



**SASB
STANDARDS**

Now part of IFRS Foundation

Air Freight & Logistics

Sustainability Accounting Standard

TRANSPORTATION SECTOR

Sustainable Industry Classification System® (SICS®) TR-AF

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



**IFRS**
Sustainability

sasb.org

About the SASB Standards

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

Table of Contents

INTRODUCTION.....	4
Overview of SASB Standards.....	4
Use of the Standards	5
Industry Description	5
Sustainability Disclosure Topics & Metrics.....	6
Greenhouse Gas Emissions	8
Air Quality	13
Labour Practices	14
Workforce Health & Safety	16
Supply Chain Management	18
Accident & Safety Management	21

INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards (“SASB Standards” or “Industry Standards”), categorised pursuant to the [Sustainable Industry Classification System® \(SICS®\)](#).

SASB Standards include:

- 1. Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.
- 2. Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.
- 3. Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity’s performance for a specific disclosure topic.
- 4. Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.
- 5. Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the [SASB Standards Application Guidance](#) establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the [SASB Conceptual Framework](#) set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in **SICS[®]**. However, companies with substantial business in multiple SICS[®] industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

Air Freight & Logistics industry entities provide freight services and transportation logistics to both businesses and individuals. The industry consists of three main segments: air freight transportation, post and courier services, and transportation logistics services. Entities in the industry earn revenue from one or more of the segments and range from non-asset-based to asset-heavy. Transportation logistics services include contracting with road, rail, marine and air freight entities to select and hire appropriate transportation. Services also may include customs brokerage, distribution management, vendor consolidation, cargo insurance, purchase order management and customised logistics information. The industry is crucial to global trade, granting it a degree of demand stability.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO ₂ -e	TR-AF-110a.1
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	TR-AF-110a.2
	Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable	Quantitative	Gigajoules (GJ), Percentage (%)	TR-AF-110a.3
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , and (3) particulate matter (PM ₁₀)	Quantitative	Metric tonnes (t)	TR-AF-120a.1
Labour Practices	Percentage of drivers classified as independent contractors	Quantitative	Percentage (%)	TR-AF-310a.1
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations ¹	Quantitative	Presentation currency	TR-AF-310a.2
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	TR-AF-320a.1
Supply Chain Management	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	Metric tonnes (t) CO ₂ -e per tonne-kilometre	TR-AF-430a.2
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	Discussion and Analysis	n/a	TR-AF-430a.3
Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	Discussion and Analysis	n/a	TR-AF-540a.1
	Number of aviation accidents	Quantitative	Number	TR-AF-540a.2
	Number of road accidents and incidents	Quantitative	Number	TR-AF-540a.3

¹ Note to TR-AF-310a.2 – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Revenue tonne-kilometres (RTK) for: (1) road transport and (2) air transport ²	Quantitative	RTK	TR-AF-000.A
Load factor for: (1) road transport and (2) air transport ³	Quantitative	Rate	TR-AF-000.B
Number of employees, number of truck drivers	Quantitative	Number	TR-AF-000.C

² Note to **TR-AF-000.A** – A revenue tonne-kilometre (RTK) is defined as one metric tonne of revenue traffic transported one kilometre. RTK is computed by multiplying the vehicle-kilometres travelled on each leg by the number of tonnes of revenue traffic carried on that leg.

³ Note to **TR-AF-000.B** – Load factor is a measure of capacity utilisation and is calculated as kilometres travelled by cargo divided by total kilometres travelled.

Greenhouse Gas Emissions

Topic Summary

Air Freight & Logistics industry entities generate direct greenhouse gas (GHG) emissions that contribute to climate change. Emissions are generated from fuel combustion by both air and road freight operations. Given the altitude of the emissions from jet fuel, air freight makes an especially potent contribution to climate change. Management of GHG emissions is likely to affect air freight and logistics entities' cost structure over time because emissions are tied directly to fuel use, and thus to operating expenses. Fuel efficiency and alternative fuels usage may reduce fuel costs or limit exposure to volatile fuel pricing, future regulatory costs and other consequences of GHG emissions. While newer aircraft and trucks are generally more fuel efficient, existing fleets may be retrofitted. Capital investments in more fuel-efficient aeroplanes or vehicles and emerging fuel-management technology may reduce fuel expenses and improve profitability. These investments also may help entities capture market share of customers seeking low-carbon shipping solutions.

Metrics

TR-AF-110a.1. Gross global Scope 1 emissions

- 1 The entity shall disclose its gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
 - 1.1 Emissions of all GHGs shall be consolidated and disclosed in metric tonnes of carbon dioxide equivalent (CO₂-e) and calculated in accordance with published 100-year time horizon global warming potential (GWP) values. To date, the preferred source for GWP values is the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2014).
 - 1.2 Gross emissions are GHGs emitted into the atmosphere before accounting for offsets, credits or other similar mechanisms that have reduced or compensated for emissions.
- 2 Scope 1 emissions are defined and shall be calculated according to the methodology contained in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (GHG Protocol), Revised Edition, March 2004, published by the World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD).
 - 2.1 Acceptable calculation methodologies include those that conform to the *GHG Protocol* as the base reference, but provide additional guidance, such as industry- or region-specific guidance. Examples may include:
 - 2.1.1 *GHG Reporting Guidance for the Aerospace Industry* published by the International Aerospace Environmental Group (IAEG)

- 2.1.2 *Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources* published by the U.S. Environmental Protection Agency (EPA)
- 2.1.3 India GHG Inventory Program
- 2.1.4 ISO 14064-1
- 2.1.5 *Petroleum Industry Guidelines for reporting GHG emissions*, 2nd edition, 2011, published by Ipieca
- 2.1.6 *Protocol for the quantification of greenhouse gas emissions from waste management activities* published by Entreprises pour l'Environnement (EpE)
- 2.2 GHG emissions data shall be consolidated and disclosed according to the approach with which the entity consolidates its financial reporting data, which generally is aligned with the 'financial control' approach defined by the *GHG Protocol*, and the approach published by the Climate Disclosure Standards Board (CDSB) described in REQ-07, 'Organisational boundary', of the *CDSB Framework for reporting environmental and social information*.
- 3 The entity may discuss any change in emissions from the previous reporting period, including whether the change was because of emissions reductions, divestment, acquisition, mergers, changes in output or changes in calculation methodology.
- 4 In the case that current reporting of GHG emissions to the CDP or other entity (for example, a national regulatory disclosure programme) differs in terms of the scope and consolidation approach used, the entity may disclose those emissions. However, primary disclosure shall be according to the guidelines described above.
- 5 The entity may discuss the calculation methodology for its emissions disclosure, such as if data is from continuous emissions monitoring systems (CEMS), engineering calculations or mass balance calculations.

TR-AF-110a.2. Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

- 1 The entity shall discuss its long- and short-term strategy or plan to manage its Scope 1 greenhouse gas (GHG) emissions.
 - 1.1 Scope 1 emissions are defined and shall be calculated according to the methodology contained in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (GHG Protocol), Revised Edition, March 2004, published by the World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD).
 - 1.2 The scope of GHG emissions includes the seven GHGs covered under the Kyoto Protocol—carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
- 2 The entity shall discuss its emission reduction target(s) and analyse its performance against the target(s), including, if relevant:

- 2.1 The scope of the emission reduction target (for example, the percentage of total emissions to which the target is applicable);
- 2.2 Whether the target is absolute or intensity-based and the metric denominator if it is an intensity-based target;
- 2.3 The percentage reduction against the base year, with the base year representing the first year against which emissions are evaluated towards the achievement of the target;
- 2.4 The time lines for the reduction activity, including the start year, the target year and the base year;
- 2.5 The mechanism(s) for achieving the target; and
- 2.6 Any circumstances in which the target or base year emissions have been, or may be, recalculated retrospectively or the target or base year has been reset.

3 The entity shall discuss the activities and investments required to achieve the plans or targets, and any risks or limiting factors that might affect achievement of the plans or targets.

- 3.1 Aviation-related activities and investments may include fuel optimisation efforts such as the use of ground power and pre-conditioned air rather than auxiliary power units (APU) when parked at a gate, adjusting flight speed to optimise fuel efficiency, route design (for example, NextGen), use of winglets, reduction in aircraft weight and upgrading of the fleet with new aircraft.
- 3.2 Road transportation-related activities and investments may include fuel optimisation efforts such as route and load optimisation, adoption of technology such as engine and powertrain efficiency and aerodynamic improvements, use of electric- or natural gas-powered vehicles, weight reduction, improved tyre rolling resistance, hybridisation and automatic engine shutdown.

4 The entity shall discuss the scope of its strategies, plans or reduction targets, such as whether they pertain differently to different business units, geographies or emissions sources.

5 The entity shall discuss whether its strategies, plans or reduction targets are related to, or associated with, emissions limiting or emissions reporting-based programmes or regulations (for example, the EU Emissions Trading Scheme, Quebec Cap-and-Trade System, California Cap-and-Trade Program), including regional, national, international or sectoral programmes.

6 Disclosure of strategies, plans or reduction targets shall be limited to activities that were ongoing (active) or reached completion during the reporting period.

TR-AF-110a.3. Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable

1 The entity shall disclose the amount of fuel consumed as an aggregate figure, in gigajoules (GJ), categorised by (1) road transport-related operations, and separately, (2) air transport-related operations.

- 1.1 The calculation methodology for fuel consumed shall be based on actual fuel consumed as opposed to design parameters.
- 1.2 Acceptable calculation methodologies for fuel consumed may include methodologies based on:
 - 1.2.1 Adding fuel purchases made during the reporting period to beginning inventory at the start of the reporting period, less any fuel inventory at the end of the reporting period
 - 1.2.2 Tracking fuel consumed by vehicles
 - 1.2.3 Tracking fuel expenses
- 2 In disclosing fuel consumed by (1) road transport-related operations, the entity additionally shall disclose the percentage of fuel consumed that was (a) natural gas.
 - 2.1 The percentage shall be calculated as the amount of fuel consumed by road transport-related operations that was natural gas (in GJ) divided by the total amount of fuel consumed by road transport-related operations (in GJ).
- 3 In disclosing fuel consumed by (1) road transport-related operations, the entity shall additionally disclose the percentage of fuel consumed that was (b) renewable fuel.
 - 3.1 Renewable fuel is generally defined as fuel that meets all of these requirements:
 - 3.1.1 Produced from renewable biomass
 - 3.1.2 Used to replace or reduce the quantity of fossil fuel present in a transportation fuel, heating oil or jet fuel
 - 3.1.3 Achieved net greenhouse gas (GHG) emissions reduction on a life cycle basis.
 - 3.2 The entity shall disclose the standard or regulation used to determine if a fuel is renewable.
 - 3.3 The percentage shall be calculated as the amount of renewable fuel consumed by road transport-related operations (in GJ) divided by the total amount of fuel consumed by road transport-related operations (in GJ).
- 4 In disclosing fuel consumed by (2) air transport-related operations, the entity additionally shall disclose the percentage of fuel consumed that was (a) alternative fuel.
 - 4.1 Alternative fuel is defined by the International Civil Aviation Organization (ICAO) as fuel from sources other than petroleum that has the potential to generate lower carbon emissions than petroleum-based fuel on a life cycle basis.
 - 4.2 The percentage shall be calculated as the amount of alternative fuel consumed by air transport-related operations (in GJ) divided by the total amount of fuel consumed by air transport-related operations (in GJ).

5 In disclosing fuel consumed by (2) air transport-related operations, the entity shall additionally disclose the percentage of fuel consumed that was (b) sustainable fuel.

5.1 Sustainable fuel is defined as a subset of alternative fuel that meets all of the following criteria described by ICAO:

5.1.1 Achieves net greenhouse gas (GHG) emissions reduction on a life cycle basis

5.1.2 Avoids competition with food and water through utilisation of marginal or unviable land

5.1.3 Contributes to local social and economic development, such as through expanded employment and revitalised infrastructure.

5.2 The percentage shall be calculated as the amount of sustainable fuel consumed by air transport-related operations (in GJ) divided by the total amount of fuel consumed by air transport-related operations (in GJ).

6 The scope of disclosure is limited to fuel the entity directly consumed.

7 In calculating energy consumption from fuels, the entity shall use higher heating values (HHV), also known as gross calorific values (GCV), which are measured directly or taken from the Intergovernmental Panel on Climate Change (IPCC).

8 The entity shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel use (including biofuels).

Air Quality

Topic Summary

Entities in the Air Freight & Logistics industry generate air pollutants that may threaten human health. The industry's primary air emissions include sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter (PM), which negatively affect local air quality. As regulators debate the most efficient mechanisms to reduce local air pollution from the industry, entities may be forced to increase operating costs or make investments to modernise their fleets because of regulatory pressure, customer demand and rising fuel costs. Use of more expensive alternative fuels and mechanisms that filter emissions prior to release into the atmosphere also may affect an entity's cost structure, requiring upfront costs but decreasing regulatory exposure over the long term.

Metrics

TR-AF-120a.1. Air emissions of the following pollutants: (1) NO_x (excluding N₂O), (2) SO_x, and (3) particulate matter (PM₁₀)

- 1 The entity shall disclose its emissions of air pollutants, in metric tonnes per pollutant, released into the atmosphere.
 - 1.1 The scope of the disclosure includes air pollutants associated with the entity's direct air emissions resulting from all the entity's activities and sources of emissions, which may include stationary or mobile sources, production facilities, office buildings and transportation fleets.
- 2 The entity shall disclose its emissions of (1) oxides of nitrogen (NO_x), reported as NO_x.
 - 2.1 The scope of NO_x includes NO and NO₂, but excludes N₂O.
- 3 The entity shall disclose its emissions of (2) oxides of sulphur (SO_x), reported as SO_x.
 - 3.1 The scope of SO_x includes SO₂ and SO₃.
- 4 The entity shall disclose its emissions of (3) particulate matter 10 micrometres or less in diameter (PM₁₀), reported as PM₁₀.
 - 4.1 PM₁₀ is defined as any airborne finely divided solid or liquid material with an aerodynamic diameter less than or equal to a nominal 10 micrometres.
- 5 The entity may discuss the calculation method for its emissions disclosure, such as whether data is from continuous emissions monitoring systems (CEMS), engineering calculations or mass balance calculations.

Labour Practices

Topic Summary

The Air Freight & Logistic industry's reliance on independent contractors, mainly for courier driving, has come under increasing legal and regulatory scrutiny. The applicable jurisdictional laws and regulations that protect employees may not cover independent contractors, and entities may face regulatory sanctions for misclassifying employees as independent contractors. Entities also may face legal actions from employee and contractor claims regarding wage payments, benefits and working conditions. Legal actions also may negatively affect an entity's brand value and ability to hire and retain employees, reducing operational efficiency and increasing turnover costs.

Metrics

TR-AF-310a.1. Percentage of drivers classified as independent contractors

- 1 The entity shall disclose the percentage of its drivers the entity classifies as independent contractors.
 - 1.1 Independent contractors are defined as individuals that are self-employed.
 - 1.1.1 In calculating the percentage of independent contractors, an entity shall evaluate the level of control an entity has over a worker by considering behavioural factors, financial factors and type of relationship.
- 2 The percentage shall be calculated as the full-time equivalent (FTE) of drivers who are independent contractors divided by the FTE of total drivers.
 - 2.1 FTE is defined as total hours reported divided by the maximum number of compensable hours in a full-time schedule.
 - 2.2 FTE of total drivers is defined as the sum of the FTE of drivers who are regular, direct drivers and the FTE of drivers who are third-party drivers.
 - 2.2.1 Regular, direct drivers include all full-time and part-time employees whose status group in the human resources information system (HRIS) is 'active' and includes active, paid leave and unpaid leave employees.
 - 2.2.2 Third-party drivers include independent contractors, leased employees, temp (agency) workers, and consultants and outsourced workers (provided that the consultants or outsourced workers spend most of their time on the entity's work).

TR-AF-310a.2. Total amount of monetary losses as a result of legal proceedings associated with labour law violations

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with labour law violations, such as those relating to wages, work hours, overtime, and meal and rest breaks.

- 2 The legal proceedings shall include any adjudicative proceeding involving the entity, whether before a court, a regulator, an arbitrator or otherwise.
- 3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement, verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (for example, civil judgements or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgements, penalties or restitution) brought by any entity (for example, governmental, business or individual).
- 4 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.
- 5 The scope of the disclosure shall include legal proceedings associated with the enforcement of applicable jurisdictional laws or regulations.

Note to **TR-AF-310a.2**

- 1 The entity shall briefly describe the nature (for example, judgement or order issued after trial, settlement, guilty plea, deferred agreement or non-prosecution agreement) and context (for example, improper working conditions or employee compensation) of all monetary losses resulting from legal proceedings.
- 2 The entity shall describe any corrective actions implemented in response to the legal proceedings. This may include specific changes in operations, management, processes, products, business partners, training or technology.

Workforce Health & Safety

Topic Summary

The Air Freight & Logistics industry may expose employees to dangerous working conditions, including accidents resulting from mechanical failure or human error. Additionally, moving packages manually is a physical process that requires special training to minimise injury. Although the fatal occupational injury rate for trucking workers is higher than average, worker safety issues in aviation are regulated strictly, which raises the risk of fines or penalties when an incident occurs. Health and safety incidents may result in work stoppages and a range of costs, from medical expenses to workers' compensation. Such incidents also may reduce productivity, and thus revenues, if employees believe their safety and well-being are being neglected. Finally, entities with poor safety records also may face increased insurance premiums and higher costs of capital, as well as reputational damage that may reduce revenue and market share. An entity may mitigate these effects by providing adequate employee protection and training, ensuring mechanical equipment is functioning safely, and establishing a culture of workplace safety.

Metrics

TR-AF-320a.1. (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees

- 1 The entity shall disclose (1) its total recordable incident rate (TRIR) for work-related injuries and illnesses.
 - 1.1 An injury or illness is considered a recordable incident if it results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.
 - 1.1.1 First aid is defined as emergency care or treatment for an ill or injured person before regular medical aid can be provided.
 - 1.1.2 The entity may use applicable jurisdictional criteria for definitions of a recordable incident and a non-recordable incident such as first aid. The entity shall disclose the legal, regulatory or industry framework used as the source for these criteria and definitions.
- 2 The entity shall disclose (2) its fatality rate for work-related fatalities.
- 3 All disclosed rates shall be calculated as: $(\text{statistic count} \times 200,000) / \text{total number of hours worked by all employees in the year reported}$.
 - 3.1 The '200,000' in the rate calculation represents the total number of hours 100 full-time workers working 40 hours per week for 50 weeks per year can provide annually.
- 4 The scope of the disclosure includes work-related incidents only.

- 4.1 Work-related incidents are injuries and illnesses resulting from events or exposures in the work environment.
- 4.2 The work environment is the establishment and other locations where one or more employees are working or are present as a condition of their employment.
- 4.3 The work environment includes not only physical locations, but also the equipment or materials used by the employee during the course of work.
- 4.4 Incidents that occur while an employee is travelling are work-related if, at the time of the injury or illness, the employee was engaged in work activities in the interest of the employer.
- 4.5 A work-related incident must be a new case, not a previously recorded injury or illness being updated.

5 The entity shall disclose the rates for each of these employee categories:

- 5.1 direct employees, defined as individuals on the entity's payroll, whether they are full-time, short service, part-time, executive, labour, salary, seasonal, migrant, or hourly employees.
- 5.2 contract employees, defined as individuals who are not on the entity's payroll, but whom the entity supervises or manages, including independent contractors and those employed by third parties (for example, temp agencies and labour brokers).

6 The scope of the disclosure includes all employees regardless of employee location or type of employment.

Supply Chain Management

Topic Summary

Many entities in the Air Freight & Logistics industry contract with large, complex networks of asset-based third-party providers to provide freight transportation services to their customers. Contracting is common among entities providing freight forwarding, logistics, brokerage and intermodal services. These contractors operate across all modes of transport such as motor carriers, railroads, air freight and ocean carriers. Entities must manage contractor relationships to ensure contractor actions that may result in environmental or social impacts do not result in material adverse effects on their own operations, such as decreased brand value. At the same time, entities that offer low-carbon logistics solutions may capture market share from customers seeking to reduce the carbon footprint of their shipments.

Metrics

TR-AF-430a.2. Total greenhouse gas (GHG) footprint across transport modes

- 1 The entity shall disclose the complete tank-to-wheels greenhouse gas (GHG) footprint in metric tonnes of CO₂-e per metric tonne-kilometre.
- 2 Tank-to-wheels emissions relate to vehicle processes and exclude upstream emissions associated with primary energy production (well-to-tank emissions).
 - 2.1 The entity shall calculate its disclosure according to EN 16258:2012 – Methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers).
 - 2.1.1 Calculations shall be consistent with the methodology used to calculate the 'tank-to-wheels GHG emissions (Gt)' result that is described in EN 16258:2012.
 - 2.1.2 Determination of transportation system scope, boundaries and any necessary allocations shall be consistent with the methodology described in EN 16258:2012.
- 3 The scope of disclosure includes emissions from all freight transportation and logistics activities, including those from the entity's own assets (Scope 1) and those from contract carriers and outsourced freight forwarding services.
- 4 The scope of disclosure includes emissions from all modes of transportation, such as road freight, air freight, barge transport, marine transport and rail transport.
- 5 Consistent with EN 16258:2012, disclosure may be based on calculations from a mix of categories of emissions values (specific measured values, transport operator vehicle-type- or route-type-specific values, transport operator fleet values and default values).
- 6 If relevant and necessary for interpretation of disclosure, the entity shall describe its allocation methods, emissions values, boundaries, mix of transport services used and other information.

TR-AF-430a.3. Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety

- 1 The entity shall describe the nature and scope of the greatest business disruption risks associated with contract freight forwarding, logistics and intermodal services provider safety across all modes of transport.
 - 1.1 The entity shall include a description of the potential effects these risks may have on operations.
- 2 The entity shall describe its due diligence procedures, operational processes and strategy for assessing, managing and reducing potential business disruption risks resulting from contractor carrier safety.
 - 2.1 The discussion shall include how the entity encourages a culture of safety among its contract carriers, such as through regulatory compliance, monitoring and auditing.
 - 2.2 The entity shall disclose how it confirms contractor compliance with relevant jurisdictional safety regulations.
 - 2.3 The entity shall describe the nature, scope and implementation of its safety policies, procedures and practices associated with contract carriers.
 - 2.4 The discussion shall include how internally developed safety policies, procedures and practices apply to and are coordinated with an entity's contract carriers and how the entity monitors contractor carrier compliance.
- 3 The scope of the disclosure includes all freight transportation and logistics activities associated with contract freight forwarding, logistics and intermodal services providers.
- 4 The scope of the disclosure includes all modes of transportation, such as road freight, air freight, barge transport, marine transport and rail transport.
- 5 The entity may describe the mix of contract transport services used.
- 6 The scope of the disclosure may include descriptions of the use of screening, codes of conduct, safety audits and relevant independent third-party and jurisdictional safety certifications.
- 7 The entity may describe any measures implemented to mitigate contract carrier business risks identified during the reporting period, including specific changes in controls, operations, management, processes, business partners, training or technology.
- 8 The entity may describe the scope of its efforts and the technology it uses to monitor contractor safety performance.
- 9 The entity may discuss the number of contractors audited for non-conformance with internally developed safety policies, procedures and practices.
 - 9.1 The entity may disclose the non-conformance rate and associated corrective action rate for safety audits.

9.2 The entity may disclose the number of contracts with contract carriers terminated because of non-conformance.

Accident & Safety Management

Topic Summary

All modes of transportation pose safety risks. In some cases, mechanical failure or human error may result in accidents with significant environmental or social consequences, including regulatory action and lawsuits from impacted communities or customers. Although the stringency of regulatory requirements may vary by the region of operation, entities that maintain the highest safety standards throughout their global operations may minimise the risks of safety incidents that affect their reputation and profitability.

Metrics

TR-AF-540a.1. Description of implementation and outcomes of a Safety Management System

- 1 The entity shall describe its implementation of a Safety Management System (SMS) across its aviation operations.
 - 1.1 An SMS is defined in accordance with the International Civil Aviation Organization's (ICAO) *Safety Management Manual* (SMM), and at a minimum, includes:
 - 1.1.1 safety policy;
 - 1.1.2 safety risk management;
 - 1.1.3 safety assurance; and
 - 1.1.4 safety promotion.
- 2 The disclosure shall specifically describe implementation of an SMS as it aligns with ICAO or jurisdictional guidance but also may broadly consider processes and procedures to avoid and manage emergencies, accidents and incidents that could have catastrophic impacts on human health, the local community and the environment.
- 3 The disclosure shall include a description of the SMS implementation level the entity has achieved as well as the entity's plan for achieving complete implementation within the ICAO-recommended period of five years.
 - 3.1 SMS implementation levels are:
 - 3.1.1 Level 0: Orientation & Commitment;
 - 3.1.2 Level 1: Planning & Organisation;
 - 3.1.3 Level 2: Reactive Processes;
 - 3.1.4 Level 3: Proactive Processes; and
 - 3.1.5 Level 4: Continuous Improvement.

- 4 The entity shall disclose whether the International Air Transport Association's (IATA) Operational Safety Audit (IOSA) programme has audited the SMS, and if so, the entity may describe relevant findings from the audit.
- 5 The entity shall disclose the outcomes of its SMS, including, (a) the number of safety risks and hazardous situations identified and (b) the percentage of safety risks and hazardous situations identified that it mitigated.
 - 5.1 Risks and hazardous situations broadly are defined as any existing or potential condition that could lead to an accident or incident.
- 6 The entity may describe any actions or measures implemented to mitigate safety risks and hazardous situations identified, which may include specific changes in controls, operations, management, processes, products, business partners, training or technology.

TR-AF-540a.2. Number of aviation accidents

- 1 The entity shall disclose the total number of aviation accidents.
- 2 An accident is defined in accordance with the International Civil Aviation Organization's (ICAO) *Annex 13 – Aircraft Accident and Investigation* as an occurrence associated with the operation of an aircraft that takes place between the time any person boards the aircraft with the intention of flight until such time as all such persons have disembarked, in which any of the following conditions are met.
 - 2.1 A person is fatally or seriously injured because of: being in the aircraft; direct contact with any part of the aircraft, including parts which have become detached from the aircraft; or direct exposure to jet blast.
 - 2.1.1 Except when the injuries are from natural causes, self-inflicted or inflicted by other persons, or when the injuries are to stowaways hiding outside the areas normally available to the passengers and crew.
 - 2.2 The aircraft sustains damage or structural failure that adversely affects the structural strength, performance or flight characteristics of the aircraft; and would normally require major repair or replacement of the affected component.
 - 2.2.1 Except engine failure or damage when the damage is limited to the engine, its cowlings or accessories, or for damage that is limited to propellers, wing tips, antennas, tyres, brakes, fairings, small dents or puncture holes in the aircraft skin.
 - 2.3 The aircraft is missing or is completely inaccessible.

TR-AF-540a.3. Number of road accidents and incidents

- 1 The entity shall disclose the total number of road transport-related accidents and incidents involving its direct or contracted employees during hours of employment.
 - 1.1 Direct employees are defined as individuals on the entity's payroll, whether they are full-time, short service, part-time, executive, labour, salary, seasonal, migrant, or hourly employees.

- 1.2 Contract employees are defined as individuals who are not on the entity's payroll, but who the entity supervises or manages on a regular basis, including independent contractors and those employed by third parties (for example, temp agencies and labour brokers).
- 1.3 An accident is defined as an occurrence involving a commercial vehicle operating on a road and engaging in commercial activities that results in one or more vehicles incurring disabling damage because of the accident, requiring the vehicle(s) to be transported away from the scene by a tow truck or another vehicle or to be abandoned.
- 1.4 An accident does not include:
 - 1.4.1 an occurrence involving only boarding and alighting from a stationary vehicle; or
 - 1.4.2 an occurrence involving only the loading or unloading of cargo.
- 1.5 An incident is defined as any event involving a licensed vehicle while on business use resulting in a recordable incident, vehicle damage or other property damage.
 - 1.5.1 An injury or illness is considered a recordable incident if it results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.
 - 1.5.2 First aid is defined as emergency care or treatment for an ill or injured person before regular medical aid can be provided.
 - 1.5.3 The entity may use applicable jurisdictional criteria for definitions of recordable incident and first aid.

- 2 The minimum scope of disclosure includes accidents and incidents reported to the applicable jurisdictional legal or regulatory authority.



Now part of IFRS Foundation