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Business approaches from other sectors

Beyond the tailpipe
LowCVP Annual Conference 2013

London
11th July 2013

A decorative graphic at the bottom of the slide consisting of three overlapping, wavy bands in shades of blue and dark blue, curving across the width of the page.

You are not alone!

Your “business needs”

What’s happening in other industries

Enhancing your brand through sustainability



Me

Last 6 years as Head of Footprinting at Carbon Trust

Before that almost 20 years automotive industry Ford/Visteon

Carbon Trust

Mission Driven, private company

Key roles in:

- **Environmental footprinting**
- **Energy efficiency**
- **Many more**

Originally UK focussed

Now very international:

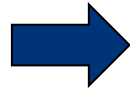
- **Advising on policy**
- **Setting up footprinting and labelling schemes**
- **etc**

All environmental footprinting starts from understanding “What is the business need”

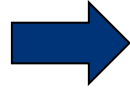


Footprinting releases valuable information for a range of benefits:

Brand

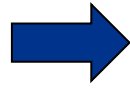


Robust environmental claims

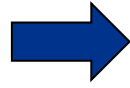


Show leadership in the sector

Bottom Line

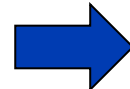


Information to change behaviours (value chain)

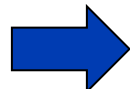


Fact base - cost reduction/revenue enhancement

Risk Mitigation



View your current and future value chain impacts



A fact base for business prioritisation decisions

Lifecycle / Total cost-of-ownership

Raw
materials

In
logistics

Manuf-
acturing

Out
logistics

Retail

Use of
sold
products

End-of-
life

By “business need” vary scope, granularity, specificity, and accuracy

- › More detail = more data/modelling = more cost
- › An ‘art’ refined by footprinting practitioners is defining what is ‘good enough’
- › We review lots – and see many mistakes

Lifecycle means:
“Trade-offs” and “Unintended consequences”

The footprinting process



Energy using, manufactured good, with many components,
and many tiers of suppliers

Electronics industry – mobile phones

The Samsung logo, consisting of the word "SAMSUNG" in white, bold, sans-serif capital letters, set against a blue oval background.

**SAMSUNG GALAXY S II AND GALAXY NOTE: FIRST
MOBILE HANDSETS TO ACHIEVE PRODUCT CARBON
FOOTPRINT CERTIFICATION BY THE CARBON TRUST**

March 19, 2012

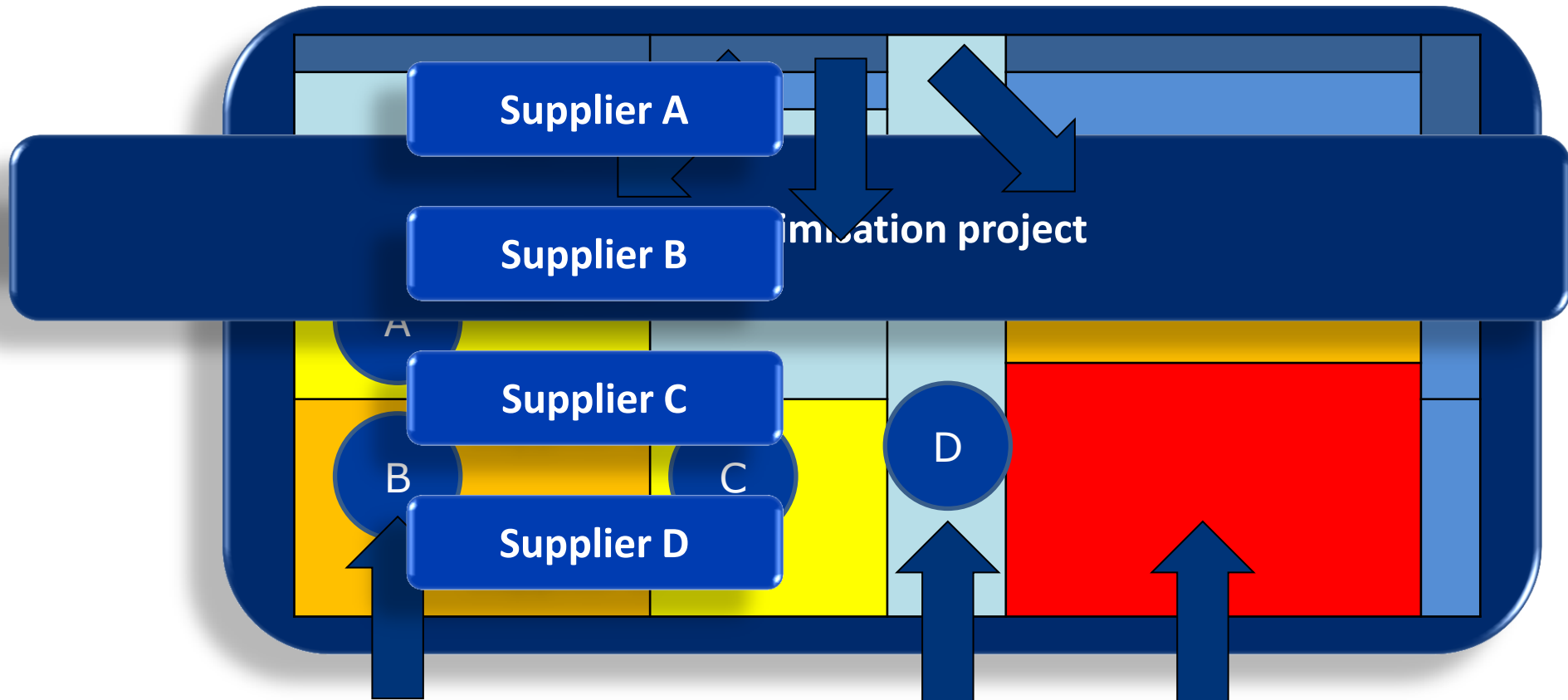
Android devices certified to internationally recognised standards

Cost: Look at Financial and Carbon
Risk/Brand: Include other relevant categories

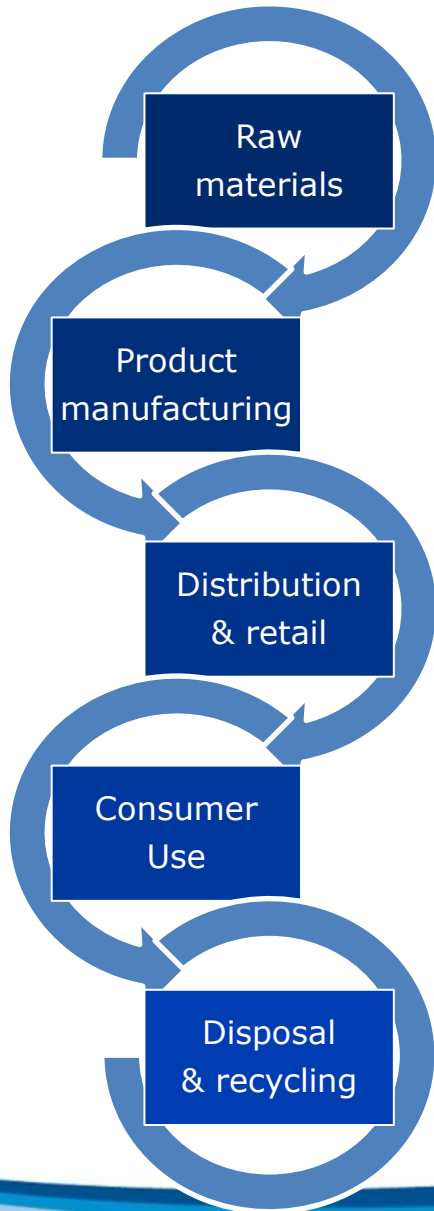
Don't focus on what's easy
Focus on what's needed

Footprinting approaches

F) Extrapolate best practices to other value chains / suppliers



Trade-offs and unintended consequences



The Butterfly Effect

Optimising each part doesn't work

Need to understand trade-offs

Work as Value Chain Enterprise

Waste/inefficiencies how interact

Trade-off embodied and use:
Can look at average, but stratifying,
or "what is best for me" are critical

Decision Support tools

Data in hands of decision
makers

dyson

Providing data to designers,
based upon expert system –
Most likely manufacturing
Extrapolation

Inside a decision maker –
changing motivation



Also need to:
Incentivise individuals to
optimise whole value chain

Decision support tools for a whole sector



Catering Cost/Carbon Calculator



Establishment Input

Demand Input

Menu and Operation

Equipment

Results

Results

[Carbon Emissions Summary](#)

[Cost Summary](#)

[Energy Summary](#)

[Refrigeration Results](#)

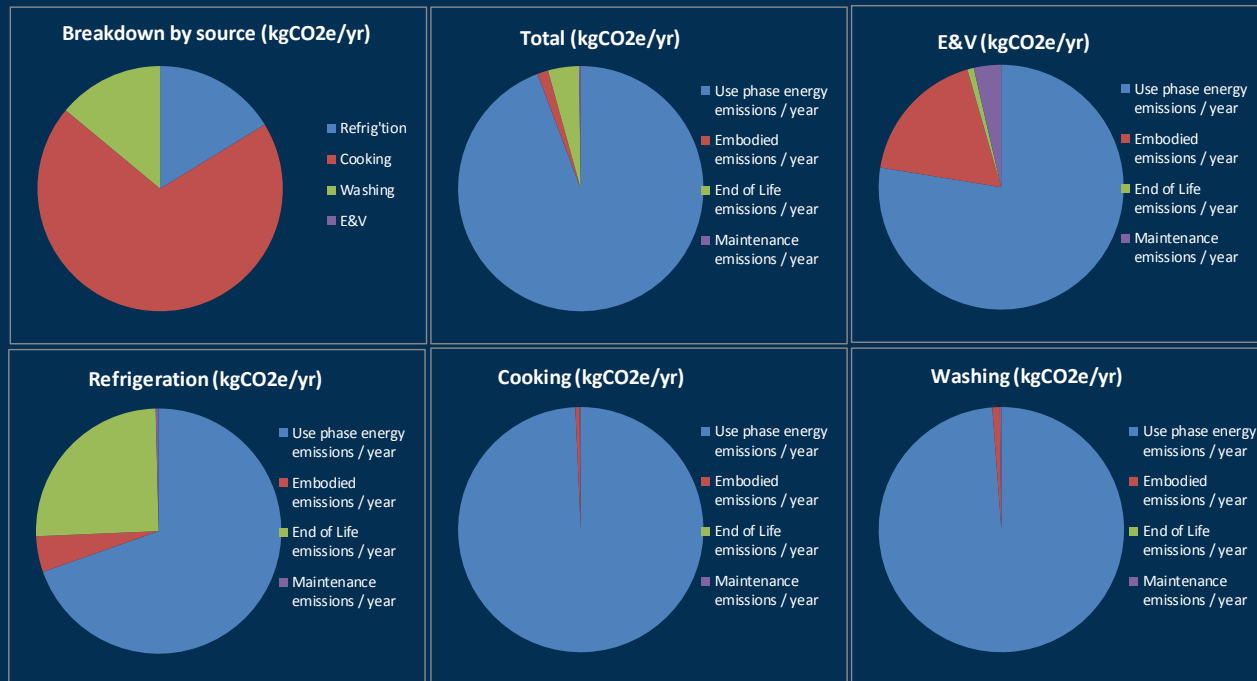
[Cooking Results](#)

[Ware washing Results](#)

[Extraction & Ventilation Results](#)

[Cooking Strategy Comparisons](#)

Summary Overview



Value Chain Optimisation: “Sustainable Lean Approach to Value Generation”



Balanced approach

Energy, resources and labour
“In a resource constrained world, material and energy costs will become ever more important”

Functional Units

What need is being fulfilled?
Not just delivering the same thing more efficiently
More radical rethink of business

Co-products

A waste from one value chain has value to another
Don't just eliminate or minimise waste
Value co-products to drive more holistic thinking

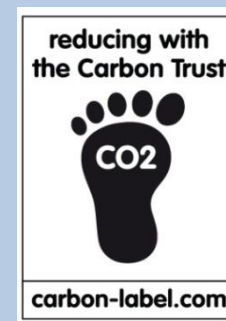
Integration

- 1) Cheaper: Do ‘footprinting’ and ‘lean’ together**
- 2) More powerful: Different perspectives on same aim, to make more efficient**

Reporting

To report, ideally need common agreement
to ensure all reporting comparably

Investors
B2B
B2C



What products can and can't be compared?
A question in all industries

Corporate Scope 3: Total portfolio of products and more
Seeing rapid expansion of companies calculating

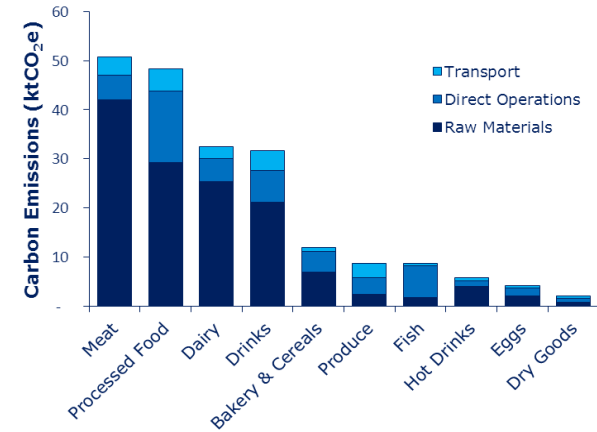
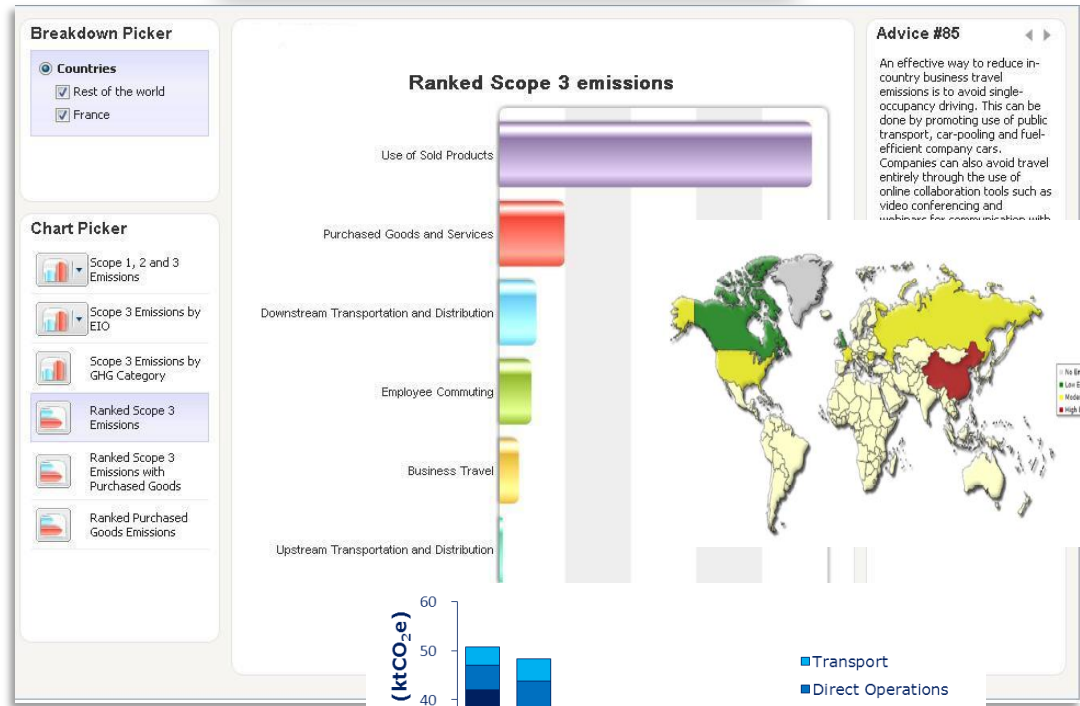
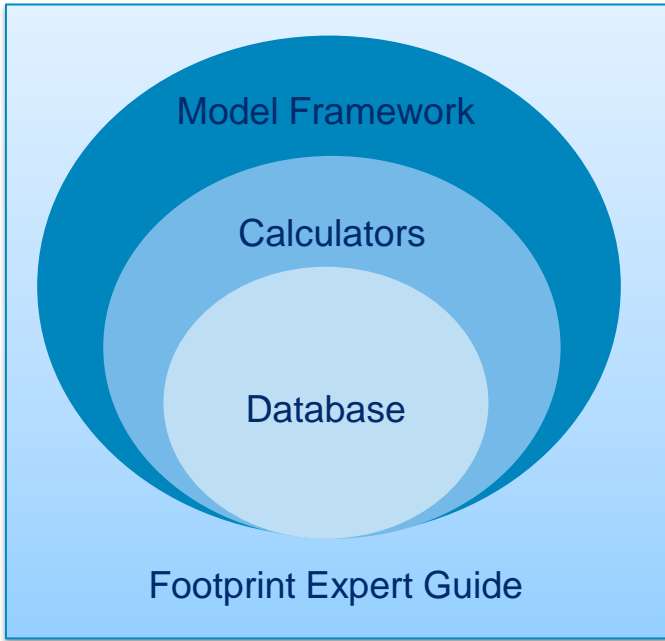
Modelling systems

1) Start with Excel

2) Excel systems

3) Hosted software

FOOTPRINT EXPERT™



Summary



Learn from other industries

Everyone thinks they are special

Don't focus on what's easy
Focus on what's needed – for what you intend to do

Questions?



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