

Business drivers for a carbon emission reduction plan

 By [Ed Gluckman](#)

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Many listed companies today are going through the motions of measuring their carbon emissions, however few can credibly claim that they have a strong strategy in place to reduce them. While measurement of one's carbon footprint has gained significant traction through important initiatives like the global Carbon Disclosure Project (CDP), the emphasis has ultimately been on measurement and disclosure rather than accuracy and reduction.



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Measurement of one's carbon footprint can be quite complex depending on the nature and number of locations of your company's facilities. Once you have measured the footprint a few times the question one should then ask is, "Why would I reduce my footprint?"

This is a great question.

Ultimately very few companies will embark on an emissions reduction plan unless there are clear business drivers that make economic sense first and foremost. These business drivers need to add value to the business and ultimately increase profitability and margins. A wise business man once said to me "save me money or make me money or stop wasting my time". At the time this seemed quite blunt, but on further analysis one needs to accept that our world has been built on capitalist principles and CEO's are under intense pressure to evolve their business and increase shareholder value while making a positive impact on sustainability.

Without the help of specialist knowledge one can easily see how this same CEO would be frustrated with the challenge. Running a company profitably in this day and age without needing to lay off staff is a challenge in itself. The type of specialist knowledge I am talking about is not easily learnt. It requires a deep understanding of a company's business, its assets and environmental strategies and technologies that can help to reduce emissions while ultimately increasing profitability.

Unfortunately, there are very few specialists with all of this knowledge and on top of this the ability to convince a CEO why

he should ultimately embark on an emissions reduction strategy. To all those budding environmental specialists out there, here is a list of valuable bullet points that will help you to convince CEO's that what is good for the environment is also good for business.

Save your company money - by focusing on key emissions and reducing them you are going to save your company money. There is a key misconception among executives that spending money on emissions reduction does not pay off. Categorically, and with many years of experience in this industry, I can tell you this is not true. We have clients that save up to 40% on their energy bills by bringing in new technologies, accessing incentives and changing behaviour. Another example is putting in a world class video conferencing system between yourself and your customers. This could greatly reduce your flight costs, save you time and increase collaboration. One more example is the implementation of a driver training programme if you are a large logistics supplier. There are many ways to use technology and education to save your company money.

Find new opportunities - the green industries are a multi-trillion Rand opportunity and forward-thinking companies around the world are taking advantage of this new marketplace to create long-term sustainable growth strategies. What you might perceive as your weakness can quickly be turned into a strength.

Use incentives to their full potential - many companies do not realise it, but they could be using a multitude of available incentives to create a more sustainable business without using up all of their hard won CAPEX. Some incentives, like carbon projects, can commercialise dirty assets and create new and viable businesses within your business. Other incentive schemes include Eskom, the DTI, tax rebates and technology specific rebates. All of these come together to help make business sense out of your emissions reduction strategy.

Use legislation to your advantage - every business has heard about the impending impact of carbon tax on South Africa (expected 1 January 2015). This tax will cost many companies millions of Rands, but progressive companies are looking at their carbon assets to find ways to reduce their emissions while creating new business units which help other companies meet their emissions goals.

Enhance your brand - if you are a good corporate citizen that is embarking on an emissions reduction plan then why not use this information to show your suppliers, investors and customers that your company is changing and that this is based on a business value first strategy. This is a great message to send out and as other companies are forced to look for greener partners in their own supply chain, your name will come up first.

Reduce risks within your business - as legislation changes so does the needs of your customer. No-one wants to be left behind or to slip behind their competition because they are embarking on a comprehensive emissions reduction strategy.

These are just some of the main business drivers that we have found convince CEO's to embark on an emission reduction strategy. It's always interesting where your carbon footprint assessment can lead if you give it a chance. In reality there are real nuggets of gold among the pages of a carbon footprint assessment if you have the right expertise and focus.

ABOUT ED GLUCKMAN

Ed Gluckman co-founded Terra Firma Academy and serves as its acting dean and managing director. Gluckman is a leading expert on environmental strategy and advises some of the largest companies from various industries on how to integrate environmental sustainability into the fabric of their business. His expertise extends to the carbon markets and carbon project development as well as water efficiency and has designed and given numerous courses on these topics.

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