

Sustainable procurement guidelines for freight

September 2016



# Contents

Context	2
Sustainable procurement principles	5
Procurement planning	6
Discussions with current and potential providers	10
Formalised line items in the RFP/tender process	11
Appendices	14





# Context

### New Zealand's greenhouse gas emissions



Figure 1: New Zealand's emissions profile (Ministry for the Environment, 2015)

New Zealand has made a global commitment to reducing greenhouse gas emissions, including:

- an unconditional target of five per cent below our 1990 greenhouse gas emissions levels by 2020;
- a provisional post-2020 target of 30 per cent below our 2005 greenhouse gas emissions levels by 2030; and
- a long-term target of 50 per cent below our 1990 greenhouse gas emissions levels by 2050

New Zealand will meet these responsibility targets through a mix of domestic emission reductions, the removal of carbon dioxide by forests and participation in international carbon markets<sup>1</sup>.



<sup>1</sup><u>http://www.mfe.govt.nz/climate-change/reducing-greenhouse-gas-emissions/emissions-reduction-targets</u>



### Emission reduction opportunities from the transport sector

The transport sector accounts for 17.4% of total emissions, which was the equivalent of 14.7Mt CO<sub>2-eq</sub> in 2014<sup>2</sup>. Based on the assumption that around one fifth of light duty road transport emissions arise from business activities, the business sector, including all transport of freight, accounts for almost one third of total transport emissions in New Zealand.

Businesses have identified focussing on freight as an opportunity for emission reduction. This opportunity also delivers additional benefits of improved air quality, driver well being, and better economic and environmental performance.

Freight activity resulted in **2.9 Mt CO<sub>2-eq</sub>** to New Zealand's emissions profile in 2014.

	Rail	Coastal shipping	Road freight	
GHG Emission (g-CO <sub>2</sub> -eq/t-km freight)	36	69	106	
Annual freight movement 2014 (million t-km/yr)	4492	3930	23,301	
GHG (Mt/yr)	0.16	0.27	2.47	

Table 1: Emissions from the freight sector by model split (Source: based on Ministry of Transport 2014c and 2014d)

#### The use of heavy vehicle freight is projected to increase by 58% by 2042<sup>3</sup> across all commodity groups except waste.

#### Freight Forecasts by Broad Commodity Group (billion tonne-kms)

Commodity Group	2012	2017	2022	2027	2032	2037	2042
Milk and Dairy	2.53	2.88	3.34	3.50	3.65	3.82	3.99
Logs and Timber Products	4.64	5.09	6.65	6.87	6.95	5.76	5.68
Livestock Meat and Wool	1.51	1.59	1.74	1.80	1.87	1.93	2.00
Other agriculture and fish	1.10	1.16	1.36	1.52	1.64	1.73	1.81
Petroleum and Coal	3.95	4.14	4.26	4.38	4.53	4.73	4.92
Building materials fertiliser and minerals	2.32	2.75	3.47	3.86	4.25	4.64	5.02
Steel and aluminium	7.57	8.13	8.78	9.44	10.09	10.72	11.33
Other manufactured and retail goods	0.32	0.34	0.36	0.39	0.41	0.43	0.44
Waste	0.24	0.28	0.31	0.33	0.36	0.39	0.42
General Freight	2.09	2.27	2.46	2.46	2.82	2.98	3.15
Total	26.26	28.63	32.74	34.73	36.57	37.12	38.76

Table 2: Freight forecasts by commodity group (Ministry of Transport, 2014)

Successful efficiency gains in freight emissions therefore represent a significant area of business improvement, as well as a major contributing factor to a downward trajectory in line with the country's targets.

<sup>2</sup>http://www.royalsociety.org.nz/media/2016/06/Report-Transition-to-Low-Carbon-Economy-for-NZ.pdf <sup>3</sup>http://www.transport.govt.nz/assets/Uploads/Research/Documents/National-Freight-Demand-Study-Mar-2014.pdf



### Sustainable Business Council – Freight Efficiency group

The Sustainable Business Council (SBC) is an executive-led organisation that advocates a better way of doing business, one that creates a sustainable future for New Zealand. SBC provides a platform for collaboration on business solutions to enable its members to be leaders in sustainable practice, across the entirety of their business operations. SBC members have collectively identified that a strong focus on freight efficiency presents an opportunity to collaborate on business solutions for emissions reduction.

#### The Freight Efficiency Group is made up of the following businesses:



Since each business has its own approach and procurement practices for goods and services, the Freight Efficiency Guidelines have been designed with a threefold function. To enable an effective integration of sustainable procurement practices for businesses at the very initial planning stage; to present themes for discussion with existing and potential freight carriers; and to recommend formal line items for businesses that can be included in a tender or Request for Proposal.

<sup>1</sup><u>http://air.nzta.govt.nz/vehicle-emissions-prediction-model</u> <sup>2</sup><u>http://www.transport.govt.nz/assets/Uploads/Research/Documents/National-Freight-Demand-Study-Mar-2014.pdf</u>





# Sustainable procurement principles

Members of the SBC Freight Efficiency Group are advocates for sustainable business growth. As procurers of freight services, they can influence activity outside of their own business operation and in their supply chain that will improve sustainability considerations for the industry as a whole.

This means starting with the foundations of compliance and health and safety requirements as well as considerations focused on securing the best value from the services they procure, not just the cheapest cost. The intent of the SBC Freight Efficiency Group is to better enable freight owners and freight carriers to quantify and reduce emissions from the transportation of goods.

"Sustainable procurement practices integrate requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs."<sup>4</sup> "Shared value is derived from both the freight owners and the freight operators experiencing mutually beneficial outcomes linked to improved health and safety, driver well being, better economic and environmental performance, reduced emissions and a more resilient sector that is better positioned to deliver improved productivity in the short, medium and long term."

In addition, the SBC Freight Efficiency Group members recognise that building strong inclusive partnerships with their carriers is essential if everyone is to benefit. They want to move beyond transactional relationships towards fostering more long term, productive partnerships with mutual benefit including shared value, support and transparency.

This approach means freight owners will have a greater role to play in working with freight carriers to explore alternative solutions that support sustainable business growth. Likewise, freight carriers can be proactive in innovating and demonstrating continuous improvement. This two-way partnership will deliver stronger outcomes for everyone, and longer-term agreements.



<sup>4</sup>United Nations Environment Programme Sustainable Procurement Guidelines, 2009.



# **Procurement planning**

Business drivers for sustainability depend on each business's individual material issues and stakeholder interests. Any business looking to engage in sustainable procurement must understand its own sustainability positioning, and articulate this clearly to its suppliers.

A procuring business must also be clear on 'why' it is undertaking changes or additions to its procurement process. This will inform the desired outcome, how this will demonstrate value, and what needs to be included or adjusted to deliver that outcome.

SBC Freight Efficiency Group members are required to report on their process for sustainable procurement . In addition, the group has established its own position for undertaking this work.

"For the New Zealand freight industry to be successful, we need an integrated intermodal efficient transport system. The New Zealand freight industry can make a significant contribution to reducing our emissions from the transport sector. We will achieve this by:

- Creating an environment where collaboration and partnerships are the norm by raising awareness, and influencing freight owners and consumers' expectations and choices.
- Broadening considerations for services beyond cost alone to include health and safety, environmental benefits, innovation, standardisation and greater transparency on performance.
- Working closely with government and other agencies to drive strategic decision and technology/innovation solutions that deliver efficiencies."

#### **Example:**

"Our vision is to be a role model for sustainable business, with a commitment to continual improvement in the way we address environmental and sustainable development issues. We look to be recognised in the market place as being environmentally conscious, by clearly demonstrating the actions we take and delivering best value from our procurement practices and supply chain."

- Sustainable Procurement Policy – 4Sight Consulting<sup>6</sup>



<sup>5</sup>http://www.sbc.org.nz/about/sbc-member-commitments 6http://www.4sight.consulting/blog/2015/6/29/our-commitments



# Recommended procurement planning approach

- 1. Hold an initial session with your procurement/supply chain/ logistics team(s) to understand the current priorities and processes used within your business.
- 2. Ensure your business's sustainable transport goals can be clearly articulated.
- 3. Discuss ideas and opportunities. Individual business teams will have their own suggestions that will provide some good insights and opportunities to investigate.
- 4. Analyse any opportunities identified. These could include fuel switching, adoption of a fuel efficiency programme, modal shift, and network efficiencies such as route choice.
- Start to establish regular communication between the business teams involved and current freight carriers, to ensure everyone is clear on the desired outcome and their role in achieving it.

#### **Customer considerations**

The customer is a critical part of all business' value chains. Clearing understanding the customer's needs is essential when considering the requirements for how goods are being moved. It is important to work closely with the customer to get a good understanding of their expectations, as this will be a significant determinant of the sustainability of the freight operations. Much freight activity is based on the assumption that customers want their goods to be delivered quickly and at a reasonable price.

Questions businesses can ask their customers to drive a more sustainable freight procurement process include:

- When do their (customers) goods need to be delivered by?
- Would they be happy with the delivery of goods taking one to two extra days if it enabled us to deliver the goods with fewer emissions?
- What times of the day are best for delivery?
- Would they be happy for us to look at opportunities to defer delivery in order to consolidate orders/ deliveries into one shipment (save emissions and cost)?
- What packaging options are best? Do they meet the customers' recycling requirements?
- Are there options to work with the customers other suppliers to combine the movement of goods?







### Sustainable procurement outcomes

The freight owner must have clear desired outcomes from the procurement process. Sustainable procurement does not look at cheapest price/cost alone. It considers the demonstration of *value* to both parties and what is required to be included or adjusted to deliver that outcome.

The SBC Freight Efficiency Group has requested guidelines that will deliver two main outcomes:

- 1) **Emissions reduction** through better measurement, reporting and implementation of reduction initiatives.
- 2) Partnering with carriers who can demonstrate value through the **sustainable credentials** of their business.

### **Emissions reduction**

It is important that outcomes relating to emissions reduction have a clear unit of measurement and an agreed baseline to work from. The Global Logistics Emissions Council's framework for Logistics Emissions Methodologies provides base methodologies for each mode, and detailed guidance for emission calculation<sup>7</sup>.







<sup>7</sup>http://www.smartfreightcentre.org/glec/glec-framework



The Freight Efficiency group will establish what data is currently being collected by procuring businesses and reported, and if this is adequate. The metrics required are:

- Distance travelled (km)
- Fuel consumed (litres)
- Fuel burn rate (litres/km or litres/tonne)
- Modal split (road, rail, ship, air)
- Intensity (e.g. tonne/km<sup>8</sup> or tonne/m<sup>3</sup>)
- Emissions conversion factor (used to convert to kg  $\rm CO_{2e}$  / tonne/km)

The procuring business needs to determine which metrics are the most relevant for their business. In the existence of a parent company, alignment with global reporting metrics may be a relevant consideration. Establishing the metrics used in a sustainable freight procurement process involves several steps:

### Sustainability credentials

The procurement process will identify how a carrier's sustainable business practice is governed and implemented in day-to-day operations. This includes social, environmental and economic value. The procurer is interested in a partnership with mutual benefit.

- 1. Direct measurement and reporting on distance and fuel use.
- 2. Conversion of fuel use generated from movement of goods to emissions using an emissions factor. The Ministry for the Environment publish default factors consistent with the reporting requirements of *ISO 14064-1* and *The Greenhouse Gas Protocol.*<sup>9</sup>
- 3. Measurement of emissions against consecutive years and against the selected baseline year.
- 4. The use of *intensity metrics*. This is important in order for the business to know how its emissions activity is reflective of business productivity. Intensity metrics enable businesses to report the absolute (overall) emissions, and normalized (productivity) metrics.
  - a. For example, are the emissions per m<sup>3</sup> of product moved increasing or decreasing? It is important to be able to state whether *total* emissions are increasing or decreasing, and further quantify this with productivity measures. This captures emissions reduction activity in line with sustainable business growth.

The integrity of a sustainable freight procurement process is strengthened when the weighting criteria requiring adherence to sustainability principles and actions is used. This ensures the importance of sustainability is reflected in the assessment criteria.

<sup>8</sup>Emissions per tonne-km – the average emissions associated with moving one tonne of freight for one km. <sup>9</sup>http://www.mfe.govt.nz/publications/climate-change/guidance-voluntary-corporate-greenhouse-gas-reporting-data-and-methods-6



## **Discussions with current and potential providers** The importance of partnerships

Freight owners recognise the benefit of partnerships that represent best 'value'. A two-way inclusive partnership between proactive freight carriers and freight owners is optimal. Freight owners desire freight carriers who can identify solutions and provide reporting on performance. Conversely, is it important that freight owners explore flexibility in their own operations and consider investments associated with innovation. The most optimal sustainable procurement process involves both parties engaging in regular dialogue to discuss opportunities and progress to drive continuous improvement and sustainable business growth.

### **Considerations that deliver emissions reduction**

The following questions can be asked of existing or prospective freight carriers to ascertain their considerations for emissions reduction activity in day-to-day business.

- 1. Tell us about your operating practices. How would they enable us to 'get the most out of every freight movement?'
- 2. How are you working/would you work to ensure we'get the most out of every movement?'
- 3. What processes and systems for data collection and reporting (if any) do you have in place to record freight emissions?
- 4. Can you highlight opportunities to redesign and/or continually optimise your logistics networks to maximize efficiencies and minimize greenhouse gas emissions?
- 5. What processes (if any) do you have in place to ensure the most carbon-efficient transport mode is selected?
- 6. Can you demonstrate any programmes or initiatives you have in place to minimise greenhouse gas emissions?
- 7. Can you highlight opportunities to optimise your fleet to maximize efficiencies and minimize greenhouse gas emissions? Does this include the management of tyres (e.g. selection, tyre pressure management and axle/wheel alignments)?

- 8. Can you describe your maintenance programme and how this is optimised for fuel efficiency?
- 9. Does your maintenance programme include the management of tyres (e.g. selection, tyre pressure management and axle/ wheel alignments)?
- 10. What timeframes do you use for vehicle renewal and why?
- 11. What is your safety star rating score as advised by the New Zealand Transport Agency's Operator Rating System<sup>10</sup>?
- 12. Are you a participant in ACC's FleetSaver programme<sup>11</sup>?
- 13. What percentage of your drivers has completed SAFED NZ<sup>12</sup> Driver training course?
- 14. How do you pass the request to minimise greenhouse gas emissions through to your own sub-contractors?
- 15. Would you be willing to work closely with us to seek out opportunities for savings through discussions with internal departments, customers or even other carriers?
- 16. Have you trialled or used renewable fuel sources/biodiesel blends?
- 17. Have you trialled or used low emission vehicles (such as hybrids and Electric Vehicles) in your fleet?

### Considerations that demonstrate sustainability credentials

The following questions can be asked of existing, or prospective, freight carriers to ascertain the steps they have taken to incorporate sustainable business practices into their day-to-day operations.

- 1. What is driving your business to have a focus on sustainability?
- 2. How is the importance of sustainability communicated to, and within, your business?
- How does your business measure its environmental performance (e.g. volume of fossil fuel consumption, measurement of absolute freight emissions<sup>13</sup> etc.?)
- 4. What standards and accreditations do you have? (e.g. ISO 14001, CEMARS, Green Freight etc)
- 5. What is your safety star rating score as advised by the New Zealand Transport Agency's Operator Rating System<sup>14</sup>?

- <sup>11</sup>http://www.acc.co.nz/for-business/small-medium-and-large-business/how-to-pay-less/fleet-saver/index.htm
- <sup>12</sup><u>http://safednz.govt.nz/</u>

<sup>&</sup>lt;sup>10</sup><u>https://www.nzta.govt.nz/commercial-driving/operator-rating-system-ors/</u>

<sup>&</sup>lt;sup>13</sup>Total greenhouse gas emissions generated by transporting freight

<sup>&</sup>lt;sup>14</sup><u>https://www.nzta.govt.nz/commercial-driving/operator-rating-system-ors/</u>



# Formalised line items in the RFP/tender process

In sustainable procurement, it is essential to indicate that the contract will be awarded to the offer that provides "best value" and not the "cheapest price". This means that a full range of criteria other than price will be considered in the assessment of bids.

This section provides line items that relate to demonstrating compliance, considerations for emissions reduction, and demonstration of sustainability credentials. The list of line items recommended is not exhaustive and each business can use these at their own discretion. The SBC Freight Efficiency Group has agreed on a common set of requirements they will each request in their tender process. This is listed in Appendix 1.

### Compliance

The inclusion of a Compliance section signals a strong message to freight operators that adhering to legislation and regulation is fundamental to the success of the industry. For some businesses, this is implicit in the completion of the bid by the freight carrier. For others, it is an opportunity to ensure that evidence of the minimum compliance requirements is met for a bidder to be successful.

Aspects of compliance include:

- 1. Evidence of transport services licence.
- 2. Evidence of compliance with driver licencing requirements.
- 3. Evidence of commercial vehicles having a valid certificate of fitness.
- 4. Evidence of driver work time hours recording and monitoring (ideally using electronic logbooks).

### **Emissions reduction and environmental performance**

- 1. Please provide information on your processes and systems used for data collection and reporting.
- 2. Where possible, please provide from the following list of metrics, information and/or data regarding:
  - Distance travelled per movement.
  - Volumes of fuel used.
  - Fuel efficiency of fleet (including % meeting vehicle emissions standards such as Euro 5 or 6 stars).
  - Average emissions per movement.
  - Percentage of volume by mode.
  - Total emissions per tonne-km.
  - Percentage of certified/qualified drivers (e.g. SAFED NZ Driver Training).
- 3. Please provide examples of efficiency/emission reduction initiatives undertaken by the business in the last 12 months (*e.g. summary and outcomes of specific projects, trials*

It is important that **owner-drivers and sub-contractors** who undertake freight services on behalf of the tendering company also adhere to these requirements. Further, the principles of partnerships should be applied to the owner-drivers and the company they are working for.

This is an integral part of raising industry standards and building a sustainable freight sector across the entire value chain. The service they provide is integral to the efficiency of the network and performance standards should be assisted to grow sustainably.

- 5. Evidence of driver medical certificates and a fatigue management policy.
- 6. Evidence of ongoing staff training on new and changes to existing legislation.
- 7. Evidence of sound record keeping.

#### Assurance of compliance

It is also recommended that freight owners request an assurance of compliance outlining all applicable rules and regulations relating to the provision of services, along with evidence of compliance of particular aspects requested as part of the annual review process. Any examples of non-compliance should be volunteered by freight carriers, along with remedial measures that were undertaken from the time of discovery.

#### undertaken etc).

- 4. Please provide information on innovation and/or trials to deliver greenhouse gas emission reduction (*e.g. vehicle technology, biodiesel blends, hybrids, Electric Vehicles*)?
- 5. Please describe your current maintenance programme and how this is optimised for efficiency (*e.g. include information on vehicle renewal policy, tyre checks etc*).
- 6. How are you working with your owner operators/sub contractors to ensure they are considering greenhouse gas emission reduction through their own activity?
- 7. Do you have any environmental management systems in place? e.g. ISO 14001.
- What external accreditations do you hold? (e.g. CEMARS<sup>®15</sup>, CarboNZero<sup>CertTM16</sup>, Green Freight label, ACC Fleet Saver Programme membership<sup>17</sup>).
- 9. What percentage of your drivers has completed the SAFED NZ Driver<sup>18</sup> training course?



Sustainability credentials

- 1. Please provide a copy of your sustainability policy, environmental statement or sustainability report.
- 2. Please provide examples of how sustainability/efficiency is reflected in your day-to-day business practice.
- 3. How does your business measure its environmental performance e.g. change in fuel consumption, absolute emissions<sup>19</sup> etc?
- 4. What is your Operator Rating System (ORS) Rating<sup>20</sup> and how are you working to improve or maintain that safety rating?
- 5. Does your business have an environmental management system (EMS) that has been accredited with ISO 14001 or EnviroMark?
- 6. What external accreditations do you hold? (e.g. CEMARS<sup>®21</sup>, CarboNZeroCertTM<sup>22</sup>, Green Freight label etc.)

### Assessment and weighting factors

When tender documents clearly set out the criteria that will be used, bidders are able to acquire a strong sense of what is important and where they should be focussing their efforts in order to be successful. The evaluation criteria used to assess the performance of a sustainable freight procurement bid must focus its efforts to deliver best value.

Price will only be one component of this. The business may wish to use a set of minimum environmental requirements

- What sustainability advocacy organisations do you belong to? (e.g. Sustainable Business Council, Sustainable Business Network etc.)
- 8. Please provide information on health and safety performance (e.g. Incident Reporting Rate, Lost Time Injury Frequency Rate, Incident Investigation Report time frame etc)?
- 9. Please describe any programmes or initiatives to address driver safety the business has undertaken in the last 12 months.
- 10. Please describe any programmes to address driver well being in the last 12 months.
- 11. Please describe any community investment programmes undertaken by your business.

that bidders must meet in order to be considered for freight procurement selection. Areas of assessment could also include technical capability, environmental quality, and social performance.

The weighting in percentage terms allocated to each aspect could also be provided.

<sup>15</sup><u>https://www.carbonzero.co.nz/cemars/</u> Certified Emission Measurement and Reduction Scheme. Certified carriers as at 16th Feb 2016: Freightways Ltd, NZ Post Ltd, Toll Freight forwarding and Toll Parcels.

<sup>16</sup><u>https://www.carbonzero.co.nz/</u> Certified carriers as at 16th Feb 2016: Kiwi Express Couriers, Urgent Couriers

- <sup>17</sup>http://www.acc.co.nz/for-business/small-medium-and-large-business/how-to-pay-less/fleet-saver/index.htm
- <sup>18</sup><u>http://safednz.govt.nz/</u>

<sup>20</sup>https://www.nzta.govt.nz/commercial-driving/operator-rating-system-ors/what-is-the-ors/

<sup>&</sup>lt;sup>19</sup>the total greenhouse gas emissions generated by transporting freight

<sup>&</sup>lt;sup>21</sup>https://www.carbonzero.co.nz/cemars/ Certified Emission Measurement and Reduction Scheme. Certified carriers as at 16th Feb 2016: Freightways Ltd, NZ Post Ltd, Toll Freight forwarding and Toll Parcels.

<sup>&</sup>lt;sup>22</sup>https://www.carbonzero.co.nz/ Certified carriers as at 16th Feb 2016: Kiwi Express Couriers, Urgent Couriers



#### Table 1 – Sample Service Level Agreement

Evaluation Criteria	Requirement	Key Evaluation Criteria	Metric		
Compliance	All compliance requirements must be met				
Service	Health & Safety DIFOT target	<ul> <li>Incidents reported</li> <li>Lost time injury frequency rate</li> <li>Incident Reporting Rate</li> <li>Operator Rating System</li> <li>Number of deliveries</li> <li>Number of deliveries on time and in full condition</li> </ul>	<ul> <li>Reported within 24 hours</li> <li>LTIFR target</li> <li>IRR target</li> <li>Minimum 4 stars</li> <li>DIFOT &gt;98%</li> </ul>		
	Emissions reduction Standard specs e.g. Customer satisfaction	<ul> <li>Measurement and reporting of emissions</li> <li>Implementation of reduction initiatives</li> <li>Innovation</li> </ul>	<ul> <li>Distance, litres, emissions equivalent</li> <li>Description of initiatives and resulting reductions</li> <li>Description of possible projects and trials</li> </ul>		

#### Table 2 – Sample weighting criteria

Evaluation Criteria	Requirement	Key Evaluation Criteria	Weighting		
Compliance	All compliance requirements must be met. Demonstration of compliance as part of annual review process				
Service	As outlined in Service Level Agreement		40%		
Adopting a partnership approach	Partnership attributes	<ul><li>Frequent dialogue and periodic review</li><li>Proactive solutions identified</li></ul>	20%		
	Financial reports and invoicing	Quarterly reporting and invoicing cycle	5%		
	Measurement & Reporting	<ul><li>Provision of data</li><li>Reporting of specified metrics</li></ul>	10%		
Price	Value of services		20%		
Additional assessment criteria	As required	e.g. Innovation project/trial	5%		
			100%		





# **Appendices**

### Appendix 1 – Common requirements agreed by the SBC Freight Efficiency Group

#### 1. Compliance

To ensure minimum standards of compliance are, evidence of compliance will be provided every 12 months as part of the annual review process.

Any examples of non-compliance should be volunteered within 24 hours, along with remedial measures that were undertaken from the time of discovery.

#### 2. Emissions measurement

#### 2.1 Data collection

Activity relating to domestic freight movements will be measured and each group member will request the following from their respective freight providers:

- Distance (km)
- Fuel (type and volume)
- Fuel burned (litres/km or litres/tonne); and
- Intensity (e.g. tonne/km<sup>23</sup> or tonne/m<sup>3</sup>)
- Modal split by volume.
- Information on processes and systems used for data collection and reporting, including how data is provided by sub-contractors.
- Environmental management systems and/or external accreditations in place (e.g. ISO 14001, CEMARS<sup>®24</sup>, CarboNZeroCertTM<sup>25</sup>, Green Freight label.)

#### 2.2 Emission reduction practices and initiatives

All members of the Freight Efficiency Group will request the following information and supporting documentation from their appointed freight carriers:

- 1. Examples of efficiency/emissions reduction initiatives undertaken in the last 12 months.
- 2. Information on how providers are working with their owner drivers/sub-contractors to ensure they are considering emission reduction through their own activity.
- 3. New Zealand Transport Agency's Operator Rating System rating.
- 4. Percentage of drivers who have completed the SAFED NZ Driver<sup>26</sup> training course, or equivalent.
- 5. Suggestions or examples of emissions reduction initiatives and/or innovations (e.g. percentage of biofuel used).

#### 3. Sustainability credentials

The following information will be requested to assess the sustainability credentials of freight carriers:

- A copy of the sustainability policy, environmental statement and/or sustainability report.
- Examples of how sustainability/efficiency is reflected in dayto-day business practice.
- Any external accreditations held by the business (e.g. ISO 14001, CEMARS<sup>®</sup>, CarboNZeroCertTM, Green Freight label.)
- Membership of a sustainability advocacy organisation (e.g. Sustainable Business Council membership, Sustainable Business Network etc.)
- Any programmes or initiatives in place aimed to address driver safety and wellbeing.
- Information pertaining to any community investment programmes in place.

 $^{\rm 23}{\rm Emissions}$  per tonne-km – the average emissions associated with moving one tonne of freight for one km.

<sup>24</sup><u>https://www.carbonzero.co.nz/cemars/</u>Certified Emission Measurement and Reduction Scheme. Certified carriers as at 16th Feb 2016: Freightways Ltd, NZ Post Ltd, Toll Freight forwarding and Toll Parcels.

<sup>25</sup><u>https://www.carbonzero.co.nz/</u> Certified carriers as at 16th Feb 2016: Kiwi Express Couriers, Urgent Couriers
<sup>26</sup><u>http://safednz.govt.nz/</u>

