

# **ASEM SMEs Eco-Innovation Consulting Project:**

- Eco-Innovation Guideline for Golden Gate -



# Contents

- 1. Introduction to ASEM Eco-innovation Project
- 2. Eco-innovation Strategy
- 3. Sustainable Business Management
  - 3.1 Environmental Strategy Establishment
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  - 3.4 GHG Emissions Management
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  - 4.1 Overview
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# Introduction to ASEM Eco-innovation Project

- The green marketplace is worth trillions of dollars and against this backdrop, Asian and European countries under ASEM established ASEIC as a cooperative mechanism with the principal mandate of enhancing eco-innovation of SMEs in both regions.
- The Project aims to facilitate innovation in the corporate strategy of SMEs at any stage of the product or service lifecycle, while developing global green growth opportunities.
- The consulting services provide SMEs with the implementation of a holistic and multifaceted approach to strengthening eco-innovation, from sharing core environmental regulations, innovative techniques and practices, to providing related educational program.
- The main goal of Eco-innovation consulting is to strengthen the "green competitiveness" of SMEs by disseminating and utilizing green management and technology in their various businesses.

# **Introduction to ASEM Eco-innovation Project**

1<sup>st</sup> ASEM Eco-innovation Project was launched September 2011 and finalized in December 2011. Four countries and a total of 33 companies participated in this Project.

### **Participating Countries** Consultancy Malaysia • Develop environmental management strategies to foster sustainability 8 companies • Provide recommendations for greener industrial processes to save production Indonesia 1<sup>St</sup> ASEM Eco-innovation costs and reduce environmental burden 9 companies **Consulting Services** Improve energy & resource for SMEs (2011) efficiency Reduce GHG emissions level **Vietnam** Monitor and manage environmental 8 companies data Environmental compliance **Thailand** Develop eco-innovation strategy to 8 companies strengthen green competitiveness

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# **Eco-innovation Strategy**

**Eco-innovation** is **innovation that results in a reduction of environmental impact**, no matter whether or not that effect is intended. Eco-innovation can be analyzed along three dimensions:

- 1) Targets: the focus areas of eco-innovation such as products, processes, marketing methods, organizations and institutions
- 2)Mechanisms: the ways in which changes are made in the targets (modification, redesign, alternatives and creation)
- 3)Impacts: effects of eco-innovation on the environment



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# **Sustainable Business Management**

### **Sustainable Business Management Recommendations**

- 1. Environmental Strategy & Policies
- Establish an environmental management strategy
- · Set qualitative objectives and quantitative targets based on the EM strategy
- Increase green procurement such as the purchase of eco-friendly office supplies and recycled packaging materials
- Enhance equipment efficiency
- 2. Environmental Management System
- · Appoint an environmental management representative and establish an environmental management team and committee
- Establish an internal bulletin board to share EM information with employees
- Conduct an internal audit annually
- Attend EM training sessions provided by governmental organizations or global corporations
- 3. Energy & Resources
- Monitor the use of energy & resources using relative indicators (use energy & resource data management tool provided by Eco Frontier)
- Set quantitative reduction targets
- Compare environmental performance and targets annually
- 4. GHG Emissions and Environmental Pollution
- Calculate GHG emissions (Scope 1 & 2) from total energy use using GHG calculation excel tool provided by Ecological Experimental Experi
- Set GHG emissions reduction target
- 5. Environmental CSR

Disclose company's environmental management status on website (start with a simple environmental management status on website)

Strategy

Energy &

**Environmenta** 

Publish a sustainability report

# **Environmental Strategy Establishment**

# **Establishment of Corporate Environmental Strategy (Policy, Objectives, Targets)**

# Environmental Policy

# **Qualitative Objectives**

# Quantitative Targets

- Environmental policy is your declaration of commitment to the environment as well as to health & safety of your employees.
- To develop an environmental policy, make a list of general environmental concerns that could be addressed in your company.
- The environmental policy should serve as the framework for setting environmental objectives and targets.

- Environmental objectives are established based on the company's environmental vision and policy.
- Environmental targets are established for each environmental objective to measure change in improvement.
- Implementation plan should be developed for each environmental objective and relevant targets.
- Environmental objectives and targets should be included in the company's medium and long-term goals as well as a system for monitoring the performance results of the implementation plan.

# **Environmental Strategy Establishment**

### **SAMPLE Environmental Policy**

**Company A** aims to promote and maintain environmentally responsible practices to benefit our customers, employees, clients and community as a whole. To realize this vision, we will commit to the following:

- Establish and review our environmental objectives and targets.
- Comply with legal regulations and standards pertinent to our industry.
- Minimize emissions to contribute to climate change mitigation.
- Purse efficient use of energy & resources.
- Practice safe treatment and disposal of wastes.
- Strengthen our green competitiveness.
- Cooperate and communicate with all relevant stakeholders including employees, suppliers, government agencies and our client.

As a responsible manufacturer, **Company A** is committed to design, manufacture, handle and distribute our products to ensure that this policy is met at all times.

SAMPLE

[Name of President] [Signature] [Date]

# **Environmental Strategy Establishment**

# **SAMPLE Environmental Objective and Targets**

Environmental Management Objective	Targets (By Year 2015 with Baseline of Year 2010)					
Transparency in environmental management	<ul> <li>Post environmental management policy on the company's website</li> <li>Set up an internal bulletin board that discloses the company's environmental management status</li> <li>Publish a sustainability report</li> </ul>					
Development of eco-friendly products & services	<ul> <li>Increase the use of recyclable &amp; recycled packaging materials by 5%</li> <li>Adopt Type I eco-labeling for bio-fertilizer</li> </ul>					
Increase green procurement (purchase of eco-friendly products)	<ul> <li>Increase green procurement by 20%</li> <li>Don't use paper or plastic cups in the office</li> <li>Increase purchase of recycled packaging material by 50%</li> </ul>					
Reduce waste and expand recycling	<ul><li>Reduce waste generation by 5%</li><li>Achieve 100% waste separation and recycling</li></ul>					
Reduce energy-use and GHG emission level	<ul> <li>Reduce energy-use by 5%</li> <li>Reduce GHG emissions (scope 1 &amp; 2) by 5%</li> <li>Conduct a detailed energy audit every 6 months</li> </ul>					

# **Environmental Management System**

To successfully implement environmental management, it is important to designate responsible person(s) for developing and promoting your EMS.

### **CEO Organizing an EM Team or Committee** Manufacturing Strategic Finance Appoint an EM Representative **R&D Division** Division Division Division Top plant manager • Responsible for all tasks relating to EM • Responsible for reporting to MD on the Green Marketing Green Cleaner Green R&D progress and results of the organization's (carbon labelling, Procurement or Green technology Production eco-labelling, eco-friendly EM eco-design etc) purchasing **Environmental** Establish an Environmental Management **Management Team** Team or Committee SAMPLE Management of environmental aspects of Environment Industrial Engineering expert production or Business Management of environmental aspects of Management energy and resources expert Management in measuring and monitoring Environmental strategy & target environmental performance outcomes setting · Management of green procurement Environmental performance Management of external communications evaluation Environmental data management on environmental management (energy, resources, waste, GHG

emissions)

Sustainability reporting

**Environmental Management** 

Committee

# **Environmental Data Management**

Environmental data should be managed in relative terms to compare your environmental targets (e.g., reduction in energy-use by 5% by year 2012) with your performance outcome (energy use in year 2012).

### Absolute indicators

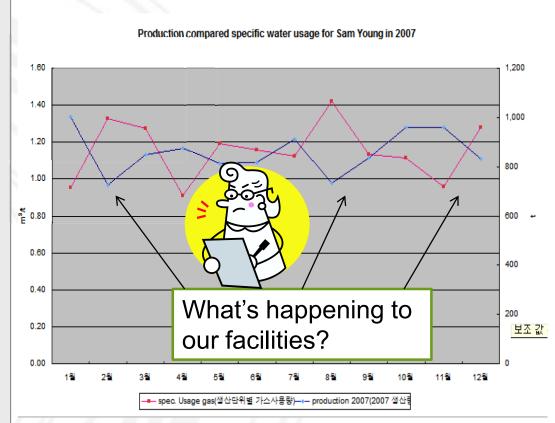
- Measure basic data in a given time frame, typically one year
- e.g., tons of CO<sub>2</sub> emitted annually, tons of wastes generated annually

### Relative indicators (normalized indicators)

- Measurement of absolute consumption or emission figures relative to reference data
- Used to measure productivity and intensity ratios e.g., waste generated per unit of production(kg)

\*Relative indicators provide accurate environmental data → better management

Track, analyze and compare monthly & annual performance



# **Environmental Data Management**

### Using the excel tool → Electricity Use (Example)

			Indicator	(Company A					
		Electricity Use Indicator				r Comparison Electricity Use Indicator		Criteria for Comparison	
	Total Price/Sales(%)	Use/Sales (kwh/1,000RM)	Total Price(RM)	nth(2010) Sales/1,000RM Electricity Use (kwh)		Electricity Use (kwh)	Month(2010) Sales/1,000RM		
١	0.5	70.35	2,307,390	32,642	464	1			
	0.9	110.84	2,527,930	32,254	291	2			
	0.5	62.99	2,203,710	29,102	462	3			
	0.4	64.45	1,851,810	33,902	526	4			
	0.4	60.17	1,670,230	26,894	447	5			
	0.3	36.44	1,806,190	23,832	654	6			
	0.4	50.73	2,212,550	26,076	514	7			
	0.6	69.43	2,181,980	24,163	348	8			
	0.6	69.23	2,047,000	24,509	354	9			
	0.5	42.08	2,054,190	17,549	417	10			
	0.5	53.17	2,233,310	22,649	<b>42</b> 6	11			
	0.6	64.03	2,468,170	25,675	401	12			
	0.48	60.19	25,564,460.00	319,247	5,304.00	yr2010			

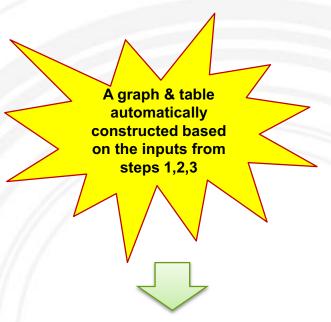
Step 1: Input the amount of your monthly sales volume.

Step 2: Input monthly electricity use in KWh indicated in your energy bill.

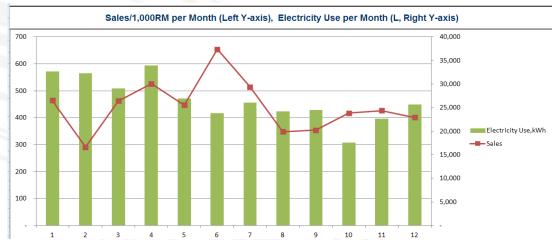
Step 3: Input the monthly electricity rate indicated in your energy bill.

# **Environmental Data Management**

### Using the excel tool → Electricity Use (Example)



Repeat steps 1, 2, 3 for other indicators (waste, materials, harmful substances, water, fuel)



Month (2010)	1	2	3	4	5	6
Use/Sales (kwh/1,000RM)	70.35	110.84	62.99	64.45	60.17	36.44
Unit Price(RM/kwh)	70.69	78.38	75.72	54.62	62.10	75.79
Month (2010)	7	8	9	10	11	12
Use/Sales (kwh/1,000RM)	50.73	69.43	69.23	42.08	53.17	64.03
Unit Price(RM/kwh)	84.85	90.30	83.52	117.05	98.61	96.13

2010 Use/ Sales (kwh/1,000RM)	60.19
2010 Unit Price (RM/kwh)	82.31

### What are GHG Emissions? Where do they come from?

Types of GHGs	Global Warming Potential
CO <sub>2</sub>	1
CH <sub>4</sub>	21
N <sub>2</sub> O	310
HFCs	140 ~ 11,700
PFCs	6,500 ~ 9,200
SF <sub>6</sub>	23,900

- GHG Emissions are gases in Earth's atmosphere that prevent heat from escaping into space. GHGs increase the Earth's surface temperature resulting in climate change and global warming.
- There are 6 types of GHGs.
- The 6 types of GHGs can come from 3 different scopes of emissions.

**GHG** calculation tool include

### Scope 1

- Definition: GHG emissions from sources that are owned or controlled by a Federal agency
- Examples:
- Vehicles and equipment
- Stationary Sources
- On-site landfills & wastewater treatment
- Fugitive emissions

### Scope 2

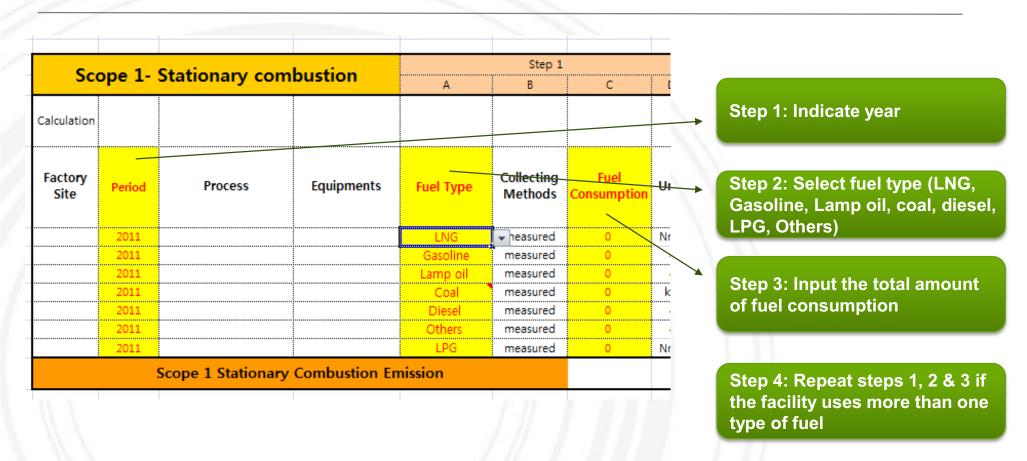
- Definition: GHG emissions resulting from the generation of electricity, heat, or steam purchased by the company.
- Examples:
  - Purchased electricity
  - · Purchased Heating / Cooling
  - · Purchased Steam

## Scope 3

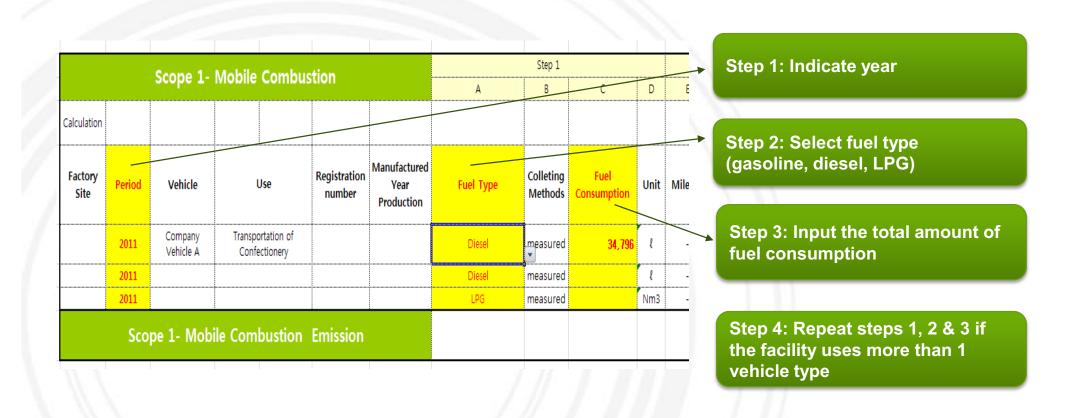
- Definition: GHG emissions from sources not owned or directly controlled by the company but related to the company's activities.
- Examples:
- Business travel
- · Employee commuting
- Contracted solid waste disposal
- · Contracted wastewater treatment
- Others

<sup>\*</sup> The GHG emissions data management tool is available on ASEIC's portal site. <a href="http://www.aseic.org/main.do">http://www.aseic.org/main.do</a>

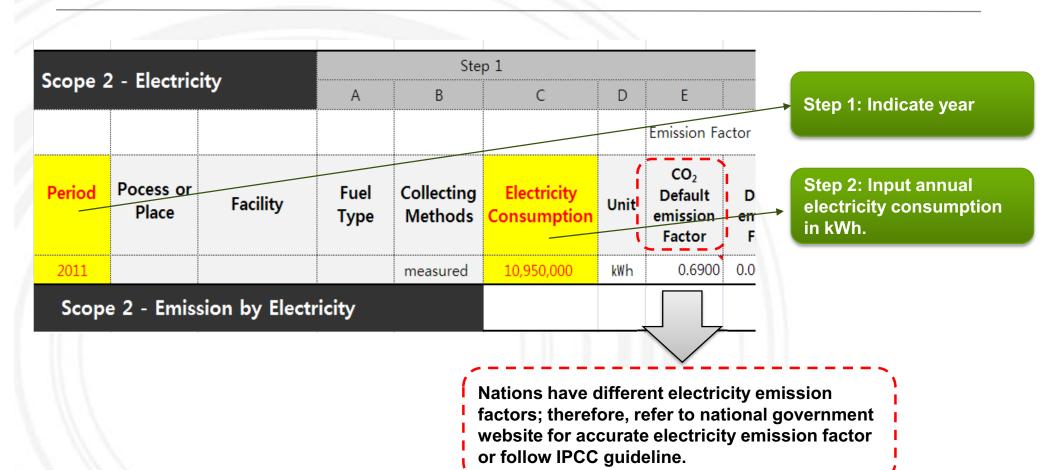
# 1. Station Combustion (Scope 1 Emission)



# 2. Mobile Combustion (Scope 1 Emission)



# 3. Electricity (Scope 2 Emission)



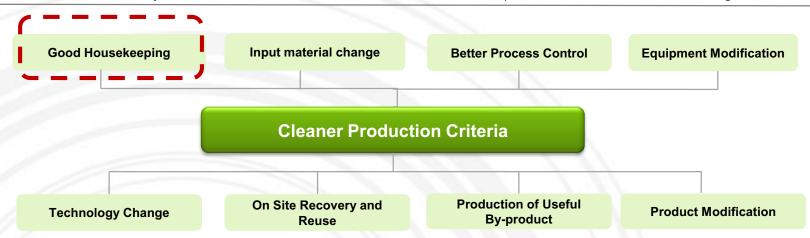
# **Total GHG Emissions for Scope 1&2**

Total GHG emissions automatically calculated – A table is constructed showing accumulated GHG emissions for scopes 1 & 2

Emission Type		Emission total			Types of GHGs					
				Amount	CO <sub>2</sub>	CH <sub>4</sub>	N₂O	HFCs	PFCs	SF <sub>6</sub>
	Stationary combustion	Fuel	0	0.0	0.0	0.0	0.0	-	-	-
SCOPE 1	Mobile combustion	Vehicle	93	92.8	91.3	0.1	1.4	-	-	-
	Sub total		93	92.8	91.3	0.1	1.4	0.0	0.0	0.0
SCOPE 2	Electricity	Purchasing Electricity	7,566	7,566.2	7,555.5	1.5	9.1	-	-	-
SCOPE 2	Sub total	otal	7,566	7,566.2	7,555.5	1.5	9.1	0.0	0.0	0.0
GHG Total Emission (Scope 1 + 2)		7,659	7,659.0	7,646.8	1.7	10.6	0.0	0.0	0.0	

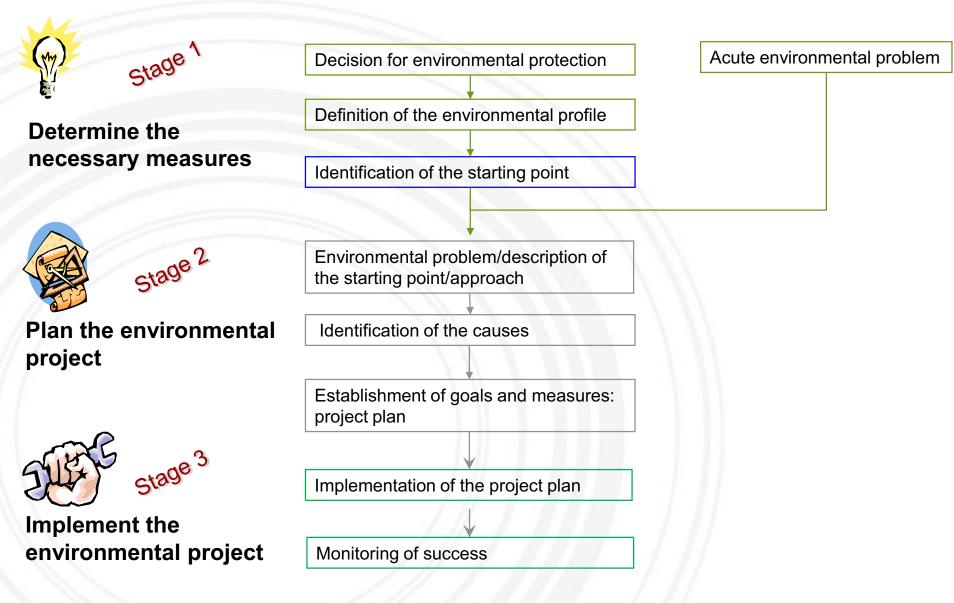
# **Cleaner Production**

"Cleaner production is the continuous application of an integrated preventative environmental strategy to processes, products and services to increase inefficiency and reduce risks to humans and the environment" (United Nations Environment Programme, 1991)



- Good housekeeping: appropriate provisions to prevent leaks and spills and to achieve proper, standardized operation and maintenance procedures and practices. → Lowest cost and most basic form of cleaner production
- Input material change: replace hazardous or non-renewable inputs with less hazardous or renewable materials or by materials with a longer service life-time
- Better process control: modification of the working procedures, machine instructions and process record keeping for operating processes at higher efficiency and lower rates of waste and emission generation
- Equipment modification: modification of the production equipment so as to run the processes at higher efficiency and lower rates of waste and emissions generation
- **Technology change:** replacement of technology processing sequence and/or synthesis pathway in order to minimize the rates of waste and emissions generation during production
- On-site recovery / reuse: reuse of wasted materials in the same process or for another useful application within the company
- **Production of useful by-products**: transformation of previously discarded wastes into materials that can be reused or recycled for another application outside the company
- **Product modification:** modification of product characteristics in order to minimize the environmental impacts of the product during or after its use (disposal) or to minimize the environmental impacts of its production (e.g., automatic control)

# Cleaner Production - Step(Solve the roots of the problems)



# 1. Material management- Summary

Material management is a scientific technique, concerned with Planning, Organizing &Control of flow of materials, from their initial purchase to destination.

### **TO ACHIVE**

1. Right quality(environment, human

health, material use)

- 2. Conservation of materials (resource)
- 3. Clean working environment
- 4. Efficient working environment

### **PURPOSE OF MATERIAL MANAGEMENT**

- To reduce waste
- •To implement environmental regulation
- To reserve stocks to prevent supply shortage
- To avoid environmental risk
- To achieve a safe working environment

### **RECOMMENDATIONS**

### Manage materials and products on a life-cycle basis.

- 1. Select a few materials/products for an integrated life-cycle approach, and launch demonstration projects.
- 2. Expand the focus of existing environmental programs to encompass life-cycle materials management more fully.
- 3. Promote specific materials management approaches that can help address climate change.
- 4. Promote greener products, product stewardship, and product-to-service transformations.
- 5. Strengthen market signals to reduce waste and other adverse environmental impacts throughout the life cycle of materials.

### **METHODS**

Alternative eco-	Introduction of	Efficient production plan and	Use the proper	Chemical	Green
friendly materials	efficient technologies	stock management	amount of material	management	purchase

# 2-1. Material management - Common issue : Spray process(painting, glue...)

**Issue**: Efficiency of spraying process(Overuse management)

Needs/Problem: - Dissipation of paint due to open work place without dust collecting facility

- Inefficient working and waste of material

**Approach**: Find a case study that deals with improving the spray painting process

- 1. Check the amount of waste → Reduce material use and reuse some materials
- 2. Make **standard operation(Appropriate pressure,** find the best point of distance depending on the concentration of paint and size of work-piece)
- 3. Use HVLP type gun (high efficiency transfer with low pressure air)
- 4. Use appropriate tools such as laser targeting device, inside pipe tool, auto gun washer, and washing solvent distiller

•Benchmark: Alternative efficient equipment and proper spraying distance can be checked by the eyes.



· Laser pointer gun







Orbiter: coating equipment inside pipe

# 2-2. Material management - Common issue : Chemical management

Issue: Management of raw materials (chemical)

**Needs/Problem**: - Material waste due to inefficient management

- Environmental regulations and harmful effects on human health

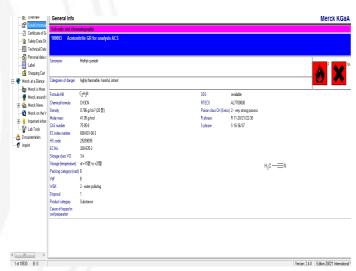
Approach: Managing waste paint

- 1. Educate employees about toxic substance.
- 2. Check the amount of chemical waste.
- 3. Initiate an effective chemical management method.
- 4. Build a chemical database (testing and analysis).

Benchmark: Individual store, Installation of MSDS



### Chemical database management



# 3. Material management Tool – MFA(Material flow analysis)

Overview on material input and consumption of a company; Places, amount of and causes for the production of waste and emissions (noise, exhaust air, sewage, etc.); Assessing and estimating future development;

Actions for improvement.

### **Purposes**

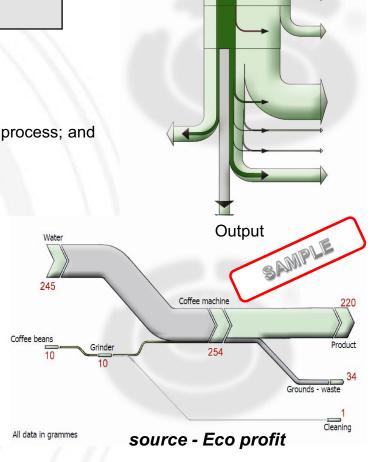
- tracking material flow in the company;
- tracing waste back to where it is produced;
- processing data in a way that enables right decisions;
- detecting and identifying weak points and opportunities for improvement in the process; and
- setting useful priorities for actions to avoid waste and emissions.

### **Steps**

- 1. defining the objectives, targets and the parameters under consideration;
- 2. delimiting the balancing area;
- 3. delimiting the balancing period;
- 4. acquiring and designating the production steps;
- 5. drawing up the flow chart: material flows in qualitative terms;
- 6. balances: material flows in quantitative terms;
- 7. interpretation and conclusions

### Useful graph

- •Flow Charts for representing material flows and process flows
- •X-Y Charts for representing time series
- ·Bar Charts and Histograms for illustrating distributions and compositions
- ·Sankey Charts for visualizing material flows true to scale



**INPUT** 

4. Material management - Case Study in Korea : Improve material efficiency using material flow analysis

# BEFORE Before MFA 4kg of PVC residue left in extruder screws

### **AFTER**



 After the material flow analysis (MFA), the company was able to input only the needed amount of PVC

- ➤ Improvement result: Save 8,300 USD/yr
- Minimize the use of materials & reduce waste

after extrusion process

# 1. Energy management - Summary

### Objectives of corporate energy management

- Improve security and quality of energy supply
- Reduce energy cost (short-term and long-term)
- Reduce environmental impacts
- Commence or reinforce energy conservation activities
- Achieve sustainability and energy efficiency
- Mobilize resources and cooperate with partners
- Increase the company's environmental image

### Tasks and procedure

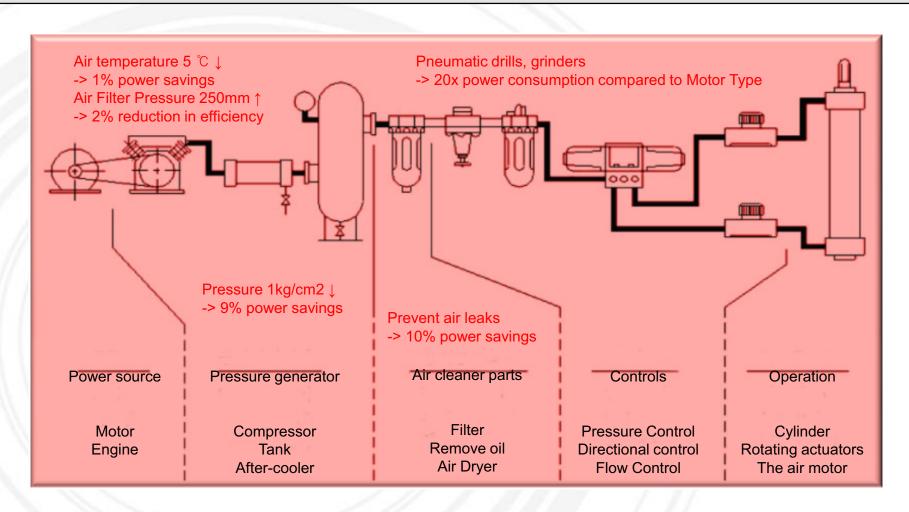
### **Energy management serves to prepare decisions and give:**

- Advice to managers based on well-targeted data collection (the fewer the better)
- Data analyses and evaluation (efficiency indicators and benchmarking, comparison with previous consumption periods, identifying weak points) (try rough analyses)
- Analysis of technical, economic and environmental problems (e.g. energy concept or detailed analyses)
- Proposal of concrete measures (catalogue of measures, including action plan: short-term, mid-term and long-term)
- Detailed planning and implementation of (small-scale) energy efficiency measures
- **Controlling** (efficiency indicators, comparison with previous consumption, comparison of target and actual values)



# 2-1. Electricity - Common Issue : Air compressor

air compressor



# 2-1. Electricity - Common Issue : Air compressor

Issue: Current operation status of air compressor

Needs/Problem: Need for analyzing energy efficiency of air compressor

Approach: Check operation condition, then optimize

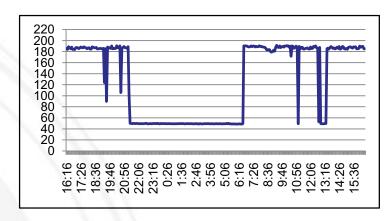
- 1. Check operation pressure and leakage point
- 2. Check power consumption
- 3. Check intake outdoor air
- 4. Check operation condition of air dryer
- 5. Suggest increasing method of loading rate

**Benchmark**: Prevention of material loss by installing condensate trap Finding efficient operation method by analyzing process patterns

Utilization of cool outdoor air for the intake



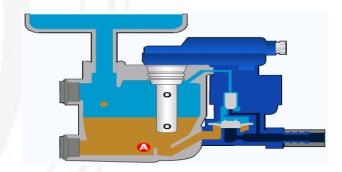




(Case study)

Reduction of standby power consumption by changing to \*auto on-off control system on unloading time.

(\* If unloading time of air compressor is long, air compressor is off automatically)



# 2.2 Electricity - Common Issue : Fan

**Issue**: Efficiency of internal ventilation fan in factory

Needs/Problem: Efficiency analysis of exhaust fan / Decreased usage time of electric fan is necessary

Approach: Evaluate the efficiency of exhaust fan

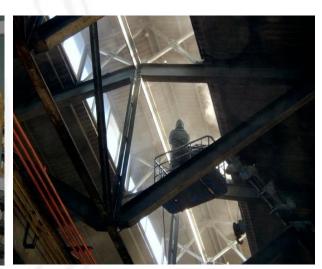
1. Check power consumption

2. Compare facility capacity with actual power consumption

**Benchmark**: Using exhaust pipe at the ceiling as a natural source of ventilation method. Install inverter to fan







# 2.3 Electricity - Common Issue : Light

Issue: High Efficiency lighting lamp

Needs/Problem: Energy loss caused by low efficiency lighting lamp

Approach: Check present condition of lighting

Analyze economical effect of changing to high efficiency lighting lamp

Benchmark: Replace low efficiency lighting lamp with high efficient types.

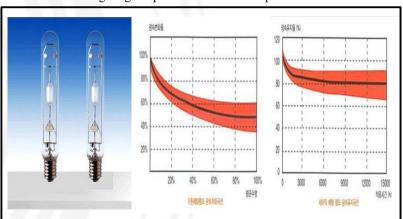
Install auto on-off system by using timer and sensor.

LED Lighting lamp





Lighting lamp for metal halide lamp alternative



# 2-4. Electricity - Common Issue : Dust collector

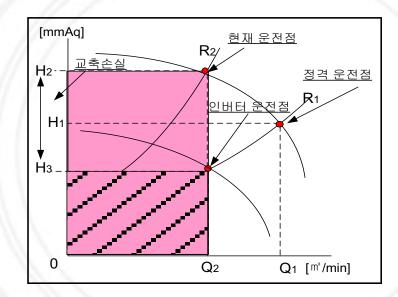
Issue: Energy efficiency measures for dust collector

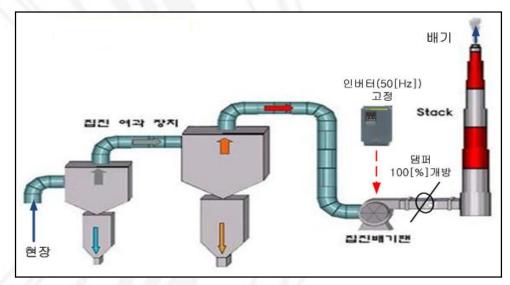
Needs/Problem: Analysis of optimum efficiency and capacity

Approach: Check the condition and capacity of dust collector.

- 1. Check the power consumption.
- 2. Check the possibility of a adding to the dust collector.

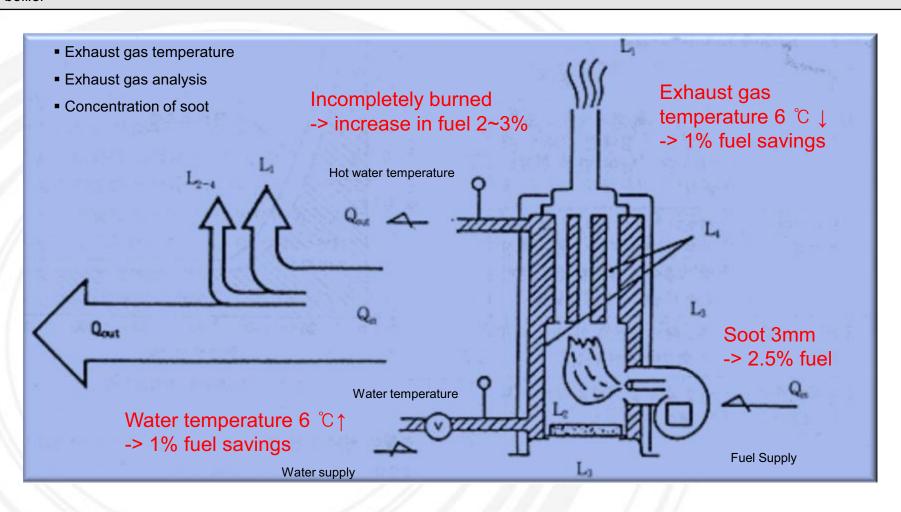
### Benchmark:





# 3-1. Heat energy - common issue : Boiler

boliler



# 3-1. Heat energy - common issue : Boiler

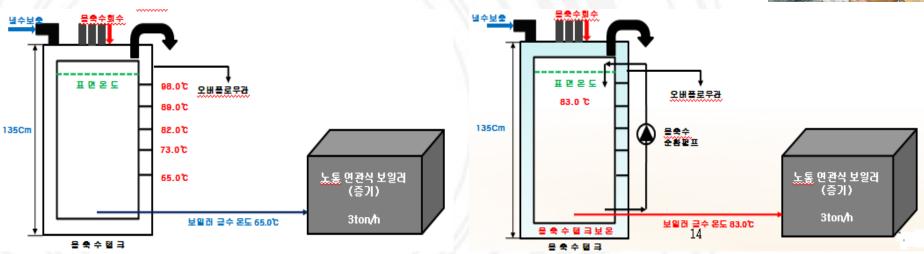
Issue: Recovery of waste steam from coal boiler

Needs/Problem: Steam loss during the ironing process

Approach: Check the temperature of condensed water and fine recovery method of waste heat

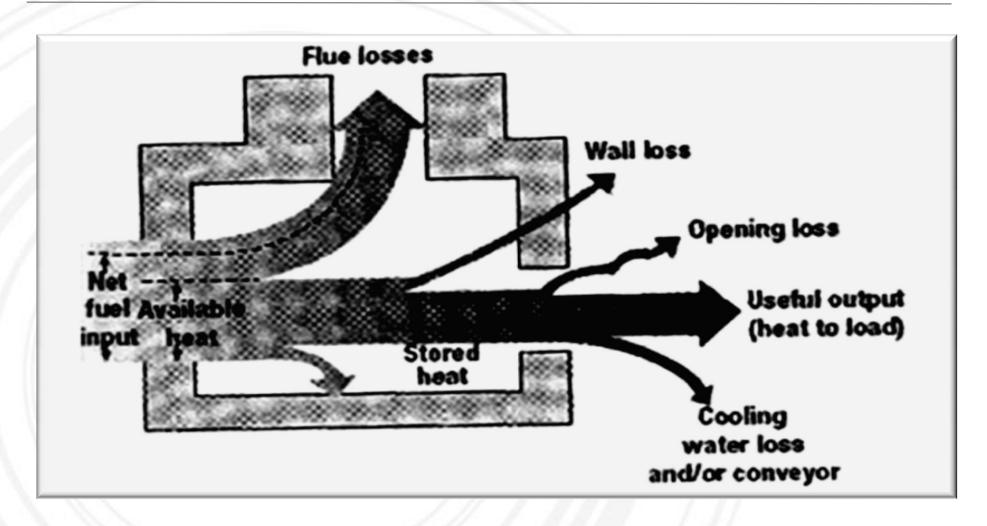
- 1. Check the insulation of transfer pipeline.
- 2. Assess the economic feasibility by changing the electric boiler.
- 3. Check the possibility of recovering water during condensation.

### Benchmark:





# 3-2. Heat energy - common issue : Heating furnace



# 3-2. Heat energy - common issue : Heat treating furnace

Key Issue: Performance and efficiency of enamel furnace

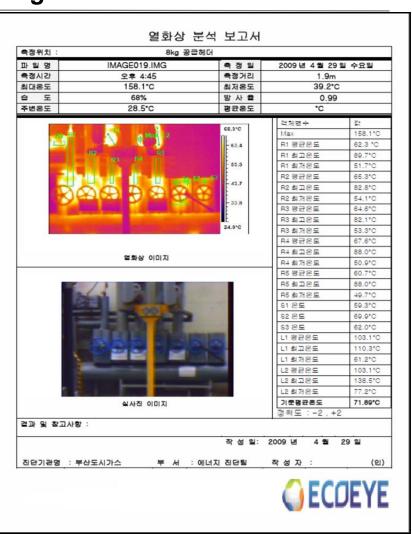
**Needs/Problem**: Need for investigating flaws in operation and efficiency

Approach: Energy audit for operation condition

- 1. Check the availability of waste heat of exhaust gas
- 2. Check radiant heat linkage.
- 3. Analyze the condition of exhaust gas.

**Benchmark**: Recycling heat by heat exchanger Protecting heat leakage by insulation





# 3-2. Heat energy - common issue : Heat treating furnace

Issue: Recovering the waste heat from the heat-treating furnace

Needs/Problem: Large energy consumption from the furnace in the galvanizing process for zinc

Approach: Use heat recovery method and prevent the loss of radiant heat.

- 1. Analyze the exhaust gas.
- 2. Check if heat recovery is possible.
- 3. Check the internal pressure of the furnace.
- 4. Check the consumption of LNG by fuel.
- 5. Calculate the calories for the heat wasted.

#### Benchmark:



Increasing the inlet-air temperature using heat exchanger



Generation steam by using tubular waste heat boiler

# 3-3. Heat energy - common issue : Dryer

Issue: Efficiency of painting dryer

Needs/Problem: Optimizing the operation of painting dryer is necessary.

Approach: Check the operation and the time involved.

1. Assess energy efficiency

2. Avoid the loss of radiant heat

#### Benchmark:

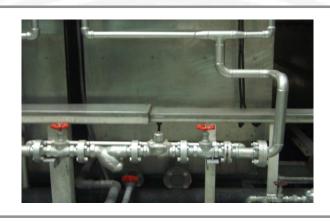


품명	특성특징 상세설명	온도°c (Max)	밀도 (kg/m³)	두 <b>께</b> (mm)	표준규격 (mm)	용도
Pyro-Log		1316 1430 1430	128~240 160~240 192, 240	150~200	600×900	- 대차용 단열 - 로내 비닥용 단열 - 각종로의 Peep Hole Shapes
Pyro-Bloc Module		1316 1430 1430	128~240 160~240 192~240	100~300	305×305	- 가열, 단조, 열처리로등 단열재 - 석유화학 히터, 발전설비
Pyro Combi-15		1500	192~240	300	320×305	- 단조 가열로 단열재 - 각종 고온도용 공업로 등
Fold-Module		1316 1430	128~170	100~300	300×300	- 소각로, 소성로 - 기타 공업용 로
Veneering Module		1430 1700		50, 75	300×300	- 단조로, 기열로, 열처리로 - 균열로, 소성로

# 4. Cleaner Production - Case Study in Korea : Prevent heat loss

Water is circulated to produce heat → Add protective material to prevent heat loss

### **BEFORE**



### **AFTER**

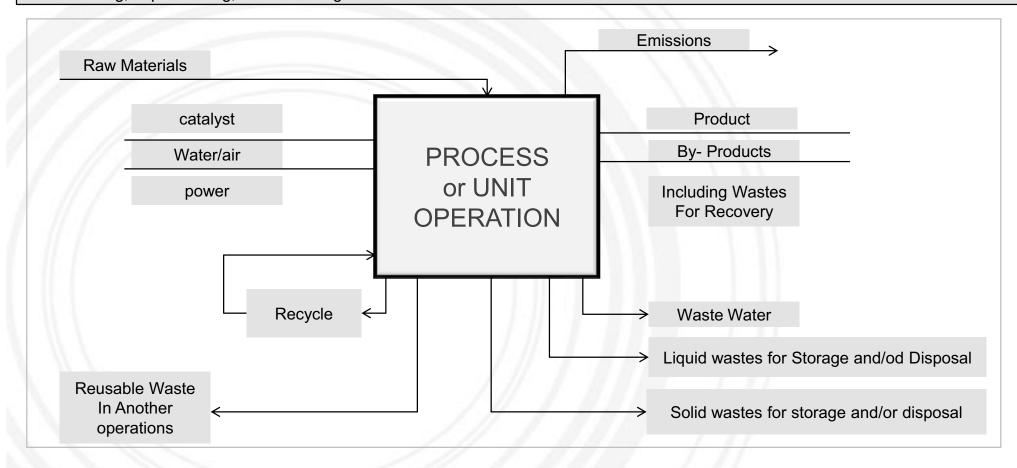


Period	No. of pipe hangers	Hours of labor	Monthly energy costs	Indicator	
SEP 2005	735	208	4,255 USD	20.46 USD / hr	
SEP 2006	1091	616	6,685 USD	10.68 USD / hr (47% save)	

➤ Improvement result: Saved (20.46 USD/hr\*616 hr – 10.68 USD/hr\*616 hr) \* 0.47 = 2,831.51 USD

# 1. Waste Management - Summary

- Starting on the corporate structure: visualizing the waste flows depending on the types, amounts, destination and costs of waste;
- · Reviewing waste logistics for weak points and opportunities; and
- · Identifying opportunities for waste prevention and reduction as well as cost reduction; and
- Establishing, implementing, and reviewing actions.



#### 2. Waste Minimization - Methods

### **Resource optimization**

Minimizing the amount of waste produced by organizations or individuals goes hand-in-hand with optimizing their use of raw materials. For example, a dressmaker may arrange pattern pieces on a length of fabric in a particular way to enable the garment to be cut out from the smallest area of fabric

### Reuse of scrap material

Scraps can be immediately re-incorporated at the beginning of the manufacturing line so that they do not become a waste product. Many industries routinely do this; for example, paper mills return any damaged rolls to the beginning of the production line, and in the manufacture of plastic items, off-cuts and scrap are re-incorporated into new products.

### Improved quality control and process monitoring

Steps can be taken to ensure that the number of rejected batches is kept to a minimum. This is achieved by increasing the frequency of inspection and the number of points of inspection. For example, installing continuous automated monitoring equipment can help identify production problems at an early stage.

#### **Waste exchanges**

This is where the waste product of one process becomes the raw material for a second process. Waste exchanges represent another way of reducing waste disposal volumes for waste that cannot be eliminated.

### Ship to point of use

This involves making deliveries of incoming raw materials or components direct to the point where they are assembled or used in the manufacturing process to minimize handling and the use of protective wrappings or enclosures.

3. Waste Management - Tool(source : Eco profit)

# Establishing internal waste logistics



- informing on the correct waste separation;
- suitable container systems;
- optical design of the waste collection points

- involving the employees in the individual areas;
- involving the cleaning personnel;
- motivating all those concerned

# 4. Cleaner Production - Case Study in Korea : Improve Waste Management

#### **BEFORE**





- Inadequate waste management results in high disposal costs
- · No waste separation, no recycling

#### **AFTER**





- Establish waste logistics.
- · Promote reusable packaging.
- Reduce dead space.
- Place notice sign in front of waste disposal site.

Waste treatment cost/year

5,517 USD / last year → 3,767 USD / current year (given the same production amount)

Improvement result

32% reduction in disposal costs = Save 1,750 USD / yr

# **Cleaner Production – Improvement of working environment**

# 1.1. Improvement of working environment - Common Issue : Welding Hume

Issue: Efficiency of welding machine

Needs/Problem: Energy loss caused by low efficiency welding machine

Approach: Check the present condition of welding machine

- 1. Check the working distance.
- 2. Check power consumption.
- 2. Check the economic feasibility.
- 3. Check the operation efficiency.

Benchmark: http://www.ilhung.co.kr







(High efficiency welding machine equipped with hume for sucking smoke and dust)



(Removeable Hume collector)



(Local exhaust ventilation)

# **Cleaner Production – Improvement of working environment**

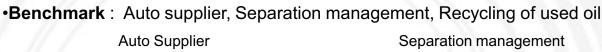
# 1-2. Improvement of working environment - Common Issue : Oil management

Issue: Oil Management (e.g., lubricant oil)

Needs/Problem: Overuse of oil, inappropriate management of iron scrap

#### Approach:

- 1. Check type and amount of oil
- 2. Recycle the used oil
- 3. Check the cost and toxicity
- 4. Separate the type of oil













### 1. Lean manufacturing summary

**Lean manufacturing**, **lean enterprise**, or **lean production**, often simply, "**Lean**," is a production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination. Working from the perspective of the customer who consumes a product or service, "value" is defined as any action or process that a customer would be willing to pay for.

Lean manufacturing is a variation on the theme of efficiency based on optimizing flow; it is a present-day instance of the recurring theme in human history toward increasing efficiency, decreasing waste, and using empirical methods to decide what matters, rather than uncritically accepting pre-existing ideas. As such, it is a chapter in the larger narrative that also includes such ideas as the folk wisdom of thrift, time and motion study, Taylorism, the Efficiency Movement, and Fordism. Lean manufacturing is often seen as a more refined version of earlier efficiency efforts, building upon the work of earlier leaders such as Taylor or Ford, and learning from their mistakes. However, the modern view takes a more holistic approach where the definition of waste is far more generic. Irregular production with ups and downs in production levels would be considered waste. The goal of Lean then becomes the creation and maintenance of a production system which runs repetitively, day after day, week after week in a manner identical to the previous time period

- **■** Initiative between 3 EPA offices and US Dept of Commerce
- Promotes lean manufacturing to businesses to achieve greater environmental results
- Resource: Lean and Environment Toolkit
- www.epa.gov/lean

# 2. Lean manufacturing & environment

Waste Type	Examples	Environmental Impacts
Defects	Scrap, rework, replacement production, inspection	<ul> <li>Raw materials consumed in making defective products</li> <li>Defective components require recycling or disposal</li> <li>More space required for rework and repair, increasing energy use for heating, cooling, and lighting</li> </ul>
Waiting	Stock-outs, lot processing delays, equipment downtime, capacity bottlenecks	<ul> <li>Potential material spoilage or component damage causing waste</li> <li>Wasted energy from heating, cooling, and lighting during production downtime</li> </ul>
Overproduction	Manufacturing items for which there are no orders	<ul> <li>More raw materials consumed in making the unneeded products</li> <li>Extra products may spoil or become obsolete requiring disposal</li> </ul>
Movement	Human motions that are unnecessary or straining, carrying work in process (WIP) long distances, transport	<ul> <li>More energy use for transport</li> <li>Emissions from transport</li> <li>More space required for WIP movement, increasing lighting, heating, and cooling demand and energy consumption</li> <li>More packaging required to protect components during Movement</li> </ul>
Inventory	Excess raw material, WIP, or finished goods	<ul> <li>More packaging to store work-in-process</li> <li>Waste from deterioration or damage to stored WIP</li> <li>More materials needed to replace damaged WIP</li> <li>More energy used to heat, cool, and light inventory space</li> </ul>
Complexity	More parts, process steps, or time than necessary to meet customer needs	<ul> <li>More parts and raw materials consumed per unit of production</li> <li>Unnecessary processing increases wastes, energy use, and emissions</li> </ul>
Unused creativity	Lost time, ideas, skills, improvements, and suggestions from employees	Fewer suggestions of P2 and waste minimization Opportunities

#### 3-1. Cleaner Production Lean Process - Tool: 6S

• 6S is a method used to create and maintain a clean, orderly, and safe work environment. 6S is based upon the five pillars (5S) of the visual workplace in the Toyota Production System, plus a separate pillar for safety. 6S is often the first method companies implement in their Lean journey, since it serves as the foundation of future continual improvement efforts.

#### The Six Pillars of 6S

- ❖ Sort (Get rid of it): Separate what is needed in the work area from what is not; eliminate the latter.
- ❖ Set in order (Organize): Organize what remains in the work area.
- ❖ Shine (Clean and solve): Clean and inspect the work area.
- ❖ Safety (Respect workplace and employee): Create a safe place to work.
- Standardize (Make consistent): Standardize cleaning, inspection, and safety practices.
- ❖ Sustain (Keep it up): Make 6S a way of life.

SAFETY

SAFETY

Ges Pack workplace and employee

Get rid of it)

Separate what is needed in the work area from what is not: eliminate the latter.

SUSTAIN

(Keep it up)

Make 6S a way of life.

Clean and inspect the work area.

STANDARDIZE
(Make consistent)

Create a safe place to work.

The six pillars work together to support improvement efforts at your company. They help increase productivity, reduce defects, make accidents less likely, and reduce costs. 6S also fosters a culture of continual improvement and employee engagement that is essential for successful implementation of Lean. 6S often makes it easier to implement other Lean methods such as cellular manufacturing, one-piece flow, and just-in-time production.

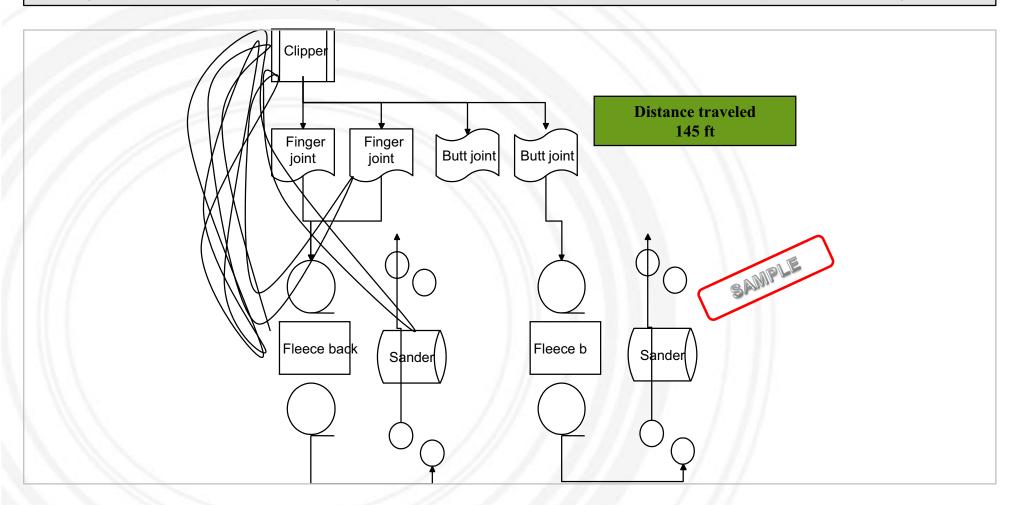
6S can help your company reduce waste and improve environmental performance leading to increased system productivity. You can also use 6S to minimize risks to the health of workers and the environment. Full implementation of 6S requires looking not only at the quantity, usefulness, and frequency with which an item is used in a work area, but also the risk or toxicity of the item. It also means paying close attention to what ends up in waste streams and how to manage those wastes.

### 3-2. Cleaner Production Lean Process - Tool : Batch Reduction

It is important to improve your setup time so that you can successfully reduce your batch size WIP = Work In Progress Batch and Queue Process A Process B Process C 3 min. 3 min. 3min. Continuous Flow Note: 1 minute to paint one piece (ignore dry time) SAMPLE Process A Process B = 3 parts in 5 minutes Process C

# 3-3. Cleaner Production Lean Process - Tool : Noodle(spaghetti) Diagram

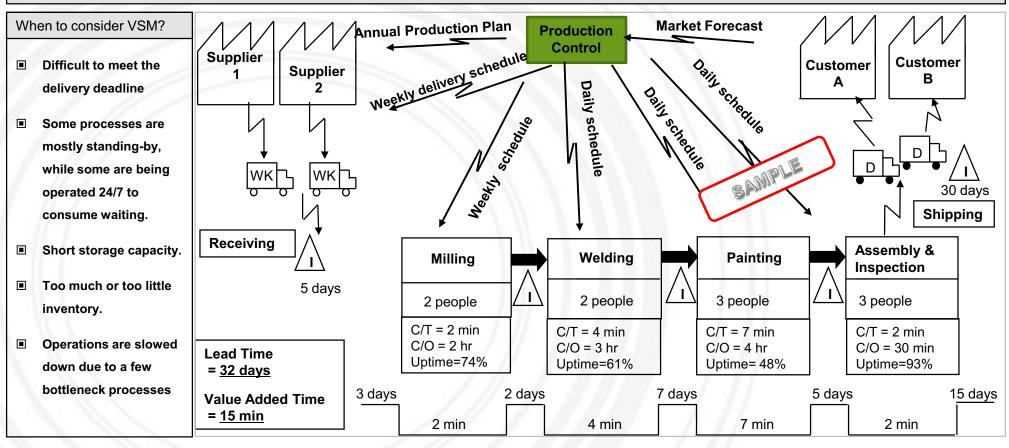
• It is a movement path diagram by a more appetizing name. The Noodle diagram is a great waste observation tool even for people taking their very first steps at kaizen and lean management, and also one that serves even the most seasoned lean practitioners faithfully.



# 3-4. Cleaner Production Lean Process - Tool : Value Stream Map (VSM)

• (VSM)) is a process mapping method used to document the current and future states of the information and material flows in a value stream from customer to supplier.

A value stream is the set of specific actions (value-added and non-value added) required to bring a specific product through three critical management tasks of any business: problem solving, information management, and physical transformation. A tool to reduce muda by distinguishing the process that adds values and that does not add values along with the raw materials and product flows.



# **Environmental Transparency**

Global companies are disclosing their environmental management practices.

- ⇒ WHY: Interested stakeholders (investors, consumers, buyers, suppliers) pressure companies to measure their sustainability.
- ⇒ **HOW: Transparency** is the first step to Environmental Responsibility of companies

# What and how to disclose environmental information?

#### Information Content

- Use of Electricity, Fuel, Materials
- Waste and Toxic Substance Generation
- Carbon footprint
- Environmental Management Strategies & Targets

#### Methods

- Disclose environmental management information on the company's website
- Publish a sustainability report
- Use bulletin boards to share information on the company's environmental management and sustainability activities to employees & clients







# **Environmental Transparency**

Sustainability reporting is the ultimate form of environmental transparency. The report should include all aspects of the organization's sustainability performance results and targets.

Sustainability Report

#### **Contents**

Managing Director's Message Company Overview Report Overview

- 1. Environmental Management Strategy & System
- Environmental Management Performance & Targets
- Environmental Management System
- 2. Environmental Management Practices
- Green Procurement
- Education & Training Activities
- Environmental Certification
- Others
- 3. Energy & Resources
- Energy efficiency
- Resource efficiency
- 4. GHG Emissions & Environmental Pollution
- GHG Emissions & Reduction Target
- -Environmental Compliance

**Appendix** 

#### **Energy & Resources**

Energy-saving activities:

- Schedules adjusted for cooling, heating, and air filtration
- Heat exchangers installed
- Hot water supplied on ground floors
- Floor lamps replaced with highefficient lights

	Unit	2009	2010
LNG	Nm3	265,626	275,319
Diesel	ł	106,947	80,947
Gasoline	ł	221,330	242,368
Electricity	kWh	55,314	59,767
Heating System	Gcal	1,059	1,192
			SAMPLE

# Contents

- 1. Introduction to ASEM Eco-innovation Project
- 2. Eco-innovation Strategy
- 3. Sustainable Business Management
  - 3.1 Environmental Strategy Establishment
  - 3.2 Environmental Management System
  - 3.3 Environmental Data Management
  - 3.4 GHG Emissions Management
  - 3.5 Cleaner Production
  - 3.6 Environmental Transparency
- 4. Golden Gate
  - 4.1 Overview
  - **4.2 Item**

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### 1. Basic information of Company

Company name	Golden Gate		
Repersentative	Ngo Binh Nguyen	Company Size	□Large □Medium <b>■</b> Small
Address	48 Ngo Quyen, Ha Dong, Ha Noi		
Type of Industry	Ceramics	Main product	Pottery
Sales Volumes	2 Million USD	No of employees	30

#### 2. OVERVIEW

Golden Gate purpose to export their handicraft murchandise from Vietanam to Europ on 2009. They are trying verity business to export it to Japan and Korea. Golden Gate is developing design and quality of ceramix to forcuse on exporting. They are using small kiln as new method at recent, and will find method to recycle all material. But they realized that using small kiln has limited to become large production. It might be seriously truble to be clean production and it is basic of clean production.

- Green Management requires strategic purpose and detail paln per department.
- Productivity depends on labor's quality and skill, and standard of working and standard of timing is not checked
- -The ingredient of production is not cleared and data of inferior goods was not recorded, so recognizing standard production and harmfulness is very hard to find out.
- merchandising process is following as order, but tiredness of workers is high and efficiency of production is low.
- Cost unit of material was not managed, so it is hard to figure efficiency of production.
- Loading method has to change because Ceramic is fragile, and need to find out easy wrapping and packing.
- Check current energy system to calculate amount of saving energy
- Requires way to prohibit energy losing.
- Requires regular managing to keep equipment longer working and more efficiency.

### 2. ITEM

#### Case 1. Slip Casting

#### State of worksite:

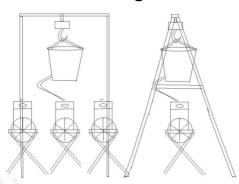
Worker fills slip to the plaster mold by hand and discharge the slip by hand. The weight of full slip mold 40-50kg which is too heavy to the worker. It poses danger to the health of the workers and also leads to inefficiency.



#### •Betterment : Use simple tools for slip fill and discharge.

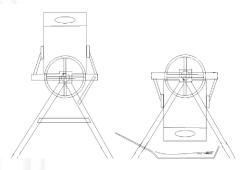












### • Expected Effectiveness :

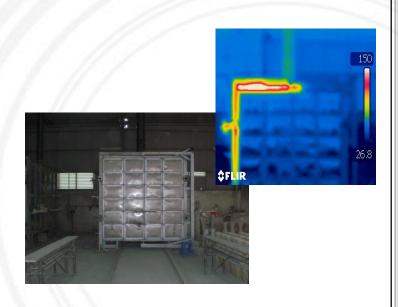
- Improving productivity
- Reducing operator fatigue

### 2. ITEM

#### Case 2. Furnace

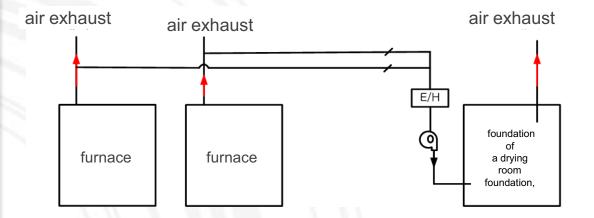
#### · State of worksite:

The exhaust gas that increases the temperature has to be discarded and there is not dry room in factory, which prolongs the drying time.



#### ·Betterment:

**Solution**: establish the dry room using a waste heat



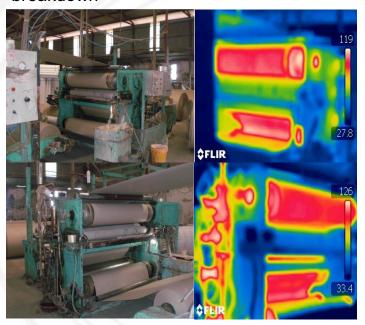
#### • Expected Effectiveness :

- •Annual Fuel savings = 23,500(kg/Yr)
- •Annual Amount of savings = 23,500(kg/yr) × 20,000(vnd/kg) = 470,000(1000vnd/년)
- •Investment = 1,000,000(1000vnd)

### 2. ITEM

#### Case 3. adapter

- State of worksite:
- The feed pipe and the condensate tube are not warm enough.
- The steam leaks from the steam feed pipe connection.
- The steam is discharged in trap breakdown



#### ·Betterment:

**Solution**: establish the dry room using a Waste heat

1) You should check the quantity of steam leak (kg/h)

diameter	pressure(MPa){kgf/㎝²)					
(mm)	0.2{2}	0.5{5}	0.7{7}	1{10}	2{20}	
1	1	2	3	4	8	
2	4	9	12	17	32	
3	9	20	27	38	71	
4	16	35	48	67	126	
5	25	55	76	105	197	

- 2) The steam feed pipe and condensate frequency tube should keep the temperature warm.
- 3) Fume should be prevented by shifting to a new product.

#### • Expected Effectiveness :

- •quantity of annual saving steam = 16.4 (ton/yr)
- •amount of annual saving steam =  $16.4 \times \text{steam price}[410,000(\text{vnd/ton})]$
- = 6,724(1000VND/yr)

### 2. ITEM

#### Case 4. environment regulation

- State of worksite:
- Lack of information on chemical substances
- Keep in poor condition



#### ·Betterment:

#### Solution:

- Identifying information about drugs and, MSDS attached, kept separately
- Testing and analysis
- Generating data on chemicals
- Surveys of international environmental regulations



#### • Expected Effectiveness :

Preparing for environmental risk Expanding exports of eco-friendly products

### 2. ITEM

#### Case 4. environment regulation

- · State of worksite:
- Ceramic bottles are easily shattered but are kept and loaded in poor condition
- It is unnecessarily to keep the ceramics in the baskets; it's a waste of time and resources



#### ·Betterment:

#### Solution:

Remove the basket storage process and carry out direct packing.



#### • Expected Effectiveness :

Increase in productivity
Prevention of product defects
Broken pottery waste reduction





# **ASEM SMEs Eco-Innovation Consulting Project:**

- Eco-Innovation Guideline for Golden Gate -