

## **What is GFA?**

Green Freight Asia (GFA) is incorporated in Singapore as “Green Freight Asia Network Ltd” by Singapore Accounting and Corporate Regulatory Authority (“ACRA”) as a non-profit organization.

## **Who represents GFA?**

Green Freight Asia is a member driven organization, mainly of manufacturers and logistics companies. The founding members of GFA are DHL, UPS, HP, Lenovo, and IKEA.

GFA as an organization is managed by a Chief Executive Officer who reports to a Board of Directors.

## **Who funds the work of GFA?**

GFA is currently funded through membership fees. The 5 first subscribers provided startup funding to help establish GFA as a not for profit organization in Singapore and for GFA to carry out activities in its first financial year.

## **What are GFA’s key objectives?**

GFA wants to help lower fuel consumption across Asia-Pacific sourced freight movement, reduce CO<sub>2</sub>e emissions from these movements and lower shipping costs across the entire supply chain

GFA aims to drive beneficial change by creating a level playing field that

- Educates all Asia-Pacific based stakeholders (governments, manufacturers, logistics companies and consumers) about sustainable supply chain practices
- Provides criteria for companies to be considered green freight friendly
- Promotes positive environmental change by awarding companies with Green Freight Label certifications

## Which role does GFA play?

- Facilitate awareness building, education and best practice exchange for companies to achieve the Green Freight Label certification
- Create a Green Freight Label certification and renewal process
- Align with other green freight programs and national initiatives to harmonize and avoid overlaps and collaborate with other region and global environmental NGOs
- Grow participation of the private sector and usage of Green Freight Label

## Which value does GFA create for its members?

We see the creation of a Green Freight Label certification process as a key motivator for companies to invest into greening their supply chains.

**Manufacturers** will be entitled to use the Green Freight Label if they meet the criteria. (e.g. award certain amount of freight transport business to Green Freight label certified logistics companies)

**Logistics companies** will also be entitled to receive the Green Freight Label if they meet the criteria (e.g. disclosure of environmental data, reporting of sustainability measures, e.g. driver training, fuel efficient technologies, etc.)

**Please note:** the Green Freight Label, incl. data collection and verification process is in design status and more detailed information are to follow.

Green Freight Asia also organizes workshops, conferences, etc. to **share best practices among all GFA members.**

## **Is this Green Freight Label concept new and how do you deal with other initiatives?**

The Green Freight Label concept has been adapted from an existing program called SmartWay, which has achieved tremendous success in the US. The program was introduced in 2004 by the Environmental Protection Agency (EPA) to reduce transportation-related emissions by creating incentives to improve supply chain fuel efficiency.

Using the SmartWay Transport Partnership<sup>1</sup> as a 'blueprint' for our Green Freight Label, our goal is to create an identifiable emblem that recognizes freight logistics companies and manufacturers who are committed to promoting positive environmental change through benchmarking operations, tracking fuel consumption and improving their performance annually, amongst others.

Our goal is not to compete with or duplicate the successful work that has been done, but rather to collaborate and cover areas where solutions are missing.

Besides SmartWay, we also co-operate with Green Freight Europe which was launched in 2011 and pursues similar objectives in Europe like GFA does for the Asia Pacific region.

<sup>1</sup> <http://www.epa.gov/smartway/basic-info/index.htm> | SmartWay Transport Partnership is a partnership in which freight logistics companies and manufacturers commit to benchmark operations, track fuel consumption and improve performance annually. SmartWay creates a logo which identifies companies that commit to reduce transportation-related emissions

## **It sounds like only large multinational companies can participate in your program, what about smaller players?**

Green Freight Asia is an inclusive network which wants to engage companies of all sizes. *The trucking sector in Asia is highly fragmented with almost 90% of trucks owned by individual drivers and only 0.1% are companies with more than one hundred trucks*<sup>2</sup>. Key to success is therefore the inclusion of smaller players.

<sup>2</sup> <http://cleanairinitiative.org>

## **How does Green Freight Asia plan to engage smaller players in the manufacturing and logistics industry?**

Also smaller players can join GFA as members and as such also participate in working group meetings. Members of Green Freight Asia can actively contribute through participation in working groups. Green Freight Asia maintains 3 working groups, each of which is dedicated to one topic area. Working groups consist of representatives from member companies and are supported by Green Freight Asia partners. Working groups create ideas, review concepts and share best practices. Participation in working groups is ideal for companies that want to help shape Green Freight Asia as well as for those who want to share and learn from best practices. The Working Groups generally meet 4-6 times per year, typically by phone and web meeting. Participation in working groups is free for Green Freight Asia Members.

## **Isn't the Asia-Pacific economic model built on the lack of emissions standards and carbon intensive shipping practices?**

Research suggests that, in the US and Europe, logistics costs as percentage of GDP range between 8 and 12%, while in Asia, logistics costs can be as high as 24%, which can develop into key constraint to economic growth for the fast growing economies in Asia. It is important to work towards lower logistics costs to support sustainable growth in the region, and one significant element of the logistic cost comes from the amount of fuel used.

## **What about competition? Is it realistic to think that competitors will be able to work together on something like this?**

Yes, absolutely. Green Freight Asia is designed for collaboration (towards greener freight) across competition which includes horizontal competition (e.g. manufacturer and manufacturer) and vertical (e.g. Logistics Service Provider and Transport Company). The combat against Climate Change, the reduction of carbon emissions and the processes that relate to this require a concerted approach. We need to align methodologies and learn from each other's best practices to manage this major challenge successfully.

## **How can companies actually save money by going green?**

One important element of going green is using less energy to conduct the same business. In logistics terms this means less fuel to transport the same amount of shipments and less electricity to operate the same warehouse. This can be achieved by changing behaviors and applying new, more energy efficient technologies. Employee engagement, awareness raising programs, driver training and best practice exchange is just some means to get there.

## **What criteria do companies have to meet to receive the green label certification?**

Please find information about the GFA Label criteria on the GFA website under 'About the GFA Label'.

## **Who can join GFA?**

Green Freight Asia is hoping to attract partner companies/ organizations who share the same vision and who want to become member to develop enabling methods for industry, to accelerate the adoption of sustainable supply chain practices. We encourage interested parties to submit the [GFA new membership application form](#) on our GFA website <http://greenfreightasia.org> and learn about the relevant engagement options.

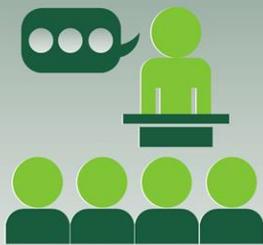
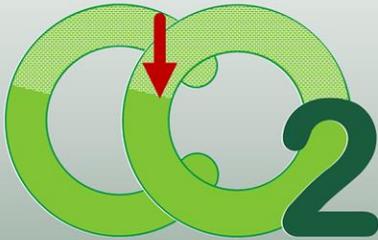
## **What is my right as a GFA member?**

One of the important rights of GFA members is the right to vote at GFA's Annual General Meetings, which is the gathering of GFA members. This gives you the power to help shape GFA's direction. The right to vote is given to the so called Effective members. **Effective members** include manufacturers and logistics companies.

## **As part of GFA meetings I would also meet companies that are in competition with my employer. How do you ensure compliance with competition laws?**

Besides the GFA Memorandum and Articles, GFA also maintains so called 'Guideline for competition compliance'. This guideline is distributed and explained to participants at the beginning of meetings such as the Annual General Meeting, to give all individuals who join a Green Freight Asia meeting clear guidance on how to avoid conflicts with competition laws/ comply with competition laws.

# GREEN FREIGHT ASIA



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