

Environmental, Social, Governance (ESG)

Insight Report 2025



LOGISTICS UK

**We support, shape and stand up for
safe and efficient logistics**

Logistics UK is one of the biggest business groups in the UK, supporting, shaping and standing up for efficient logistics. We are the only organisation in the UK that represents all of logistics, with members from the road, rail, water and air industries, as well as the buyers of freight services such as retailers and manufacturers whose businesses depend on the efficient movement of goods.

An effective supply chain is vital to keep Britain trading, directly impacting over seven million people employed in making, selling and moving the goods that affect everyone everywhere.

With EU exit, technology and other disruptive forces driving changes in the way goods move across borders and through the supply chain, logistics has never been more important to UK plc.

As a champion and challenger, Logistics UK speaks to government with one voice on behalf of the whole sector, greatly increasing the impact of our messages and achieving amazing results for members.

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Foreword



Environmental, Social, and Governance, or ESG as it is more popularly known, is not a new concept, but it is astonishing to reflect that the term was only coined a little over two decades ago.

This is a measure of how quickly and widely the idea has gained currency in businesses and organisations across the globe.

Referring to the standards set by a business to measure its impact on the environment and its community, ESG's origins lie in the world of finance. But in the last decade it has become more mainstream across all business sectors, including logistics.

This Insight Report takes a deep dive into where our sector is on ESG, by talking directly to businesses and adjacent bodies from a range of sub-sectors, including 3PLs, an FMCG company, a shipping line, an airport, a charity and a university.

While logistics may not be considered a mature sector when it comes to ESG, most people in the industry are confident that they have an ESG strategy and that their business can meet regulatory and reporting requirements.

The report closes with an exploration of where the industry is with equality, diversity and inclusion and some of the challenges businesses face on this issue, particularly those sensitive to geopolitical shifts from overseas.

ESG continues to climb the boardroom agenda in logistics businesses across the UK and I hope this report provides a useful snapshot of the current thinking in the industry.

A stylized, handwritten signature in black ink.

Phil Roe
President
Logistics UK

Executive summary

- 1.1 This report captures current thinking on Environmental, Social and Governance challenges for logistics companies and adjacent bodies from across the supply chain.

1 Overview of ESG

Interviewee: Simon Colvin, Weightmans

- 1.1 The history of ESG as a term and a concept.
- 1.2 A definition of the three strands of ESG.
- 1.3 The current situation around ESG: where are we now?
- 1.4 How mature is the logistics sector?
- 1.5 *Case study:* Demonstrating the value of ESG in recruitment.
- 1.6 Being effective in delivering an ESG strategy.
- 1.7 *Case study:* Weightmans helping clients on their ESG journey.
 - 1.7.1 Getting started.
 - 1.7.2 Seeing results.
 - 1.7.3 Continuing to mature your programme.
 - 1.7.4 Tips for success.

2 Environmental

Interviewees: Greg Carter, Yusen Logistics; Dr Emma Keller, Nestlé; Becky Coffin, Heathrow; Kate Broome, Kuehne+Nagel; David Browne, Maersk; David Brown, MRCT; Joe Hurst, Nestlé; Professor Philip Greening, Heriot-Watt University

- 2.1 Environmental priorities in logistics: Decarbonisation, managing the supply chain, and sustainable procurement.
- 2.2 Building a responsible supply chain.
- 2.3 *Case study:* Nestlé: Turning cocoa shells into low carbon fertiliser.
- 2.4 Decarbonisation and meeting net zero commitments.
- 2.5 Electrification.
- 2.6 *Case study:* Yusen Logistics: Electric vehicles do not always take diesel trucks off the road.
- 2.7 Alternative fuels.

- 2.8 *Case study:* Maersk: Deploying the first dual-fuel container ship.
- 2.9 Aviation.
- 2.10 *Case study:* Heathrow: Sustainable aviation fuels.
- 2.11 Packaging.
- 2.12 Infrastructure and warehousing.
- 2.13 *Case study:* Yusen Logistics: Investing in warehousing.
- 2.14 Modal shift.
- 2.15 *Case study:* Nestlé waters and premium beverages by rail project.
- 2.16 Local initiatives.
- 2.17 *Case study:* Maersk: Driving down single use plastic in business operations.
- 2.18 *Case study:* Maersk: Using coffee granules to grow mushrooms.
- 2.19 Future outlook: Where does the logistics sector need to be in the environmental space?
 - 2.19.1 Where is the logistics industry now?
 - 2.19.2 What does the future of the ‘environmental’ aspect of ESG look like?
 - 2.19.3 Making decisions that have the most impact.
 - 2.19.4 The geopolitical environment of climate change.
 - 2.19.5 How do we get there?



3 Social

Interviewees: David Browne, Maersk; David Brown, MRCT; Greg Carter, Yusen Logistics; Dr Emma Keller, Nestlé; Kate Broome, Kuehne+Nagel; Becky Coffin, Heathrow

- 3.1 How businesses approach embedding a social strategy.
- 3.2 People engagement.
- 3.3 *Case study:* Nestlé: Educating leaders in environmental practices.
- 3.4 *Case study:* Kuehne+Nagel: Providing education climate change literacy for its people, customers and suppliers.
- 3.5 Creating a diverse and inclusive workplace.
- 3.6 An increasing interest in ESG through the recruitment process.
- 3.7 Opening up opportunities in recruitment and the supply chain.
- 3.8 *Case study:* MRCT: Training new drivers.
- 3.9 Community and charitable work.
- 3.10 *Case study:* Nestlé: Building social value into procurement.
- 3.11 *Case study:* Heathrow: Supporting the local community post pandemic.
- 3.12 *Case study:* Maersk: Employment opportunities for rehabilitated offenders.

4 Governance

Interviewees: Simon Colvin, Weightmans; Becky Coffin, Heathrow; Greg Carter, Yusen Logistics; Dr Emma Keller, Nestlé; Dal Kalirai, Women in Transport; David Brown, MRCT; Kate Broome, Kuehne+Nagel; David Browne, Maersk

- 4.1 Why strong governance is integral to an effective ESG strategy.
- 4.2 Regulatory frameworks.
- 4.3 Implementing an internal governance structure.
- 4.4 *Case study:* Yusen Logistics: Building an internal governance structure.
- 4.5 Diversity on the board.
- 4.6 ESG reporting.
- 4.7 Environmental.
- 4.8 *Case study:* Nestlé: Changing environmental regulation impacting reporting.
- 4.9 Social value measures.
- 4.10 *Case study:* Kuehne+Nagel: Reporting on social value.
- 4.11 Building governance into the organisation.
- 4.12 Do we need more governance?

4.13 Diversity and inclusion.

4.13.1 Promoting equality, diversity and inclusion.

4.13.2 *Case study:* Women in Transport working with government

4.13.3 Women in the boardroom.

4.13.4 Why is diversity important?

4.13.5 Challenges to equality, diversity and inclusion.

4.13.6 Supporting women in developing their careers.

4.13.7 Everyone plays a role in making change.

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