Reducing Environmental Impact from Manufacturing: Three Industrial Cases for the Manufacturing of ‘Green’ Products

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Abstract
There is a gigantic need for technologies and strategies that will reduce CO2 emissions globally. This paper presents three industrial cases in Sweden where manufacturing of ‘green’ products are analysed and solutions are presented where environmental impact from manufacturing is reduced. The cases represent a conceptual product, a manufacturing ready product and an update of an existing product. The cases also build the base for presenting a draft analysis scheme for designing a more environmentally sustainable production system. The cases and the proposed analysis scheme are discussed in the context of designing a socially, economically and environmentally sustainable production system.

Keywords:
Manufacturing, Sustainable development, Product

1 INTRODUCTION
There is a long seen need for an environmental, economic and social sustainable society, meeting the needs of the present without compromising the ability of future generations to meet their own needs [1]. Focusing on environmental sustainability, legislation and industrially accepted emission targets have emerged, on an overall level represented by e.g. the Kyoto protocol.

Meanwhile, a global wealth increase is evident. Through the means of globalisation, values are created worldwide with a 60 % increase of GDP in current prices over 1996-2006 [2]. By increased welfare the product demand and manufacturing activity increases – we have seen a 43 % increase in current prices of manufacturing activities worldwide 1996-2006. [3] Over the recent decade, for instance China has seen an unprecedented manufacturing increase.

These two trends, the need for sustainability and the globally increasing product demands and manufacturing activities drive a gigantic need for technology and strategies that globally reduces environmental impact of manufacturing [4]. There is a need of large improvements in terms of resource productivity – ‘doing more with less’. The challenge is to reduce non-renewable material and energy usage in a fast increasing economic activity.

On managerial level the concept of standardised Environmental Management Systems (EMS) has been established during the latest decade. As a basis for EMS, the international ISO 14000 series of standards provide not only a specification but guidance on a wide range of environmental issues including auditing, labelling, life-cycle assessment etc. At the European level, EMAS (Eco-Management and Audit Scheme) was introduced by an European Union council regulation (No.1836/93), with implementation in all European Union Member States.

This paper approaches the need of resource productivity from the view of production system design, within a context of EMS. The objective is to illustrate production system design aspects for the manufacturing of ‘green’ products, i.e. products that by its usage reduces the total environmental load. Three cases build the base for presenting a draft analysis scheme for designing a more environmentally sustainable production system. Finally, the cases and the proposed analysis scheme are discussed in the context of designing a socially, economically and environmentally sustainable production system.

2 ENVIRONMENTAL IMPACT ANALYSIS
Life cycle engineering and various eco design strategies have for a long time been proposed and applied for the design of products. [5-9]. However, specific production system design schemes for integration of environmental concerns into the traditional design process are rarer.

2.1 Life Cycle Assessment (LCA) and tools
Life cycle engineering or life cycle analysis (LCA) is a well established family of methods to assess a product’s environmental impact from cradle to grave [9]. The method to do an LCA has been standardized and put as a subgroup under ISO 14000. In ISO 14040-45 the LCA’s ‘how to’, ‘what’ and ‘why’ are described. Figure 1 illustrates the underlying principle of LCA, that all phases of the product life cycle effect the environment.

The application of LCA consists of four stages: goal and scope definition, inventory analysis, impact assessment, and interpretation (ISO 14041). This has been elaborated by e.g. [7], into six process steps:

Step 1: Catalogue the components
Step 2: Identify the components by material and supplier
Step 3: Compile information on the supplier’s manufacturing processes
Step 4: Describe your own process
Step 5: Identify facts about distribution, use and disposal
Step 6: Summarize the compiled information in an overview
Three tools to support the LCA is input/output analysis, illustrated in figure 2, the Sankey diagram illustrated in figure 3 and the process tree illustrated in figure 4. These three tools were used to various degrees during the analysis in the three following cases, complementing standard process improvement methods. A process tree is for instance essential in conducting an LCA.

Environmental effect indicators

Environmental effect indicators are single values approximating a combined measure of the environmental impact of a product or a material. The ‘Eco-indicator 99’ is one of the most widely used indicators [11]. It mainly focuses on environmental effects in Western Europe and has three key considerations: human health, ecosystem quality and natural resources. In the evaluation, every material and process is given an Eco-indicator point (Pt), where 1 Pt represents one-thousandth part of the annual pollution by the average European.

The EPS-system is another indicator that has a global perspective on the environmental impact and considers five dimensions: human health, stored natural resources, production capability of the ecosystem, biological diversity and cultural and recreational values. For evaluation in the EPS-system every process is given an Environmental Load Unit (ELU) index/kilo or unit. ELU sums up the environmental load with respect to materials, production, transports etc during the whole or a part of the lifespan of a product [12].

The end result differs between the methods. The ESP-system considers, with its global focus, emissions of carbon dioxides and other greenhouse gases to be the most damaging while Eco-indicator with its more local focus finds emissions of heavy metals into the air the most damaging to the environment and health. Since the end result differs between methods multiple methods are often used in an assessment.

Streamlined Life Cycle Assessment

Vesagh & Li describes in their survey, ‘streamlined LCA’ as excluding specific system elements, reducing the range of impacts assessed, or using more qualitative approaches in order to simplify lifecycle assessment [11]. Matrix-based approaches and software tools are the most popular forms of streamlined LCA [13], Both the Eco-indicator 99 and EPS 2000d are available as software applications.

Environmental Accounting

Vesagh & Li further describes ‘environmental accounting’ as being interpreted at two levels; as ‘environmental cost accounting’ where activity based costing is used to capture the contribution of environmental improvements to increased profitability, or, as ‘full-cost accounting’ where the costs of environmental impacts is internalized in the costs of products [11]. The latter more seldom realised due to the lack of established practice in placing societal value on environmental resources [5]. The former is achieved by following the principles of activity-based costing to specifically allocate environmental costs and
monetary benefits, for example from product changes. These costs can incorporate contingent costs (liabilities), hidden costs (overheads, capital and regulatory costs), and less-tangible costs (image and relationship costs).

### 2.5 Total performance analysis

Many studies have focused on evaluation of environmental load and cost throughout whole product life cycle. In order to also incorporate the rise and fall of product value throughout its whole life cycle, Kondoh et al is one example on research proposing an evaluation method for the total productivity, by not only assessing the life cycle cost but also the life cycle value, in order to balance product value, environmental load, and costs [14]. Another example of incorporating QFD [15] in environmentally conscious design is given in e.g. [16].

### 3 RESEARCH SETUP

#### 3.1 Objective

The objective of this study was to put focus on the production system design and analyse it with regard to environmental impact. To our experience, product designers are relatively well equipped with LCA-tools and similar. However, the production engineering and production system designer are often less supported by methods and tools for analysing and minimising environmental impact. This research should be seen as an effort in reaching decision support tools also applicable in the production design phase.

#### 3.2 Methodological considerations

In order to analyse and illustrate the production system design from an environmental analysis perspective, three industrial cases were carried out during the summer 2008. Different project teams were set up, running in parallel with a synchronized phased project scheme in order to exchange experiences. The teams were actively working with the companies for three months through interviews, project participation and on-site participating observation.

The research has been based on three industry cases, leading to a big impact from the temporal, cultural and social context of these cases on the results. This is however always the case in this kind of case-based research, where analytical generalisation is used in contrast to research based on statistical generalisations.

Yin points out four criteria for judging the quality of case study research: Construct Validity, Internal Validity, External Validity and Reliability [17].

In this research, being an exploratory first phase towards a method to be validated, the external validity (i.e. the possibility to generalise outside the studied cases) is not obvious. The reliability of propositions is also obviously not verified at this point.

However, these four aspects of validity and reliability are important aspects to consider in the total research setup, where this is a first phase. The case selection is for instance central to span the solution space and in the end establish an external validity.

#### 3.3 Case selection

The cases are different with regard to phases in the production system design process; one is for a conceptual product; one is for a manufacturing ready product and one concerns an update of an existing product. The companies for the first two cases are small start-up companies where the product was a part of the first family of products. In the third case the company was a joint venture based upon this specific product. The active owners of the venture were however two well established global manufacturing companies.

### 4 CASE DESCRIPTION

Three cases were studied, representing different aspects of production system design. Details on the cases are presented in [18].

#### 4.1 Case 1: Power Aware Cord

One objective of this case was to present a check list for sustainable product realization of the product Power Aware Cord (PAC). The project also concluded comments on product design and regulations and directives for the European market.

The PAC product was developed in a research project where the research institute ‘Interactive Institute’ analysed various ways to visualise energy consumption. On solution was the Power Aware Cord, where the power flowing through the cord is visualized by the light intensity of the cord, see figure 5.

![Figure 5. The Power Aware Cord.](image)

The case is part of a total effort in commercialising the product. In analysing the product design, regulations and directives as well as production system design possibilities, following general conclusion were made:

- Since PAC is a product that should visualise energy usage, leading to a decrease of energy usage and thus environmental impact, the product itself should be manufactured in an environmental friendly manner as possible. Material selection should be based on the REACH directive, disposal handling based on RoHS and WEEE directive and finally a production process with minimal environmental impact. The product should be marketed by its environmental friendly manufacturing in order to build credibility.

By analysing the specific need for this product and company situation, a draft check list for minimised environmental impact from the production process was developed inspired by the work by Siljebratt and Abrahamsson [7]:

- Ensure material selection from an environmental perspective. Reused material, non-fossil material, non-fossil material manufacturing and approved chemicals are important elements.
- Optimize the material usage in the manufacturing processes.
- Minimize the number of production steps and use processes that optimize the input goods in relation to rest- and bi-products.
- Minimize production scrap and losses. Control the processes so the product quality is optimized in relation to the specification.
• Ensure that the technical life span is in balance with the functional life span.
• Design the product so components and material can be reused. Any scrap material should be possible to reuse, at least as heating.
• Design the product and packaging so it minimizes transportation needs. Use recycled material for packaging. Define modes of transportation where fuel type and consumption give minimal environmental impact.

Still, the checklist was very product design oriented from this case. In a further methodological development it was identified that manufacturing process and internal logistics setup should be specifically focused, complementing more traditional product design guidelines.

4.2 Case 2: Spiralfläkt

Spiralfläkt Svenska AB supplies fans with extremely high energy efficiency. The fan wheels are designed according to the customer’s specification and adapted to standardized fan houses.

The objective of this case was to define the manufacturing process concerning the company’s product, the spiral formed fan, illustrated in figure 6. The fans superior energy efficiency is the main advantage in comparison to competitor’s fans. The study concerned a resource efficient series production and high flexibility with regard to geometrical dimensions of the fan. Potential customers were identified and a series production was eminent. The product has not previously been industrially manufactured, but produced in a prototype manner.

Figure 6. Principle illustration of the Spiral fan.

The project concerned two major parts:
• The assembly process of the sheet metal parts – solution, technology, automation, resource efficiency and minimal environmental impact.
• The industrial system – localization of assembly with environmental impact of alternative solutions.

Also in this case the product was focused on decreasing energy usage at the customer, emphasising the need of minimal environmental impact from the production of the fan in order to build credibility.

From a process of developing a number of alternative assembly principles, a final proposed automated assembly process was presented, as shown in figure 7.

In this case an industrial assembly solution will lead to improved quality, decreased waste and scrap in comparison to a manual assembly. Also product design to maximize output in cutting or punching of sheet details is relevant.

A company specific guide check list, similar in structure to the one defined for the Power Aware Cord (see section 4.1), was defined for the Spiral Fan.

Figure 7. Industrial assembly solution for the Spiral Fan

An area of specific interest for the company is to design the industrial system with an environmental consideration. The study analyzed the possibility to offer the manufacturing of the product to the customer, i.e., provide a possible mobile final assembly cell enabling final assembly close to end customers reducing cost of transport and emission. This could, used in a proper manner, lead to substantial reductions in transportation costs and emissions from ready fans, since the fans can be of substantial size. However, the order volume and fan size are two critical parameters in deciding upon local on-site assembly or delivering assembled fans.

4.3 Case 3: Alfdex

Alfdex is a joint venture by Alfa Laval and Haldex to develop and produce separators for crankcase ventilation, shown in Figure 8, of which the first generation is already launched and in use and the second generation is under development.

As the environmental issues and global warming have been brought to concern by governments and private sectors, emission regulations has become tougher and stricter. Korea was the first country to legislate about crankcase emissions and it is no longer allowed to release the emissions directly into the environment. Japan and USA have issued similar regulations and the European Union (EU) is about to follow. As a result of these regulations, crankcase ventilation with better separation performance for trucks is needed. The product from Alfdex is a cost-efficient ventilation product with superior environmental performance.

Figure 8. The Alfdex crankcase gas separator

The objective of this case was to investigate the current product’s production and other areas of interest in the supply chain to provide improvement opportunities in current and future production. The focus was to create a climate smart production system and should present a check list for the company.

The case was conducted in following phases:
1. Process description with process mapping, layout, equipment, materials handling and logistics and information and process control/planning.
2. Product description
3. Work force and capacity with working times, ergonomics, production volumes and volume variation.
4. Time study with cycle time, lead time, bottle necks, losses, reconfiguration and maintenance. Overall equipment efficiency.

5. Environmental effect analysis according to Eco-indicator '99 as well as EPS-system (section 2.2).

In summary, following improvement suggestions were given to the company by the researchers:

1. Potential improvements within production
   - Test a critical component earlier in the production process in order to minimise effort and energy.
   - Reduce leaking of compressed air or consider another technology, consuming less energy. Use a leak finder agent which give lower effect on environment i.e. harmless for aquatic organisms, non-irritate for eye and skin.
   - Improve the efficiency of a critical bottle-neck cell and strive to prevent interruption of the production lines by process improvements and buffers.
   - Further introduce the concept of total productive maintenance (TPM) in order to maximise equipment efficiency and reducing/eliminating equipment downtime, speed losses and defects.

2. Evaluate material supplier
   - Find a supplier of the critical component/material closer to Alfdex site.
   - Encourage the suppliers to use production technologies that minimizes environmental impact i.e. more effective energy consumption, less emission rate

3. Change mode of transportation or combine road mode and rail mode
   Currently all transport of Alfdex both inbound and outbound is done by road mode (truck). Freight train uses only 20% of truck energy consumption for the same distance.
   Pros | Cons
   --- | ---
   Less emission | Might lead to less flexibility and longer lead time
   Potential cost reduction | Need more changeover/transfer work

4. Apply more automation in production line
   Pros | Cons
   --- | ---
   Increase productivity | Investment cost
   Reduce human error | Energy consumption
   Potential improvement in terms of quality rate | Increase non-recycle waste i.e. electronic parts in machines
   Machines and production system will become more sophisticate and might need higher skilled staff to handle maintenance work.

5. Partial assemble separator unit close to large market
   Pros | Cons
   --- | ---
   Shorter lead time | Investment cost
   Potential to increase customer satisfaction level | Increases complexity in administration
   Existing market and customers | Might lead to low productivity and quality rate during learning period
   Potential to find new customers | Availability of aluminium suppliers and plants close to customer sites
   Potential in reducing overall emission from transportation | Besides the suggestions above, a checklist of a climate smart production system was prepared in order to provide
   the company’s idea and guideline to achieve the following points:
   - Reduce or eliminate emission rate from its products and supply chains.
   - Increase efficiency of energy consumption or reduce consumption rate within their production.
   - Cause less pollution and waste to environment
   - Increase efficiency of resources consumption
   - Reduce environmental effect from design stage

5 SUMMARIZING INTO AN ANALYSIS SCHEME

As a synthesis from the three cases, a draft analysis scheme for designing a more environmentally sustainable production system have been developed. The structure has been segmented in 9 subsections where also the product design has been included for completeness reasons. The scheme is a bottom-up effort from three live cases, complementing established structures such as [5-9]. It will in a running research project be further refined and condensed into a production system design scheme with an environmental sustainability focus.

5.1 Product design

Optimise functions that the product can provide
   - Integrate several functions in the same product in order to reduce the total environmental load factor such as reducing material resource, energy consumption, and/or transportation.
   - Product improvements with functions that need/require less material.
   - Pay attention to service functions of the product and try to increase effectiveness in resource management that can give lesser environmental load as well as positive economic effects.
   - The products should be simple and easy to maintain and repair.

Use more environmental friendly material
   - Perform Life Cycle Assessment analysis
   - Describe life cycle scenario to support the evaluation from both an environmental and a business point of view.
   - Select material and chemical substances that have less influence on the environment by considering the whole lifecycle of the material and the chemical substances. Public restriction lists are available.
   - Minimize use of materials that are non-renewable or are rare commodities.
   - Reduce the number of materials and substances that causes emissions to produce.
   - Use recyclable material as long as possible as in general it will give less environmental influence.

Reduce material consumption
   - Try to thoroughly reduce the number of material by reducing both in term of cost and energy consumption. Use DFX-tools during the development process of products.
   - Design products in order to reduce transportation volume as much as possible in order to minimise transport need for the product.
   - Use virtual verification tools to assist in the design process to minimise waste from material.

5.2 Policy

- Have specific, measureable, reasonable and time-set goals and policies regarding environmental issues.
- Apply lean thinking in order to maximise efficiency of resource usage and continue improvement to achieve better result in an environmental viewpoint.
Follow up environmental studies and new regulations on this area and implement into the company policy and guideline.

5.3 Supplier
- Select suppliers who locate close to company production site.
- Choose suppliers who have environmental certification/is environmentally conscious.
- Minimise/eliminate use of substances in concern (black and grey list of substances).
- Production technology and resources of suppliers should be taken in consideration under supplier selection process. Choose suppliers that are effective and give less environmental effect whenever possible.

5.4 Transportation and logistics
- Use environmentally friendly transportation mode i.e. rail, ship instead of lorry whenever possible.
- Formulate green logistics guidelines and strengthen cooperation with transport carrier.
- Optimise number of trips to satisfy the customer requirements/provide sufficient material to the production line while minimising the number of trips.
- Use/buy eco-fuel for the company’s vehicles (if applicable).
- Reduce use of packaging and wrapping material.
- Use reusable packaging, pallets and such, instead of cardboard boxes.

5.5 Energy
- Buy electricity that is generated from environmental friendly sources such as wind, water, sun.
- Promote the energy saving habit for employees.

5.6 Production process
Efficient production system
- Design production layout in order to minimize unnecessary trips of the production staff and logistics activities.
- Increase efficiency in the production system to reduce released emission to air and water.
- Eliminate, if possible, unnecessary storage and non-value-adding production processes.

Improvements within production processes
- Reduce the environmental load from the production processes i.e. using technology that give less environmental effect such as apply water based solvent instead of benzene based.
- Optimize input and take action at the source of each production process, such as reduce losses and waste within every production processes, leading to improved yields.
- Ensure that the products fulfil high quality level in order to optimise the output.
- Also support and administrative functions have an impact on e.g. reclaim and cassation of products.
- Ensure that the production comply with a good and satisfying working environment.

5.7 Machine and equipment
- Choose energy-efficient machines and equipment
- Lease/use hybrid and/or electric vehicles for the production whenever possible.
- Reuse and recycle owned machine/equipment whenever applicable.
- Provide proper maintenance in order to keep the machines and equipment in perfect working condition and avoid interruption in production process that will decrease efficiency.

5.8 Waste management
- Minimise waste
- Promote internal reuse
- Separate/sort waste by type
- Ensure that recycle bins are located in convenient and easily accessible locations.

5.9 Miscellaneous-working media
- Go paperless whenever possible utilizing electronic forms of communication. Only print script on demand.
- Use Tablet PCs or digital dailies; e-mail revised scripts
- Use certificated renewable/sustainable building material for set construction.
- Use paints, sealants and lacquers that are low-emission and less toxic.
- Use bio-diesel fuels for all auxiliary power generations (if applicable).
- Use non toxic cleaning products and buy unbleached, high recycled items for production office supply.
- Reuse or donate unwanted production materials and supplies.
- Arrange for all materials and office equipment to be recycled or donated. Coordinate with non-profit and local schools.
- Recycle production office material (paper, plastics).
- Ensure that food and beverage supplier provides reusable, recyclable, and/or biodegradable serving product instead of Styrofoam and plastic.
- Request that caterers provide food that is locally sourced and is organic or sustainable.
- Arrange food bank to pick up leftover food at the end of each day.

6 DISCUSSION
The cases represent companies where environmentally conscious actions need no longer be seen as challenges and contrary to financial considerations. On the contrary, it is the basis for successful products and companies. The aims of the cases were to provide potential suggestions and a checklist in order to assist the companies in creating tactics on how to develop, produce and supply their environmental friendly products in an environmental friendly way both in the present and in the future. In the three cases a current state analysis and environmental assessment have been performed to identify potential improvement areas. Value Stream Mapping, Processes Flowchart, Life Cycle Analysis (LCA), Overall Equipment Efficiency, Green design and production, Lean production system and Total Productive Maintenance were used in the cases as tools and methodologies for analysis and assessment. In addition, workshops, discussions and consulting with scholars in relevant areas have been held to provide more input and reflections on the cases. Details on the analyses are presented in [18].

The case specific suggestions are generated based on the analysis and environmental assessment results. There are a number of potential improvements for the companies to become a more environmental friendly production system. Proposals are given in various areas, e.g. for the Alfdex case there are improvement within production, supplier selection, transportation mode, applying of automation, and new production site that is closer to the market. The implementation of suggestions have not been analysed in this paper.

The draft analysis scheme for an environmentally conscious production system have been prepared and categorised into steps along the production process from
design of product to waste management. The analysis scheme can be used as a guideline and environmental reminding kit.

By applying our proposals and following the analysis scheme, the companies might gain potential benefits:

• Reduce or eliminate emissions, pollution and waste to environment.
• Increase efficiency of energy and resources consumption.
• Reduce environmental effect from the design stage.
• Increase marketing and competitive opportunities from a good image on environmental consciousness.
• Cost reduction.
• Increase production efficiency.

The need for environmental sustainability creates both restrictions and opportunities for the manufacturing industry. Products and transports/logistics have been first in focus for environmental impact improvements. However, to reach a total effect, the manufacturing process also needs to be looked upon from an environmental perspective. Process industry has worked with these issues longer than the manufacturing industry due to high energy consumption and potentially polluting processes.

We argue that the most appropriate production process is the most resource efficient. The trick is however to make it appropriate, and thus resource efficient, over time. The concept of lean manufacturing deals with resource efficiency of all kinds, and is closely linked to building a truly sustainable production satisfying the increasing market place.

On the basis of this first exploratory study three main fields of research are identified:

1. Analysis support for environmental sustainable production. To be able to assess and value the environmental impact from current and future production systems. To create a linkage between current key performance indicators, productivity measures, LCA-tools and building a foundation for requirement specification of future production systems. This forms the basis for developing an industrial relevant and applicable decision support tool for sustainable production system design.

2. Design methodology for environmental sustainable production. A working procedure and process with close correlation with existing state of the art production development processes. Tools, guidelines and working sub-procedures should be defined for specific steps of the development of production systems. Deliberations and decision support. To link the development of product and production.

3. Concepts for environmentally sustainable production. We should see examples of the linkage between green products and green production. Demonstrating radically new ways of producing environmentally friendly products by reuse and recycling. Design for sustainable product and production. Preferably in combination with totally new business concepts.

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8 REFERENCES