight programs<sup>6</sup>.
- Refrain from making any negative remarks regarding the GLEC Framework or its role as the basis for its methodology of calculation of its global logistics GHG footprint across all modes.

<sup>6</sup> We are open to discussing a 12 month grace period for new members that have not previously calculated their global logistics GHG emissions while they put this in place.

- Provide the outputs of its annual corporate logistics GHG emission calculations to SFC in a format that matches the GLEC Declaration<sup>7</sup> - a template will be provided.

We believe that the act of detailed disclosure of logistics GHG emissions will help companies to:

- Ensure a full GHG inventory through enhanced processes and rigor
- Better understand the contribution of scopes 1, 2 & 3 logistics GHG emissions to the overall corporate GHG footprint
- Better understand the contribution of the different modes of freight transportation to the overall corporate GHG footprint
- Formulate a targeted emission reduction plan and to engage with their transport providers on collaborate delivery of this plan

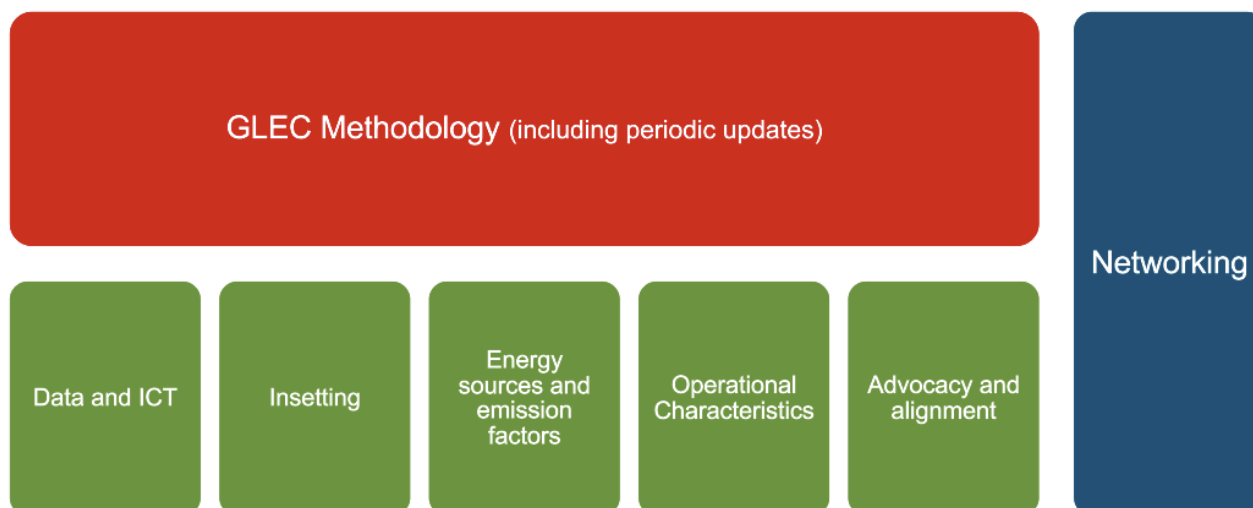
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<sup>7</sup> This is so that SFC can calculate an aggregated value for the emissions and quantify the change in emissions over time of the membership as a whole – see section 5 for more information.

## 5 Work Programs and Priorities

### 5.1 Priorities 2022 – 2024

The following figure shows the activities and the topic areas in technical work program that have been identified (so far) as the priorities for the GLEC in the 2022-2024 strategy period. Further topic areas and the detail of the work on these topics will be continually developed further.



### 5.2 Multi-annual Work Program

The approach to GLEC projects will continue to follow that which has worked well in the previous GLEC strategy periods. Project participation will be based on a collaborative approach designed to benefit the wider sector rather than any individual company. A project group of committed companies will be formed, a work program that takes into account existing guidelines, tools and existing practices will be defined, an iterative process of development, testing and review will be followed by publication and broader advocacy by SFC and all GLEC members. Project Groups are established for specific GLEC projects; each project has its own project plan and budget and will remain operational for that project's duration. Project Group meetings are held based on the project requirements. Input mainly is by electronic means including webinars and conference calls, with in-person meetings being used if required. Only GLEC members, and associate members by invitation, can join projects.

Further details of the main known projects are as follows:

#### Core Methodology Development

- GLEC Framework 2022 update aligning with terms used in ISO 14083 and any other new topics included there for the first time
- Annual or biannual updates to incorporate changes to fuel lists, GHG emission factors and default emission intensity values
- Proactive engagement and alignment with global green freight programs and action initiatives through SFC's partner role in the We Mean Business Coalition and coordination role of the Sustainable Freight Buyers Alliance
- Incorporation of GLEC project outputs e.g. insetting guidance
- Incorporation of vehicle lifecycle emissions

- Future updates to existing black carbon methodology
- Watching brief on high altitude emission impacts
- Sector specific guidelines

### **Data and ICT**

- Finalization of data exchange protocol development
- Implementation and testing of data exchange protocol in various supply chains and refine the protocol and associated guidance
- End-to-end supply chain visibility and data suitability project
- Digital availability of the Modules of the GLEC Framework, incl. fuel emission factors and CO<sub>2e</sub> intensity factors

### **Insetting**

- Expansion and development of Insetting guidance for application in the broader transport sector; as per the existing SAF Insetting Guidance
- Possible implementation and testing project including alignment with book and claim systems developed by third parties

### **Energy Sources and Emission Factors**

- Establish GHG emission factors for continuously updated long list of energy sources and fuels needed for energy transition, harmonized across modes in terms of methodology and assumptions, noting source, applicability and any special considerations.
- Develop sustainability guidance for energy sources and fuels needed for energy transition
- Produce a guidance document on how to report biogenic emissions aligned to international guidance
- Establish a cooperation network for information sharing across separate transport mode initiatives
- Provide a harmonized approach to allocate and determine electricity emission factors and biogas when obtained through the grid network

### **Operational Characteristics**

- Potential for collaboration with HBEFA, Clean Cargo, SAFA and others to develop more granular default values and data exchange.
- Review detailed emission intensity values derived from operations

### **Advocacy and Alignment**

- Promoting compatibility of GLEC Framework with ICAO, IMO, EU, ISO legislation and standards
- Translation of the GLEC Framework and associated training materials
- Ensure/promote access for members to materials, trainings, reports
- Representation at external events by SFC and members supported by SFC via standard presentation content on the importance of transparent and consistent calculation and reporting
- Memberships with local and sector associations leading to content development and future specialized guidance documents

## Benchmarking and Tracking

The corporate logistics GHG emission information collected annually from members will be aggregated to:

- Compile a comprehensive, aggregated picture of logistics GHG emissions and a linked analysis of the response of the GLEC members to the climate emergency,
- Develop an aggregated, multimodal emission tracking framework, including:
  - Tracking aggregated reported data against ITF, SBTI and other trajectories for freight transport demand, GHG emission intensity and total GHG emissions
  - Provide anonymized benchmarking of companies compared to their peer group (with more detailed analysis as the number of members increases)

## 6 Networking and Communication

### 6.1 Networking

Peer-to-peer networking, technical collaboration and access to topical expert opinions are key benefits of GLEC membership.

Two face-to-face meetings each year will be organized and accessible to all members, associated and invited experts for in-depth discussions (ideally at least once in Europe and once in North America). Where feasible, these are held back-to-back with other relevant meetings to minimize travel for members and consultees. GLEC Members and Associates can join these in-person or, where possible, via teleconference.

One face-to-face meeting will form part of an annual in-person Smart Freight Week organized by SFC that will bring together members of our various initiatives. SFC will explore the opportunity to partner with other organizations and initiatives in order to extract maximum benefit from Smart Freight Week, consolidating multimodal knowledge and avoiding unnecessary duplication. This will help to present a unified industry approach to non-industry stakeholders through our advocacy activities.

In addition the following is intended:

- Two webinars each year to discuss latest progress
- Best Practice sharing amongst members via *ad hoc* single-topic webinars as required, for example sharing key outcomes from GLEC projects with non-participating members
- Regular contact between secretariat and members to understand any concerns about:
  - implementation of methodology in calculations and reporting,
  - relevant future methodology developments,
  - alignment with other initiatives linked to SFBA
  - broader landscape of initiatives or policy developments etc.

### 6.2 Secretariat and Governance

The **Secretariat** is provided by Smart Freight Centre who act as a secretariat, locate and manage funding, manage and lead the GLEC, coordinate/manage activities and projects and track and report on progress. SFC will aim to expand its global reach in order to have greater local staff visibility for member companies, starting with USA.

The GLEC works collectively and aims to come to decisions by achieving consensus. The focus on consensus-based decision making requires the opportunity for an open discussion, and it is important that this can be conducted in a calm and constructive meeting environment. However, in cases where consensus cannot be achieved or where it is considered important that a vote is used to confirm a critical point, for example the strategic direction of GLEC or signing off a published version of the GLEC Framework, then a vote of the members in attendance may be called.

In such cases, each member and associate member present has one vote, whether in person at a meeting or via a conference call connection. SFC as secretariat also has one vote. A two-thirds majority will be required for the motion being voted on to be considered agreed.



### 6.3 Branding and Communication

The mission of GLEC as an industry-led partnership is to drive emission reduction and enhance efficiency across global logistics supply chains. Communication is a key aspect of raising awareness of GLEC’s vision, mission and goals. We do this through our publications, GLEC Projects, quarterly GLEC webinar events, social media platforms as well as our website and campaign mailings. We also communicate through our GLEC Media Partners and partners own communication channels (blogs, case studies, leadership stories, press releases, news posts).

In our GLEC agreements, we state our communication requirements meant to ensure transparency, usage and our relationship with our partners. We therefore ask all our partners to abide by them consistently, while adapting them to their respective communication strategies and tools.

Following the initial announcement of becoming a GLEC Member on social media, we also invite our GLEC members to mention us on:

- Their website (for example, by displaying the GLEC – led by SFC logo and link to website)
- Annual reports
- Other external communications where it is considered beneficial for GLEC members to highlight the GLEC

We also actively encourage companies to continue to raise the profile of the GLEC’s work towards zero emissions freight transport and logistics. Our SFC Library, available to all our GLEC members, supports our GLEC members with this.

## 7 Membership Fees and Funding

### 7.1 Resources and Funding

The GLEC network, advocacy and outreach activities, and projects will be resourced through a mix of financial and in-kind contributions by members. The GLEC as a whole intends to become self-financing through such a mechanism.

- Financial contribution refers to membership contributions to cover the costs of the secretariat in coordinating the membership, organization and management of the webinars and meetings, preparing communication materials on behalf of the membership, for use by SFC and the members, and representation of the GLEC at relevant events.
- The financial contribution is also intended to cover costs incurred by SFC, as well as affiliates and invited subject experts where necessary and appropriate, in the organization and implementation of the agreed projects in the GLEC work program.
- In-kind contribution refers primarily to member participation in the GLEC network and GLEC projects. Members are expected to cover their own staff and travel costs to attend member meetings and to participate actively in the projects they sign up to. In-kind contributions such as staff time and venue costs associated with hosting events/meetings and publicity support would be welcomed.
- SFC will also continue to try to attract funding from external organizations to contribute to co-finance GLEC projects wherever possible.

The expectation is that projects will be funded through membership fees from 2023 onwards i.e. after a transition year in 2022 where some additional contributions from participating project partners. In specific and unusual situations where large scale projects are undertaken then it may be necessary to ask for additional funding from interested members.

### 7.2 Membership Fees

- Standard Membership: 6,000 EUR
- GLEC Leadership: 10,000 EUR
- Training add-on Package: 8,000 EUR

Organizations that decide to join other member-based organizations managed by SFC, such as SFBA, as well as GLEC will receive a 20% discount off their total SFC membership costs (i.e., a 20% discount on the combined cost of their memberships).

# Annexes

## A.1. GLEC Guidelines for Competition Compliance

These guidelines are not comprehensive and are designed to serve as a reminder only. It is the responsibility of each member or guest to take its own advice on attendance at Global Logistics Emissions Council (GLEC) meetings and what can and cannot legitimately be discussed.

Many of the companies engaged in Global Logistics Emissions Council (GLEC) compete with each other. The competition is both horizontal and vertical. This means that every activity of Global Logistics Emissions Council (GLEC) must be measured against competition laws which prohibit agreements, decisions and concerted practices that prevent, restrict or distort competition, including monopolies and abuses of dominant market positions.

Infringements of competition laws are treated very seriously by the authorities and could result, inter alia, in heavy fines, both for individual members and for the association.

The GLEC secretariat, hosted by the Smart Freight Centre, exercises extreme care to avoid not only infringement, but anything that might raise even a suspicion of possible infringement.

An action, seemingly innocent when taken by itself, may be viewed by competition enforcers as part of a pattern of activity, which constitutes a competition infringement.

Therefore, participants at GLEC meetings, committees, action groups or other similar bodies must always remember the purpose of the GLEC is to harmonize global methodologies for freight emissions measurement and reporting and to align the industry-led/backed green freight initiatives across modes and regions. However, because GLEC's activity almost always involves the cooperation of competitors, great care must be taken to ensure compliance with the competition laws.

This means:

- Participation must be voluntary, and failure to participate shall not be used to penalize any company
- Participants in GLEC shall remain free at all times to join other initiatives
- GLEC shall be open to all companies within the industry
- There shall be no discussion, or sharing, of confidential and/or commercially sensitive information, including price information (relating not only to actual prices charged or paid but also the elements of pricing including, for example, costs, discounts, rebates, promotional activities and terms of trade), allocation of geographic markets, marketing/business plans or strategies, customers or products (whether current or planned), boycotts, refusals to deal, market share.
- Members recognize that their individual historic data on, inter alia, prices, volumes and trading terms may be requested by the GLEC secretariat for the purposes of agreed work topics. In the event of such a request, members are at liberty to reasonably determine whether to provide the requested data and the terms prescribing the same (which may include but not be limited to the execution of confidentiality / non-disclosure agreements by the relevant parties); and at no time shall such data be available to other members or attributable to any individual member. Tests or data collection shall be governed by protocols developed in consultation with and monitored by legal counsel.
- Meetings shall be governed by an agenda prepared in advance, and recorded by minutes prepared promptly after the meeting. Minutes should be circulated shortly after each meeting and verified by the participants at the meeting.

- The recommendations coming out of a GLEC meeting or working group are simply recommendations: Individual companies remain free to make independent, competitive decisions.
- Any standards endorsed must be voluntary standards and any business practice recommendation developed must also be voluntary.
- If any participant believes the group is drifting toward impermissible discussion, the topic shall be put on hold until the opinion of counsel can be obtained.

Summary Guidance is given as follows for members' benefit:

All members/ participants should note that NOTHING the GLEC secretariat does shall have as its object or effect the PREVENTION, RESTRICTION or DISTORTION of COMPETITION.

Members, GLEC partners, any officers or agents working for or on behalf of GLEC or its partners, or any guests should consider during the course and conduct of a meeting or other event whether the proceedings or discussion in any way DOES or COULD (intentionally or otherwise) lead to any behavior that unreasonably restrains competition or takes unfair advantage of competitors, customers, or suppliers.

If you feel any conversation, presentation or conduct during a meeting or other event (including any socializing among participants before, during and after the meeting or event) does or could breach competition rules as described above or should a topic not specified on the agenda be brought up for discussion, you should:

- **Make your views known** at the meeting and to people concerned
- **Refuse to participate any further** unless such conversation or conduct ceases
- **Ask for your objection to be recorded** in the minutes or record of the event
- **Leave the meeting or discussion** if the alleged breach conversation or conduct in question should continue
- Make a note of the conversation or conduct in question for your own records
- **Consult legal counsel** of the conversation or conduct in question in light of competition rules

An attendance list will be provided at the beginning of every meeting and/or a copy to be signed by each person attending; noting time people joined the meeting and left the meeting. The GLEC secretariat will ensure that anyone leaving before the end of a meeting will be recorded (including time and at what stage in the meeting); anyone leaving a meeting or event due to concern over an alleged breach of competition rules will also be recorded in any minutes or record of the meeting or GLEC event.

- **YOU CAN** discuss in general terms trends in prices, terms and conditions, trade and market conditions (In relation to freight transport, logistics and supply chain services).
- **AVOID** mentioning or sharing information which relates or reveals directly to actual prices, terms and conditions, commercial information and data that may be advantageous to a competitor, or (unless expressly approved by the respective Legal and/or Compliance departments) discussing the cross-licensing of any technology.
- **DO NOT** discuss business proposals with anyone without first consulting legal counsel. Arrange a separate meeting with the person you want to discuss a business proposal to.
- **DO NOT** make any agreement or suggest to others that they should boycott any individual service or service provider.
- **DO NOT** discuss market strategies, target customers, product development, prices and margins, costs of production and supply

- **AVOID** getting into debates with or making disparaging comments about competitors, as they can easily lead to a claim for unfair trade practices.
- **REMEMBER** to adhere to points 1-9 as outlined above.

A check list of questions to consider: [IF THE ANSWER TO ANY OF THE FOLLOWING IS YES YOU SHOULD END THE DISCUSSION]

- Are any individual companies identifiable from the exchange of aggregated, historic information or data being shared or published?
- Would the adoption of recommendations by a majority of shippers or members force others to follow suit, thereby reducing their independent choice?
- Do or could proceedings or discussions, communications or other output in any way (intentionally or otherwise) lead to any behavior that unreasonably restrains competition or takes unfair advantage of competitors, customers, or suppliers

## **A.2. Terms and Conditions of Smart Freight Centre and the Membership**

Available separately via the GLEC Secretariat.

Join our journey towards  
efficient and zero-emission  
global freight and logistics



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