



DANTES
DEMONSTRATE AND ASSESS NEW TOOLS
FOR ENVIRONMENTAL SUSTAINABILITY

EPD for marketing Result of inquiry among ABB companies

Anne-Marie Imrell
ABB AB
2005



CHALMERS



ABSTRACT

The work has been financed by the DAN TES project that is supported by the EU Life Environment Program.

One of the goals of DAN TES is to collect experiences of the use of environmental tools such as Environmental Product Declarations, EPDs and use this for developing strategies concerning marketing tools. This study is a part of this work. An inquiry was carried out by sending a questionnaire to ABB units that have developed EPDs for marketing purposes.

Two third parts of the units did not give any answers so that must be in mind when reading the results and the conclusions.

Most of the answers show a positive attitude towards the EPD system pointing out the advantages with the system. Though there are difficulties connected to both carry out and use EPDs there is also a benefit from EPD and training and information could be used in many cases to facilitate the process. The result of this study has been used when the strategy "Use of EPD in marketing" was developed.

TABLE OF CONTENT

ABSTRACT	2
1. INTRODUCTION	5
2. MARKETING TOOLS.....	5
2.1 EPDs	5
3. INQUIRY	5
3.1 Questions	5
3.2 Answers	6
4. RESULT.....	6
4.1 Driving forces for developing EPD	6
4.1.1 ABB Environmental Policy.....	6
4.1.2 Customer requirements.....	6
4.1.3 Other driving forces.....	6
4.2 Work required for EPD	7
4.2.1 Time consumption	7
4.2.2 Personnel categories	7
4.2.3 Choice of product	7
4.3 Distribution of EPD.....	7
4.3.1 Receivers of EPD	7
4.3.2 Situations when EPDs are distributed	8
4.3.3 The form of EPD	8
4.4 Applicability of EPD	8
4.4.1 Expectations	8
4.4.2 Answering “environmental questions”.....	8
4.4.3 Easy or difficult to interpret	8
4.5 Comments.....	8
4.5.1 Advantages	8
4.5.2 Drawbacks	9
4.5.3 Other experiences	9
5. DISCUSSION.....	9
6. CONCLUSIONS	9

APPENDIX 1..... 10

1. INTRODUCTION

The work has been financed by the DANTEs project that is supported by the EU Life Environment Program. Important results within DANTEs are strategies describing different tools and methods presented on the web site www.dantes.info. A strategy is defined (within Dantes project) as a guideline for how methods and tools described within DANTEs can be used to find information needed for environmentally related decisions and how the resulting information is communicated to the decision-makers in a comprehensive way.

There are strategies for R&D, Marketing, Supply chain, Production and Environmental Support. Within the area of “Marketing” the use of Environmental Product Declarations, EPDs has a central role and the goal with the corresponding strategy is to demonstrate how EPDs can be used in marketing. The strategy is based on ABB’s experience.

This study is a part of the work to collect experiences of the use of EPDs and use this for developing strategies concerning marketing tools. An inquiry was carried out by sending a questionnaire to ABB units that have developed EPDs for marketing purposes.

2. MARKETING TOOLS

It is not enough to develop and produce environmentally sound products. You must also communicate the environmental performance to your customers. Marketing tools can be in the form of material declarations, different forms of environmental labeling, recycling and scrapping instructions etc.

2.1 EPDs

EPD is a third party certified environmental labelling and is used by ABB in marketing communication to provide customers with quantified and verified information about the products’ environmental impacts. EPDs are however, not and will not be, developed for all products since ABB’s product mix is very large and this would be an unrealistic task from an economic point of view. Instead the focus is on high volume products and/or identified “core products” of special interest for other reasons.

3. INQUIRY

In order to develop a Dantes strategy for EPD an inquiry was carried out with the goal to investigate how EPDs are perceived in different business areas within ABB.

3.1 Questions

A questionnaire was sent out to Country Sustainability Controllers and other contact persons in countries where ABB units have developed EPDs for marketing purposes. See appendix 1.

The receivers were 21 ABB companies located in Sweden, Denmark, Finland, Poland, Germany, Switzerland, France, Italy and Australia within Power Technology and Automation Technology.

3.2 Answers

Seven companies fulfilled the questionnaire: Power Technologies Sweden, Automation Technologies Sweden, Automation Products Germany, T & D S.P.A. Italy, SACE Italy, Drives and Power Electronics Switzerland and ABB Automation France.

4. RESULT

The result of the inquiry showed a diversity of answers considered the issue of EPDs. The result is presented per heading in the questionnaire.

4.1 Driving forces for developing EPD

4.1.1 ABB Environmental Policy

In the policy it is stated that ABB are committed to “declare environmental performance of our core products by publishing environmental product declarations based on life-cycle assessment”.

The answers range from that the policy has a small influence to quite high and to be a main driving force for developing EPDs.

In the case that the influence is small, there are instead significant environmental aspects from the environmental management system and the requirements from the Swedish Environmental Management Council that have been considered when EPDs have been developed.

Other ABB units declared that the policy has an objective to continuously monitor activities influencing the environment and that EPD is a consequence of the policy. Or it could be expressed as the environmental policy being an important influence and that ABB is proud of the EPDs on own products.

The development of EPDs may also be seen as an integrated part of ISO 14001.

4.1.2 Customer requirements

Even if there are ABB units declaring that their customers don't know what EPD is or that the customers never ask for EPDs, there are also examples from units whose customers often ask for environmental data. The units send an EPD as an answer to the customers' questions. It could also be the case that the customers' requirements are the driving force for EPDs. So the influence of the customers is important.

4.1.3 Other driving forces

Competitiveness is one of the important driving forces for EPD because this is a way to pay the customers attention to environmental issues. EPDs also enforce the environmental image of the ABB group and make stakeholders aware of the activities at the site. EPD considered as a marketing tool is one reason to go ahead with EPDs for new range products. WEEE and RoHS – the new EU directives for electronic and electrical equipment – could be a driving force for carrying out EPDs.

Other driving forces are the environmental management system and requirements from Group Function Sustainability Affairs (GFSA). EPD can also be seen as a good educational material for construction and marketing.

4.2 Work required for EPD

4.2.1 Time consumption

It is hard to estimate the time consumption for achieving an EPD since the work is often integrated with other environmental activities at the unit. But it is not unusual that it takes 1-5 working-months to develop an EPD. Of course the first time a unit carries out an EPD will be more time consuming than the time for subsequent EPDs. The first time you have to start from scratch and perhaps there is no PSR either.

4.2.2 Personnel categories

Different personnel categories are usually involved in the development of an EPD. The environmental manager and the Local Sustainability Officer have often a leading role and the responsibility could be theirs. Product design and development department gives input about material amounts. Marketing department has the task to develop a selling appearance. Product development delivers data for components from suppliers.

But also people outside the organization may contribute, e.g. students and consultants.

4.2.3 Choice of product

The unit may focus on products that are representative examples of main products. Or all new products are going to be developed as EPDs (perhaps not certified). One unit says that large production volumes and products that are just launched were the main categories to consider when choosing products for EPDs. Also the interest from division manager and marketing people may influence the choice.

4.3 Distribution of EPD

4.3.1 Receivers of EPD

Usually EPDs are sent to all customers that require information about environmental performance of a product. It is not uncommon that the number of customer to which EPDs are disseminated is around hundred.

But also suppliers, students, trainees, employees and management teams have got EPDs.

4.3.2 Situations when EPDs are distributed

Typical situations for the distribution of EPDs are customer events, visits, exhibitions, conferences and workshops. Area Sales Managers generally send out EPDs together with other information.

One common situation to send out EPDs is when customers have questions about environmental performance of a product.

EPDs may also be distributed together with an offer.

4.3.3 The form of EPD

The electronic format is often used. But there could be brochures and off-prints as well.

4.4 Applicability of EPD

4.4.1 Expectations

The expectation of EPD is to get a positive image for ABB's general environmental work and to increase the competitiveness. However in some cases the reactions from customers have not been as positive as expected. The reason could be that the customers were introduced to EPDs in a rather early phase and the customers needed a period of learning. Another expectation of EPD is that this is a way to improve the environmental performance of your products, since by carrying out EPDs you get knowledge about the product's environmental impact.

4.4.2 Answering "environmental questions"

The overall opinion is that EPDs give the answers to environmental questions from customers. E.g. EPDs have information about power losses, wastes and hazardous materials. One critical point could be to explain that more than 90 % of the impact is due to the use phase, which is the case for many ABB products.

4.4.3 Easy or difficult to interpret

The idea of EPD is quite easy to understand and the goal of the document is clear. But there are parts of the document that should be developed for easier interpretation especially considering people not directly involved in the EPD development. You may find it hard to see how data or results are determined or generated. To facilitate for employees, there are training possibilities with the purpose to learn about the elementary issues such as environmental threats.

4.5 Comments

4.5.1 Advantages

An advantage is that EPD is a communication instrument that gives quantified and standardized environmental information about the life cycle of the product and makes comparisons between products possible. Besides EPDs give answers to most of the customers' questions and give relevant arguments for suppliers to reduce their environmental impact.

4.5.2 Drawbacks

Education and information is required in order to understand an EPD. An example is environmental impact units (like carbon dioxide equivalents for global warming) that could be difficult to understand. EPDs for different product categories may have different functional units, which makes it complex to add EPD data. There could also be problems with the data tool used for developing LCAs.

The guidelines for carrying out EPD are not clearly defined and require skilled people for this task.

It could also be difficult to get acceptance from management and marketing. The conclusion from one unit was that it was just a big effort to carry out EPD without benefit for the business.

4.5.3 Other experiences

The EPD has advantages but should be developed in some parts, especially in the involvement of stakeholders, internal and external the ABB group. It could be difficult to see the advantage that should arise with the implementation of EPD because there is no real feedback from the marketing department and the sensitiveness for EPD is not enough developed.

5. DISCUSSION

The results are presented as an overall view of the general opinion about EPD among the different ABB units. The ambition has not been to make any distinctions between different countries or organizations because the base is rather small. Two third parts of the units did not give any answers so that must be in mind when reading the results and the conclusions.

6. CONCLUSIONS

Most of the answers show a positive attitude towards the EPD system pointing out the advantages with the system. Though there are difficulties connected to both carry out and use EPDs there is also a benefit from EPD and training and information could be used in many cases to facilitate the process.

The result of this study has been used when the strategy "Use of EPD in marketing" was developed.

APPENDIX 1

One of the goals of the EU project [DANTES](#) is to collect experiences of the use of environmental tools such as Environmental Product Declaration, EPD. This inquiry is a part of that work and is sent to Country Sustainability Controllers and other contact persons in countries where ABB units have developed EPDs for marketing purposes. I appreciate if you take your time and answer the questions below and send them back to me before 2004-08-20.

1. Which are the driving forces for developing EPD?

Policy: Which is the influence from ABB Environmental Policy?

Customer requirements: Which is the influence from ABB customers? Have customers asked for EPD?

Other driving forces: Are there other driving forces for EPD?

2. How is the work been carried on for developing EPD?

Time consumption: What are the actual working-hours and the calendar time?

Personnel categories: Which personnel categories have been involved in the development of EPD? ..

Choice of products: What has been conclusive for the choice of product/products for EPD?

3. Distribution of EPD.

Receivers: Which customers have received an EPD? How many? Are there other categories that have received an EPD?

.....
.....
.....

In which situations have EPDs been distributed? Customer events, visits, conferences, exhibitions, workshops, general sending out together with other information etc?

In which form has EPD been distributed? Off-print, in a brochure, electronic form etc?

4. Applicability of EPD.

Which are the expectations of EPD? Positive customer response, increasing the image, positive economic influence etc?

Does an EPD give answers to "environmental questions" from customers regarding a product?

Is an EPD easy or difficult to interpret for customers respective for personnel categories within ABB that have not been involved in the development of EPD, but affected by EPD (e.g. marketing and supply management)?

5. Comments.

Advantages and drawbacks. Other experiences.
.....
.....

Name	Company	Date
-----	-----	-----