

CEOs must take responsibility for carbon management

If businesses want to reduce their CO2 emissions then responsibility for their carbon management must be handled by their chief executive officers (ceos), according to a new report.

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The research – 'Best Practices Carbon Management' – from research organisation, Verdantix, interviewed 33 industry experts from organisations such as Ernst & Young, KPMG and The Carbon Trust. It found that unless ceos take ownership of carbon management, rather than passing it off as a corporate social responsibility issue, then they will fail to make reductions in their CO2 emissions. Seventy-six per cent of the global industry expert panel said weak carbon management will pose a material risk by 2012.

Peter Charville-Mort, the Verdantix analyst who led the study, said: "Dumping carbon management responsibility on CSR directors without providing them with the authority or budget to execute dooms many carbon reduction plans. Our research with 33 industry experts shows that underneath the greenwash, most firms flounder with weak carbon management initiatives. Evidence of failure includes CSR and energy managers who don't get the opportunity to explain carbon issues to senior execs, decision-makers who struggle with terrible energy data, unachievable CO2 reduction goals and initiatives that progress at a snail's pace due to insufficient staff and funds."

The report details how firms can best implement a carbon business transformation plan, primarily through strengthening governance with the appointment of a 'chief sustainability officer' who can quantify value and risk, co-ordinate initiatives and engage stakeholders. It suggests businesses also need a cross-business strategy for carbon management with 2020 targets and that firms should create process changes across energy, operations and finance, and should implement integrated carbon management systems technology that give accurate, timely and complete data on energy and fuel consumption.

"Absolute reductions in CO2 emissions require transformational change across governance, strategic thinking and process redesign. But today, firms only achieve incremental change," said Verdantix director, David Metcalfe. "Time is running out for ceos to act before the jaws of greenhouse gas compliance regimes and competitive pressures on sustainability close around them."

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