

Taking cost and carbon out

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In addition to the many distracting financial challenges that supply chain and procurement directors face, many are charged with delivering on promises set-out in corporate policies on reducing carbon emissions. The problem facing senior management is how to achieve these targets and in particular, how to engage and involve suppliers in measuring, managing and reporting their carbon footprints. Although fighting the carbon battle might seem of secondary importance in such fraught financial times, monitoring carbon usage gives a sound indication as to where cost savings can be made – right along the supply chain.

Unfortunately, to date, a significant barrier to bringing suppliers in line with buyer corporate policy has been a lack of clarity over the practical mechanisms by which collaboration can be established between buyers and suppliers within an industry, and on the standards, measurement techniques, reporting tools and management methods needed to achieve this common aim.

But now, the UK's Utilities sector is leading the way with a collaborative and highly practical initiative called the carbon reduction programme. Although the programme is a collaborative model developed for international use across all industries, leading companies in the Utilities sector, such as United Utilities, Scottish and Southern, National Grid, E-ON, Anglian Water, and Northumbrian Water are actively engaging with suppliers to reduce carbon emissions through the scheme.

The programme, run by Achilles, uses the Certified Emissions Measurement and Reduction Scheme (CEMARS), based on the World Resources Institute gas protocol, and is built around the long-established carboNZero certification programme operated by New Zealand based Landcare Research.

If suppliers to an industrial sector can collectively understand how to consistently measure, manage and reduce their carbon footprint – and buyers can easily access the verified information they need to make informed purchasing decisions – then achieving corporate goals on reducing carbon emissions may become a reality.