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Transporeon's Latest Report Reveals Shipper and Carrier Perspectives on the Decarbonization of Road Freight in 2024

ULM, Germany, April 29, 2024 /PRNewswire/ -- Transporeon, a Trimble Company, has released "The 2024 Green Freight Report: Is Transportation on Track?" The report covers the road freight sector's decarbonization efforts and priorities as an information source for scenario planning, decarbonization strategies, target setting and action planning.

When it comes to decarbonization strategy for the transport sector, modal shift (21.8%) was the top choice to drive freight decarbonization in 2023, according to the report. Among other top shippers' choices to drive freight decarbonization were load and routing optimization (18.2%), as well as carrier optimization (13.8%).

Clearly, shippers are looking for more multimodal solutions, more carbon-efficient operations, and even more carbon-efficient carriers, but optimizing routes and carriers requires primary data provided by carriers.

Sustainability Equals Business Opportunities
The data reveals that a quarter of the responding carriers and more than half of the shippers consider road freight decarbonization to be a significant business opportunity. Although 24% of carriers cite environmental sustainability as a significant or very significant business opportunity, this number is down from 27% in 2022, which can be attributed to future uncertainty as well as instability of the current economic climate.

Other findings on key drivers of freight decarbonization include:

- Regulation continues to be seen, particularly by carriers, to be the leading driver of decarbonization followed by different forms of monetary incentives.
- Specifically, as a motivator for decarbonization, carriers would appreciate customers that are paying premiums or are offering longer contracts, but also governmental subsidies and tax incentives.
- Quick wins like fuel reduction measures/technologies and transportation management platforms that support CO2 measurement and reduction have immediate positive impacts on operating costs, while regulation and changing customer behavior usually require longer lead times.

However, many respondents lack a coherent decarbonization strategy – and are not accurately measuring emissions.

59% of the responding carriers reported being able to calculate their transport related CO2 emissions, compared to 55% in 2022. Over half of the responding carriers reported using either a Transportation Management System (TMS) application or third-party calculation tool to calculate their CO2 emissions related to transport.

Despite respondents recognizing multiple benefits for their business to decarbonize, most shipper respondents are not aware whether their company has a freight decarbonization strategy in place (56.91%). Only 16% were certain their company had implemented targets and/or a strategy. This demonstrates a significant gap between *intention* and *execution*.

This gap becomes even more evident when considering how shippers and carriers are measuring their carbon emissions. Only 20% of respondents are measuring carbon emissions using primary data and a significant proportion (40%) still rely on less accurate estimated data.

Access to quality data and the use of reliable calculation methods are a prerequisite for effective carbon emissions management. Officially recognized methodologies, like ISO 14083 or the GLEC framework, are the gold standard for calculating CO*2* emissions, if backed by primary data. However, the number of shippers using such methodologies is still under 50%. On the carrier side, less than a quarter (23%) of respondents said they were using these methodologies, while 38% reported use of their own methods, which leaves a potential gap in reporting in the future.

Collaboration and Data Sharing is Key to Support Decarbonization
Almost half (46.8%) of carrier respondents say they are not willing to share their primary data to allow for others to calculate CO2 emissions. According to Transporeon's research, the level of collaboration for decarbonizing freight is very low. With the low level of willingness on the carrier side to collaborate on data sharing and with more than half (53%) of the responding shippers reporting that they do not actively engage their carriers on decarbonization, suggests a lack of trust and collaboration between shippers and carriers. There is also an absence of industry-wide collaboration between shippers, with only 3% of respondents citing this as a priority.

This low level of collaboration goes both ways. For instance, most shippers (53%) do not engage actively with carriers to decarbonize freight transportation and 70% of carrier respondents report that significantly less shippers requested CO2 emission data in 2023 than in 2022 – a concerning trend.

Final Thoughts
Serge Schamschula, head of ecosystem at Transporeon said, "This survey reveals that most stakeholders within the supply chain find collaboration too complex. In order to enhance efficiency, all parties can look for seamless collaboration by adopting a network approach. In addition, decarbonization requires teamwork. To ensure robust emissions calculations and trust in the data, collaboration within the freight decarbonization ecosystem can be significantly facilitated by a smart platform in the future.

The report was conducted in collaboration with Trimble, KLU Kuehne Logistics University and Smart Freight Centre, and is based on the findings from a global survey with over 700 respondents including 181 shippers and 527 carriers in Europe and North America.

Access the "2024 Green Freight Report: Is transportation on track?" in its entirety at: https://www.transporeon.com/en/reports/green-freight-report-2024.

About Transporeon
At Transporeon, a Trimble Company, our mission is to bring transportation in sync with the world. We power the largest global freight network of more than 1,400 shippers and retailers and more than 150,000 carriers and logistics service providers. Every day they execute more than 110,000 transports on our platform and book more than 100,000 dock-appointments for loading and unloading. In the course of one year, roughly €55bn in freight is being processed on our platform.

Our leading transportation management platform connects all actors along the supply chain. It facilitates collaboration between the different parties, helps to automate manual processes and provides valuable real-time insights. The modular Application Hubs solve specific logistics challenges and range from freight sourcing over transport execution and dock and yard management to freight audit and payment. Data hubs provide insights into logistics operations, market developments and carbon emissions, next to ensuring transparency in the supply chain through visibility. Our platform works across all geographies and all modes of transportation, empowering logistics teams to move, manage and monitor freight.

Transporeon is headquartered in Ulm, Germany, and maintains 18 offices around the globe with over 1,400 employees across 27 countries. For more information, visit: www.transporeon.com.

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