

Carbon Disclosure Project Supply Chain 2009 Report Has Lots of Charts, Little Insight

Supplier Response was Low but Growing; Not much Useful Data; Sending a Message to Suppliers?

SCDigest Editorial Staff

London's Carbon Disclosure Project (CDP) recently released its 2009 Supply Chain Report. We were hoping for some useful data or insight and unfortunately found very little. The report really must be seen as a pilot effort that is meant more as a statement than any useful data. (See [Understanding the Carbon Disclosure Project](#).) To download the 2009 report, go here: [2009 Carbon Disclosure Supply Chain Report](#).)

The second annual supply chain report is a summary of the responses from the suppliers of the current 34 members of the CDP's supply chain group. Those current members are primarily from two sectors: consumer packaged goods (e.g., Colgate-Palmolive, Unilever, PepsiCo, etc.) and high tech (e.g., Dell, HP, Juniper Networks, etc.), with a handful from other sectors (e.g., retailer Carrefour, Newmont Mining, Johnson Controls).

Carbon emissions-focused surveys were sent to some 2300 suppliers of these member companies, asking a variety of questions around current perceptions and practices. The suppliers sent the survey were chosen by the CDP supply chain member companies. For the first time, CDP also requested information from private and smaller companies.

634 companies, or 27%, responded, though notably 71% of those returned a survey for the first time. It is likely that the number of supplier respondents will rise substantially again next year.

There may be many reasons for companies not to respond, including not having any data on their own carbon emissions or fear that their data "will be used against them," although CDP says it made great ef-

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orts to make sure suppliers understand this would not be the case.

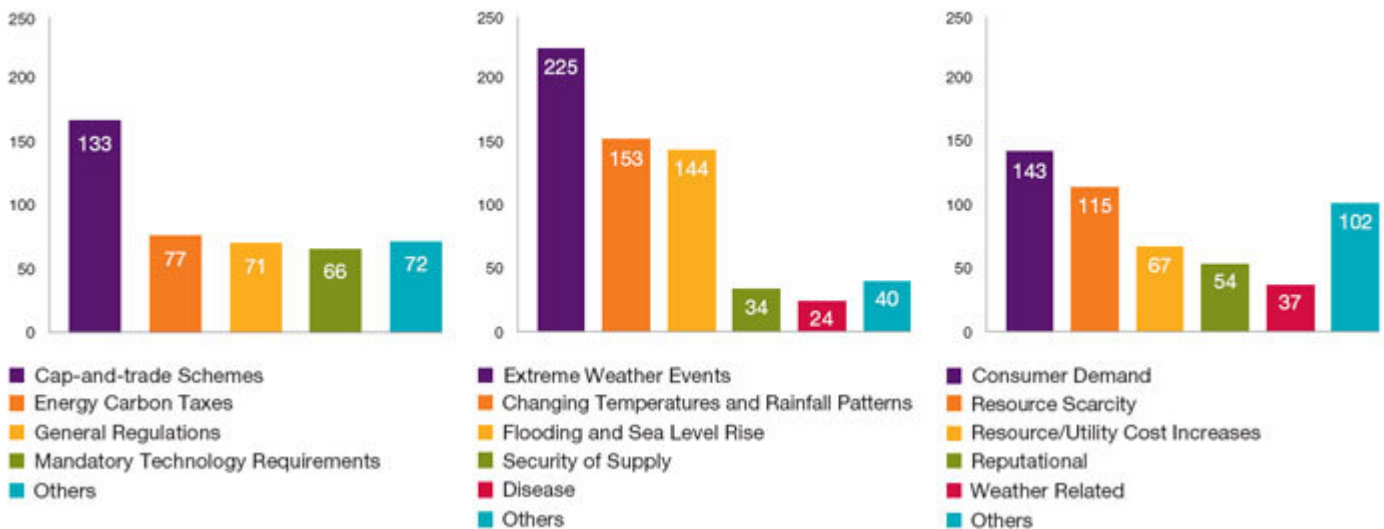
"CDP Supply Chain member companies have found that explaining to suppliers that the data provided will not be used against them – to terminate contracts or demand cost reductions/shared savings – has greatly increased supplier support and even opened the door to suppliers bringing savings opportunities to them," the report notes.

Of the 634 responses, 165 (26%) of suppliers elected to make their responses public, and another 52 (8%) chose to make their responses available to all requesting member companies (rather than just those that invited them to participate). For example, it is possible company A is a supplier to two or more member companies, but only one member asked company A to participate, but its other customers would also like to see its responses.

Unfortunately, despite many pages of good looking charts, we struggled to find anything much of interest in the actual survey data.

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Fig. 2: CDP Supply Chain respondents' selection of core risks



The chart above is one of the few reasonably interesting graphics, illustrating the “risks” supplier respondents see along three dimensions: regulatory, “physical,” and general risks suppliers perceive relative to carbon emissions. As a survey question, it was tainted by what seems to be the leading nature of the question.

Insert graphic here

A quote attributed to energy and member company Exelon probably comes closest to summarizing the purpose of this supply chain effort, just in its second year: “We view the CDP process as a means of raising awareness while also engaging suppliers to minimize the environmental impact of their operations.”

In other words, it was the “message” delivered by asking suppliers to respond to the survey, rather than any data itself, that was the main objective of the effort.

The sidebar perspective of report “advisor” PriceWaterhouseCoopers, on the other hand, was worth the read, and brought a welcome practical view of things. (RedPrairie was “sponsor” of the report.)

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PWC adds: “A clear business case for actions to manage carbon and climate change in the supply chain is essential to ensure efforts are focused, strategic and value-added.”