

# State of Sustainability in Freight Forwarding Report 2024

In association with



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# BIFA and Pledge are delighted to publish the **2024 State of Sustainability in Freight Forwarding Survey Report**

The Freight and logistics industry plays a crucial role in global trade, connecting businesses and consumers worldwide. However, our vital sector also contributes significantly to greenhouse gas emissions (GHGs) and environmental issues, with an estimated 8% of global GHGs and as much as 11% if warehousing and ports are included in calculations. If nothing changes, we will become the highest emitting sector by 2050.

As the effects of climate change become more apparent, it's even more essential that freight and logistics companies understand the impact, adopt environmentally friendly practices and embrace sustainability initiatives.

BIFA has been monitoring the legislation, tracking new regulations and delivering guidance to its corporate members on various environmental issues that could also affect their customers. We've also provided members with access to the [Pledge Freight Emissions Calculator](#) via the BIFA website. Pledge provides emissions measurement and reporting powered by accredited technology, together with other sustainability tools built for freight forwarders.

This report is the result of a joint survey conducted by BIFA and Pledge to gain a better understanding of the "State of Sustainability" within the UK freight forwarding sector. It is the latest systematic survey of sustainability for the UK freight forwarding sector to establish the true market conditions.

The information obtained from the survey will help shape best practice guidance and influence how BIFA can represent members' interests on this subject in our interaction with the government and other stakeholders who are developing legislation on the matter. The insights gathered will also be essential in identifying key areas for improvement and developing practical solutions for sustainability in freight forwarding.



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# About the authors



The British International Freight Association (BIFA) is the leading association representing the UK international freight services industry. Established in 1989, BIFA represents over 1600 members, most of which are freight forwarders, who operate across air, road, rail and sea.

BIFA is a member-driven, not-for-profit organisation whose mission is to ensure the success of members and the wider freight forwarding industry. It achieves this by representing members' interests to government and industry stakeholders, providing members with a range of services, training and events to stay informed and competitive and working to prepare the industry for upcoming challenges and opportunities.

Visit [www.bifa.org](http://www.bifa.org) for more information.



Pledge provides accredited software solutions that enable freight forwarders to measure and report their customers' shipment carbon emissions. It aims to bring accessibility and transparency to freight emissions measurement, reporting and offsetting, helping to drive more sustainable practices within the industry and have a positive impact on the environment.

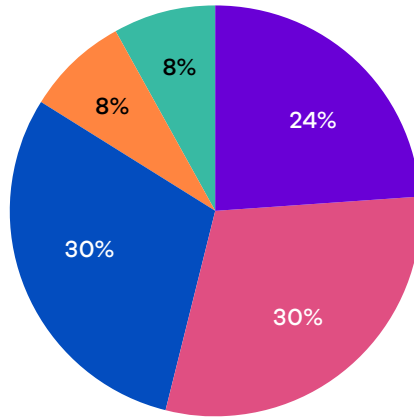
Pledge's software is accredited by the Smart Freight Centre (SFC) for its adherence to the Global Logistics Emissions Council (GLEC) framework and is ISO:14083 aligned.

Visit [www.pledge.io](http://www.pledge.io) for more information.

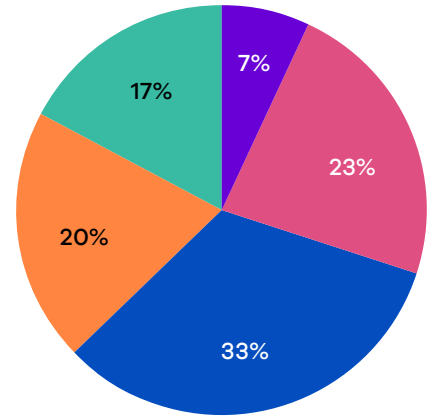
# Our approach

## Summary

This report provides the answers and insights from BIFA and Pledge’s 2024 State of Sustainability in Freight Forwarding Survey that was put forward to BIFA members in April 2024. The survey was available to complete online or by phone. In total, it received responses from 83 freight forwarders.



Company size



Annual revenue

83

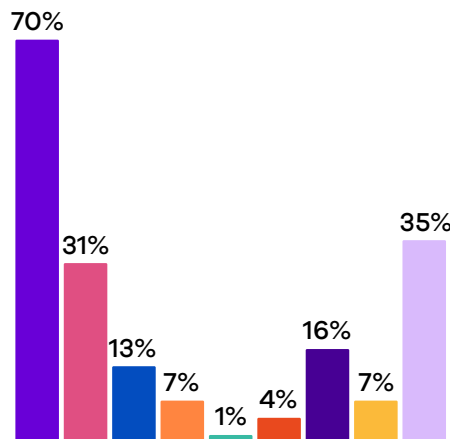
Total number of respondents

- 1 - 10 employees
- 11 - 50 employees
- 51 - 250 employees
- 251 - 1,000 employees
- 1,000 + employees

- Less than £1 million
- £1 million - £5 million
- £5 million - £25 million
- £25 million - £100 million
- £5 million +

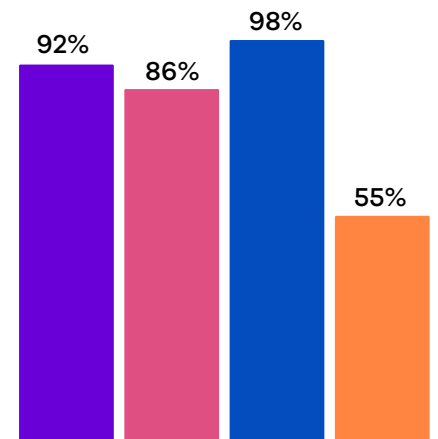
## Breakdown of survey respondents

To provide a clear overview of respondents, the first section of the survey focused on collecting demographic information. This includes company size, annual revenue, operating region and modes of transport.



Operating regions

- UK
- Europe
- North America
- South America
- Africa
- Middle East
- Asia
- Oceania
- Global



Transport modes

- Ocean Freight (containerised & non-containerised)
- Air Freight
- Road Freight
- Rail Freight

# Executive summary

The report highlights a growing recognition of the importance of sustainability within the freight forwarding industry. However, a lack of financial resources presents challenges, particularly for smaller businesses. Increased customer demand and industry support are crucial for the wider adoption of sustainable practices.

## 01.

**A majority of freight forwarders have customers asking for carbon emissions reporting on their shipments**

Nearly two-thirds of forwarders said customers are asking them for carbon emissions reporting on their shipments, highlighting that there is already a significant demand in the market for this service. Additionally, it confirms that freight forwarders are the market players that shippers expect to provide this service.

## 03.

**Recognition of positive business impact needs to improve if sustainability is to be more widely adopted by forwarders**

Sustainability initiatives can positively impact sales, brand recognition, employee motivation/collaboration and winning new tenders. But less than half recognised each of these, highlighting the need for more tangible value from sustainability initiatives if uptake is to increase.

## 05.

**Implementing carbon reporting still faces barriers, but many forwarders are keen to offer it soon**

A significant portion of forwarders plan to offer some sustainability services in the next 12 months, with carbon emissions reporting being the most likely. The financial cost is the biggest barrier to adopting 3rd party carbon reporting software, with integration complexity and the inability to define ROI also significant concerns.

## 02.

**Forwarder company size directly corresponds to sustainability as part of company's strategy and planning**

Generally, sustainability is considered important but is overshadowed by more pressing business concerns. Smaller forwarders lag behind in prioritising it. Sustainability budget allocation is currently low, especially for smaller forwarders. However, most plan to address this within 3 years. Medium-sized forwarders are less likely to have a timeframe set for budget allocation and small forwarders are more likely to never set one.

## 04.

**The most important incentives for adding carbon reporting to forwarders' services are business and customer-focused**

Customer demand and financial incentives/generating a positive ROI are the strongest drivers for adding shipment carbon reporting to freight forwarders' services. Linking executive compensation to sustainability targets is the least significant motivator. Having a positive environmental impact was only somewhat important overall.

# Survey results and analysis

# Respondents' current sustainability activities

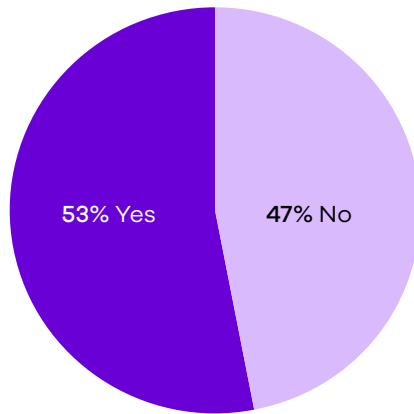
To establish what respondents are currently doing concerning sustainability at their forwarding businesses, they were asked several questions about the status of their sustainability policy, customer demand for emissions reporting and how they are currently measuring customers' shipment emissions.

More than half of respondents have some kind of sustainability policy, and nearly two-thirds say they have customers asking for carbon emissions reporting on their shipments.

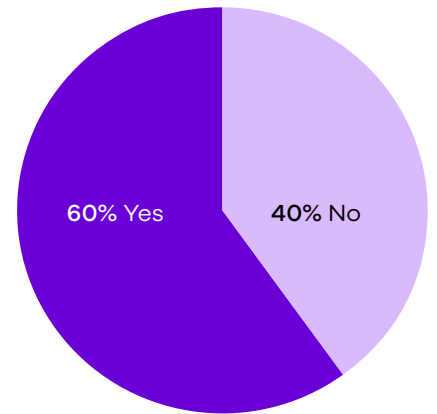
# 60%

of respondents say they have customers asking for carbon emissions reporting on their shipments

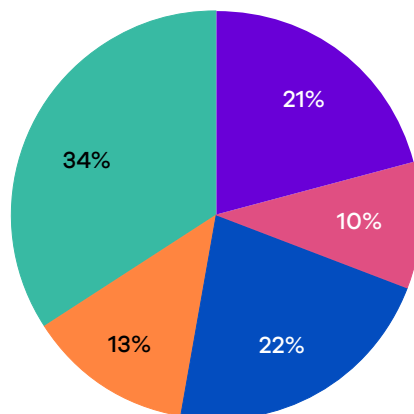
### Do you currently have a sustainability policy?



### Are customers asking for emissions reports on their shipments?



A third of respondents aren't measuring customer emissions at all, while nearly half are using some kind of software solution to measure their customers' emissions. One-fifth are calculating carbon emissions manually in-house without using dedicated carbon reporting software.



### How are you currently measuring customers' carbon emissions?

- Calculating manually in-house (no software)
- Have created own emissions calculator (software)
- Using 3rd-party software (not Pledge)
- Using Pledge's software
- Not measuring



# How much of a priority would you say sustainability is for your business right now?

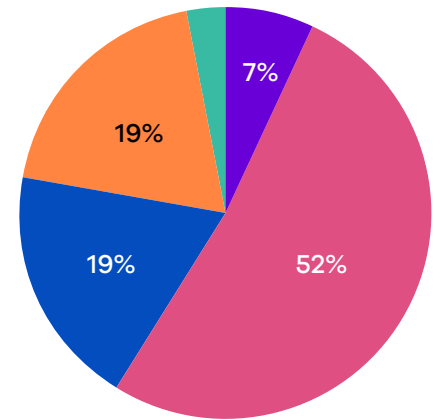
Over half of respondents acknowledge sustainability's significance but say it remains overshadowed by more pressing concerns. Only a fraction prioritise it, and an even smaller group dismiss it entirely.

## Prioritisation corresponds to forwarder company size

Company size plays a role in how much sustainability is prioritised by freight forwarders. Most enterprise forwarders (1000+ employees) consider sustainability either a mid-level (43%) or an important priority but say other priorities are more significant (43%). Large forwarders (250-1000 employees), also overwhelmingly acknowledge sustainability's importance but say other business-critical issues take precedence (86%).

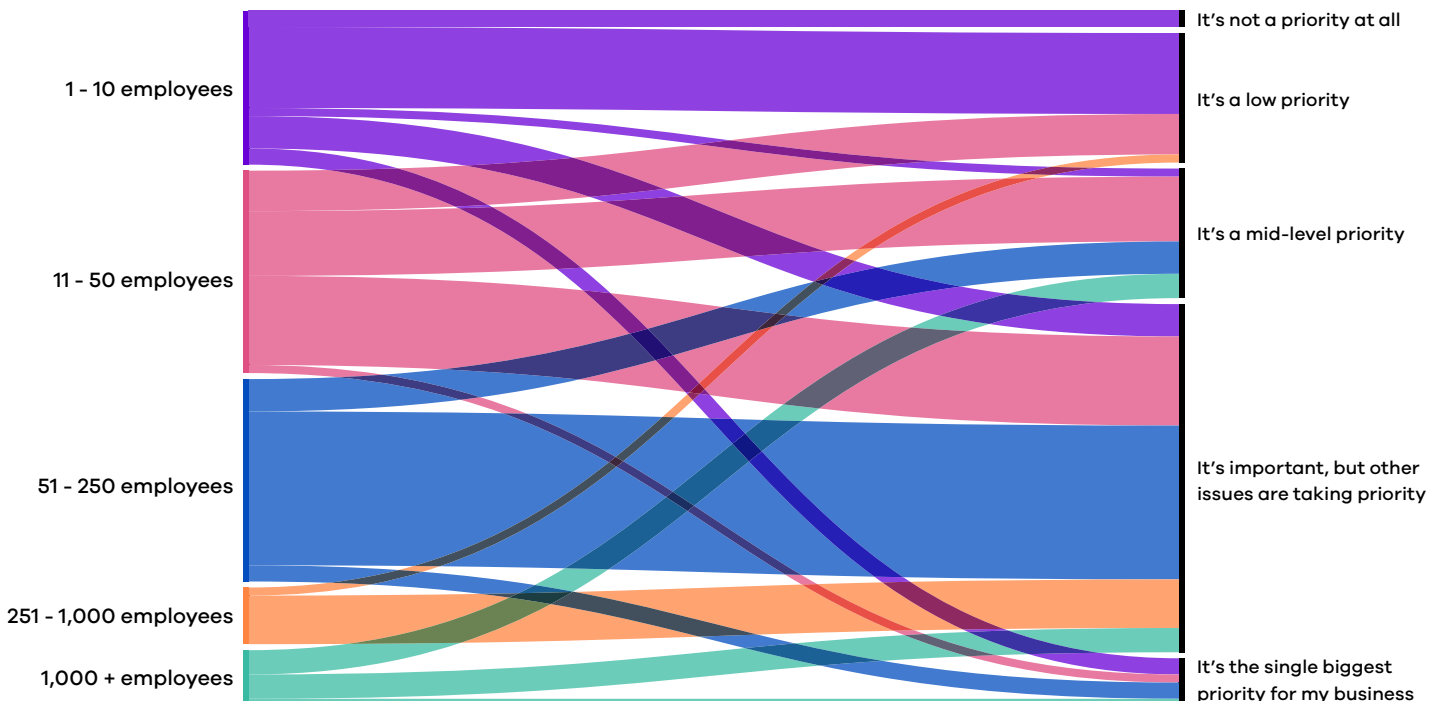
Medium-sized forwarders (51-250 employees) tend to recognise sustainability's value but prioritise other needs (76%) while small and very small forwarders (1- 10 and 11-50 employees) show a significant gap. 20% of small forwarders see sustainability as a low priority and only 44% consider it important. The majority of very small forwarders consider it a low priority (over 50%), with 10% seeing it as not a priority at all.

There's a drastic drop off in prioritisation once company size dips below the 50-employee mark. Initiatives that raise awareness of the long-term benefits and provide accessible support for small and medium (SME) forwarders can help bridge this prioritisation gap.



- It's the single biggest priority for my business
- It's important, but other business related issues are taking priority
- It's a mid-level priority for my business
- It's a low priority
- It's not a priority at all

## Company size and prioritisation of sustainability



# Which of the following best describes your company's sustainability budget?

Nearly two-thirds of forwarders don't currently have a sustainability budget in place. However, the majority of these intend to implement one, and a small minority expect that they will never put one in place.

## Business size can indicate the likelihood of setting a sustainability budget

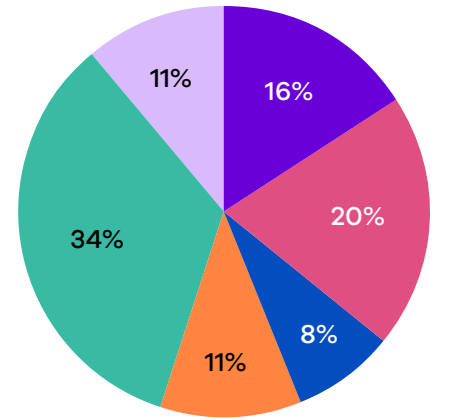
There is a clear correlation between company size and a forwarder's intention to dedicate resources to sustainability initiatives. Among enterprise and large forwarders (250+ employees), nearly all have a designated sustainability budget. Most even have separate budgets for individual initiatives.

Nearly a third of medium-sized forwarders (51-250 employees) have a budget in place and another 40% plan to introduce one but don't know when. Only 4% think they will never set a sustainability budget.

Small forwarders (11-50 employees) paint a mixed picture. While nearly half intend to implement a budget, almost all lack a specific timeframe. Only a fifth currently have one in place. 4% say they will never set a sustainability budget.

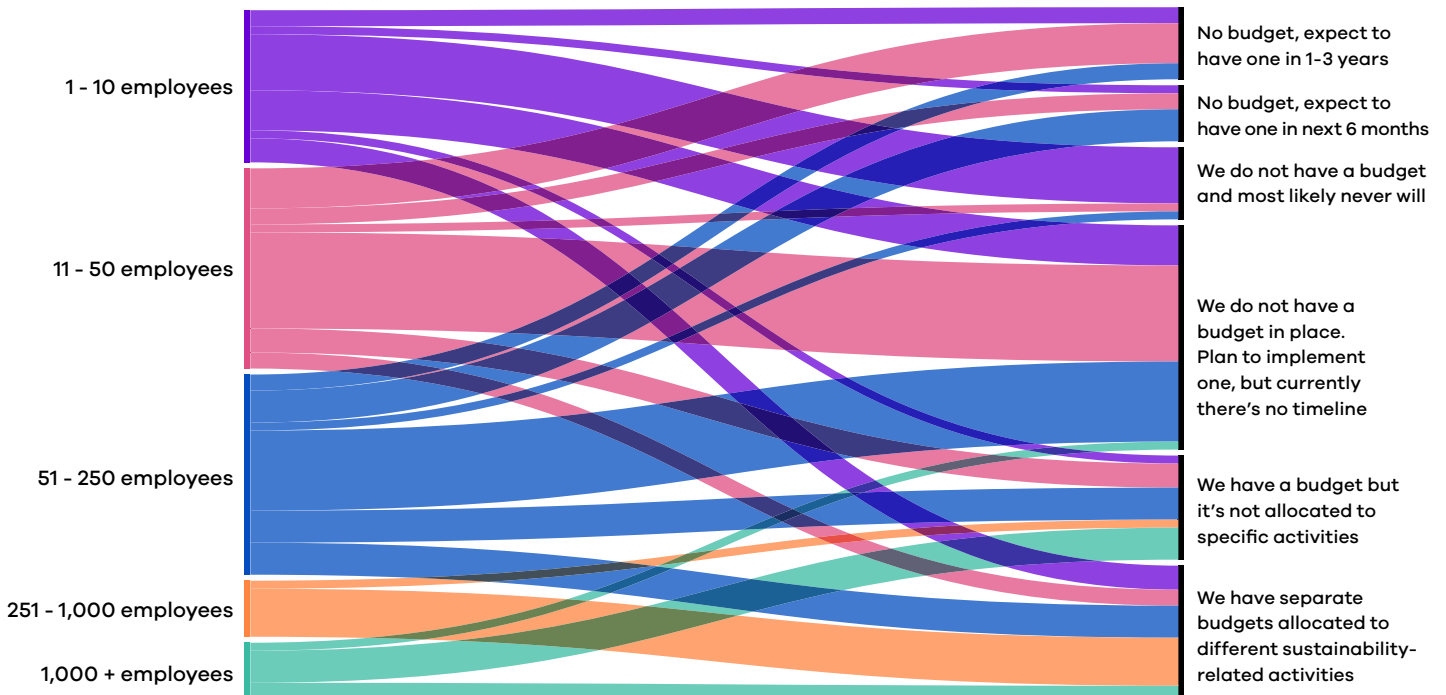
Only a fifth of very small forwarders (1-10 employees) have a budget in place, and over a third believe they never will. This highlights the resource constraints and lack of prioritisation of sustainability by smaller businesses.

Overall, the data suggests a need for industry support to help SME forwarders plan and prepare for the transition to more sustainable practices.



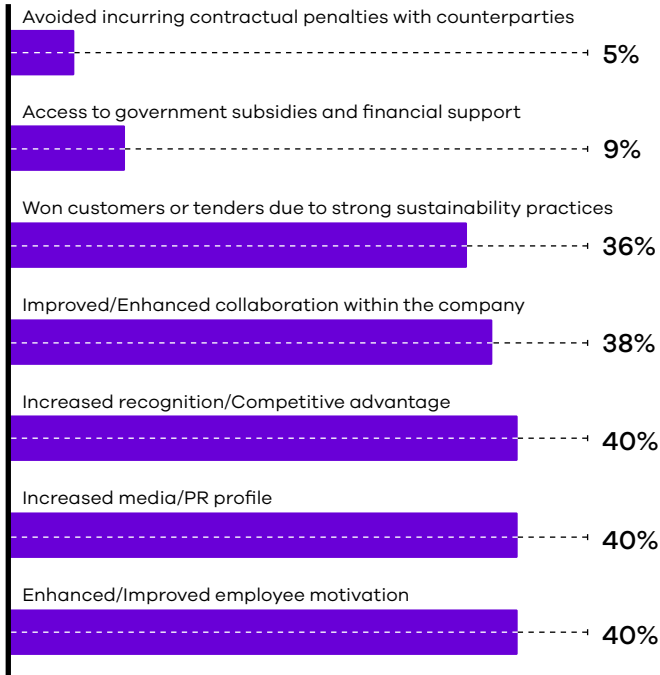
- We have a budget but it's not allocated to specific activities
- We have separate budgets allocated to different sustainability-related activities
- No budget, expect to have one in next 6 months
- No budget, expect to have one in 1-3 years
- We do not have a budget in place. Plan to implement one, but currently there's no timeline
- We do not have a budget and most likely never will

## Company size and sustainability budget

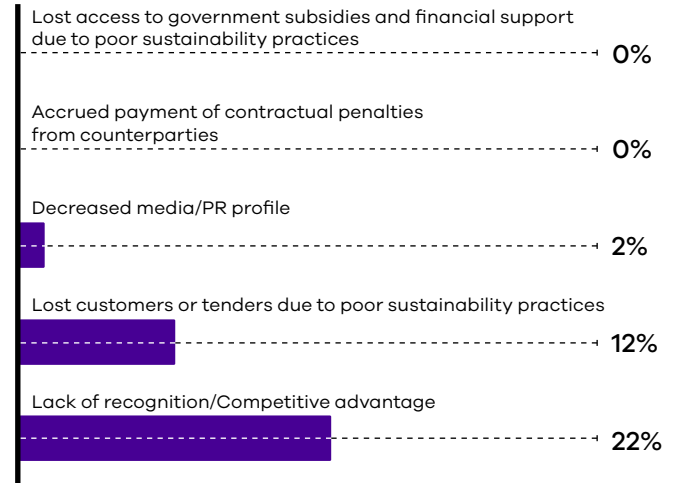


# Which of the following challenges or benefits has your company’s sustainability activities directly contributed to?

## Benefits from implementing sustainability practices



## Drawbacks of not implementing sustainability practices



After filtering out businesses that felt they were not able to answer this question, 58 respondents remained.

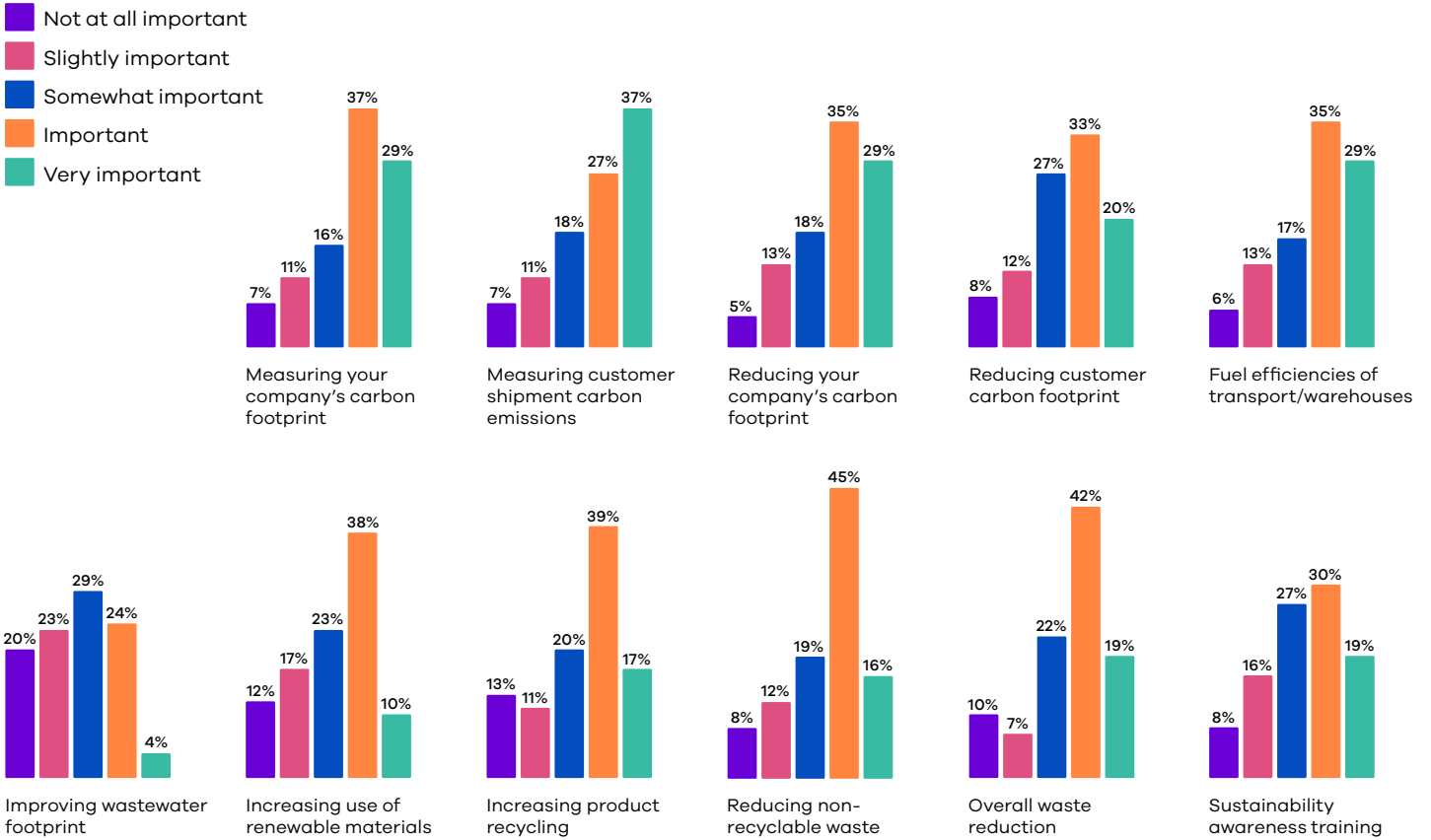
### Positive impacts

These results suggest that sustainability initiatives for freight forwarders can have a wide breadth of impact, promoting external successes like increasing sales, brand and marketing efforts, while also helping employee satisfaction and retention. However, with all answers scoring 40% or lower, the recognition of the positive effects that sustainability efforts can have on businesses will need to increase to drive uptake within the industry. Helping secure financial support and avoid contractual penalties wasn't seen as a significant benefit overall.

### Negative impacts

The lack of recognition/competitive advantage for failing to implement sustainability practices for nearly a quarter of forwarders suggests there's a somewhat significant, but not overwhelming, demand for sustainable practices among shippers. Companies that fail to adapt to shippers' demands for sustainable practices might risk losing business to competitors with established sustainability initiatives. Right now, there's no mention of penalties or loss of subsidies due to poor sustainability practices, but this doesn't mean it's not a potential future risk. As regulations and customer demands evolve, these factors may come into play.

# How important are/would the following sustainability KPIs be for your company?



We can see that the largest proportion of answers was "important" across 9 of the 11 considerations, and 8 of the 11 considerations were considered "important" or "very important" by over 50% of respondents. This reveals that there is a wide range of KPIs that forwarders consider important indicators of sustainability success.

## Defining sustainability success is multifaceted

The data reveals that freight forwarders prioritise measuring their own carbon footprint as the most significant KPI for measuring sustainability success (66% answered "important" or "very important").

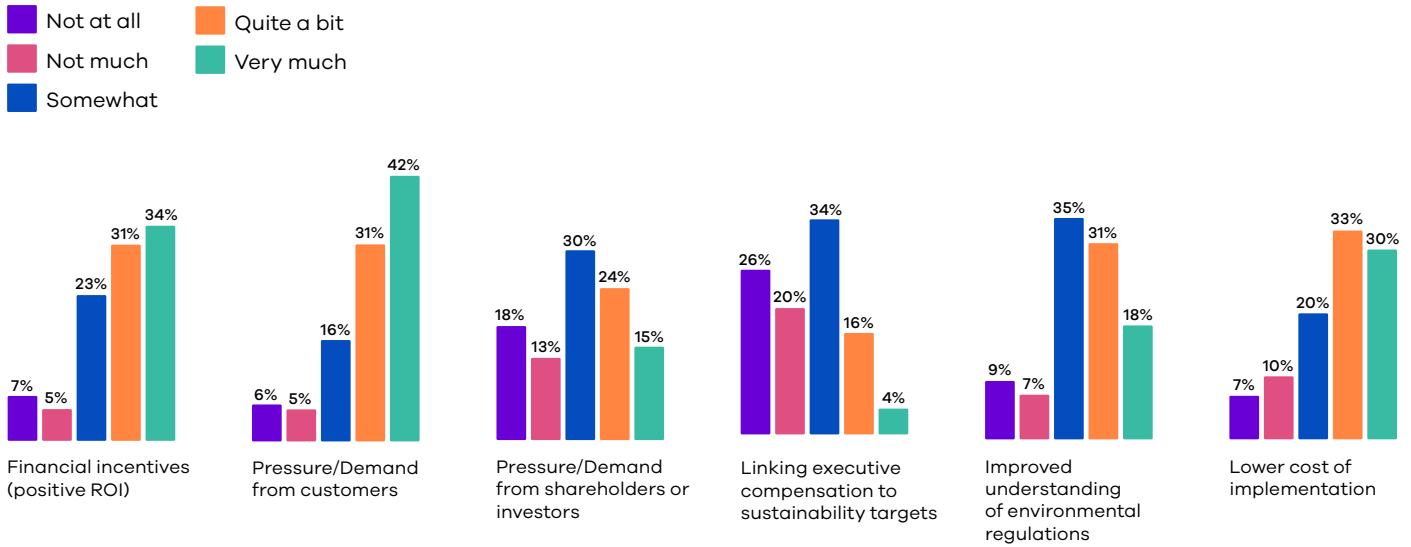
However, over 64% of respondents also ranked "measuring customer shipment carbon emissions", "reducing your company's carbon footprint" and "fuel efficiencies of transport/warehouses" as important or very important KPIs, showing a broad consensus that they have a responsibility to provide sustainability initiatives that encourage decarbonisation within the supply chain both in and beyond their direct operations.

In contrast, improving wastewater footprint had the lowest importance rating, which reflects the industry's minimal impact in this area.

Interestingly, opinions diverged on sustainability awareness training, suggesting a lack of consensus on its value as a performance indicator.

Overall, the answers highlight a strong focus on carbon footprint measurement and reduction within the freight forwarding industry. Forwarders recognise the importance of measuring and minimising their direct environmental impact as well as finding ways to encourage and support other supply chain partners in their decarbonisation efforts.

# How much of an incentive are/would the following drivers be for adding shipment carbon reporting to your services?



The survey results show that the 2 strongest incentives for adding shipment carbon reporting to forwarders services are customer demand and financial incentives, with lower cost of implementation also quite strong. Linking executive compensation to sustainability targets was considered much less of an incentive. Pressure from shareholders or investors had a more mixed response, and the majority of respondents thought improved understanding of environmental regulations was either somewhat or quite a bit of an incentive.

## Revenue and customer demand are key incentives for sustainability

Forwarders are most likely to implement carbon reporting if they see a clear market demand for it (three-quarters consider it to be quite a bit or very much an incentive) or if it can generate a positive return on investment (two-thirds consider it quite a bit or very much an incentive).

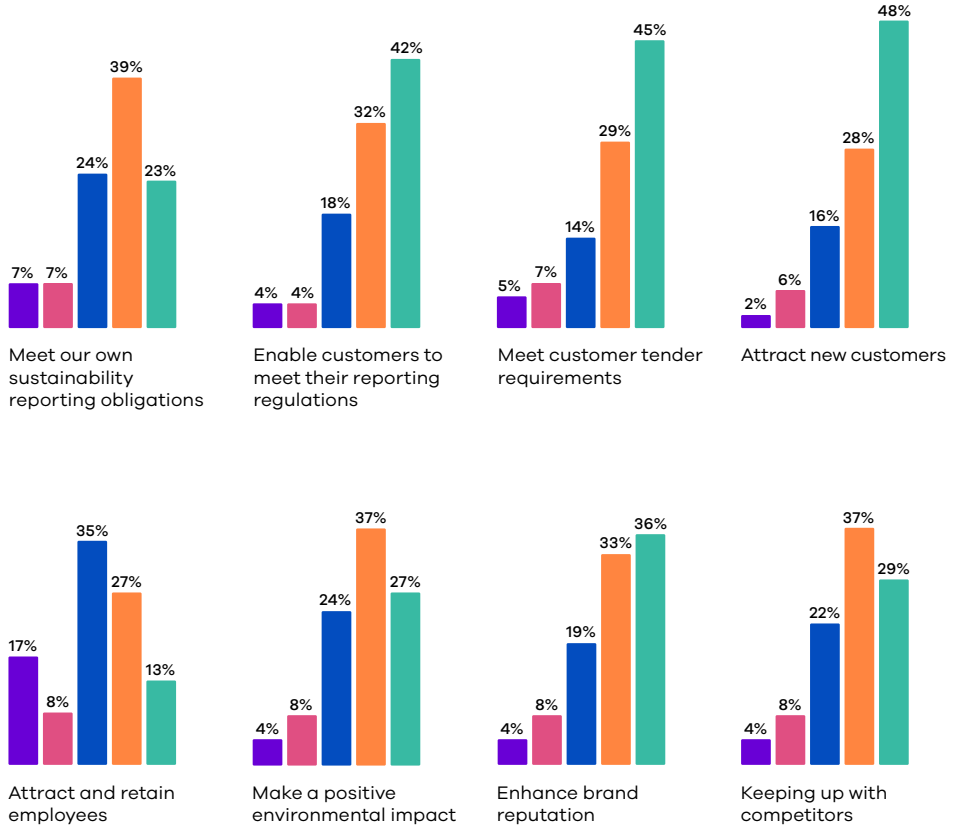
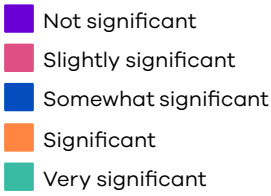
Pressure from shareholders or investors has a more mixed response, with 39% finding it to be quite a bit or very much of an incentive, 30% considering it somewhat of an incentive and the remaining 31% saying it is not much or not an incentive at all. This suggests that shareholder pressure on sustainability is still growing, but it has yet to be a universally important factor.

Linking executive compensation to sustainability targets was the least favoured incentive. Only 20% of respondents said this would be quite a bit or very much an incentive, while 26% said it would not be an incentive at all. This suggests that generally, forwarders aren't convinced that linking executive pay to sustainability metrics is an effective way to drive change.

Overall, the biggest incentives that will move the needle and drive freight forwarders to add shipment carbon emissions reporting to their services will be to meet customer demand and demonstrate its potential as a new revenue stream.

**73%** of forwarders said pressure/demand from customers is an important or very important incentive for adding carbon emissions reporting to their services

# How significant are/would you expect the following factors to be in driving you to provide carbon emissions reporting services for your customers?



At first glance, it's clear that the primary motivators lean towards customer satisfaction and business growth. Attracting and retaining employees was the least significant motivator for adding carbon emissions reporting to their freight forwarding service.

## Meeting customer needs is paramount

Around three-quarters of respondents consider meeting customer tender requirements, enabling customers to meet regulations and attracting new customers either significant or very significant. This suggests a strong market pull, with forwarders potentially losing ground if they don't adapt to changing customer sustainability needs.

While not the top motivators, environmental impact, enhancing brand reputation, meeting own sustainability reporting obligations and keeping up with competitors all have around two-thirds of respondents considering them either significant or very significant motivators. Overall, this suggests forwarders recognise the potential for emissions reporting to enhance their brand image and keep pace with industry trends.

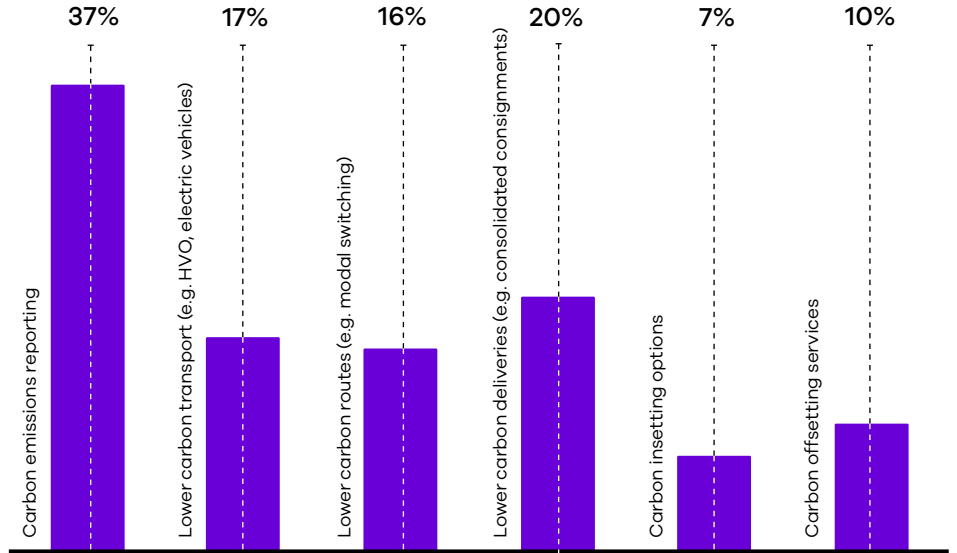
# 74%

of forwarders saw meeting customer tender requirements as important or very important

The results suggest employee attraction and retention are considered the least significant motivators. However, with 35% of respondents saying it is somewhat significant and 40% suggesting it is significant or very significant, it shouldn't be entirely disregarded. This finding mirrors the answers given in the earlier question — "Which of the following challenges or benefits has your company's sustainability activities directly contributed to?" Here, around 40% of respondents said their company's sustainability initiatives directly contributed to improved employee motivation.

# In the next 12 months, how likely is it that your business will offer customers the following sustainability-focused services?

The majority of freight forwarders are currently not offering sustainability-focused services to customers. The most offered service was carbon emissions reporting (37%), with carbon inseting the lowest (7%).



Forwarders already offering sustainability-focused services

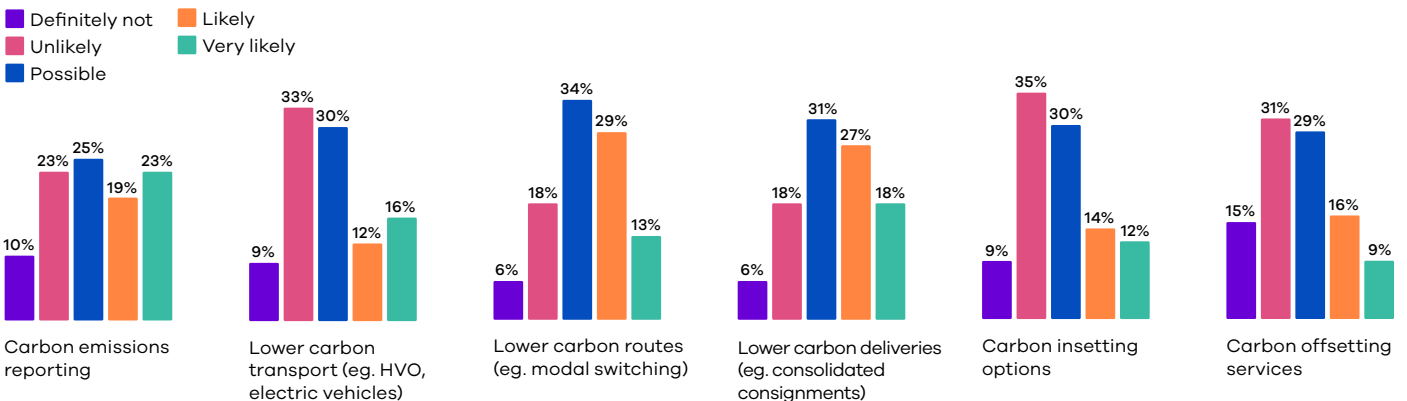
Lower carbon deliveries, carbon emissions reporting and lower carbon routes (modal switching) were the most likely services to be offered in the next 12 months. A large portion of respondents said initiatives were unlikely or only possible, indicating a high level of uncertainty or a possible knowledge gap on sustainability initiatives.

## An uncertain future for sustainability-focused services in freight forwarding

Over 40% of respondents indicated they are likely or very likely to offer carbon emissions reporting, lower carbon deliveries and lower carbon routes in the next 12 months. This isn't surprising given these 3 choices are often already implemented as ways of increasing operational efficiencies for forwarders so are relatively low lift.

There is less interest in carbon inseting options and carbon offsetting, suggesting forwarders are more focused on reduction through operational efficiencies. It could also indicate a knowledge gap surrounding inseting and offsetting among respondents.

Overall, "possible" scored relatively high across all services, suggesting that a significant portion of forwarders are still uncertain about which paths they intend to take in the next 12 months. Initiatives to support forwarders, particularly SMEs, on understanding how building a sustainability strategy roadmap might help them provide more certainty of which services they expect to make available in the near future.



## Which department in your organisation uses/would you expect to use a shipment carbon reporting tool?



After aggregating the results, Sales is the department considered most likely to actively use a carbon reporting tool. Encouragingly, leadership (CEO/Managing Director), Compliance and Sustainability departments also show strong interest, indicating potential for cross-departmental collaboration on sustainability initiatives.

### Where do carbon reporting responsibilities lie?

The wide spread of results indicates that forwarders think carbon reporting tools will have a use beyond single departments, highlighting their benefit across the business.

Perhaps surprisingly, Sales leads the pack. This demonstrates that forwarders understand the value of sales teams leveraging carbon footprint reporting capabilities as an added feature to differentiate their services, attracting environmentally conscious customers. This also closely aligns with the previous findings that ROI and customer demand are the 2 biggest incentives for freight forwarders to add shipment carbon reporting to their services.

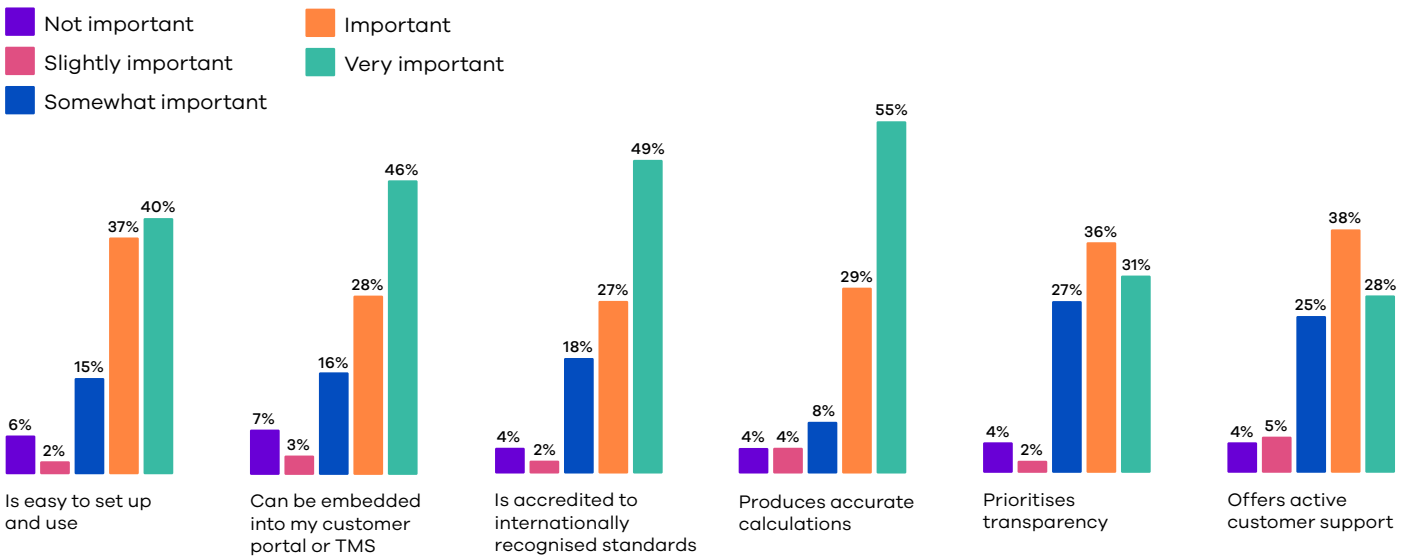
Sustainability teams (17%) are the most obvious department as they can utilise emissions data for internal reporting and developing carbon reduction strategies. The same goes for Compliance (17%), who can use the tool to meet evolving regulations.

CEO/Managing Directors also have a reasonably high selection rate (17%), suggesting that for some forwarders, there is a strong commitment from leadership to environmental responsibility. Carbon reporting tools can help them demonstrate corporate social responsibility and potentially unlock access to sustainable finance options.

While Product/IT, Finance and Operations show lower initial interest, the potential benefits for these departments are significant. Product/IT teams can integrate carbon footprint calculations into their freight management systems, streamlining reporting and enabling real-time carbon impact assessments. Finance departments can use the data for cost optimisation by identifying the most carbon-efficient routes and modes of transport. Operations teams can leverage the data for route planning and capacity utilisation, leading to improved efficiency.



# How important are/would the following factors be when choosing a 3rd-party carbon reporting software solution to provide your customers with carbon reporting for their shipments?



The results indicate that freight forwarders particularly prioritise accurate results, accreditation and embeddability when selecting 3rd-party carbon reporting software to provide customers with carbon reporting on their shipments. Ease of use was also a significant factor. A solution that prioritises transparency and offers active customer support still saw strong levels of importance, but not as much as the others.

## Forwarders want an all-in-one solution

The results clearly show that, broadly speaking, every factor was important for most forwarders. However, there were some stand-out considerations.

84% of respondents rated accurate calculations as important or very important. This signifies a strong demand for software solutions that go beyond basic estimates and provide granular carbon footprint data. Inaccurate calculations can lead to overestimations and undermine the entire reporting process, potentially leading to negative brand perception from customers.

Three-quarters (76%) consider accreditation to internationally recognised standards like the GLEC framework or ISO 14083 to be important or very important. This highlights the need for software that adheres to established, trusted methodologies, ensuring data consistency and facilitating comparisons over time. Without standardised calculations, comparisons between different shipment emissions calculations become unreliable.

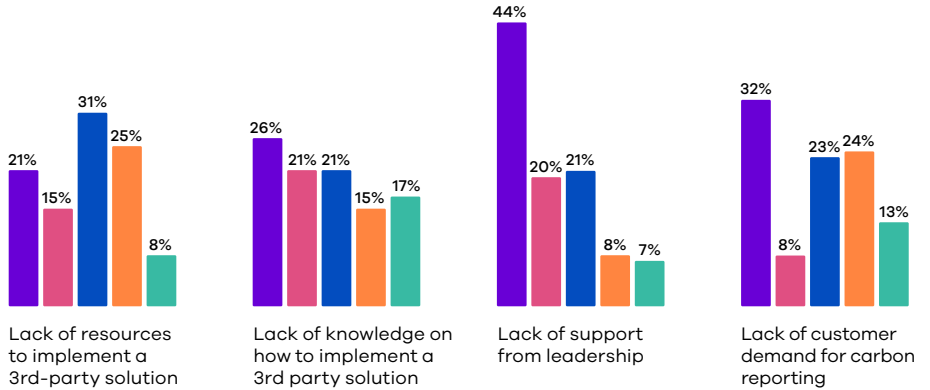
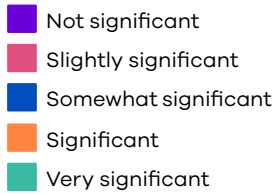
A similar amount (77%) rated ease of use as important or very important. This suggests that freight forwarders need software solutions that are user-friendly and take the hassle out of carbon reporting.

While not the top-ranked factor, a significant amount (74%) of respondents considered the ability to embed carbon reporting into their shipper portal or TMS to be important or very important. This highlights the value that automating data transfer can provide, eliminating the need for manual data entry and reducing the risk of errors for improved overall efficiency.

# 84%

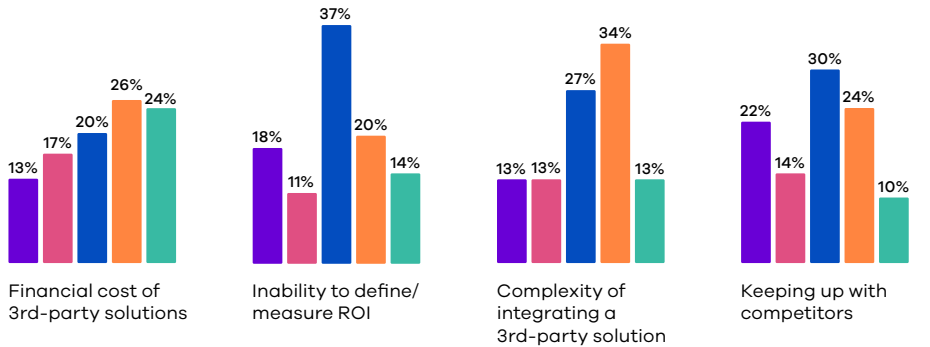
of respondents rated accurate calculations as important or very important

# How significant are the following factors in preventing you from using a 3rd-party carbon reporting service to provide your customers with the carbon footprint of their shipments?



# 50%

of respondents rated 'financial cost' as the most significant factor in preventing forwarders from using a 3rd-party carbon reporting service



The results show that freight forwarders see financial cost as the biggest barrier to purchasing a 3rd-party software solution for measuring and reporting customers' shipment carbon emissions. However, a lack of support from leadership and, to some degree, a lack of customer demand, are generally not considered significant factors in preventing them from integrating this type of solution.

## There are still significant barriers to entry for adding 3rd party carbon reporting to freight forwarders' services

Financial cost is the most significant factor in preventing forwarders from using a 3rd-party carbon reporting service, with 50% highlighting this as significant or very significant. This demonstrates that the market rate for this type of solution is still largely above what many freight forwarders are willing to pay for the perceived benefits it can bring.

Integration complexity is also considered a significant barrier, with 47% stating it as significant or very significant and only a quarter suggesting it is not or only slightly significant. For many freight forwarders, technical complexity and lack of integration resources are clear barriers to entry for sustainability software solutions.

The inability to define ROI, keeping up with competitors and a lack of customer demand were all fairly significant concerns for respondents — although the latter also scored highly (32%) with "not significant," indicating there is a split in opinions on this matter. On the other hand, a lack of support from leadership appears to be a less significant barrier with 44% saying it's not significant at all, and only 15% saying it is significant or very significant.

Based on the respondents' replies, the findings of this report highlight both the growing recognition of sustainability's importance and the **significant challenges that remain for freight forwarders to record, report and reduce emissions, particularly for smaller forwarders.**

With freight and logistics poised to become the highest-emitting sector by 2050 if current trends continue, it is crucial for industry stakeholders to start prioritising sustainability now. Small and medium-sized forwarders, in particular, face hurdles such as limited budgets and integration complexities. To bridge this gap, targeted support and incentives from industry bodies will be essential.

The report's insights into the varying levels of sustainability prioritisation across different company sizes highlight the need for a tailored approach to promoting sustainability.

Large enterprises are leading the way, while smaller firms require more substantial support to integrate sustainability into their core operations effectively.

BIFA's commitment to providing guidance and tools, such as the Pledge Freight Emissions Calculator, plays a pivotal role in helping their Members easily measure and report their customers' emissions. This support not only helps shippers comply with regulations but also enhances the competitiveness of freight forwarders by meeting the increasing demand for emissions transparency from customers.

Overall, the path to a more sustainable freight forwarding sector via carbon reduction is clear but requires concerted efforts from stakeholders at all levels. By embracing sustainable practices, forwarders can not only mitigate their environmental impact but also unlock new business opportunities and enhance their market position. BIFA and Pledge's collaborative efforts and continued advocacy will be instrumental in driving this transformation.