



State of the art of LCA in business

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November 17th, 2014



Agenda

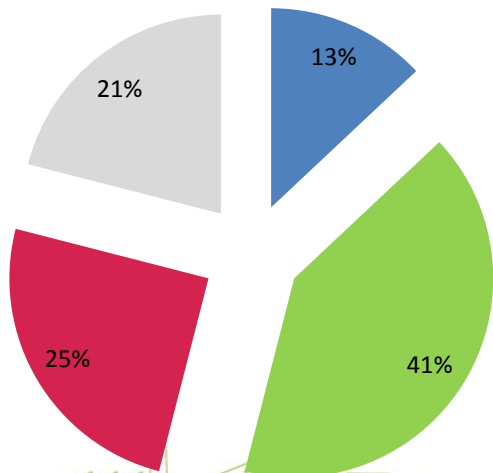
- What is the state of the art of LCA in business
- The challenges LCA practitioners face
- Approach to seize the full potential of LCA



Experience with LCA is growing

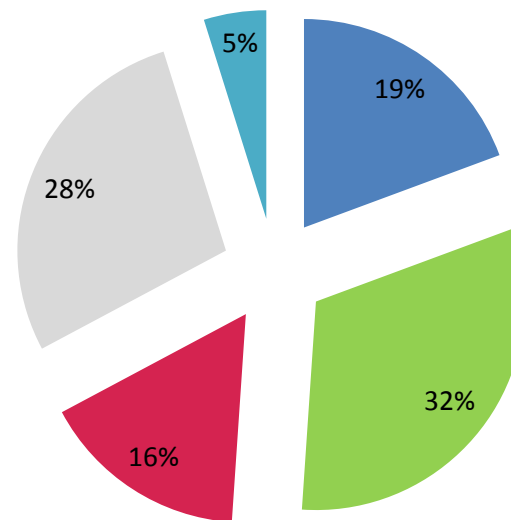
Most companies have over 5 years of experience

- Less than a year
- Between 1 and 5 years
- Between 5 a 10 years
- More than 10 years



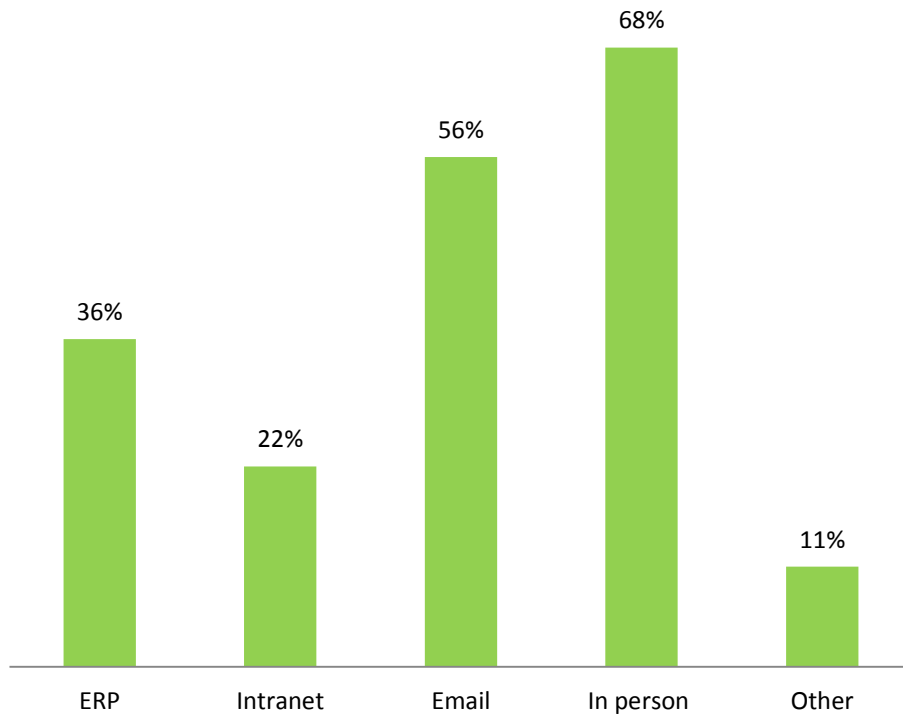
Support from a wide range of service firms

- Tool developers
- Environmental consultants
- General management consultants (e.g. Deloitte, E&Y, KPMG)
- Universities
- Other (Please specify)

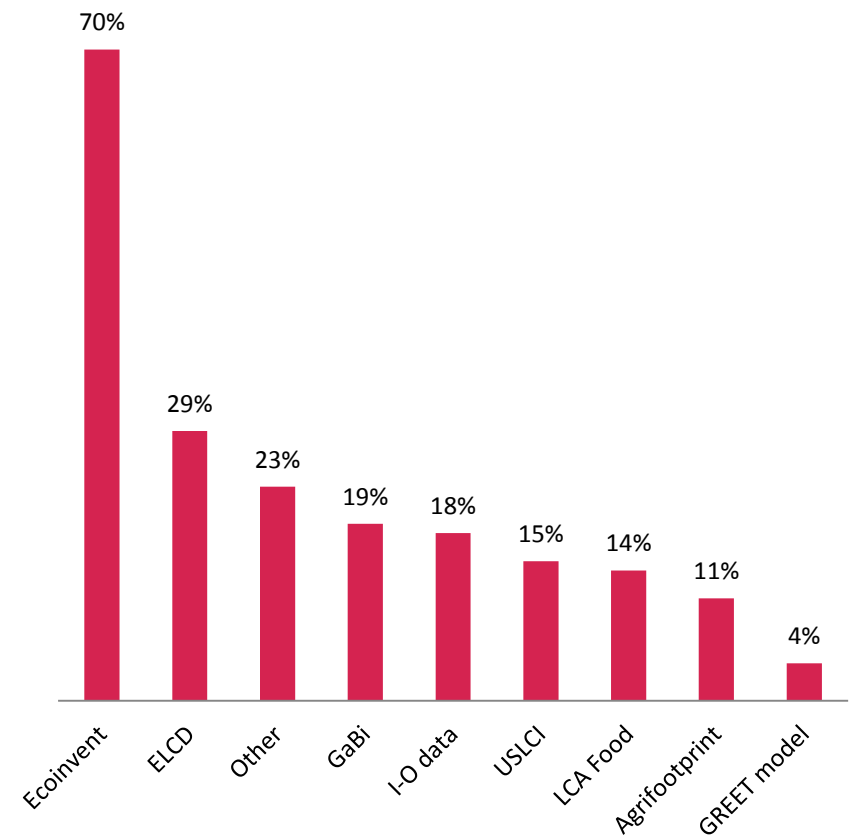


Data collection is time consuming

Data collection tools



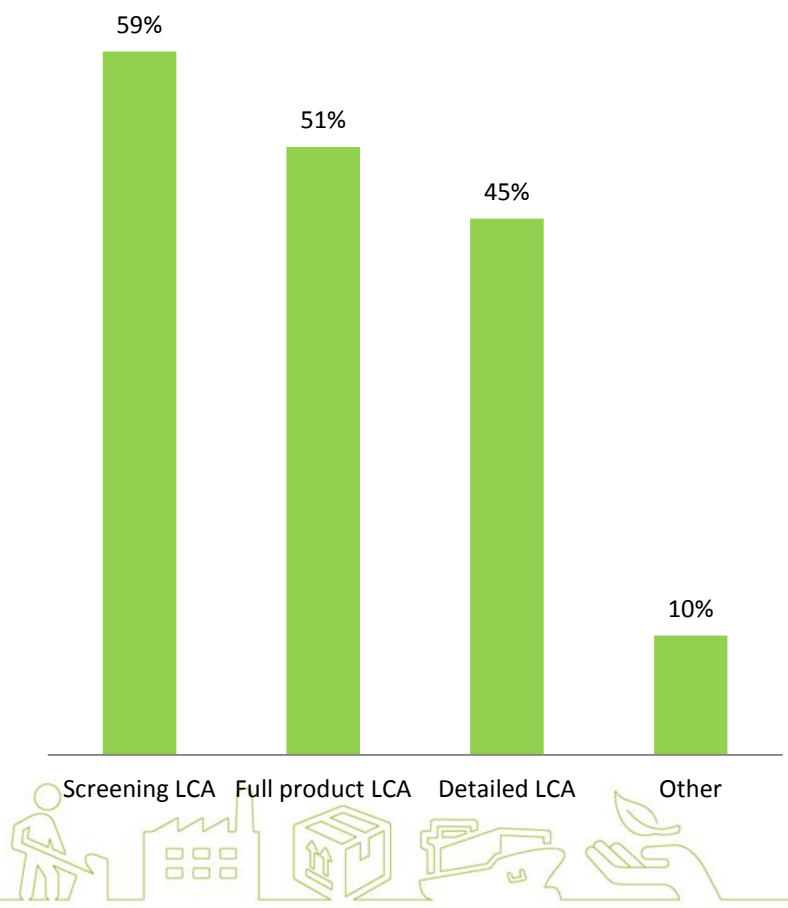
Most used databases



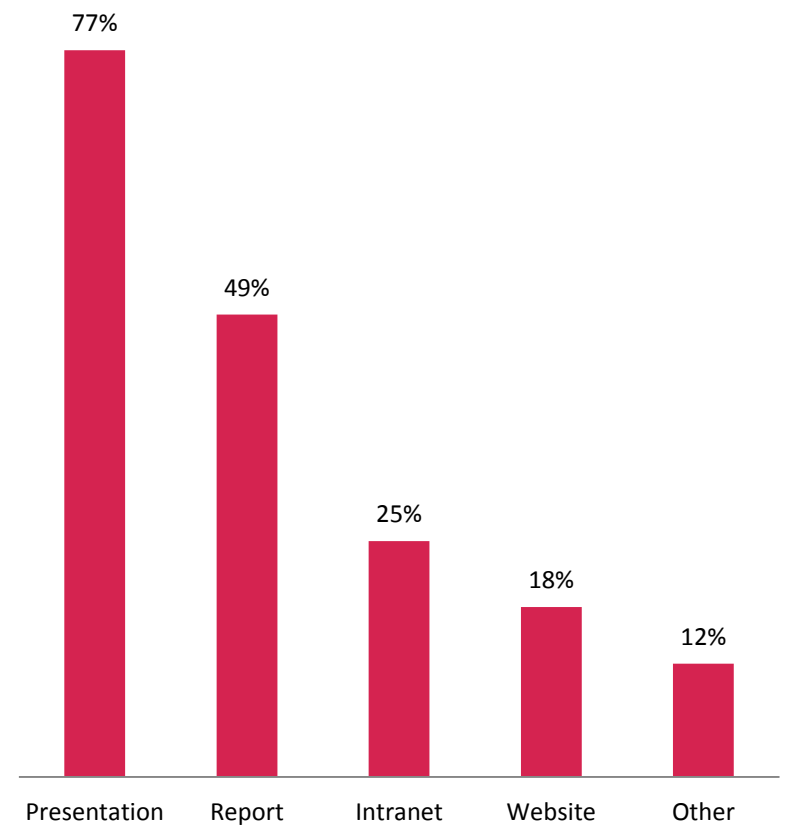
60 hours is the average time that companies spend on a LCA study

Variety of ways to use LCA

Type of LCA

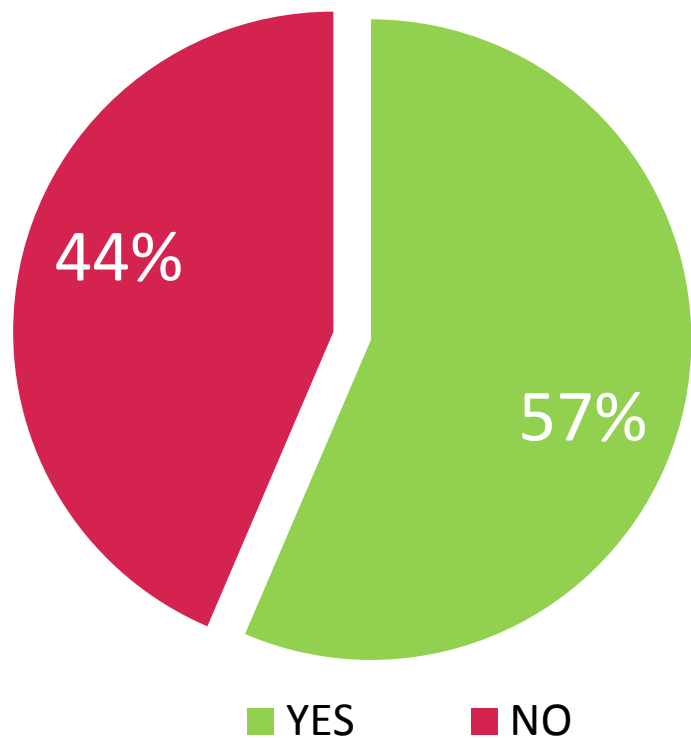


Communication of LCA results

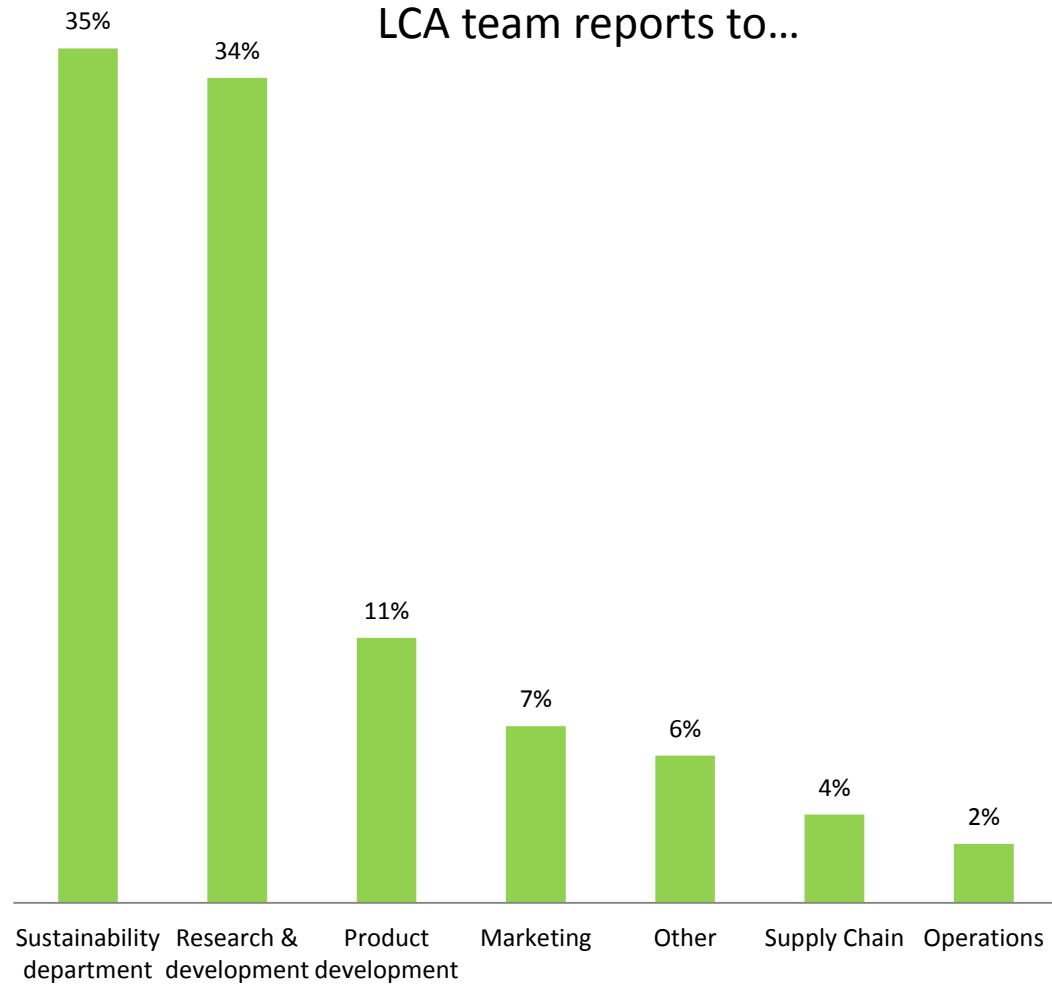


Position of LCA in companies

Top Management awareness



LCA team reports to...

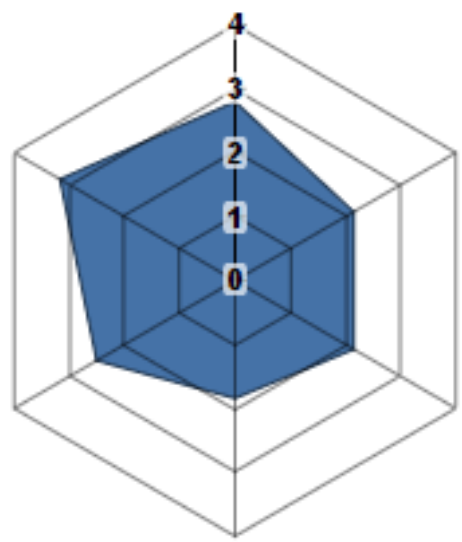


Average 3 people in the team



Success factors for LCA departments

Intrapreneur who pushes LCA activities



A long-term environmental commitment

Committed Top Management

The development of internal know-how

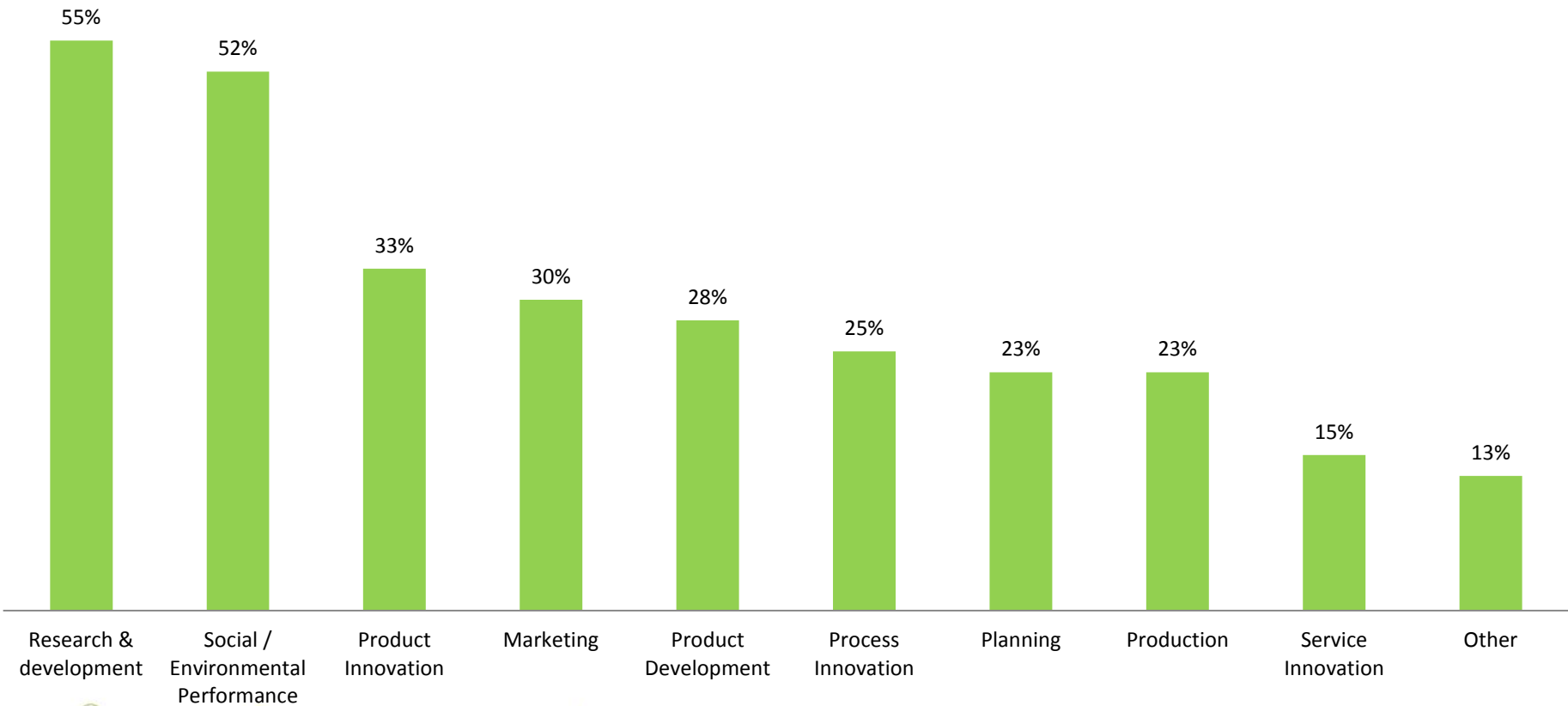
Other technical departments are involved

The establishment of internal communication channels



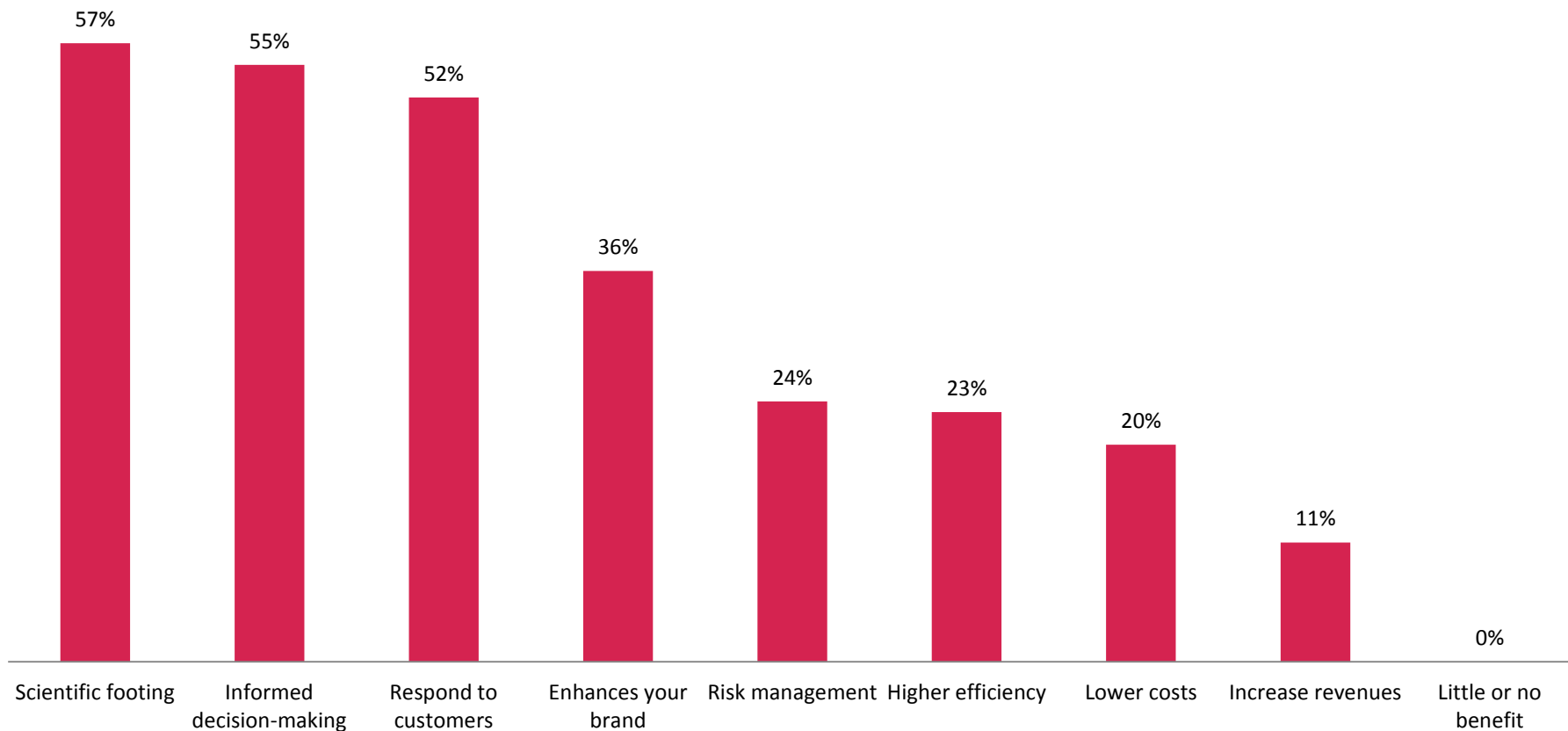
Innovation and performance are important drivers for LCA

Strategic objectives



LCA substantiates sustainability

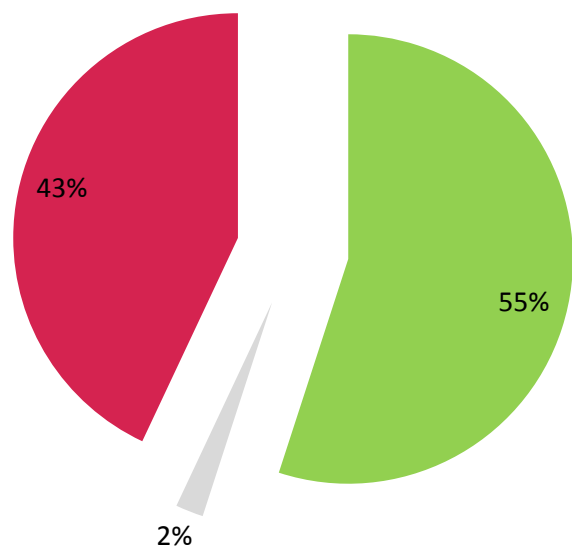
Benefits



LCA will be used more and more

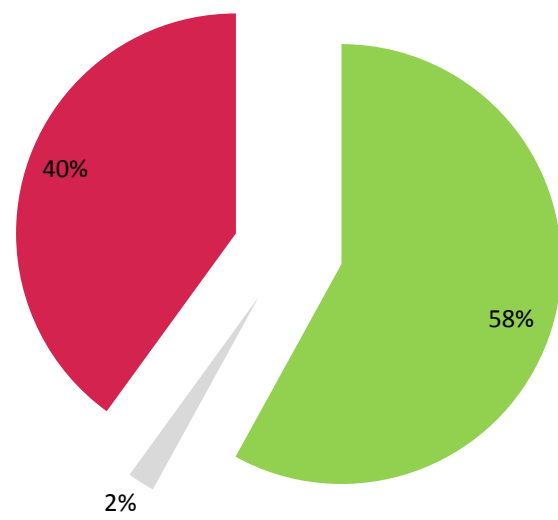
Future plans for using LCA

- Increase the use of LCA
- Decrease the use of LCA
- Continue using it with the current frequency



Future plans for LCA applications

- Explore new applications
- Reduce current applications
- Continue with the current applications



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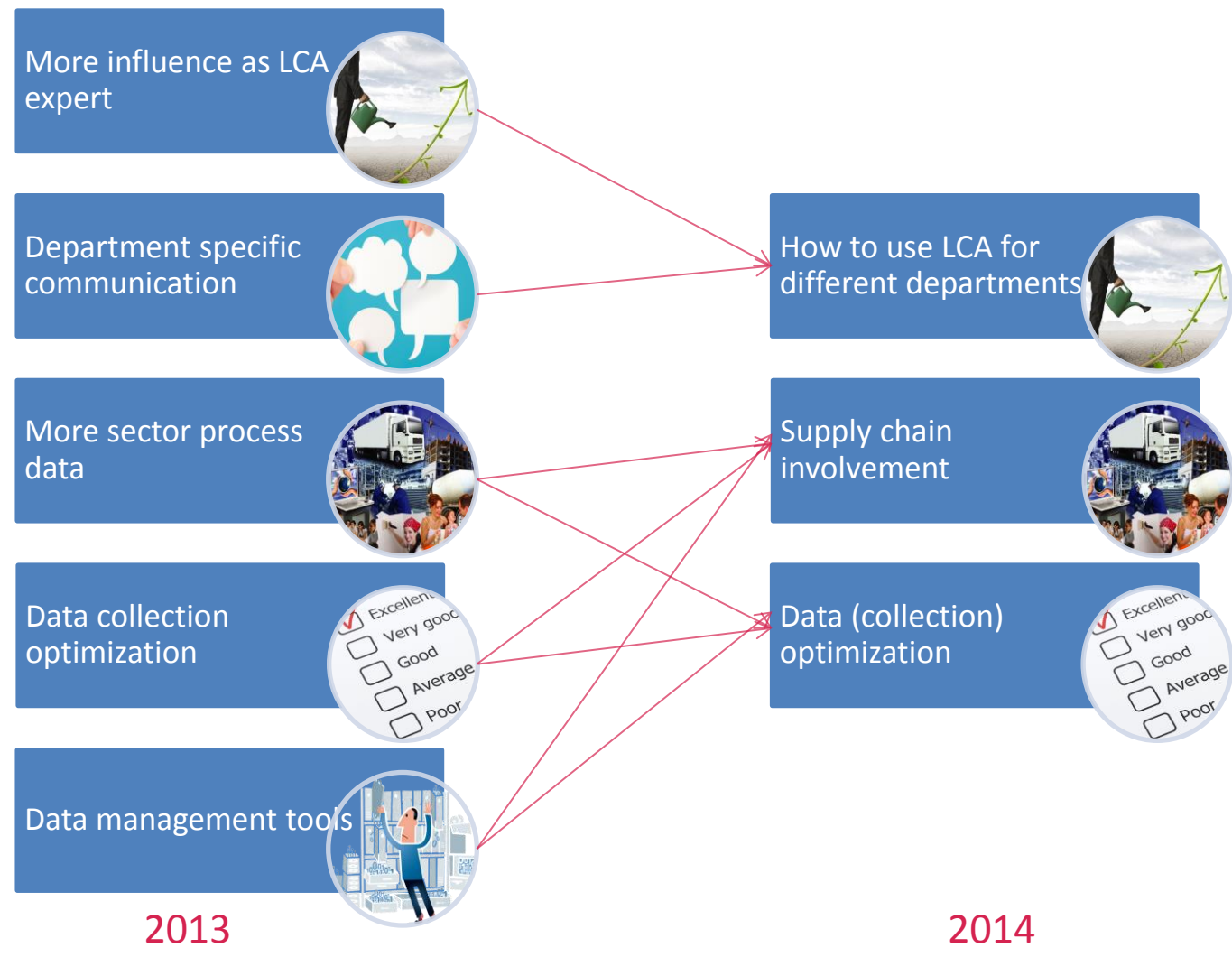
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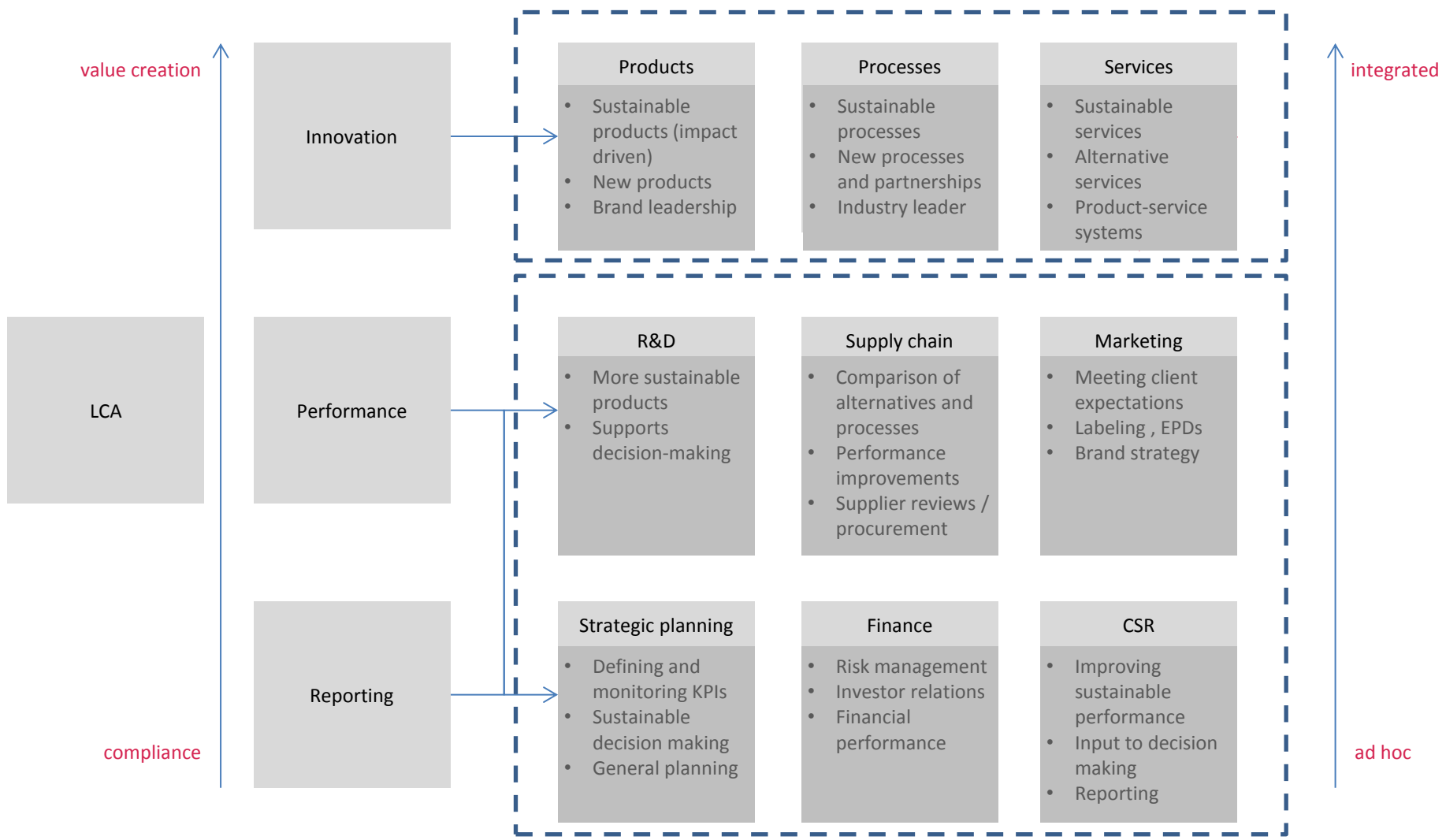
Challenges for integration of LCA in business

- 1 Intrapreneur for LCA
 - 2 Long-term management commitment to sustainability
 - 3 Link LCA with business objectives
 - 4 Shared language and communication channels
 - 5 Jointly explore new applications
-

Main findings from Round Tables 2013 & 2014



All departments could benefit from LCA



...they all have their own specific needs



Carola

Sustainability Director

Demonstrate to the company that sustainability is a value creator



Louisa

LCA and Sustainability Experts

Support business with relevant data & advice



Pedro

Production and Purchasing Managers

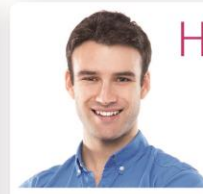
Find best facilities, production technologies and suppliers



Veronique

Sales and Marketing

Promote the sustainability of the company & value proposition



Hank

Product developer

Create new and better products

Show **business value** of sustainability/LCA

Create **focus** to meet goals

Communicate sustainability efforts and **report** on results

Set **KPIs** and monitor **progress**

Understand **hotspots** and support decisions

Increase **efficiency** in delivering LCA

Measure **impacts** of products and processes

Generate insights in **hotspots** and link to business **objectives**

Sound and **robust** methodology and software

Collection of data to get recent and specific data

Improvement opportunities for operational performance

Supply chain engagement on sustainability, including supplier reviews

Data collection from suppliers

Meet **customer needs** and behavior

Enhance brand **reputation**

Substantiation of marketing claims

Labeling of products

Input for product **innovation**

Understand hotspots and support **product design**

Compare scenario's and products on impact

Quick insight in impact of (material) changes

Deliver **value** to customers and business through (more) sustainable products and services

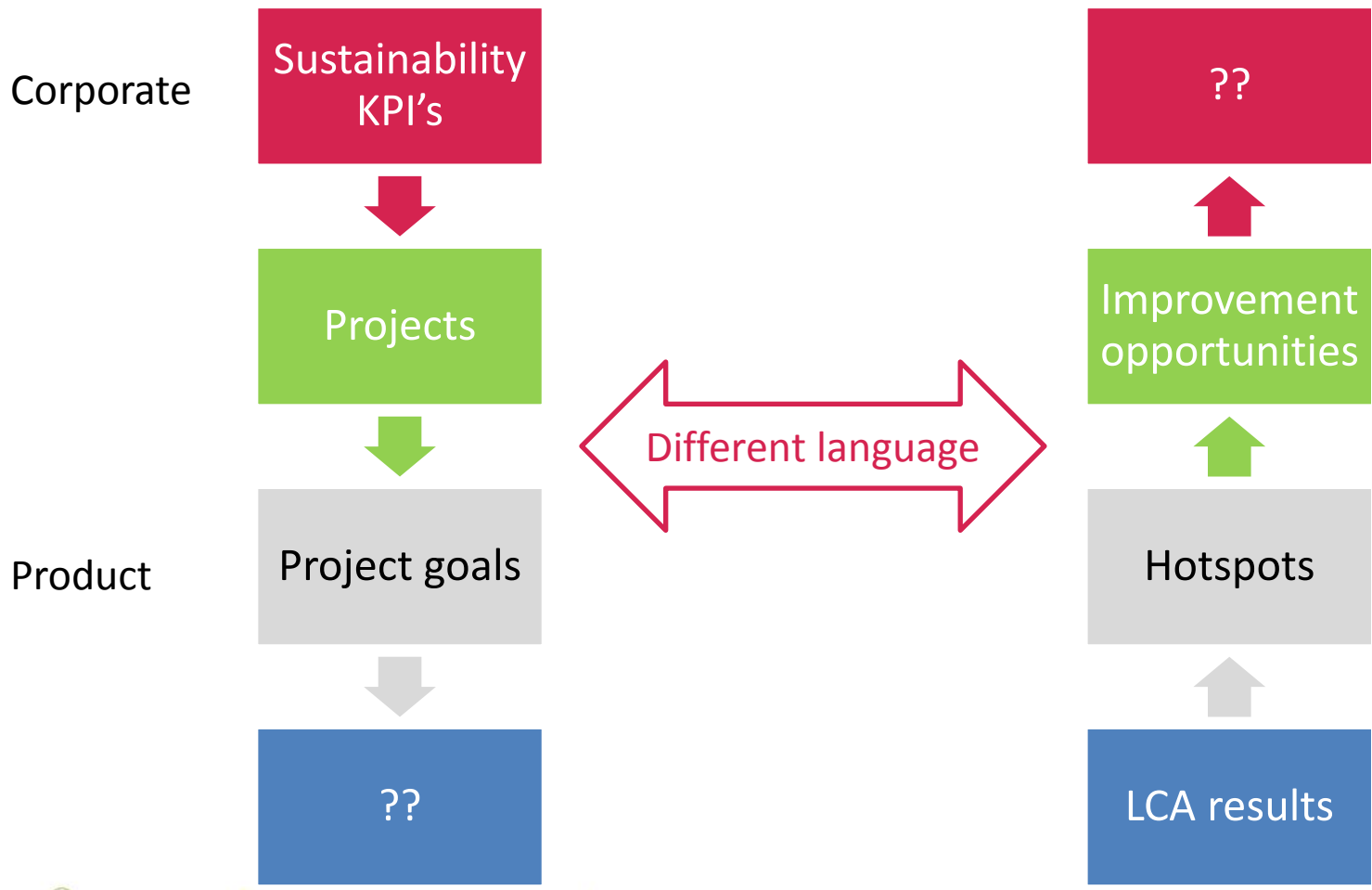


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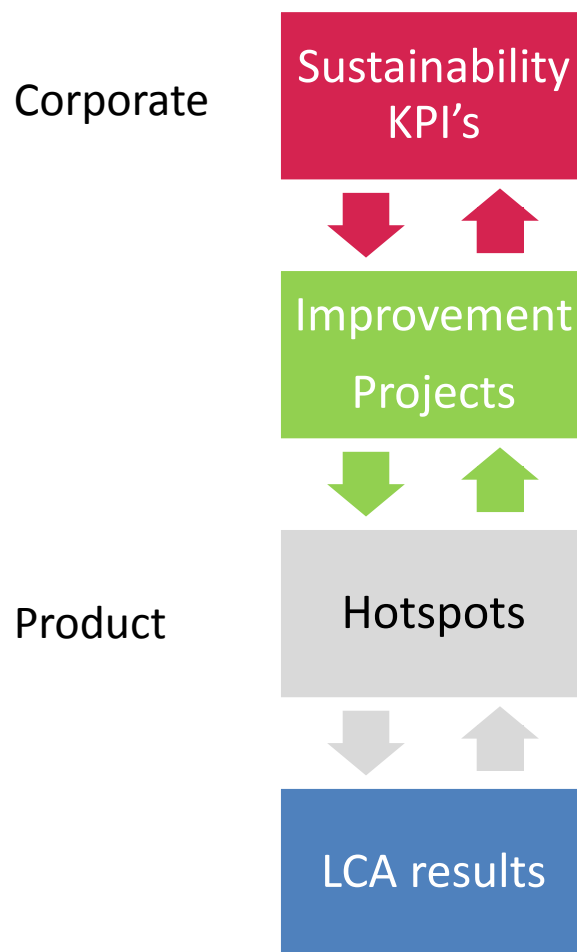
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Top-down and bottom-up are not aligned



Combine top-down and bottom-up approaches



KPI's

- Sustainability KPI's on corporate, business unit and department level:
 - Energy, water, CO2
- Overall KPI's for the business:
 - Revenue, innovation, costs, reputation
- Strategic ambitions:
 - E.g. Industry leader in sustainability
 - Driven by mission and vision



Projects / improvement opportunities

- Determine potential solutions and prioritize actions around most significant issues or benefits:
 - Product or process specific:
 - Product A, Product group B, etc.
 - Process X, Process Y, etc
 - Topic specific:
 - Biodiversity, Climate change, Energy efficiency, Deforestation, Toxic materials, Greenhouse gases, Fossil resources, Land use, Material efficiency, Resource efficiency, Packaging, Waste, Water
 - Location specific:
 - Production plant, stores, warehouses, etc.

Hotspots

- Identify issues of concerns on a product (group) level
- Pinpoint where the biggest impact is:
 - Life cycle stages:
 - Resource extraction, transport, production, use, end of life
 - Impact categories:
 - Environmental and/or social
 - Specific processes, materials, locations or suppliers

Take the lead in connecting the dots

- Create overview of business and project KPI's plus hotspots
- Link product level with business level:
 - Bring together insights on sustainability on organizational and product level;
 - Identify hot spots overlap, blind spots and sweet spots.
- Bring together different departments and identify intrapreneur/champion(s):
 - Verbalize ambitions;
 - Set targets and steer as group.
- Select right tools:
 - LCA where possible, or other approaches if needed;
 - Map ecosystem of software/tools in use.
- Explore new opportunities to create value

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