



# The Green Agenda in Your Supply Chain

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# Agenda

- Introduction
- Positioning “Green” in the Supply Chain
- The Management Challenge
- Some Options?
- Carbon Management
  - PAS 2050
- Examples
- Summary





## Positioning “Green”

- Public awareness of climate change continues to grow and pressure to act is all encompassing. It is directly affecting consumer choice for products and services
- Green Initiatives and Investments must be commercially viable. In today’s economic climate there is no room for arbitrary spend
  - Treat Carbon Reduction like Cost Reduction
  - We manage our Financials and Accounts, because we have to
  - The same will apply to Carbon, there is an inevitability regarding Carbon tax, just look at your road fund licence...
- Either “green” what you do now, or change what you do



*It’s not going to go away from the business agenda or the political agenda; it is becoming an enduring management priority*



# The Management Challenge

- Competing Pressures
  - Political and Regulatory
  - Corporate and Commercial
  - Personal and Moral
- Where to start?
  - Carbon?
  - Sustainability?
  - Environment
  - Lots of information out there, but little structure to work within
- “Where to start?” Is the most common question
- “Anywhere you like” is the most common answer

*The aim is to create an environment that can accommodate these issues within “Business as Usual”*





## Some Options

- Do Nothing
- Reduce Carbon in what you do now
  - Do what you do now, in a more Carbon friendly manner
- Change what you do
  - Consider the sustainability of current products, services and routes to market
- Introduce renewable energy sources
- Consider offsets

*In the real world we have to consider Carbon and Costs,  
but how do you do that?*



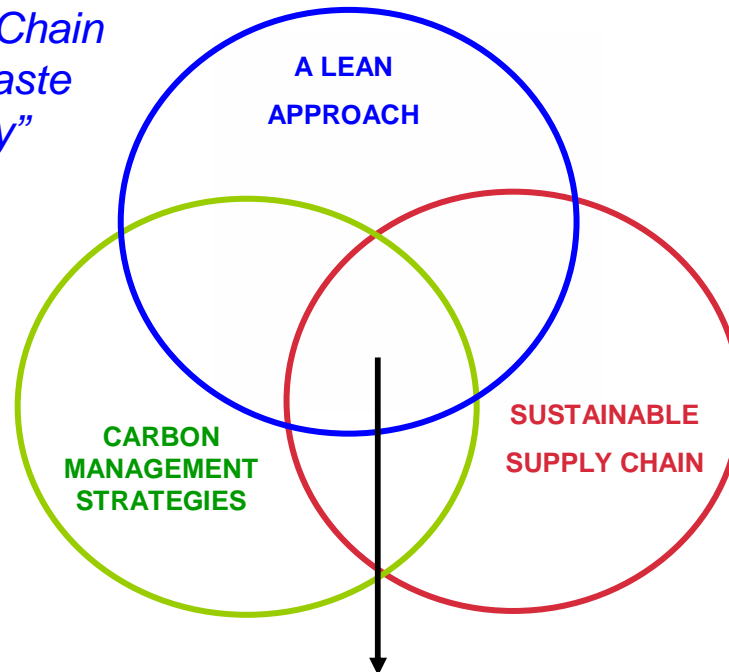


# Buy One , Get One Free

*By using lean principles to implement change, carbon friendly, sustainable solutions can be achieved*

*The core methods and evaluation techniques of Lean can be applied to Supply Chain operations to remove waste and improve efficiency”*

*Carbon Management Strategies can be developed on the back of Lean evaluation*



*“Sustainability means different things to different businesses, but the process of evaluation is an extension of Carbon Management*

*This overlap represents the basis of Future Strategic Supply Chain Considerations*





# The 7 Wastes in a Supply Chain Context

1. Unnecessary Transport (equipment)  
Poor warehouse layouts; sub-optimal delivery routes; empty running
2. Excessive Inventory  
Goods Receipt backlogs; unprocessed returns; dead stock; single SKU containers; poor forecasts and planning
3. Wasted Movements (personnel)  
Multi-stage replenishments; poor picking layouts; searching for equipment
4. Waiting between processes  
Slow replenishments; arriving too early for a delivery slot; work imbalance
5. Overproduction  
“Getting ahead”; failing to prioritise; queuing vehicles
6. Overprocessing  
Excessive checking; over packing; cycle counting; low value returns
7. Defects  
Cross picks; wrong address; incomplete orders; invoicing errors; rework



*In addressing these target areas, savings in Time, Cost and Carbon can be achieved*

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# Carbon Management in the Supply Chain

## Calculation Method & Considerations



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## PAS 2050:2008 – The New BSI Standard

### Specification for the Assessment of Life Cycle Greenhouse Gas Emissions of Goods & Services

- Start Up
  - Set Objectives
  - Choose Products
  - Engage Suppliers
- Carbon Footprint Measurement Calculations
- Next Steps

*Carbon Footprint Management has suffered to date due to the lack of a common standard of measurement.*

*PAS 2050 will be a great help moving forward*





## PAS 2050: 2008 Carbon Footprint Measurement Process

### 4 / 5 Steps:

- Step 1: Build Supply Chain Process Map
- Step 2: Check Scope Definition & Boundaries
- Step 3: Collect and Analyse Data
- Step 4: Calculate Carbon Footprint
  
- Step 5: Check Uncertainty

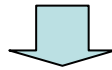
*The measurement process is the first stage of the Carbon Management Journey*



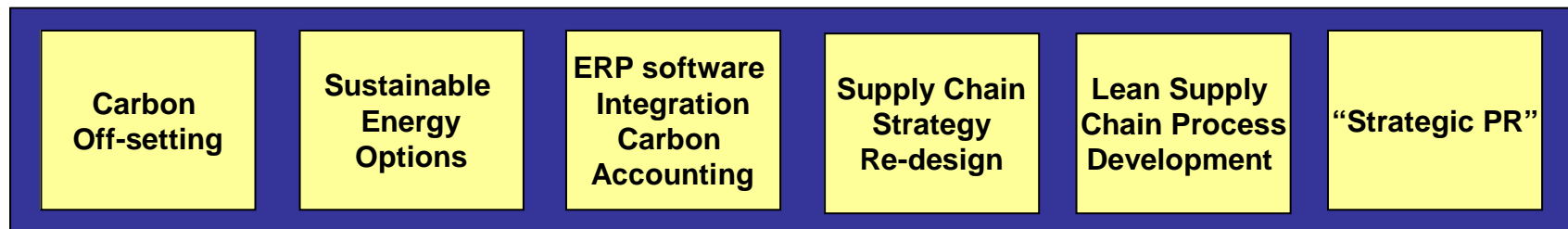
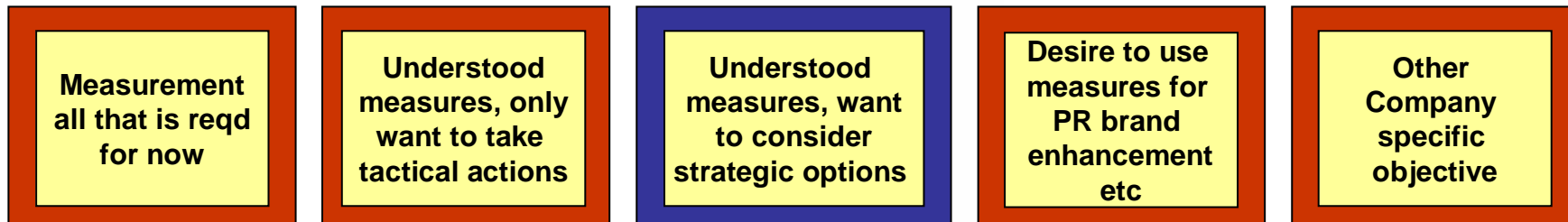


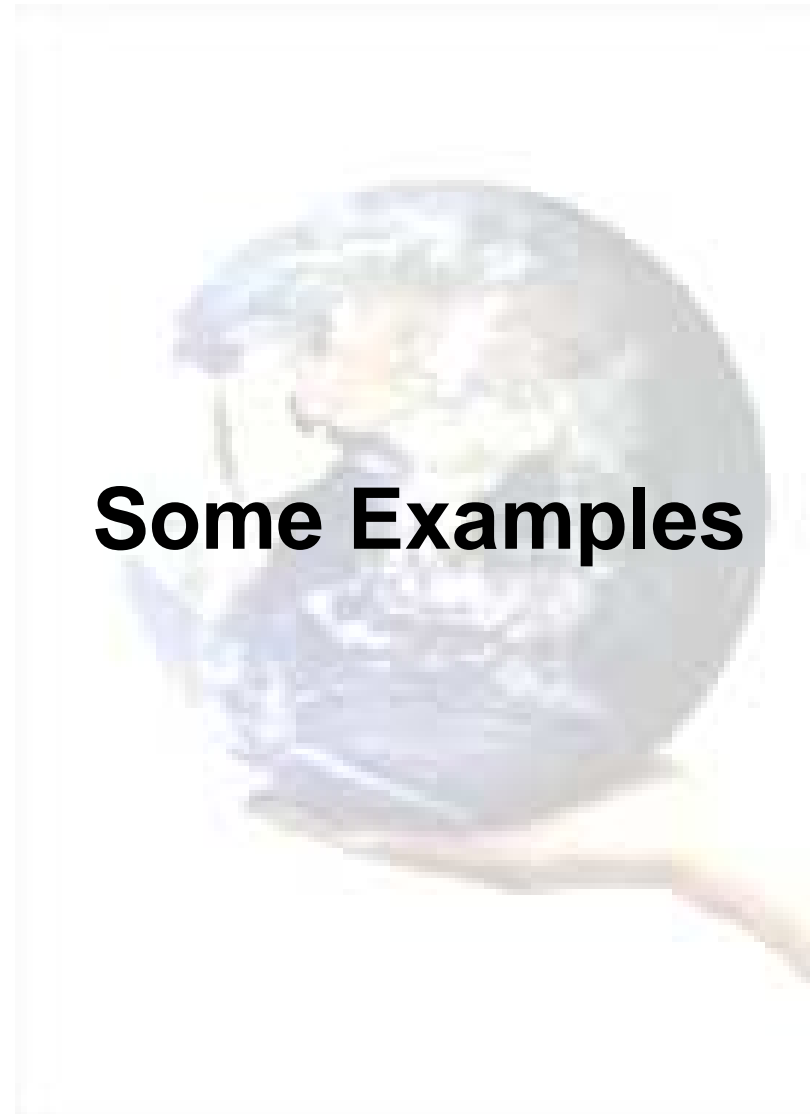
# Carbon Management Summary: The Journey from Analysis to Solution

Marketing & Awareness



Measurement Assignment/Opportunity Assessment





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# Alpro Soya



- Calculation of Direct CFP
- Development of Carbon Plan specifically on Energy consumption
  - Use of site facilities over 7 days
  - Stop using energy that isn't needed, eg weekend working
  - Cold store issues addressed
  - 08 Energy Plan shows considerable benefits
- Looking further at:
  - Communications, Marketing & PR
- Ongoing review of optimised carbon strategy inc. sustainable energy
- Offsetting assessment
- Now considering wider areas, and boundary extension





# UDG Case Study – Customer Benefit

- Multi-User distributors to the Pharma sector, 100+ vehicles, >600k sq ft high security warehousing
- Calculation of *Direct* Carbon Foot Print.
- Scope – Receipt of product, internal processes to customer delivery.
- Calculation of total and individually allocated Client CFPs.
- Identification of Carbon Reduction Initiatives and development of reduction Plan.
- Progressive introduction measurement and of Carbon KPIs
- Engagement with Customers on allocated Carbon
- Considering next steps within UDG and within Customer operations





# Adnams - Product (Source: Adnams Web site)



Investment in our eco-distribution centre and energy efficient brewhouse, through to our lightweight bottle and Environmental Action Group Adnams is at the forefront of the environmental agenda

## What makes it carbon neutral?

High yielding barley, grown and malted in East Anglia  
English Boadicea Hops are naturally aphid-resistant, reducing need for pesticides

Adnams energy efficient brewhouse

Adnams lightweight beer bottle (-25% of comparable bottle)

Tiny amount of remaining CO2 will be offset.

	HIGH EMISSIONS SCENARIO PRE 2006 gCO <sub>2</sub> eq per bottle	HIGH EMISSIONS SCENARIO POST 2006 gCO <sub>2</sub> eq per bottle
Barley production	43g	43g
Malting process	19g	19g
Brewing process	81g	66g - 18.5%
Transport	39g	31g - 20.5%
Bottling process	66g	54g - 18%
Bottle Manufacture	334g	219g - 34%
<b>TOTAL</b>	<b>583g</b>	<b>432g - 26%</b>





## Summary

- Don't ignore your Carbon Footprint, despite the multiple pressures on your business, and it doesn't have to be the number one priority
- Do be commercial. Look for cost savings *and* for Carbon Reduction Opportunities. Treat this just like cost management, because in most cases, **it is!**
- If you have achieved something, **shout about it, share it and use it in your marketing materials and be proud of it.** Too many companies are doing good work that would encourage others, but they keep quiet!

**Aim to do something, however small a step.  
It will move you further ahead than you think**





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