

The Department of Energy (DOE) is working with Better Plants Partners to improve energy efficiency throughout their supply chains. Around 40 to 60 percent of a manufacturing company's energy and carbon footprint can reside upstream in its supply chain—from raw materials, transport, and packaging to the energy consumed in manufacturing processes—but this number can be as high as 80 percent.<sup>1</sup> Coordinating energy management practices between companies and their supply chains has the potential to significantly improve industrial energy productivity and reduce the amount of energy embedded in manufactured products. Through this Supply Chain Pilot, DOE will work with a select group of Better Plants Partners to extend the benefits of energy efficiency to their suppliers. Partners will leverage existing Better Plants Program resources and encourage suppliers to collectively set, track, and meet energy savings goals.

### What Does My Company Commit To?

Existing Better Plants Partners will work with DOE to identify potential suppliers interested in pursuing energy management activities. In collaboration with DOE, Partners will communicate the benefits of the Program to their suppliers and request they join this pilot initiative.

### What Benefits Will My Company Receive?

Better Plants Partners who participate in the Supply Chain Pilot will receive DOE recognition for their leadership in improving supply chain energy efficiency. The pilot will allow Partners to engage suppliers in an established, national program that offers clear goals, technical assistance, and methods for data collection and tracking progress. DOE will deliver valuable technical assistance to these suppliers and track their progress over time. Partners will receive aggregated year-end metrics that demonstrate the energy performance improvements and cost savings achieved by suppliers. Better Plants Partners working with DOE on the pilot 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.

### What Do My Suppliers Commit To?

By participating in the supply chain initiative, suppliers will become part of the Better Plants Program. They will be asked to commit to reducing their energy intensity by 25% over ten years, or similarly ambitious targets, across all their U.S. manufacturing operations. Suppliers will work

with DOE to set energy saving goals, develop energy management plans, and track and report progress to DOE on an annual basis.

### What Benefits Do My Suppliers Receive?

Suppliers gain access to DOE expertise including valuable tools and assistance tailored to small and medium-sized manufacturers. DOE will assign a Technical Account Manager (TAM) to assist the suppliers collect and report energy data. The TAM will coordinate technical assistance to separate cohorts of suppliers and offer customized, one-on-one support on an as needed basis. DOE also will provide a series of 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.

### Which Companies are Already Involved in the Pilot?

DOE is working with two Better Plants Partners to advance energy efficiency through their supply chains. Legrand North America and United Technologies Corporation have played a leadership role in conducting outreach to their suppliers. To date, Legrand has recruited nine suppliers into the Program and UTC has recruited seven.

### How Can My Company Join?

Better Plants Partners can contact their Technical Account Manager or Andre de Fontaine ([andre.defontaine@ee.doe.gov](mailto:andre.defontaine@ee.doe.gov)) to learn more about this initiative. The first step will be to develop, in collaboration with DOE, a list of about a dozen suppliers that may be interested in participating in the pilot. DOE will work with Partners to conduct a joint webinar to share details of the Program with their suppliers and invite them to participate in the pilot.

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