



Greening the Supply Chain Summary

World Environment Center

The World Environment Center (WEC), together with several of its leading global corporate members, designed this Greening of the Supply Chain Initiative in 2003 to promote environmentally sustainable development among Small and Medium-Sized Enterprises (SMEs) in the developing world. After successful proof of concepts in both Mexico and Brazil, WEC and General Motors (GM) launched a similar project in China with GM-China and a number of their first-tier suppliers. The initiative leverages the considerable influence of global corporations, as members of WEC, to promote Cleaner Production (CP) and Energy Efficiency (EE) improvements among the thousands of SMEs that supply them worldwide. Implementing CP and EE measures helps the SMEs to reduce water and energy consumption, generate less waste and pollution, increase efficiency and, in turn, become more profitable and competitive. Successful recent examples include:

Greening General Motors Supply Chain in China

In the fall of 2005, the World Environment Center and General Motors launched a pilot project in China with General Motors-China, Shanghai General Motors (SGM), the Society of Automotive Engineers-China (SAE-China) and a number of first-tier suppliers to GM-China, several of whom are member companies of SAE-China. GM and SGM invited 8 top-level suppliers to participate in this pilot project. After a short training course in 2006, the suppliers began searching for and evaluate opportunities to save money, improve quality and reduce environmental impacts. The success of the pilot project has resulted in a new iteration of Greening the Supply Chain between WEC and SGM directly, working with a hand-picked group of 40 suppliers. Kick-off begins in February 2008.

Project Achievements for GM-China Suppliers

- Net savings of over \$250,000 USD
- Over 2,100 Tons of CO2 emissions avoided
- Over 65,000,000 gallons of water saved
- 38% reduction in VOC concentration in the work area at one plant

Project Achievements in El Salvador

- Realized over \$420,000 in savings by providing CP/EE technical assistance to 28 Salvadoran companies.
- Leveraged \$683,000 in in-kind assistance and expertise from public and private partners.
- Developed hazardous waste policy recommendations with the Salvadoran Ministry of Environment.
- Partnered with 3 companies, Industria La Constancia, Exxon Mobil and Radisson Hotel Plaza and 32 of their suppliers for environmental efficiency supply chain programs to achieve over \$200,000 in savings based on implementing recommended efficiency improvements.
- Saved over \$ 220,000 for five firms that participated in sectoral audits program.

2007 Alliance for Private Sector Competitiveness in El Salvador

Funded by the U.S. Agency for International Development (AID), WEC worked with the public and private sector in El Salvador to promote sustainable economic development by strengthening the capacity to produce goods more sustainably and in with environmentally responsible methods. At the same time, WEC worked to enhance public sector understanding and approaches to pursue the twin objectives of environmental performance improvement and economically stronger companies.

Greening Alcoa Fujikura's Supply Chain in Romania

In 2007, the WEC completed a GSC project in Romania in partnership with Alcoa Fujikura (AFL) Romania, funded by AID. Nine companies participated and most were able to reduce their energy consumption, water consumption and material use, while improving their energy efficiency and enhancing worker safety. In addition, more than half of the companies made major capital investments using financial analysis techniques introduced by WEC during the training sessions.

Project Achievements in Romania

- Reducing cardboard waste and changing the glue used in its process saved a cardboard supplier 1,000 EUR/year.
- Optimizing electrical contacts on all panels saved a supplier 10,000 EUR in energy costs.
- Fixing the leaks of/checking pressure needed by its compressed air system, a supplier saved 30,000 EUR/ year, 30 times the amount of money and time invested.

WEC'S CAPACITY BUILDING APPROACH

