

Corporate Perspective-Influencing Energy Efficiency in the Supply Chain

——*A case from China*

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Why do we work with MNCs?

- Tens of thousands of enterprises are suppliers of MNCs
- MNCs have a higher standard for sustainability
- MNCs have resources to help
- MNCs have purchasing leverage

How do we work with MNCs?

IIP's Action Exchange Project

- Program need: supply chain emissions account for 80% of the total carbon footprint of MNCs (*Source: CDP*)
- Goal: help participating suppliers identify the energy efficiency opportunities within their firms and facilities that may yield the best return on investment
- Partnerships: Carbon Disclosure Program (CDP), 5 leading CDP Members, and 65 of their key suppliers

How do we work with suppliers of MNCs?

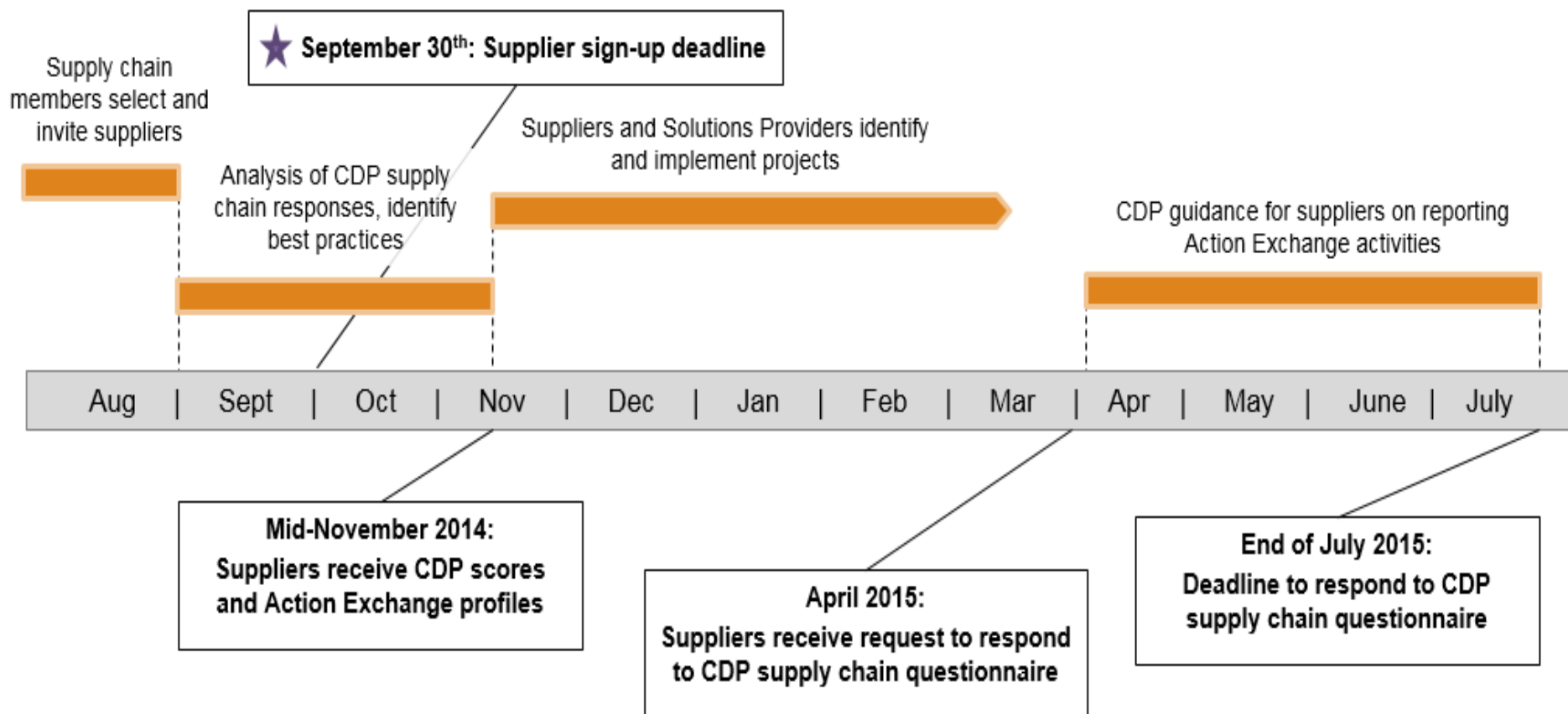
IIP's Action Exchange Project

Action Exchange:

- provides suppliers with recommendations for emissions reduction activities based on their past CDP responses and industry best practices, at no cost to the supplier;
- connects participating companies with approved Action Exchange solutions providers that will provide proposals on cost-efficient emissions-reducing goods and/or services; and
- demonstrates the value of partnerships between corporate customers and their suppliers to engage in supply chain energy efficiency through concrete energy assessments.

IIP's Action Exchange Project

Phase 1: September 2013-August 2014



IIP's Action Exchange Project

Mitigation Potential

	Pilot phase	Year 1	Year 2	Year 3
Number of supply chain members	5	14	25	45
Number of suppliers	65	188	550	800
NPV emissions reductions opportunities by 2020 (million metric tons)	5	9.9	27.5	40.6

Lessons learned

- Facilitation of systematic change by demonstrating economic benefits
- Education of purchasing companies
- Multi-stakeholder engagement
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IIP at a glance

- Mission: to improve industrial energy efficiency and productivity by providing industry and government decision makers with best practices to implement effective policies, technologies, and financial approaches.
- We have offices and programs in China, India and U.S.
- An international network of experts
- For more information, please go to www.iipnetwork.org or contact me yang.wan@iipnetwork.org

