



# Greening the Supply Chain in China and Other Regions

**Terry F. Yosie, President & CEO**

**Gwen Davidow, Director, Corporate Programs**

**July 11, 2008**



# WEC Mission

---

“ WEC is a global, non-profit, non-advocacy organization whose mission is to advance sustainable development through the business strategies and operations of member companies in partnership with government, non-government organizations and other stakeholders.”



## Selected WEC Members

---

ABN AMRO

Alcoa

Bayer

Chevron

Coca-Cola

Dow Chemical

DuPont

General Motors

IBM

Intel

Marks & Spencer

Munich Re

Novartis

Pfizer

Philips Electronics

Ricoh

Rio Tinto Alcan

Schlumberger

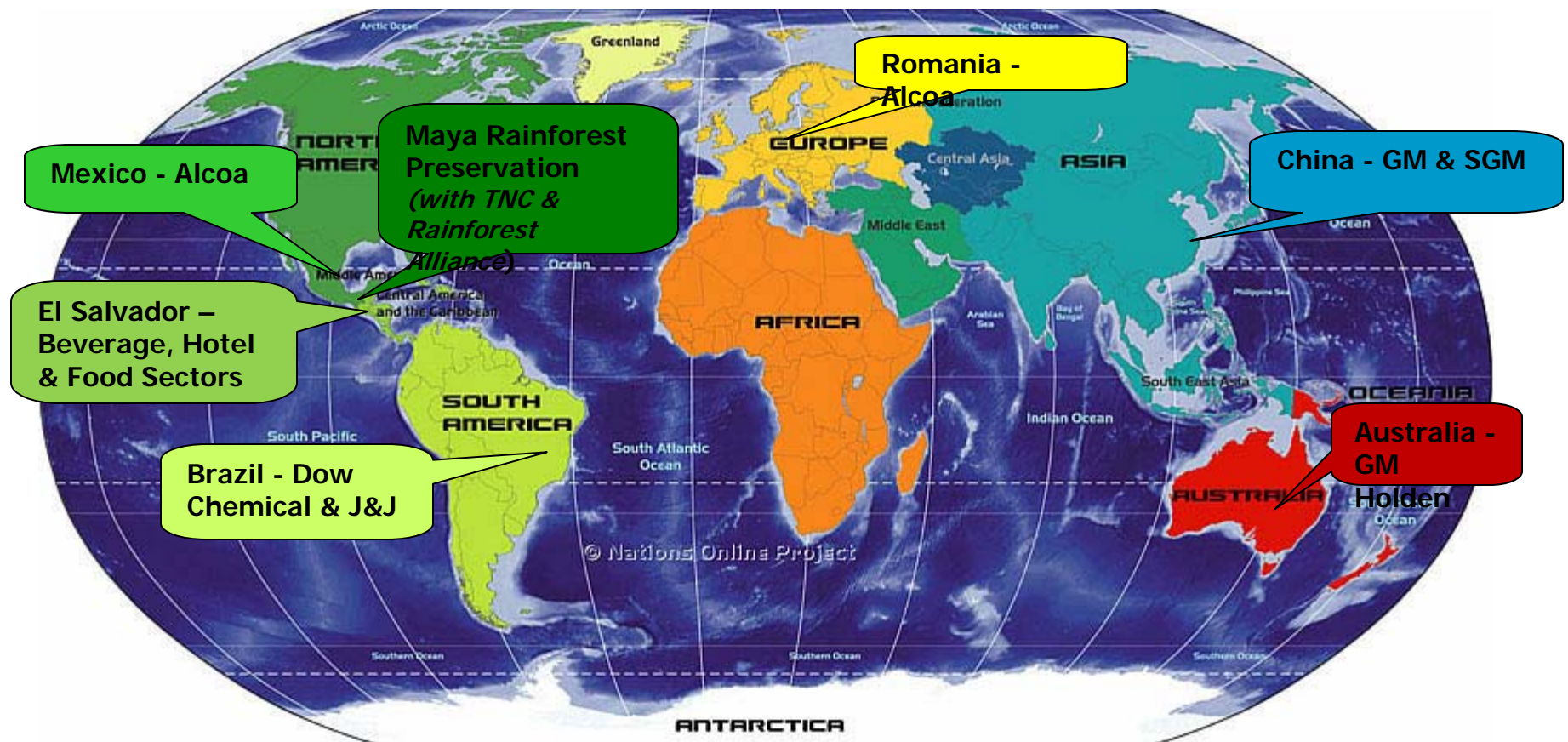
Shell

Total

Volkswagen



# Advancing Sustainable Solutions Through Supply Chain Projects: Recent Examples



# Some Key Factors for Success in Supply Chain Projects

---

- Senior management commitment from both customers and suppliers
- Direct, on-the-ground capabilities to work with suppliers—training, technical support, mentoring and monitoring
- Demonstration of economic benefits to suppliers—strengthened competitiveness, improved manufacturing processes, cost reductions, closer business relationships with customers
- External incentives for supplier performance (where possible)—regulation/enforcement, NGO expectations
- Recognition that suppliers have a wide range of competencies and capabilities—WEC's ability to design customized supplier solutions
- Adaptation to national culture with local faces



# WEC's Greening the Supply Chain Approach

---

- Written customer invitation for suppliers to participate in green projects/statement of customer expectations
- Organization of kick-off event with senior management of customer and suppliers→followed by initial supplier training of staff professionals (can be supplemented with Web-based training)
- Formation of supplier core staff team
- Initial self assessment of supplier capabilities, performance and needs





## WEC's Approach, cont.

---

- Supplier development of key project focus and goals (specific data, issues, timetables and expected results)\*
- WEC team site visits
- Mid-term assessment w/workshop and necessary adjustments

\*WEC conducts continuous tracking of each supplier throughout the project



## WEC's Approach, cont.

---

- Final supplier audit, comparison of final numerical results (environmental, energy and cost data) with original goals
- Customer feedback to individual suppliers and WEC
- Final workshop to share results, compare learnings and celebrate successes
- Mechanism for follow-up tracking of continuous progress





# Project: WEC Alliance for Private Sector Competitiveness 2006-08

Environmental &  
Economic Savings  
for 19 Salvadoran  
Companies

INDICATOR	AMOUNT	UNIT
WATER AND LIQUID WASTE		
Savings in water consumption	2,721,942	Gallons/year
Savings in ice	65,352	Pounds/year
Reduction in the generation of waste	2,061,278	Gallons/year
Savings on chemicals (caustic soda, acid and others)	2,102	Gallons/year
Savings on cleaning chemicals	2,252	Gallons/year
ENERGY		
Savings in electrical power energy	142,160	kWh/year
Savings in thermal energy consumption	12,682,985	MJ/year
Fuel oil savings	30,435	Gallons/year
Firewood savings	338	Volume measure (aprox. 2 m3)/year
Propane gas savings (fuel gas)	282	Gallons/year
ATMOSPHERE EMISSIONS		
Reduction of CO2 emissions generation	963	Ton/year
Reduction of SO2 emissions generation	19	Ton/year
SOLID WASTE		
Reduction of milk and dairy solids	9,174	kg DBO/year
Paper pulp savings	365	Tons/year
Bagasse savings	211	Tons/year
Minimization in the generation of urban solid waste	3,244	Tons/year
Recycled urban solid waste	20	Tons/year
Minimization of hazardous waste	4	Tons/year
Savings on waste treatment chemicals	442	Pounds/year



# WEC's On-the-Ground Capabilities

---

- Regional offices—China, El Salvador, Germany
- Local partners—technical specialists, management system experts, senior counselors
- Project management expertise
- Network of relationships with business, government, multi-lateral institutions and NGOs



# Value to Global Companies

---

- WEC creates a non-advocacy leadership platform for global companies to solve business problems across the supply chain
- Direct on-the-ground approach is the core of WEC's business model
- Benefits of leveraging experience of other global companies in China and other regions
- Cost effectiveness of WEC membership and projects



# Thank you!

---

For more information, see

[www.wec.org](http://www.wec.org)

