Addressing the climate concerns of transportation & logistics supply chains

Recently, a valued partner-client of ours (TA Services) asked us to contribute some carbon calculation and sustainability insight into industry reports that materially affect their business in particular — and their global category as a whole — in 2024.

As we put together some top-level responses for their excellent prompt and questions — this article was born!

By way of a little background – TA Services (TA) is a full-service premier integrated solutions provider for domestic and international freight brokerage, managed transportation, third party warehousing & fulfillment, and cross-border logistics needs.

TA gets things to where they gotta go, plain and simple, and they do so as efficiently and cost-effectively as possible using industry-leading technology, talent and processes.

But what's a transportation and logistics company to do when facing an ever-shifting, realtime and regulatory environment that often presents serious climate change obstacles when least expected?

IT'S ALL ABOUT HAVING A TRULY MEASURED RESPONSE.

A 2024 State of Transportation report from sustainable fuel and freight company Breakthrough clearly demonstrates how transportation and shipping leaders have shifted focus to climate issues and sustainability as major priorities for the year 2024.

MAIN TAKEAWAYS

Freight management leader report reveals climate change weighing heavy on industrial minds

Businesses face carbon calculation and sustainability challenges no matter what the political climate

Transparency, efficiency, accurate quantification and technological advances will be future cornerstones of the sustainable enterprise

THE SURVEY SAYS ...

98%
OF SHIPPERS ARE SETTING SUSTAINABILITY GOALS FOR THEIR ORGANIZATIONS

63%
OF SHIPPERS ARE AIMING FOR SPECIFIC CERTIFICATIONS OR STANDARDS

80%
OF ALL RESPONDENTS ANTICIPATE TIGHTENING CAPACITY MARKETS AND RISING RATES AS THE YEAR PROGRESSES

And virtually all respondents cited extreme weather events, freight market contraction and emissions reduction goals as "significant concerns" for their organizations.

Look — there's lots of eye-opening stats and insights in this report — worth a read even if you don't stick around for the Greenway perspective.

ADOBE STOCK

This report was based on a survey of 500 U.S. transportation decision-makers conducted in January and highlights the growing concern among shippers and carriers regarding extreme weather events and their impact on supply chain operations.

THE GREENWAY STEEL TAKE ON CARBON FOOTPRINT CALCULATION AND SUPPLY CHAIN SUSTAINABILITY.

The broad, looming topics of emissions, climate, and sustainability or ESG, can all take on a political slant — and already have if you've been paying attention national news at all this year.

For the business, however, it's important to consider sustainability issues as something that will be impacting the enterprise for many years to come, no matter what happens in any given November or future election cycle.

This is clearly reflected in the concerns outlined in the Breakthrough survey report specific to transportation and logistics:

What's happening as a result of climate change is going to affect the enterprise whether the nation picks Red or Blue as its favorite color.

But to the specific concerns of our friends at TA?

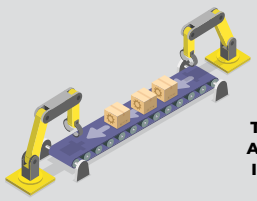
We've come up with three overarching, realistic "needs" for the climate-responsive logistics company based on a larger brainstorm we had about the issue.

A CLOSER LOOK FOR A COMPANY LIKE TA SERVICES:

1. **Transparency across each link in the supply chain will be critical to implementing the most efficient solutions.**

Because at the end of the day, the organizations with the lowest emissions and most sustainable supply chains will have a leg up on creating the decarbonized supply chain of the near future. That efficiency likely includes a monetary value for the

SUPPLY CHAIN SOLUTIONS NEEDS LIST:



1 LEGITIMATE TRANSPARENCY AND RELIABILITY IN CLIMATE/ESG REPORTING

2 QUANTIFYING THE FINANCIAL IMPACT OF CLIMATE CHANGING ELEMENTS & REGULATIONS

3 KNOWING WHERE YOU STAND TODAY FOR TECHNOLOGICAL LEAPS TOMORROW

THE BIG IDEA

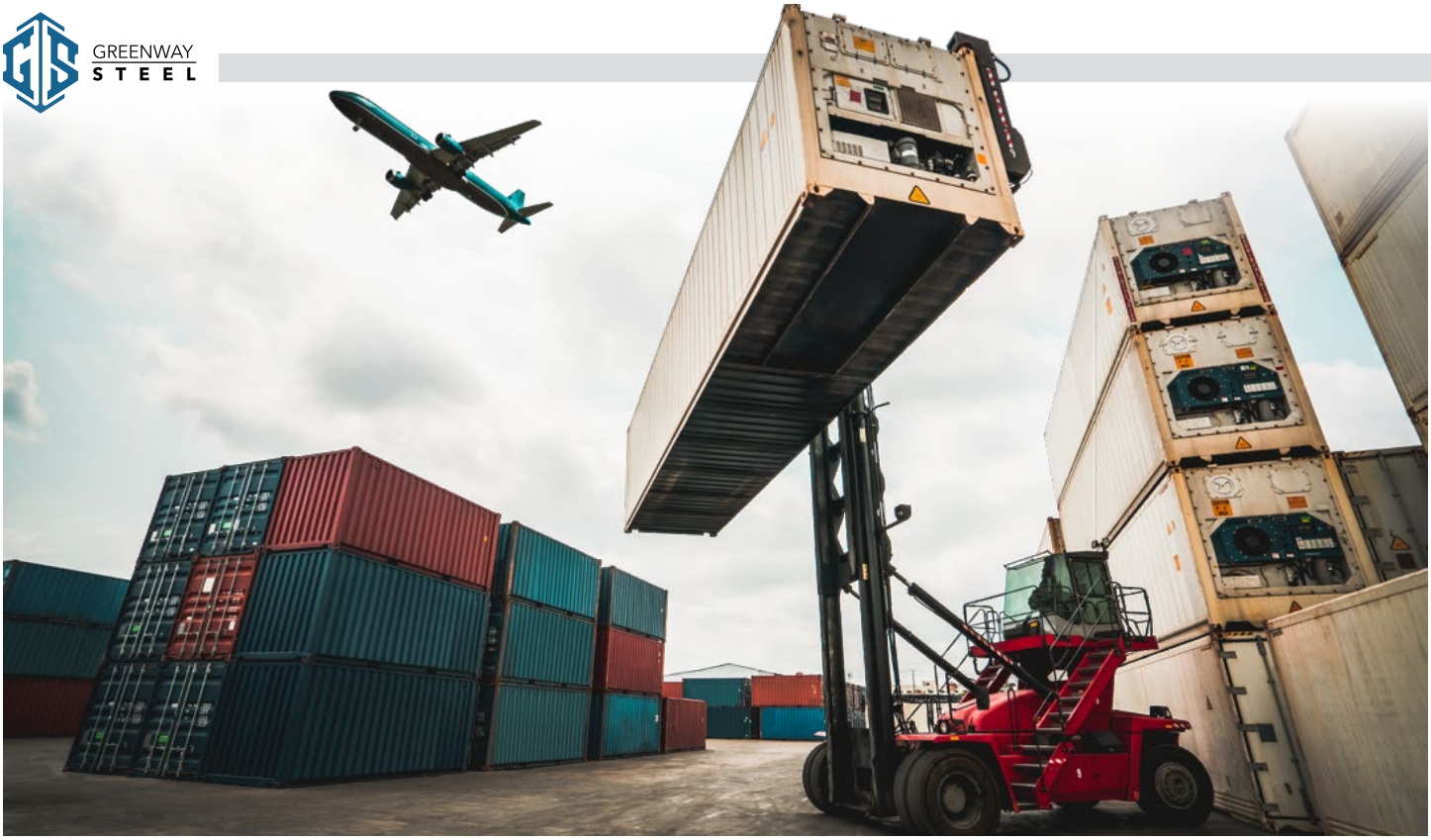
From material producers and suppliers to the myriad elements contained in hundreds of uniquely wired supply chains, Greenway Steel helps companies connect the dots between carbon footprint calculation and real world sustainability solutions.

And for our partner-client at TA, they're also factoring in fuel prices, driver shortages, and freight capacity and demand as day-to-day, often minute-to minute issues. Plus re-shoring of American manufacturing, the energy transition or diversification (whatever we call it) are all inflationary in nature.

Would any of us be surprised if costs for labor and fuel continue to pressure bottom lines everywhere? Never has efficiency been more important; and as a result, the relentless pursuit of efficiency can be considered a bedrock strategy for sustainability.

In other words? Freight management, transportation and supply chain logistics concerns (likeTA) are no exception to the new obstacles — and opportunities — presented by sustainability and decarbonization. Because as we're going to find out in the years to come?

There ARE no exceptions to the climate-based challenges we are all going to face.



business. Companies will have to work together with similar goals, while knowing that there's still much to learn to make things happen in a timely manner.

Best of all, the more companies work toward climate-related evaluation and measurement, the better everyone's going to get at it. Experience will be everyone's teacher and benefactor, here.

2. Determining accurate values for ever-changing climate-driven elements will become routinely essential to the C-O-D-B.

In addition to disclosing GHG (greenhouse gas) emissions and having to account for international standards around sustainability being included in regulatory settings, it's time to identify and include the possible financial impacts of climate change.

For both GHG emissions and climate change, you can only imagine how far down the rabbit hole one can go when considering what these financial ramifications may be! This is particularly true with Scope 3 supply chain emissions — generally the "downstream" secondary carbon footprints beyond a businesses direct or connected scope.

Suggestion? Consider these issues from a materiality perspective -- and try to focus on KPI's and what is important now for the business, while laying the groundwork to be able to quantify what's coming.

Learn more about calculating and measuring your carbon footprint — and look for supply chain partners who are doing the same. Above all, use your time wisely, and remember that this is both a sprint AND a marathon.

We're going to get better the more we do it!

3. Where you stand on technology today is not where you'll be standing tomorrow. So keep up!

The challenge for tackling emissions – at the very least those specific to GHG emissions in transportation -- is that the technology is evolving. Electrification, hybrids, fuel cells, windpowered tankers, AI integration ... How and when will they be available? What will it cost? At what scale? And where will it make the most sense to implement?

This is all being determined today AND tomorrow; so it is important to keep up to date on current developments while incorporating existing carbon-reduction and sustainability strategies into supply chain solutions now. Transportation thought leaders are keeping technology top of mind. Every business should.

Even if you face a trial-and-error moment (and you will), there is no substitute for experience.

TO SUM IT ALL UP?

While the last name of our company is currently Steel based on where we started, it's illustrative to realize that Greenway brings similar carbon footprint calculation and

sustainability solutions to supply chains for just about any industry with a current or near-term need to create the lowest possible carbon footprint.

At the end of the day (and the end of this article), it comes down to efficiency.

In steelmaking, certainly, and across the global industrial and commercial landscape, the company with a laser-focus on energy intensity and efficiency is (almost by default) going to already have a lower carbon footprint. That's a leg up on cost-competitiveness.

Randy Charles, a trained metallurgist, having been in the steel industry for over thirty years, brings experience in production, new technology and commercial responsibilities when helping industry peers to understand the transformational developments of global carbon neutral initiatives.
greenwaysteel.com

(For more information)
To learn more about the specifics of carbon-related accounting and efficient energy demands that will connect trade and emissions and carbon calculation at the hip, be sure to give a listen to Randy's wide-ranging discussion with host Joshua Baca on a recent episode of the Resiliant Insights podcast.