Carbon Footprints in your Business

High profile Government reports on the economics of climate change and the UK Government Sustainable Procurement Action Plan demonstrates that responsible procurement is important.

CIPS members can record one CPD hour for reading a CIPS Knowledge download that displays a CIPS CPD icon.
Everybody is talking about carbon footprints.

What’s it all about?
Though all human activity generate carbon dioxide, the burning of fossil fuels (oil, natural gas and coal) are major contributors to climate change. High profile Government reports including the Stern Review on the economics of climate change and the UK Government Sustainable Procurement Action Plan demonstrates that responsible procurement is important. Major organisations like Tesco and Marks & Spencer have committed in their business plans to carbon neutrality, in other words, that the cost of their activities will not result in a net increase of carbon dioxide in the atmosphere.

What will happen if I do nothing?
Stakeholder scrutiny, together with European Union legislation, has focused minds. Private sector companies that do not meet their environmental responsibilities may see their sales and share prices affected. The UK Government are requiring the public sector to lead by example.

The procurement professional’s role includes managing costs effectively, ensuring the security of supply for their organisations, and fostering innovation among the supplier base. Carbon footprints affect all these activities. The cost of energy and certain commodities may be levelling off (but relatively still high compared to a year ago), but a range of environmental levies on carbon dioxide generation will impact companies financially. If input costs are not reducing, then the budget for supplier development may reduce and affect innovative solutions for current and future customers.

The Government has set targets for the use of renewable energy. There are indications that this is affecting the availability and price of crops used in the production of biofuels. The USA federal Government has stated that food for human consumption takes priority over that for generating energy from renewable resources. Another issue is the availability of water for growing crops.

Where can I get some help?
Several Government funded organisations exist to provide guidance. These include the Carbon Trust (http://www.carbontrust.com/), Energy Saving Trust, (http://www.energysavingtrust.org.uk/About-us/About-us) and the Energy Information Centre(http://www.eic.co.uk/) Good sector specific advice is available, for example, from Constructing Excellence in the Built Environment (http://www.constructingexcellence.org.uk/). The Knowledge Team at CIPS has produced guidance on responsible procurement.

It is clear that procurement professionals must be trained to enable adequate decision making in the complex commercial environment. Responsible procurement is good for business. The purchasing professional is well positioned to influence their organisations strategy to manage their carbon footprint.