

Supplier performance – Carbon Dioxide Emissions

It has never been a statutory requirement to gather, analyse or report indirect CO₂ emissions, it is however best practice. Over recent years a number of studies have been conducted to establish the actual CO₂ impact associated with the Leeds City Council supply chain. Suppliers were requested to take part in these projects on a voluntary basis and has had limited success, extracts from the reports can be found below.

CAESER Supplier Assessment (2009 – 2010) Carbon Dioxide Emissions

In November 2008, Leeds City Council sent 1507 organisations a letter inviting them to register on CAESER and complete a sustainability questionnaire. The CAESER questionnaire asks organisations if they have set a target for reducing carbon dioxide emissions from business operations in the last 12 months. Only 30% of Leeds City Council suppliers responded positively. This is despite the UK Government having identified carbon dioxide emissions as a priority concern and having committed, via the Kyoto Protocol, to reduce greenhouse gas emissions by 15.5% below base year (1990) levels over the period 2008 -12 by 2012. The relatively low number of organisations setting targets is a real concern. Setting targets shows a serious commitment to addressing climate change and once these targets are made public; real pressure is placed on these organisations to perform. When compared to the FTSE companies, Leeds City Council suppliers perform significantly worse than the FTSE100, 81% of whom set targets on carbon dioxide emissions.

The map below shows the location of Leeds City Council suppliers. Those shown in white did not complete the CAESER questionnaire, those in red completed but scored below 50% and those in green completed and scored over 50%. The map shows that the majority of Leeds City Council suppliers are located around the Leeds area highlighting that the Council are using procurement to develop their local economy. This shows that the Council's aim of to increase the procurement of local goods and services is being achieved.

When analysing by postcode 200 suppliers have Leeds (LS) postcodes representing 25.38% of those who registered. Again this shows very strong results and success in procuring locally.

Map showing the location of Leeds City Council suppliers



Recommendation H: The fading commitment to CO2 reduction by suppliers represents a real area of concern in light of how highly this is prioritised by Leeds City Council. More work therefore needs to be done to educate suppliers as to the importance of setting targets and demonstrating practical ways that this can be achieved.

CARBON DISCLOSURE PROJECT (2008 – 2009)

LCC nominated 20 suppliers to take part in this projects who returned a disappointingly low response rate of 25%. It is worth noting, however, that very few suppliers nominated by Leeds had responded to one of the other CDP programmes before which will have had an impact on this.

GHG Emissions Reduction Plan

3 suppliers stated that they have emissions reduction plans in place (Connaught Baldwin, Igen and Kier Northern). While this is quite a high proportion of respondents (3 of 5), it is a low figure when the entire sample size is considered (3 of 20).

This suggests that LCC suppliers are not yet taking action on climate change with the necessary degree of urgency. Other members who have discovered through this process that their members do not have reduction plans have undertaken to write to those suppliers to encourage them to put one in place within a reasonable timeframe. Emissions reduction plans are a useful part of the gathered data as they can be used to measure suppliers over time to monitor whether they have achieved stated cuts. LCC could now monitor these 3 suppliers to discover whether they are succeeding in making the anticipated reductions.

Supplier Engagement

The CDP Public Procurement and Supply Chain Programmes are most effective when they are passed up the supply chain, enabling assessments of emissions coming from different stages of production. As this is not yet occurring in many cases, this question gives an indication of how many suppliers are currently engaging more deeply in the supply chain to understand sources of emissions.

Conclusions and Recommendations

Some LCC suppliers have made a good start in responding to the disclosure request although much remains to be done. The low response rate is disappointing and can be attributed to a variety of factors, including the lack of a dedicated SME questionnaire. Beyond this, the following points are of particular note:

1. Of the suppliers that responded, a reasonably high proportion were able to disclose emissions data and reduction plans. This provides a baseline for ECC to monitor the effectiveness of suppliers at achieving reductions. Other suppliers could also be encouraged to develop reduction plans.
2. Suppliers failed to apportion emissions by consistent factors. If this data is of particular importance to LCC (for submission as NI 185 data), it would be valuable to communicate this clearly. CDP will provide specific guidance to suppliers who have been asked to provide N1 185 relevant data in future in future iterations of the project.
3. The Risks and Opportunities section of the questionnaire was well answered by most of the respondents with detailed attention paid to it by companies who had not responded to CDP before.

Recommendations

4. CDP has found that it is valuable for the members to make a gesture of appreciation to suppliers that have responded such as a letter of thanks or similar.
5. The CORE database provides LCC with the capacity to assess and compare responses easily. LCC could use this to form a league table of suppliers based on a variety of factors including quality of response and ambitiousness of reduction targets.
6. Ahead of participation in future iterations, supplier engagement programmes that include meetings between members, suppliers and CDP will improve response rates.
7. CDP encourages LCC to issue disclosure requests to the same suppliers again. and to a wider group. Suppliers appreciate consistency in the questions they are asked and the major benefits of the CDP programme are achieved by multi-year membership.