

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

- Eco-Innovation Guideline for Dong Phat Joint Stock -



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- 1. Introduction to ASEM Eco-innovation Project
- 2. Eco-innovation Strategy
- 3. Sustainable Business Management
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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.



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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 <u>three dimensions</u>:

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

### Sustainable Business Management

Strategy	<ul> <li>Establish EM strategy, objectives and quantitative targets</li> </ul>	
System	<ul> <li>Establish EM team to oversee organization's environmental activities</li> </ul>	
Energy & Resources	<ul> <li>Monitor the use of energy &amp; resources and set reduction targets</li> <li>Practice cleaner production</li> </ul>	
GHG Emissions / Environmental Compliance	Calculate GHG emissions & set reduction targets	
Environmental CSR	<ul> <li>Disclose organization's environmental activities on website or by publishing a sustainability report</li> </ul>	

 Green Competitiveness
Green Process
Green Product &Services
Green Technology
Green Business Development

**Eco-innovation Strategy** 

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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 Ecolematic
- Set GHG emissions reduction target

### 5. Environmental CSR

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

Strategy

Energy & Resources

Environmenta

Publish a sustainability report

# **Environmental Strategy Establishment**

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

Environmental	Qualitative	Quantitative
Policy	Objectives	Targets
Environmental policy is your eclaration of commitment to the nvironment as well as to health & safety f your employees. To develop an environmental policy, nake a list of general environmental oncerns that could be addressed in our company. The environmental policy should serve s the framework for setting nvironmental objectives and targets.	<ul> <li>Environmental objectives are established basenvironmental vision and policy.</li> <li>Environmental targets are established for earneasure change in improvement.</li> <li>Implementation plan should be developed far and relevant targets.</li> <li>Environmental objectives and targets should medium and long-term goals as well as a sysperformance results of the implementation plan</li> </ul>	ach environmental objective to or each environmental objective d be included in the company's tem for monitoring the

## **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.

[Name of President] [Signature] [Date]

SAMPLE

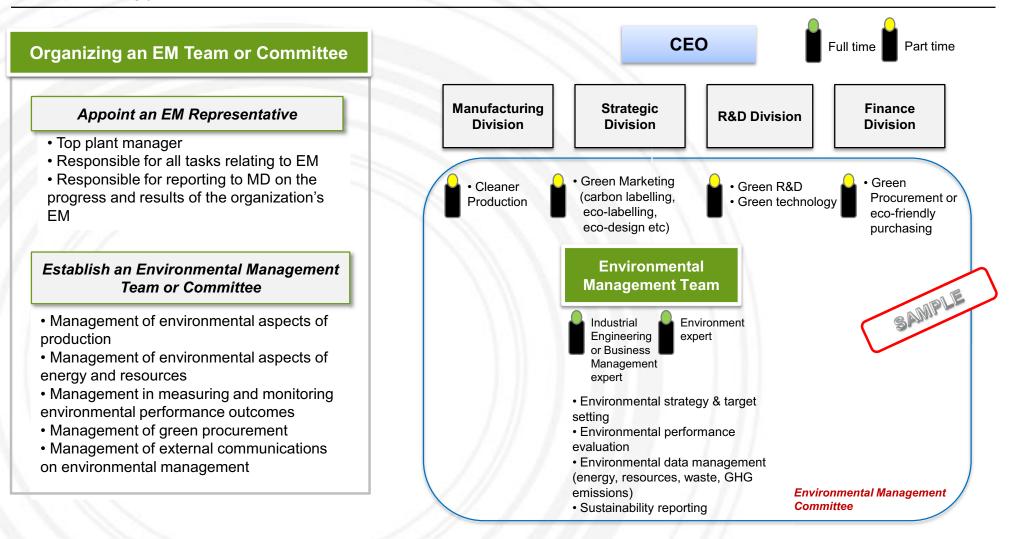
# **Environmental Strategy Establishment**

### 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 compar 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>			
	SAM			

## **Environmental Management System**

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



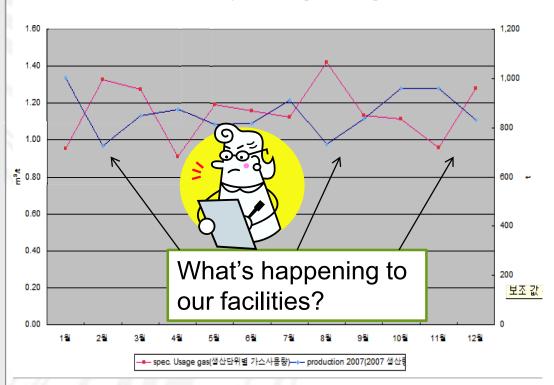
## **Environmental Data Management**

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 $\rightarrow$ better management

Track, analyze and compare monthly & annual performance



Production compared specific water usage for Sam Young in 2007

# **Environmental Data Management**

Using the excel tool  $\rightarrow$  Electricity Use (Example)

Ļ			) Indicator	(Company A			
=	Electricity Use Indicator				Criteria for Comparison		
	Total Price/Sales(%)	Use/Sales (kwh/1,000RM)	Total Price(RM)	Sales/1,000RM Electricity Use (kwh)		Month(2010)	
;	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	
ļ	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	426	11	
;	0.6	64.03	2,468,170	25,675	401	12	
)	0.48		25,564,460.00	319,247	5,304.00	yr2010	

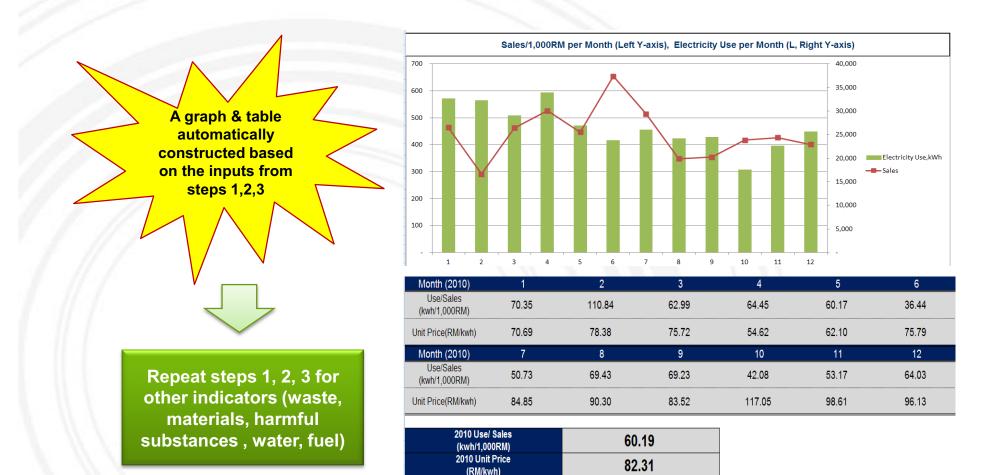
Step 1: Input the amount of your monthly sales volume.

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 $\rightarrow$ Electricity Use (Example)



Types of GHGs	Global Warming Potenti	
CO <sub>2</sub>	1	
CH4	21	
N <sub>2</sub> O	310	
HFCs 140 ~ 11,700		
PFCs	6,500 ~ 9,200	
SF <sub>6</sub> 23,900		

GHG calculation tool include

What are GHG Emissions? Where do they come from?

- 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.

### 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

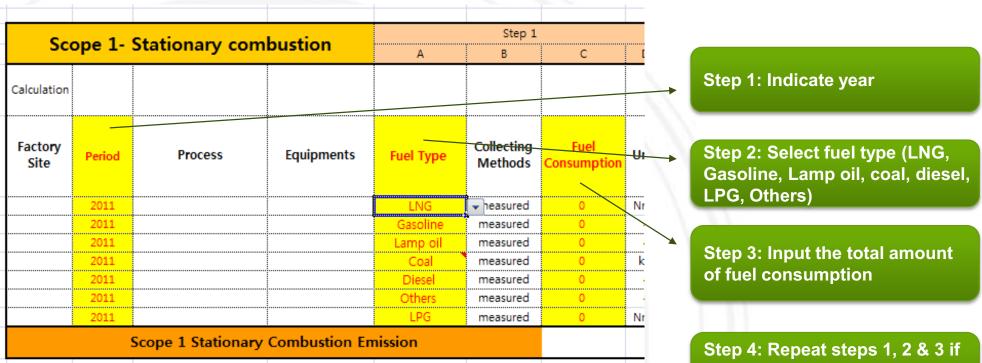
- **Definition:** GHG emissions resulting from the generation of electricity, heat, or steam purchased by the company.
- Examples:
  - Purchased electricity
  - · Purchased Heating / Cooling
  - Purchased Steam

### 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

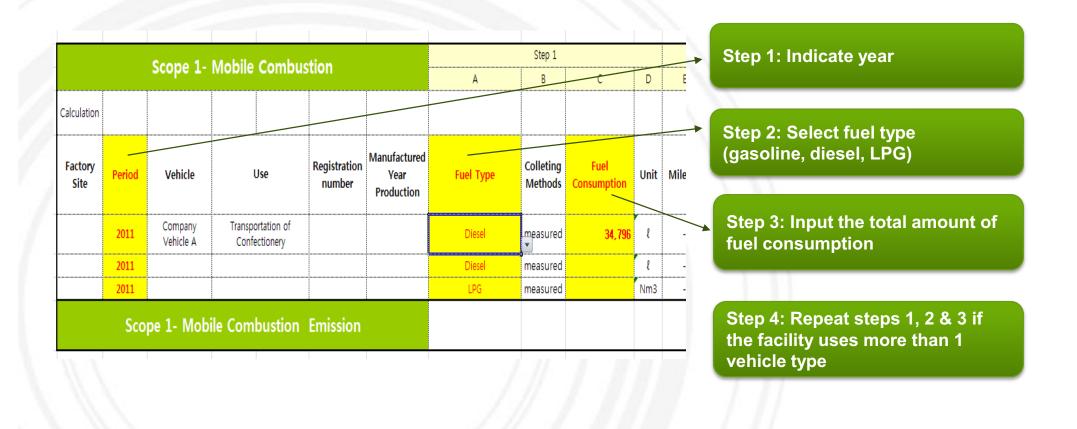
\* The GHG emissions data management tool is available on ASEIC's portal site. < http://www.aseic.org/main.do>

## 1. Station Combustion (Scope 1 Emission)

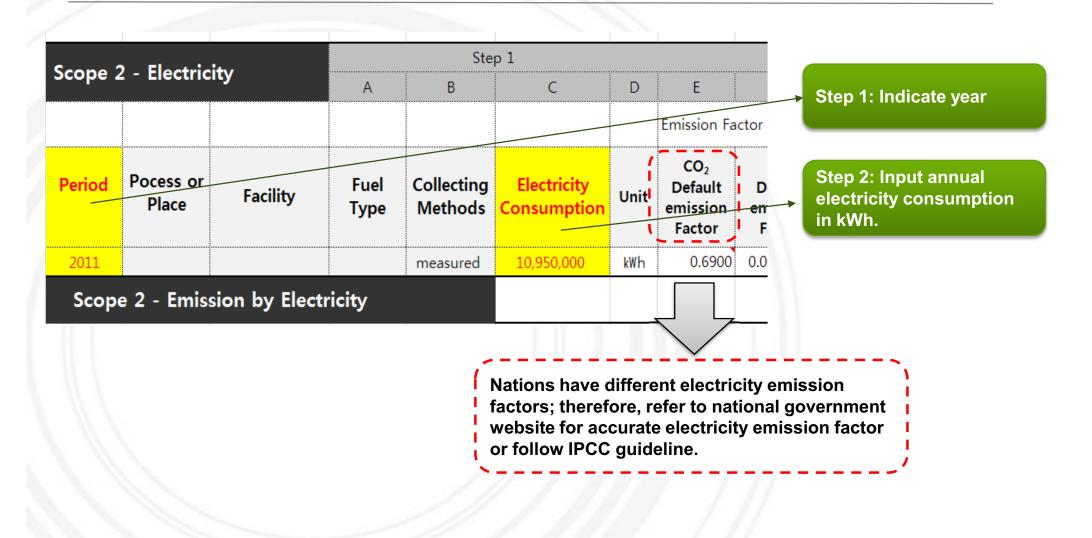


the facility uses more than one type of fuel

### 2. Mobile Combustion (Scope 1 Emission)



### 3. Electricity (Scope 2 Emission)



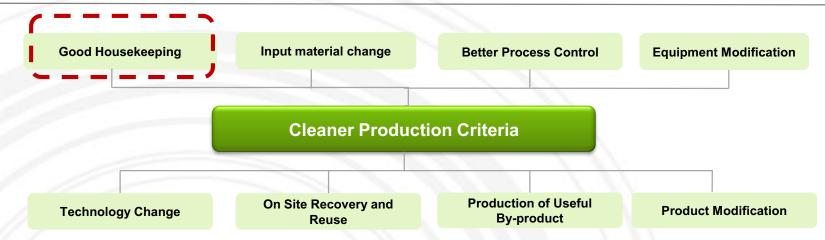


Total GHG emissions automatically calculated – A table is constructed showing accumulated GHG emissions for scopes 1 & 2

	Emission Type			Emission Subtotal Amount	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	Types o HFCs	f GHGs 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 t	otal	93	92.8	91.3	0.1	1.4	0.0	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 t	otal	7,566	7,566.2	7,566.2 7,555.5 1.5	1.5	9.1	0.0	0.0	0.0
GH	G Total Emission (Scop	pe 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

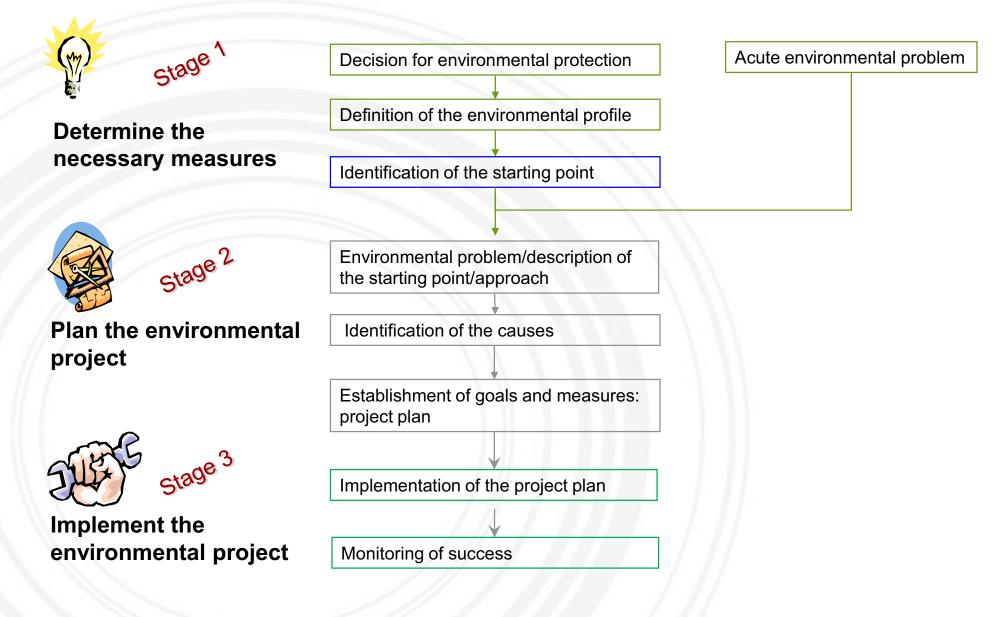
• Technology change: replacement of technology processing sequence and/or synthesis pathway in order to minimize the rates of waste and emissions generation during production

• 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	PURPOSE OF MATERIAL MANAGEMENT
1. Right quality(environment, human	•To reduce waste
health, material use)	<ul> <li>To implement environmental regulation</li> </ul>
2. Conservation of materials (resource)	<ul> <li>To reserve stocks to prevent supply shortage</li> </ul>
3. Clean working environment	•To avoid environmental risk
4. Efficient working environment	<ul> <li>To achieve a safe working environment</li> </ul>

### 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 <b>proper</b>	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  $\rightarrow$  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

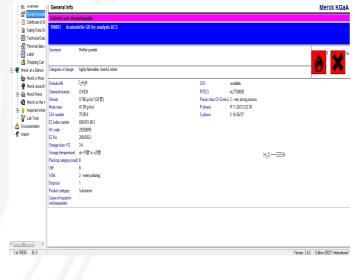
### Approach : Managing waste paint

- 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

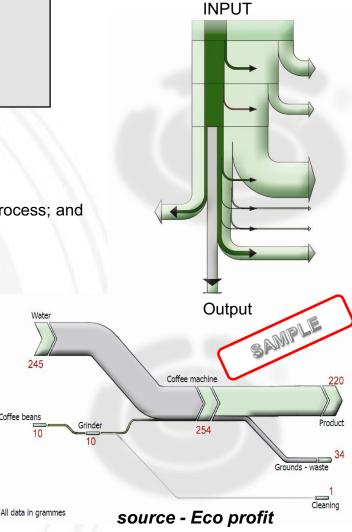
- tracking material flow in the company;
- tracing waste back to where it is produced;
- processing data in a way that enables right decisions;
- detecting and identifying weak points and opportunities for improvement in the process; and
- setting useful priorities for actions to avoid waste and emissions.

#### <u>Steps</u>

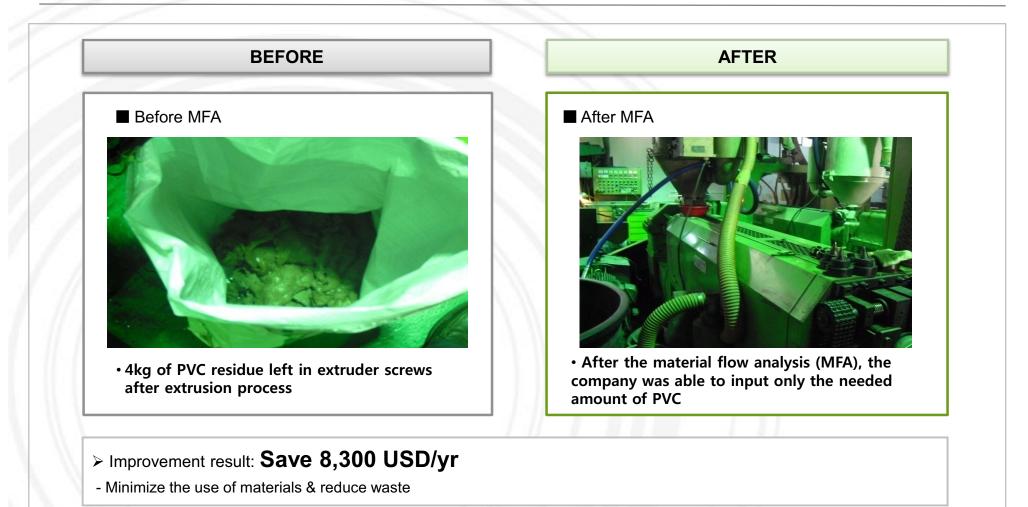
- 1. defining the objectives, targets and the parameters under consideration;
- 2. delimiting the balancing area;
- 3. delimiting the balancing period;
- 4. acquiring and designating the production steps;
- 5. drawing up the flow chart: material flows in qualitative terms;
- 6. balances: material flows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



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



## 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

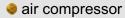
#### Tasks and procedure

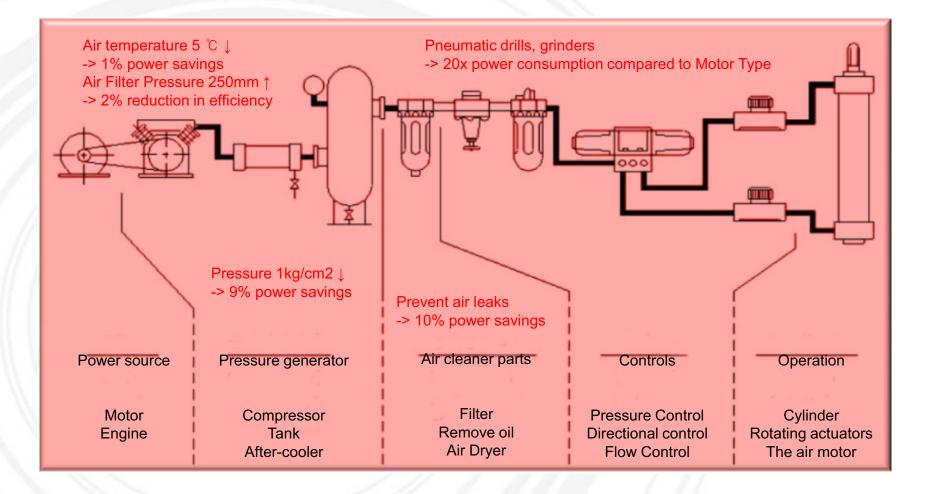
#### Energy management serves to prepare decisions and give:

- 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





## 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

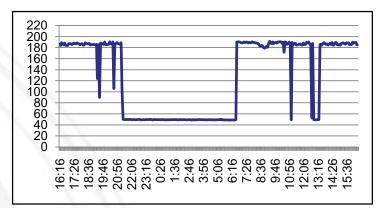
**Benchmark** : Prevention of material loss by installing condensate trap Finding efficient operation method by analyzing process

#### patterns

Utilization of cool outdoor air for the intake

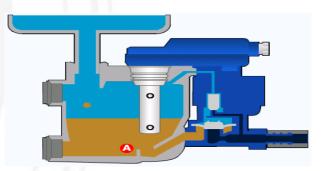






### (Case study)

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

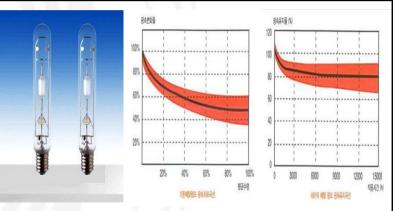
Issue : High Efficiency lighting lamp

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.





#### Lighting lamp for metal halide lamp alternative

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

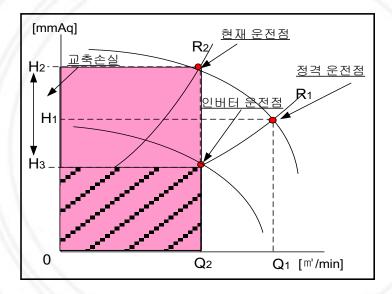
Issue : Energy efficiency measures for dust collector

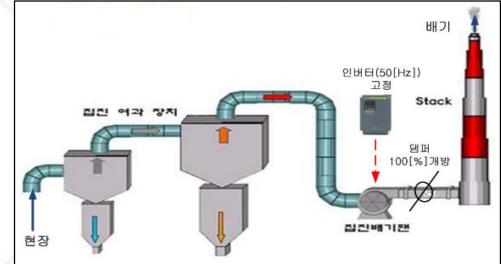
Needs/Problem : Analysis of optimum efficiency and capacity

Approach : Check the condition and capacity of dust collector.

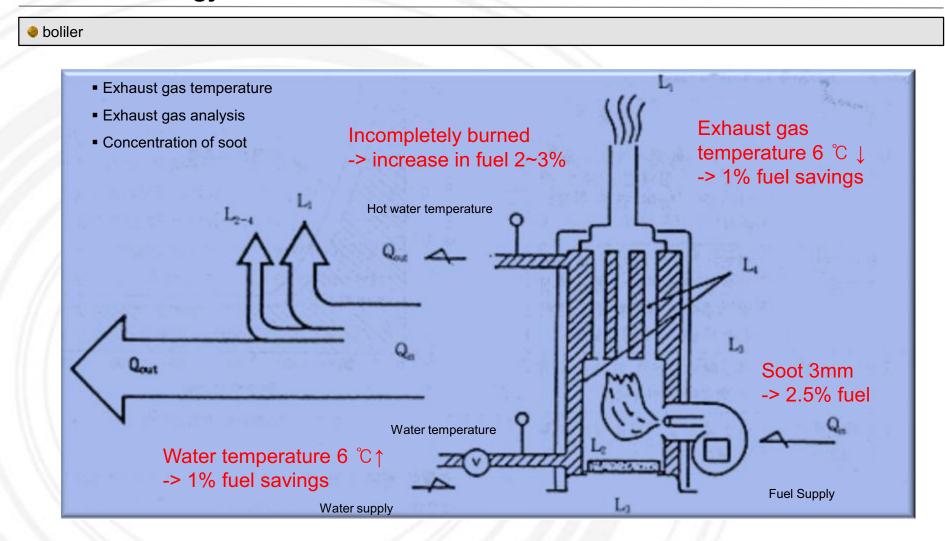
- 1. Check the power consumption.
- 2. Check the possibility of a adding to the dust collector.

#### Benchmark :





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



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

Issue : Recovery of waste steam from coal boiler

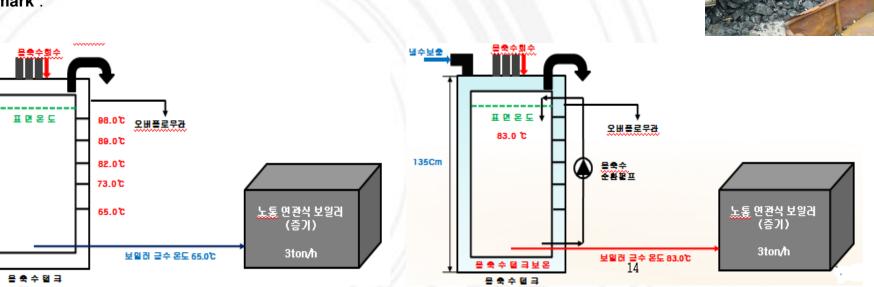
Needs/Problem : Steam loss during the ironing process

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

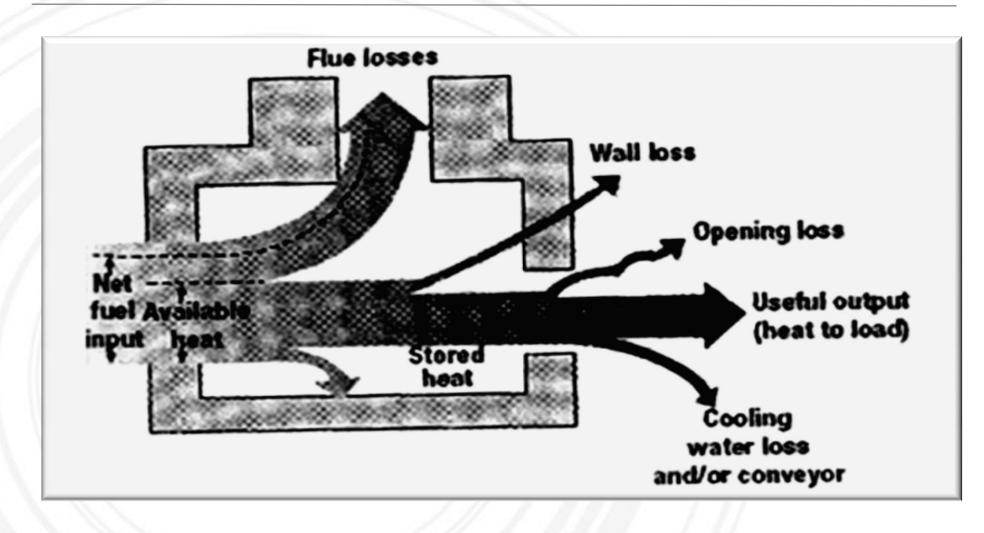
- 1. Check the insulation of transfer pipeline.
- 2. Assess the economic feasibility by changing the electric boiler.
- 3. Check the possibility of recovering water during condensation.

#### Benchmark :

135Cm



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



·정위치 :	8kg 공급	헤더		
일명	IMAGE019.IMG	축 정 일	2009년 4월 29	일 수요일
정시간	오루 4:45	측정거리	1.9m 39.2°C 0.99 °C	
대온도	158.1°C	최저온도		
도	68%	방사 출		
변온도	28.5°C	평균온도		
			격체변수	값
100.01	A 100 1	68.3°C	Max	158.1°C
		- 63.4	R1 평균온도	62.3 °C
	R2 R3 R4 r1		R1 최고온도	89.7°C
		53.5	R1 최저온도	51.7*C
201	date in the second	2 53	R2 평균온도	65.3°C
		41.7	R2 희고온도	82.8°C
			R2 최저온도	54.1°C
and and		- 33.8	R3 평균온도	64.6°C
	Statement of the local division of the local	E	R3 최고온도	82.1°C
		24.9°C	R3 희거온도	53.3°C
			R4 평균온도	67.6°C
			R4 최고온도	88.0°C
	열화상 이미지		R4 회저온도	50.9°C
		R5 평균온도	60.7°C	
			R5 최고온도	88.0°C
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### 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.

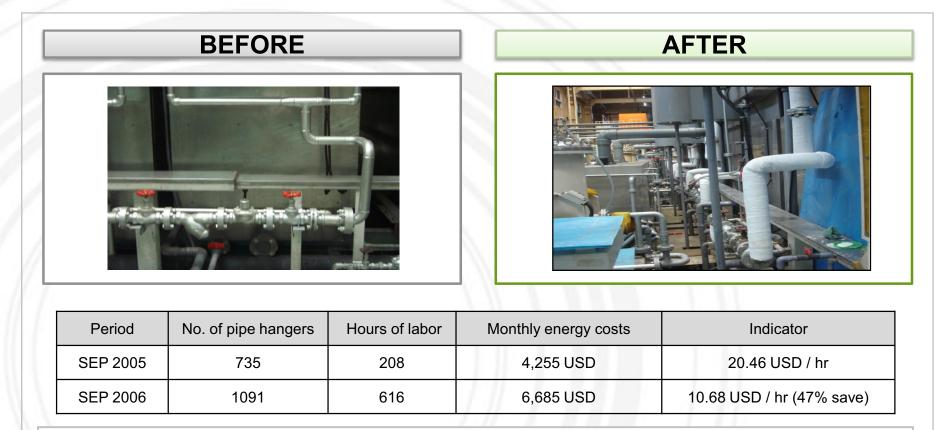
- 1. Assess energy efficiency
- 2. Avoid the loss of radiant heat

#### **Benchmark** :



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

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



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

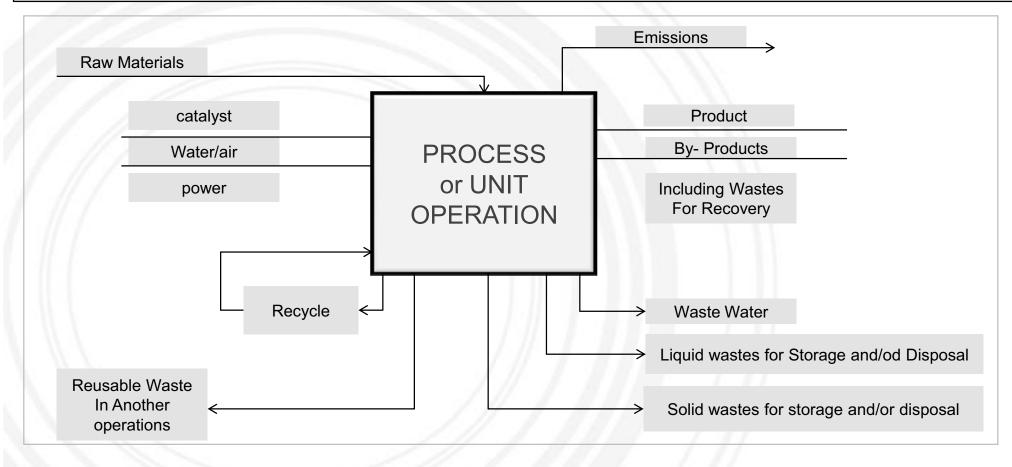
### 1. Waste Management - Summary

• 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)

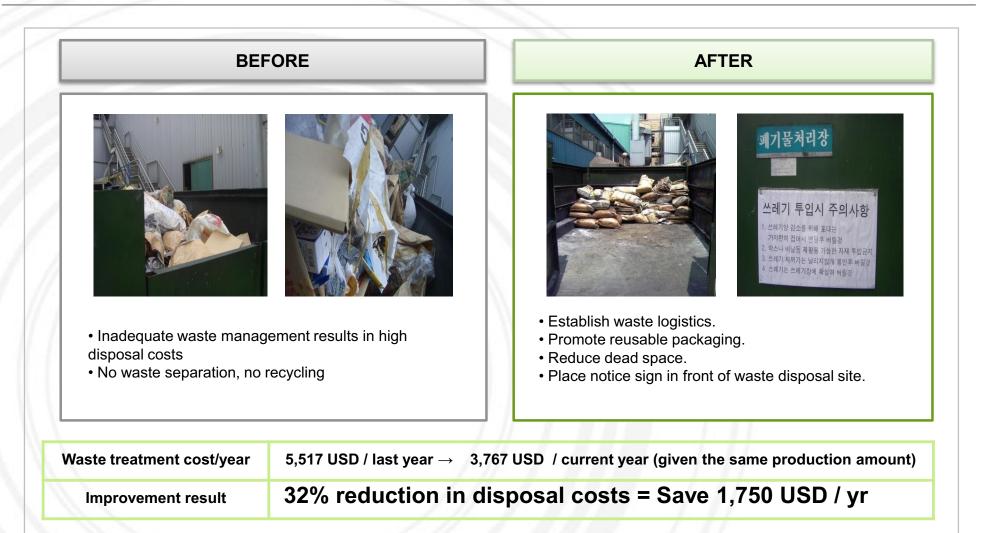
# Establishing internal waste logistics



- 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



## **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

#### •Benchmark : Auto supplier, Separation management, Recycling of used oil

Auto Supplier

Separation management





Collection of used 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	<ul> <li>Manufacturing items for which there are no orders</li> <li>More raw materials consumed in making the unneeded products</li> <li>Extra products may spoil or become obsolete requiring disposed</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

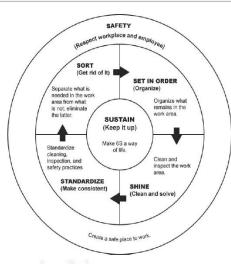
6S is a method used to create and maintain a clean, orderly, and safe work environment. 6S is based upon the five pillars (5S) of the visual workplace in the Toyota Production System, plus a separate pillar for safety. 6S is often the first method companies implement in their Lean journey, since it serves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

The Six Pillars of 6S

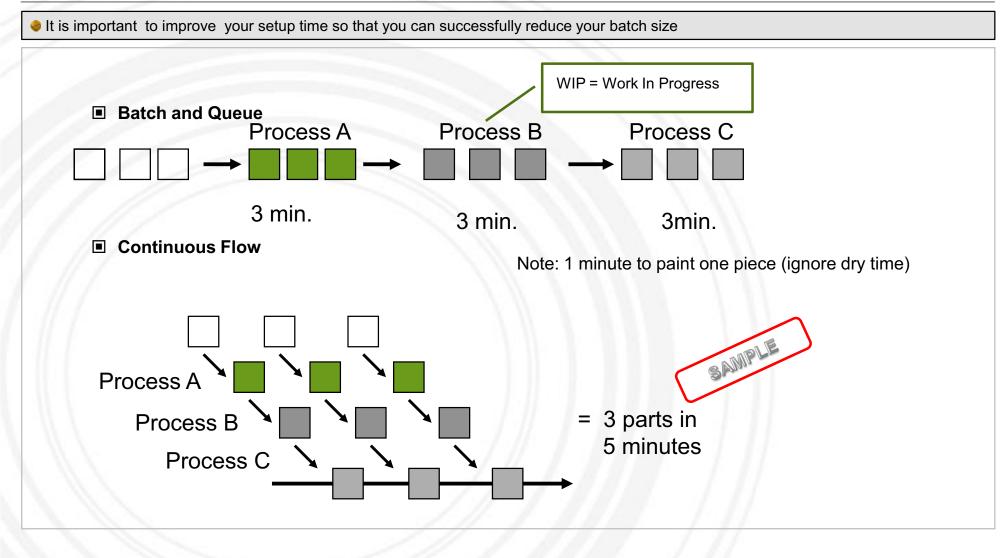
- Sort (Get rid of it): Separate what is needed in the work area from what is not; eliminate the latter.
- **Set** in order (Organize): Organize what remains in the work area.
- \* Shine (Clean and solve): Clean and inspect the work area.
- Safety (Respect workplace and employee): Create a safe place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

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.

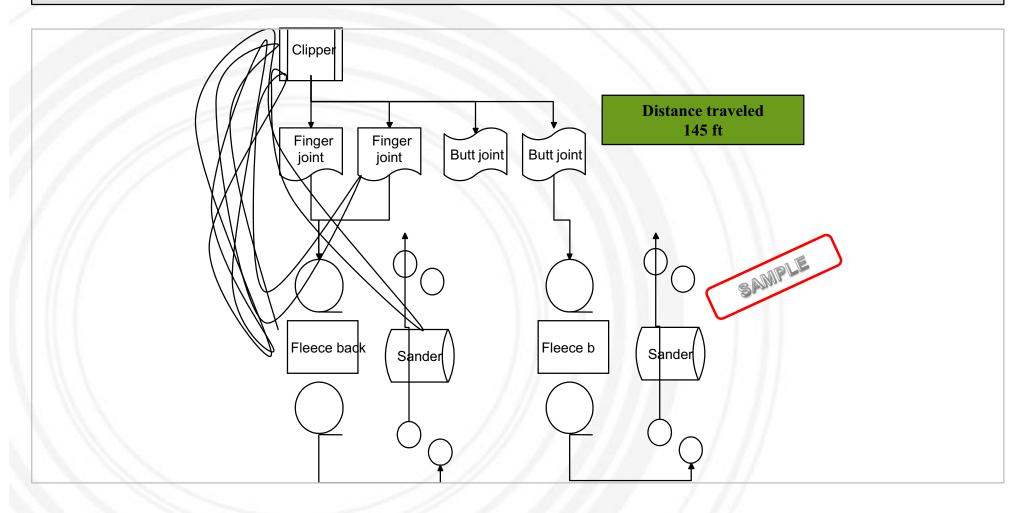


### 3-2. Cleaner Production Lean Process - Tool : Batch Reduction



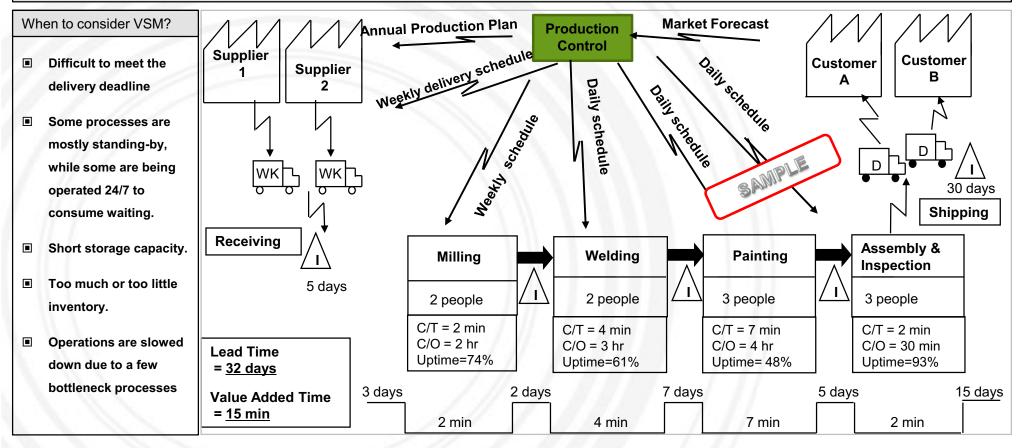
## 3-3. Cleaner Production Lean Process - Tool : Noodle(spaghetti) Diagram

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)

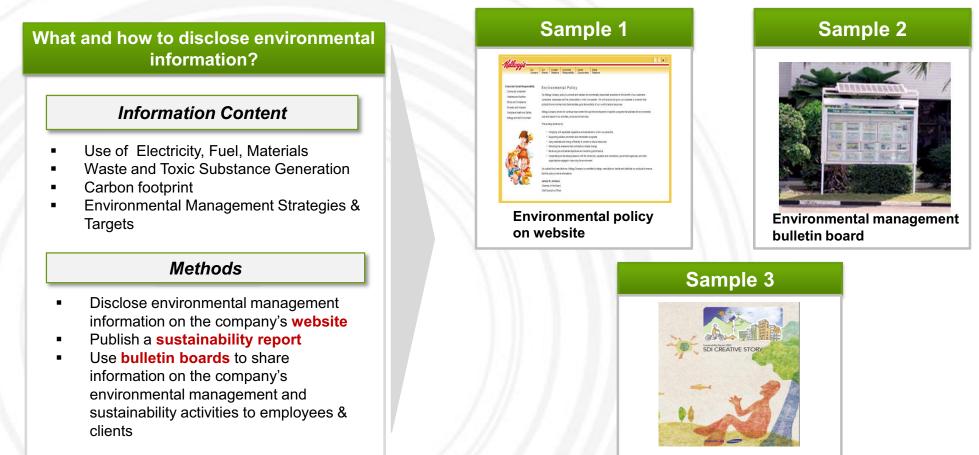
 (VSM)) is a process mapping method used to document the current and future states of the information and material flows in a value stream from customer to supplier. A value stream is the set of specific actions (value-added and non-value added) required to bring a specific product through three critical 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.

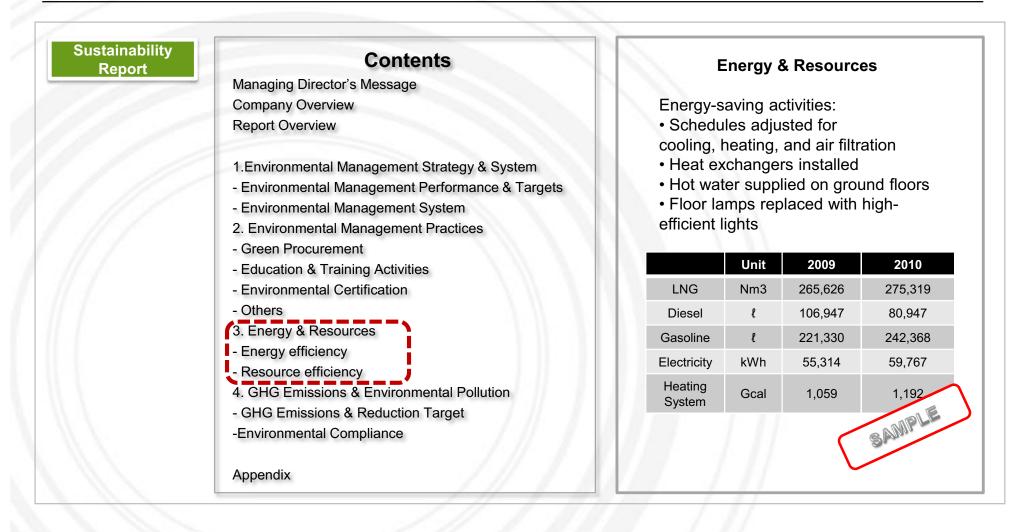
- $\Rightarrow$  WHY: Interested stakeholders (investors, consumers, buyers, suppliers) pressure companies to measure their sustainability.
- ⇒ HOW: Transparency is the first step to Environmental Responsibility of companies



Sustainability report

## **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.



### 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. Dong Phat Joint Stock
  - 4.1 Overview
  - 4.2 Item

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## **Dong Phat Joint Stock**

### **1. Basic information of Company**

	Company name	Dong phat joint stock				
	Repersentative	Mr. Nguyen Hong Sơn	Company Size	□ large ∎middle □ small		
	Address	Quoc Oai Town Thanh Oai dist Ha Noi				
	Type of Industry	Textile	Main product	Thread		
	Sales Volumes	11MUSD	No of employees	400		

### 2. OVERVIEW

Dong phat joint stock is textile company who product yarn with cotton.

They supposed to use lots of energy to keep fixed temperature for cotton and they own inverter to saving energy.

- Generally their management is good, but need detail plan to operate saving.
- They need Green goods like environmentally friendly products and green marketing in the future.
- The raw materials will be less disposed
- They need solution to make high benefit with this low quality material.
- Analgesis and observation are required to know spending energy for fan and temperature system. Automatic energy control system will be helpful to manage energy saving.
- Find the reasons why fail production is coming and saving material cost has to be done and
- Maintain compressor regularly then they keep it work longer and effective.

## **Dong Phat Joint Stock**

### 2. ITEM

Case 1. The air compressor pressure drop

- State of worksite :
- In operation air compressor discharge pressure: about 7.4 bar
- Process equipment, working pressure: 6.0 bar

However, higher discharge pressure than the pressure needed to use due to complex pipe line and the pressure drop caused by bending



•Betterment :. Lowering the discharge pressure to 6.9bar(0.5 bar) Fixes the connection pipes to simplify



#### Expected Effectiveness :

- •Saving energy : 63,939 kWh/yr
- •Amout of saving :140,666(1000VND/yr)
- Investmaent : 0VND
- •Pay back : promptly
- Annual co2 reduction : 23.1tCO2





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

- Eco-Innovation Guideline for Dong Phat Joint Stock -

#### ASEM SMEs Eco-Innovation Center (ASEIC)

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