

CARBON FOOTPRINT AND GREEN INITIATIVES

OF THANAKORN VEGETABLE OIL PRODUCTS

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The case study on Thanakorn Vegetable Oil Products, Co., Ltd. (TVOP) based in Thailand is part of a bigger international research funded by the COE that investigates four companies in South East Asia on how they measure carbon trading and footprint. The research also looked into their best practices in green initiatives from the management accounting and control perspective, and recommended policies to mitigate climate change.

The principal researcher was Marites A. Khanser and the co-researcher was Concepcion R. Racaza, both from the University of San Carlos, Cebu City, Philippines.

The Khanser and Racaza study also looked into certification methods of carbon footprint and their impact on the firm's various stakeholders. Thailand's Green Industry Framework was adopted for this study. For its research methodology, the study applied the case study research design by Yin (2014).

Thanakorn Vegetable Oil Products Co. Ltd was established in 1974 in Thailand and operates a number of projects to minimise environmental impacts from its production. Findings of the study show that Thanakorn

is one of the leading companies in Thailand in carbon reduction certifications with products having the following labels: carbon footprint, carbon reduction, carbon offset and carbon neutral. Carbon footprint is good business practice since it enables companies to reduce their carbon emissions, improve their processes, and attract green customers, and ultimately help in mitigating climate change for a sustainable world.

Based on the Green Industry Framework, the company has achieved Level 4 (Green Culture) certification. The company has received the carbon neutral label for two of its products, the Refined Soybean Oil (1 liter in Bottle) and the Refined Sunflower Oil (½ liter in Bottle).

Of interest to management accounting practitioners are the results of the study that reveal the opportunity for management accountants to assist ASEAN companies desiring to get carbon footprint certification labels for their products through the application of carbon footprint accounting. Using the Product Life Cycle Assessment, Thanakorn was able to measure the carbon emissions of 54 products in 6 categories in 2012. The company

adopts the carbon emission formula according to TGO Guidelines, as follows:

$$\begin{aligned} &\text{Product Quantity} \\ &\text{per functional unit (Fu) x} \\ &\text{Emission factor x \% allocation} \\ &= \text{kgCO}_2\text{e/Fu} \end{aligned}$$

It can be concluded that carbon footprint certification labels, stamped on the product packaging, contribute to the product attractiveness, particularly to green customers of the company. There is a need for carbon footprint accounting to be vigorously implemented so as to measure the costs and benefits arising from following the green path.

The CIMA researchers also proposed a Green Business Strategy Roadmap for Southeast Asia for 2020 and beyond.