

CEMEP Conference
Didier GUFFLET / 2022-07-07

Introduction to the second CEMEP conference dedicated to Sustainable Products, Systems and Services

In this summertime we can observe heat waves in many places in southern Europe and the trend is confirmed for the whole planet: We are in the cooking pot. At the same time, we continue to use Energy as if it was with no consequence and raw materials at a speed that could make some of them last only for few decades, while you need thousands or millions of years to restore them. If we want to set some limits to it, and keep our planet livable for a long time, major changes are needed.

Actually, the path to get it done is not so wide. There is now a global consensus in the scientific community to say that some key action plans are mandatory. Among them, I would like to mention

- > Electrification everywhere you need energy
- > Decarbonization of the Electricity generation
- > Energy efficiency for all the processes
- > Material efficiency
- > Data to optimize the processes and material usage along the full lifecycle

And for all these topics, our products are frequently part of the solution.

No electrification with no motors, no real electric energy saving with no VSD, no data management with no digital infrastructure, storage and cooling protected by UPS...But at the same time our products still have energy losses, and we are using materials, so it's not so easy to explain that the benefits of the market penetration of our products and systems are much bigger than the drawbacks of the simple addition of new products.

In that context the CEMEP positions are quite clear.

We are favorable to Energy Savings at the level of the System, we are favorable to Sustainability, including circular Economy, we are favorable to Digitization, we are favorable to global labels that increase the confidence of our customers and many other topics...

But we want it to be well done and easy to be applied by our members. We are against a worthless component approach, we are against useless administrative burden, we want to be included in the consultations to define the best solutions...

Let's put our attention more specifically on Sustainability as a whole and Circular Economy. It doesn't mean that the Energy Saving topic is not important, actually, it's a corner stone of the sustainability. And we have dedicated to it most of the CEMEP mindshare during more than 10 years.

I see four reasons that make Sustainability and Circular Economy critical topics, from the less important to the most important.

1. because mandatory regulations are coming

Many people are calling what is coming from the European Commission "the regulatory Tsunami". This is very true for Europe that want to be the leader of the green economy, but don't be jealous, our friends from the US are back in the race of regulations. We are in a worldwide economy and most of our companies are concerned by what's happening everywhere in the world. During the past 6 months our LV Motors Industrial Group has spent as much time on the new DOE new regulation on Motors as on European issues.

2. Because it's becoming a finance and business topic

The investments will move to sustainable solutions. The cost and the availability of material is becoming a critical parameter, particularly in crisis times that seem to be more and more frequent.

And more positively, it's becoming the source of new business and new services.

3. because customers are requesting it

Yes, we are part of the chain. In the same way we are requesting our suppliers to provide us green materials or components embedding as less CO2 as possible, our customers are asking the same from us. That means that a transparent flow of data must travel all along the chain. In fact, the level of commitment in the business chain is not always the same. The motivations of end-users are not the same than for OEMs, but we can clearly see a trend, at least on the European market.

4. And finally, we must do it because it's good for the planet and for our children and grandchildren.

Yes, Self-motivation is always better than a “carrot and stick” approach.

Naturally we are going to continue to work with regulation authorities, but we can't count only on the regulation to shift the market direction. Most of the major changes in the economy came from companies, came from technical innovations and new business models. Let's take our role seriously. The more we can propose and promote to our ecosystem good solutions, proven on the market, the more we have chance to get policies that are applicable and that fit our purpose.

It's not so easy to become a champion of Sustainability and circularity.

It needs deep changes that affect all your company, your processes, your business model, and your people. Yes, people are important because this is first a question of mindset

Here are 2 examples of challenges or contradictions that we must face :

- Many companies have pledge to reduce the CO2 impact of their products. This is part of the so-called scope 3 of the Green House Gas protocol. That means, if the decarbonization of Electricity is not moving faster, the more you are selling Variable Speed Drives the more it's difficult to reach that goal because of the energy losses. Even if at the same time you help your customer or the end user to save 10 times more CO2.

- You can design more efficient motors based on Magnetic material using rare earth. Is it a sustainable idea for the long run? Maybe not. Fortunately, motor manufacturers aren't short in innovations and they are able to find technical solutions to get high efficiency avoiding these critical materials.

Sustainability, Circularity, it's not something that can be added after your product is on the market. You must think about it at the early beginning of the design. You must consider the full lifecycle.

Sustainability and Circularity will come through thanks to a global effort that will involve Policies, Standards, Companies, End-Users.