

Helping Tesco drive 30% cut in supply chain emissions by 2020

Source: [PE INTERNATIONAL](#)

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PE INTERNATIONAL is supporting UK retail giant Tesco in a major project to drive sustainability in its supply chain and help it play a leading role in the transition to a low carbon economy.

PE INTERNATIONAL is working with Tesco's climate change team to reduce the carbon footprint of the retail giant's supply chain by 30 percent by 2020. Tesco has set itself this ambitious target having found that the carbon emissions in its supply chain were approximately ten times bigger than the direct emissions of Tesco itself.

As the third-largest retailer in the world, Tesco aims to lead a revolution in green consumption through working with its suppliers and helping its customers to play their part too. So along with the 30 percent reduction in supply chain emissions Tesco wants to halve its direct emissions from existing and new buildings by 2020 and also help its customers halve their carbon footprint in the same period.

The project to reduce carbon emissions in the supply chain sees PE working closely with Tesco to assess supplier information, provide support and drive the sustainability project within selected commercial teams of Tesco, as well as through direct supplier engagement.

The pilot phase of the project, which commenced in September 2010, involves three product groups: milk, canned foods and wine. PE is building awareness and understanding of sustainability among the buyers and technical managers responsible for each of these groups to establish Carbon Footprinting as a major issue in business activities with suppliers in future.

Working with Tesco category directors and buying teams, PE's first challenge is identifying and defining the 'hotspots' in each of these product categories where most of the carbon emissions occur so that the emission reduction effort can be focused where it is most effective.

Then using its deep knowledge and technical understanding of best practices in specific categories, PE identifies and evaluates both industry level and company level best practices. It examines not only their effectiveness at reducing carbon but also how easy they would be to transfer between different suppliers.

The next challenge is engaging and motivating suppliers to reduce their product emissions. Suppliers have multiple questions and may even challenge Tesco's targets, so PE is working closely together with Tesco in finding the best approach to effectively motivate suppliers to see the benefits of carbon reduction and take effective measures to implement them into their businesses.

On completion of this pilot phase, which is expected in the next couple of months, the plan is to roll out the project to all of Tesco's product groups, taking onboard the lessons learned from the pilot.

Implementing carbon emissions reduction programmes in a supply chain is both complex and challenging; getting it wrong will put a company's reputation at risk. PE INTERNATIONAL'S extensive experience helps partner organisations such as Tesco to address each aspect of this complexity in a thorough, technically powerful yet pragmatic way to manage those risks and deliver results. This leads

to cost savings, carbon savings, improved reputation and a legacy of a better capability to drive carbon and cost out of supply chains in a collaborative yet rigorous way for the future.

Commenting on PE INTERNATIONAL's role in the project to reduce supply chain emissions, Louise Willington of Tesco's climate change team says: "Tesco wants to take a leadership role which means setting ambitious targets, changing the way we do business on every level of the organization. We think there are multiple benefits for our business, the environment, our suppliers and our customers.

"As with anything new there are always challenges. This is pioneering work and we required a knowledgeable partner to help us carry out the work in the right time frame. PE INTERNATIONAL was able to grasp the complexity of the project and use its experience when looking at the challenges faced by Tesco. Its expertise is helping towards giving us a holistic picture to guide our road map for the next few years."