

Can SA find sustainable green supply chain strategies?

Among the many emergency responses to the global economic crisis, one thing is becoming clear - the response of global business to environmental change and sustainable green business has moved to the forefront of forward planning.

Led by the Obama administration's unequivocal call to action on climate change and carbon emission issues, and by the tax breaks and legislative penalties being introduced by many governments in an attempt to orchestrate real action on the environmental damage caused by global industry, green business strategy is at last becoming a sustainable reality.

This at least is the international and developed economy picture - but what is SA doing about building sustainable green business?

Some answers have emerged recently with the launch of the new edition of the country's benchmark research into its supply chains - *supplychainforesight*.

SA's role

The annual survey, now in its sixth edition and conducted this year, for the first time, by international research house Frost & Sullivan on behalf of initiators and sponsors Barloworld Logistics, investigated the knock-on effects of the economic meltdown on the previous years of global expansion for hundreds of SA's largest companies across industry sectors.

A special focus of the research this year is the view of SA's supply chain industry - a major contributor to carbon emissions through its large commitment to freight transportation and packaging of goods, among other factors - on what can be done to introduce a greener national supply chain.

Little motivation

As yet, there are few incentives or penalties for SA business to respond seriously to the urgency of climate change and carbon reduction - yet the research shows that the SA market is well aware of the importance of the issues - with over 80% of the more than 250 medium and large businesses surveyed saying they believed climate change and environmental damage to be a crucial business challenge.

More importantly than this awareness of the severity of the problem is that over 70% of respondents felt that, even though survival is top of mind for all businesses in the current recessionary climate, supply chains can play a key role in a greener business future for the country.

Specific areas of reduction

Asked about specific areas of their businesses where immediate improvements could be introduced, most responded that reduced transportation emissions, better packaging and waste reduction, and better reverse logistics, could benefit the environment in the short term.

The focus on making industry more cost-efficient as a result of the recession will of necessity lead to further waste reduction in the supply chains of most industries. When this is coupled with the high degree of corporate participation in SA's Carbon Disclosure Project, as well as government commitment to some form of incentivised and punitive legislative framework for business in the near future, it seems that a sustainable South African green business strategy is not too far away.

More detail on the findings will be found in the full report on this year's *supplychainforesight* research. A free copy of the final report is available for download from www.supplychainforesight.co.za, or from the Barloworld Logistics website, www.barloworld-logistics.com.

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