

ECO-DESIGN SIDE EVENT

SPEAKING POINTS

INTRODUCTION

- Let me first of all welcome all participants to this side event on "How promoting and spreading eco-design in companies?"
- Becoming efficient with our use of energy and resources is the basis of moving towards sustainable consumption and production. It is an essential component in the transition towards a green economy.
- An overall goal of sustainable production and consumption is to reduce the environmental impact throughout the life cycle of products and services. An influential factor is the design of products and including environmental performance.
- A longer term aim is to **mainstreaming environmental performance into all products and services.**
- The European Union has developed a **policy to promote eco-friendly products** in Europe. It requires all stakeholders to get involved at all levels throughout the life-cycle of products. Manufacturers are in charge of placing more eco-friendly products on the market. Retailers have then to inform consumers about the products found in their shops. Retailers are encouraged to place more green products on the shelves.
- Many European countries give incentives to consumers to buy more eco-friendly products. Environmental NGOs, national authorities and other relevant experts have their role to play at European level, to identify problems and share solutions towards greater environmental performance of products. This is called the **“Integrated Product Policy”**, and described in the **2008 Action Plan** published by the European Commission.

- - This is based on **3 key levers**:
 - 1) “enlightening” consumers
 - 2) rewarding products with a better environmental performance
 - 3) “eco-designing” products
- **Ecodesign** is a cornerstone of any successful product policy. For the manufacturer, the designer, or the engineer, it means **taking into account the environmental dimension from the very early stage of product design**. It is estimated that 80% of the environmental impacts of a product are determined at the stage of design.
- Today’s event is dedicated to **what we can do to promote best practices in Ecodesign in companies, especially SMEs.**
- I especially thank the Ecodesign and Life Cycle Management Centre, from Saint-Etienne in France, and UNEP for their help to organise this event.

FACTS AND FIGURES

- The European Commission has a powerful tool to promote Ecodesign: legislation. The Ecodesign Directive allows the Commission to set binding requirements on products, for example maximum energy consumption. **11 regulations were already adopted since 2008**, on products such as TVs, light bulbs, electric motors or fridges. The estimated energy savings in 2020 amount to **340 TWh per year**: this is equivalent to **~12% of Europe’s final electricity consumption** in 2007. This means more than **15 nuclear power plants**, more than **80 power stations**. **20 additional Regulations** are currently in preparation.
- We have observed that the adoption of a new Regulation strongly **puts Ecodesign on the agenda** of all stakeholders, especially businesses: everybody starts to prepare the ground for complying with the new law, and therefore to investigate Ecodesign solutions.

And this is what matters. Regulation is not the only tool to promote Ecodesign, fortunately. It should only be the starting point to trigger Ecodesign and life-cycle thinking in companies.

When companies **start to use life-cycle thinking**, they usually find out unexpected potential to make savings in their production process. For example, many SME don't know that the purchase cost of an electric motor is only 2% of its total cost over the life-cycle, or that it is easy to save 10% of transport costs by simply streamlining logistics.

- Moreover, **selling eco-friendly products** has proven to be **at least as profitable** as conventional sales. According to a recent survey¹, **90% of companies which implemented an Ecodesign or life-cycle approach saw their profits going up**, either through cost savings, or through sales' increase. Cost savings are primarily observed on raw materials and energy consumption.
- In addition, Ecodesign and life-cycle thinking is usually a **consensual line to take for corporate communication**, towards external partners, but also **internally**. This is not easy to quantify in terms of sales and profits, but is usually reported as long-lasting improvement of the **management culture**, with a positive influence on **staff motivation**.
- Besides, Ecodesign implies to collect data throughout the life-cycle of products. Therefore, people start to ask questions such as: how are our raw materials extracted? Where do they come from? How is our product recycled at the end of its life? Is waste collection effective? To answer these questions, project teams are usually set up that **gather people from various departments of the company**: marketing (to identify consumer perceptions and behaviours in the use phase), purchasing (to collect data from suppliers), manufacturing, logistics etc.

¹ Recent study by the Ecodesign and Life Cycle Management Centre (Saint-Etienne, France), and the Product Development Institute (Canada)

- Companies usually start Ecodesign and green marketing because a **proactive top manager** wants to **anticipate market transformation**. Legislation ranks only third among the main reasons for starting eco-production, and it is never the only motive for doing so. This is why our aim is to **raise awareness among top managers and leaders, and to provide dedicated training to engineers and designers**.

TOOLS AND WAY FORWARD

- We saw how Ecodesign leads to lower environmental impacts and higher added value for businesses; let's now see how we can spread best practices. We usually classify companies into 3 categories:
 - Beginners
 - Occasional practitioners
 - Front-runners
- We need specific tools and methodologies tailored to the needs of each company. Tools should cover the wide range of business needs: technical support to implementing an Ecodesign approach, awareness raising, spreading of best practices, knowledge transfer, expert advice, research studies etc.
- **Today, we propose to go on a tour of some inspiring tools and initiatives:**
 - Arab Hoballah, from UNEP, will first describe the global context and the activities of UNEP in the area of Ecodesign.
 - Then, Christian Brodhag, President of the Ecodesign and Life-cycle Management Centre, will give an overview of the most successful Ecodesign tools used in France.
 - Guy Belletête, Director of the Product Development Institute in Canada, will complement this picture by sharing his experience of collective action towards businesses.
 - Last, but not least, Nydia Suppen, Director of the Life-cycle Analysis Centre in Mexico, will report on her own initiatives, which will give insight about Ecodesign implementation in emerging countries.

- We hope that you will find this event useful and instructive.