

Joining the EICC® to Improve Environmental Performance

Summary

In 2009, XP Power set out to become the industry leader on environmental issues among power conversion companies. They sought massive efficiency improvements, both in their products and their operations and endeavored to make environmental excellence a part of their corporate culture. XP's top executives pursued EICC membership as a key step toward achieving their goals.

Power conversion is not a historically efficient process. The average converter efficiency is typically only 80% efficient, XP's new "green power" products are now achieving efficiencies as high as 95%. Today XP is model for successfully implementing environmental goals. EICC guidelines and tools helped XP define organizational goals and strengthen environmental commitments along their supply chain. The company also found that EICC membership lent credibility to environmental efforts which helped to attract new business.

Background

XP Power manufactures AC/DC electronic power converters. With revenues around \$170million, they are a relatively small company looking to make big environmental impacts through their products. XP services large companies in the industrial, healthcare and technology industries who require high performance and product reliability. In line with providing top quality products to their customers, XP endeavored to make their products as energy efficient as possible.

In 2009, the company's executive Environmental Committee set out to make XP the industry leader on environmental issues and to integrate environmental consciousness into the company's core business strategy. They saw EICC membership as a key step toward achieving this goal.

XP's top executives were attracted to EICC's breadth of focus on CSR issues and the definition of best practices beyond basic ISO Environmental Standards. They also saw EICC's diverse membership – consisting of both suppliers and equipment manufactures – as uniquely situated to achieve measureable industry-wide improvements.

Key Elements to EICC Membership and Environmental Leadership

Power conversion and transmission is historically an inefficient process. However, XP Power identified a strategic advantage in becoming the industry leader on efficiency and environmental issues. Beyond the typical benefits of lower operational costs and strategic market advantage, XP's focus on defining industry best practices has generated tremendous employee energy and executives support.



COMPANY PROFILE

HEADQUARTERS: Singapore, Singapore
 LOCATIONS: Global
 INDUSTRY: Power supply
 FOUNDED: 1988
 EMPLOYEES: 1,000
 ON THE WEB:
www.xppower.com

CHALLENGE

Become the industry leader on environmental issues among power conversion companies.

SOLUTION

Join the EICC to gain assistance in defining organizational goals and strengthen environmental commitment along the supply chain.

BENEFITS

- EICC membership helped confirm XP Power's commitment to environmental leadership
- EICC guidelines helped XP Power to achieve measurable reductions in CO₂ emissions
- Internal efficiency upgrades lead to a 20% reduction on electricity use in Singapore operations

XP has made it a priority to lead even among EICC peers. They boast the most energy efficient products in their industry achieving efficiencies as high as 95%. This compares to typical power converter efficiencies of around 80%. XP is currently building a state-of-the-art factory in Vietnam which will be the country's first Green Mark Gold Plus building. They also now provide free and efficient electric vehicle charging stations at their facilities in California.

Key Challenges

Given their size and the size of their suppliers, XP Power faced challenges implementing improvements through their supply chain. Without the buying power enjoyed by larger industry peers, XP had to stand firm on commitments to environmental standards and other aspects of the EICC Code of Conduct and, in some cases, choose to disengage with suppliers who would not pursue improvements. Overall, XP Power found that suppliers who were un-willing to meet heightened environmental standards were also out-performed in other areas such as quality. By standing firm, XP strengthened the over-all quality of its supply chain.

Results of Membership

- In attracting new clients, XP Power found that EICC membership helped confirm their commitment to environmental leadership. Many of XP Power's target customers are also EICC members.
- EICC guidelines and the experiences of peer companies helped XP to achieve measurable reductions in CO₂ emissions from its Chinese manufacturing facility per unit of revenue.
- Internal efficiency upgrades lead to a 20% reduction on electricity use in Singapore operations.

Lessons Learned

Look Inwardly: XP Power used the EICC's membership requirements to implement internal improvements in environmental performance and establish clear objectives before attempting to drive such improvements into their supply chain.

Integrate: Fully integrating environmental leadership into the corporate culture meant that achieving environmental excellence became everyone's job. It created a positive energy within the company and made it possible to move quickly on implementing new efficiency targets.

Focus: XP focused first on the key partnerships within EICC and specific facilities which could yield the greatest environmental impacts, creating a solid foundation the evolution of its efforts.

More Information

For more details about XP Power, please see their [website](#).

About EICC® (Electronic Industry Citizenship Coalition®)



The EICC was established in 2004 to improve social, economic, and environmental conditions in the global electronic supply chain through use of a standardized code of conduct. The EICC was incorporated in 2007 as an association to ensure greater awareness of the Code, and to expand its adoption across the industry. The EICC includes over 60 global electronics companies. For more information or to view the EICC Code of Conduct, see www.eicc.info or the latest EICC annual report.