**Keeping sustainability at the heart of our business**

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As a global society, we are incredibly and unsustainably wasteful. Today, [we use 1.6 times the volume of resources that our planet can sustain](https://www.worldwildlife.org/threats/the-human-footprint), according to a report by WWF.  Another [study from the World Economic Forum](https://bronx.news12.com/go-green-every-minute-1-garbage-truck-of-plastic-is-dumped-into-our-oceans-40329346) states that one garbage truck full of plastic is dumped into our oceans every minute. If we continue, it is expected to increase to two per minute by 2030 and four per minute by 2050. I find this situation very serious and one that calls for more immediate action. As a business leader, this is as much a matter of ethics as of business and profitability.

Addressing climate change issues should be at the heart of every company’s strategy. Sustainability needs to be ingrained in every business and company’s policy. Profit and purpose need to be inextricably linked for business, so sustainability should be seen as a huge opportunity. At Signify, sustainability is core to everything we do, and we walk the talk. Operating sustainably is not at odds with our growth but is our guiding direction, and it gives us a competitive advantage. We have never seen it as a reason to hit the brakes. Instead, for us, it has always been a way to move ahead. In 2020, we became a carbon-neutral company, and as we enter this crucial decade of action to address the climate emergency, we are not stopping here. Instead, with the United Nations Sustainable Development Goals as our strategic compass, we identified five strategic areas to grow our business while furthering our contribution to a better and more sustainable world. One of these growth areas is that of circular economy.

As the world continues to overuse its precious, limited resources, increasingly scarce materials will become more expensive and challenging to source. So, I feel we owe it to our customers and to the world to do better. The only way to do this is to create a model of creating products with minimal waste that can be upgraded, serviced, reused, refurbished, or recycled and also support saving energy. As a business, we understand that a circular approach offers several opportunities (along with its many benefits). Therefore, we take circularity very seriously and are committed to doubling our revenues from circular products, systems and services to 32% by the end of 2025 from the current 24% in 2021, compared to our 2019 baseline of 16% - a goal we are well on track for. Waste reduction forms an essential aspect of circularity, and we are well on the way to making progress. Today over 90% of our manufacturing waste is recycled, and we are committed to maintaining zero waste to landfill for all our manufacturing sites. Also, as a business, the next step on our roadmap is already underway: [We will be plastic-free in all consumer packaging by the end of 2021](https://www.signify.com/global/our-company/blog/sustainability/zero-plastic-consumer-packaging-in-2021). That is a saving of 2,500 tonnes of plastic per year. In addition, smaller packaging has a significant bonus: it is lighter and cheaper to ship, [reducing the carbon footprint of our transport and materials](https://www.signify.com/global/sustainability/carbonneutral).

**Circularity: A strategic business decision**

Our circular lighting portfolio aims to preserve value and avoid waste. The portfolio consists of four categories: serviceable luminaires, circular components, intelligent systems, and circular services. *Serviceable luminaires* are lighting fixtures that can be upgraded, serviced, and are connectable, energy-efficient, reusable, and recyclable. *Circular components* are exchangeable and have recyclable parts, such as drivers, controls, and LED boards. *Intelligent systems* monitor serviceable luminaires and enable preventive maintenance. Finally, *circular services* aim to prolong lifetimes and provide customers with end-of-contract options

A great example of our serviceable luminaires are our 3D printed luminaires. These luminaires are designed to be upgraded to meet the emerging needs of customers. Whether these needs are performance improvements (higher efficacies in lumens per watt or improved light quality), a diverse look and feel (different housing), or a system upgrade, the modular concept facilitates these needs. Instead of replacing the whole luminaire, modules can be exchanged or added, thus preserving value and avoiding waste.

3D printing is powerful tool that helps us design and manufacture customised, recyclable products for consumer and business customers. At Signify, we offer a range of products designed for a circular economy and a lower carbon footprint. For example, our 3D printed luminaires are printed with recyclable polycarbonate and are designed to be fully reused at the end of their lifetime, avoiding material waste. What’s more, when compared with traditional luminaries, our innovative circular designs use no paint, less parts and less screws. Also, another advantage is that 3D printed luminaires can be made to our customer’s precise specifications, blending with existing fixtures or integrating highly customised design features – simplifying retrofits, as well as delivered in a fraction of the traditional manufacturing lead time. A 3D printed luminaire has almost a 50% lower carbon footprint for its materials, production, and logistics than its conventional equivalent. As a business, 3D printing allows us to manufacture on-demand and close to customers, reducing the carbon footprint of our freight operations. So, there are benefits to our customers and us as a business.

**Innovating the business model**

With circularity as an integral part of our strategy, we also support our customers’ sustainability objectives with services. Our innovative Light-as-a-Service (LaaS) model combines lighting design, installation, and maintenance in a single contract. Built on the concept of Circular Lighting, we design and install, operate, and maintain the product to ensure there is no need to discard a luminaire. With the connected system these lights work on, maintenance is easy, which cuts down on waste, costs, downtime, and manpower. This model gives the customer the flexibility to return the equipment, reuse it, or recycle it. Making these luminaires is one of the best examples of how sustainability can open doors to innovation and free up investment resources in other avenues.

We collaborated with the world’s leading steel and mining company, Arcelor Mittal. The project had two objectives: to improve lighting conditions in areas where employees work and, secondly, to reduce the energy consumption from lighting in the plant. Delivered through our hassle-free LaaS offering, we also helped to promote worker comfort in Sagunto, Spain.

The UKGBC, too, has recently [published guidance](https://ukgbc.s3.eu-west-2.amazonaws.com/wp-content/uploads/2020/04/05145436/how-to-guide-products-as-a-service.pdf) for incorporating challenging circular economy principles into built environment projects. This is part of a focus on circular economy guidance for construction companies, which provides a comprehensive practical guide to support construction activities that ask for circular principles in their project briefs for non-domestic built assets.

**In** **conclusion**

I feel we are living in one of the most exciting eras, and our transformative actions will dictate the future of many generations to come. I am priviledged to lead an organisation that is at the forefront of the change needed today. As a lighting solution company, we have been playing our part and introducing solutions and services that keep the response to climate change at heart. I am proud that most of these solutions have kept circularity as a focus. As we are now in the most crucial decade for climate action, we must leave behind the old idea of the linear economy, built on profligate waste and a dangerous disregard of its consequences. Instead lets set in motion a clean circular economy that allows people, infrastructure, and the planet we depend on to thrive into the future.