

Around 40% to 60% of a manufacturing company's energy and carbon footprint can reside upstream in its supply chain—from raw materials, transport, and packaging to manufacturing processes—but this number can be as high as 80% for some sectors.¹ Manufacturing companies that coordinate energy management practices with their supply chains can significantly improve energy productivity and reduce the amount of energy embedded in their products, while reducing costs, improving profitability, and reducing greenhouse gas emissions. The U.S. Department of Energy's (DOE) Better Buildings, Better Plants program created the Supply Chain Initiative to help its partners improve energy efficiency throughout their supply chains. DOE works with partners to encourage their suppliers to leverage Better Plants resources, and collectively set, track, and meet energy savings goals.

Join the Supply Chain Initiative
Email us at betterplants@ee.doe.gov

What Does My Company Commit To?

Better Plants partners work with DOE to identify potential suppliers interested in setting energy intensity goals and pursuing energy management activities. In collaboration with DOE, partners communicate the benefits of the program to their suppliers and invite them to join the initiative as Better Plants partners.

What Do My Suppliers Commit To?

By participating in the initiative, suppliers become partners in the Better Plants Program and commit to reducing their energy intensity by 25% over ten years, or similarly ambitious targets, across all their U.S. manufacturing operations. Suppliers work with DOE to set energy saving goals, develop energy management plans, and track and report progress to DOE on an annual basis.

¹ C. Brickman and D. Ungerman, "Climate Change and Supply Chain Management," *McKinsey Quarterly*, July 2008.



An Industrial Assessment Center (IAC) student examines pumps at an industrial facility. Photo courtesy of the San Francisco State University IAC.

How Does My Company Benefit?

As an established, national program, this initiative serves as a platform for partners to coordinate energy management with their suppliers and allows companies to address pressures from external stakeholders to address the lifecycle energy and environmental impacts of their products. DOE offers partners and suppliers clear goals, technical assistance, and methods for data collection and tracking progress while providing valuable technical assistance. DOE can tailor the Supply Chain Initiative for companies with existing supply chain sustainability programs that wish to participate.

Better Plants partners in the Supply Chain Initiative receive DOE recognition for improving supply chain energy efficiency. Partners will be helping their suppliers achieve energy and cost savings, while simultaneously reducing carbon emissions. This can lead to stronger, more competitive supply chains and help improve business relationships between the companies. Partners receive aggregated year-end metrics, calculated and compiled by DOE, which track the energy performance improvements and cost savings achieved by suppliers.

How Do My Suppliers Benefit?

Energy efficiency helps suppliers cut costs and remain competitive. Through this program, suppliers gain access to DOE expertise including valuable tools and assistance tailored to small and medium-sized manufacturers. A DOE Technical Account Manager (TAM) organizes suppliers into cohorts for each partner and assists the cohorts in collecting and reporting energy data. TAMs coordinate technical assistance to the cohorts and offer customized, one-on-one support on an as needed basis. DOE also provides energy management training webinars for participating suppliers on how to establish energy management systems; identify, implement and finance energy projects; and measure and track energy efficiency improvements. Qualifying suppliers will gain priority access to no-cost energy audits by DOE's [Industrial Assessment Centers](#)—a collection of 24 university-based centers located across the country. Suppliers will also receive DOE recognition as they make progress toward their energy savings targets.

What Have the Results Been So Far?

DOE has been working with two Better Plants partners' supply chains. Legrand North America and United Technologies Corporation have played a leadership role in conducting outreach to their suppliers and have each formed supply chain cohorts.

As of 2015, UTC has recruited six suppliers into the program and Legrand has recruited eight. Both companies' supplier cohorts have set energy baselines, established energy metrics, and received industrial assessments at no cost. To date, 12 assessments have been conducted for supplier facilities, identifying 56 total energy-efficiency improvement recommendations with collective potential savings of \$1.1 million a year and an average simple payback of less than a year (see Table 1).



A September 2014 video developed by Legrand in partnership with DOE highlights Legrand's commitment to energy performance improvement, including the Supply Chain Initiative. View the video at <https://www.youtube.com/watch?v=QLsAo2Y1QJ8>

Table 1: 2015 Supply Chain Initiative IAC Assessments

| Summary of Assessments | Results |
|-----------------------------------|---------------|
| Number of Assessments | 12 |
| Number of Recommendations | 56 |
| Average Percent Savings Per Plant | 13% |
| Average Cost-Savings Potential | \$119,000 |
| Average Simple Payback | 0.9 years |
| Total Potential Savings | \$1.1 million |