

TECHNOLOGY IN ACTION



Driving circularity in the electrical industry



Orgalim's Technology in Action series showcases how the technology industries we represent are shaping a future that's good for Europe's economy and society – and how the right policy framework can help them do even more.

Challenge

Creating a more circular electrical industry is a complex challenge. Safety is paramount and so is durability: after all, electrical items installed in buildings will stay there for 20 years or more.

Such considerations impact the choice of materials. Plastics are widely used because they insulate well, are resistant to heat, water and corrosion, and are strong and durable. But with only around a third of plastics recycled in the EU, the supply of recycled plastics is limited and that of the right quality of plastics even more so, which also means they are much more expensive.

The power management role of many electrical products adds another dimension to the circularity challenge. Optimising the ability of electrical products and related digital solutions to drive the energy efficiency of the building they are installed in is a significant part of closing the loop.

Solution

Legrand is going about becoming more circular very systematically. As a first step, it has focused on reducing its carbon emissions, on reducing waste (it now recycles 92% of its industrial waste),

and on bringing as much transparency as possible to the environmental footprint of its products. Today it can provide Product Environmental Profile declarations for most of its products, covering 70% of its sales.

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We set a number of quantitative targets and report on them every year. It's closely tied to remuneration, which shows how important it is to Legrand.



Benoît Coquart, CEO, Legrand

Its next CSR roadmap, covering 2022-24, will set KPIs for increasing the amount of recycled plastics and metals used in its products, and will commit to eliminating virgin plastic (flow pack and expanded



A connected thermostat facilitates energy savings

polystyrene) from its packaging, among other targets, says CEO Benoît Coquart. To make sure Legrand walks the talk, management remuneration is incentivised against these targets, to the tune of up to 20% of annual bonuses.

To get there, collaborating with suppliers is key, Mr Coquart emphasises. The company has been partnering with suppliers on innovation to incorporate recycled materials. This includes testing products made with recycled materials, and new cardboard packaging, for end user acceptability, both of price, and look and feel.

The next step is to add new circularity criteria for supplier selection. Suppliers will have to make a commitment to reduce their emissions “and we will also rank high the suppliers that can provide us with some recycled components and materials.”

Recognising the huge potential of its products and services to increase the energy efficiency of buildings, Legrand is also setting targets to market more energy-efficient products and services, from simple smart and connected thermostats in the home to complex power management products and services in hospitals, factories and data centres. This is where digitalisation is “a complete game changer”, as Mr Coquart says.

Policy implications

As Legrand sees it:

1. Keep policy clear and workable: set the objectives, but let companies decide how to reach them.
2. Apply policy consistently everywhere in the EU and ensure a level playing field.
3. In the building industry, since it takes 3-4 years to develop a product and then it's in a building for 20 years, a stable environment and enough time to implement the regulations is extremely important.

Related Orgalim position papers

- [Circular Economy Action Plan](#)
- [Sustainable Products Initiative](#)
- [Draft French decree on consumer information for waste-generating products](#)
- [Draft French decree on the minimum proportion of reused packaging](#)

About Legrand



Legrand is the global specialist in electrical and digital building infrastructures. Its comprehensive offering of solutions for commercial, industrial and residential markets makes it a benchmark for customers worldwide. The group harnesses technological and societal trends with lasting impacts on buildings with the purpose of “improving life by transforming the spaces where people live, work and meet with electrical, digital infrastructures and connected solutions that are simple, innovative and sustainable.” Headquartered in Limoges, France, and present in nearly 90 countries, the company reported nearly €7 billion in sales in 2021 and employs more than 38,200 people. Legrand started its CSR journey in 2004, with its fourth CSR roadmap ending in 2021 and the fifth one set to cover 2022-24. It is committed to reducing its greenhouse gas emissions in line with Science Based Targets.

[legrandgroup.com](https://www.legrandgroup.com)

Orgalim represents Europe's technology industries, comprised of 770,000 innovative companies spanning the mechanical engineering, electrical engineering and electronics, ICT and metal technology branches. Together they represent the EU's largest manufacturing sector, generating annual turnover of over €2,076 billion, manufacturing one-third of all European exports and providing 11.33 million direct jobs. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.