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The *dual transition*

The path to a digital and sustainable economy

Conversations
FOR TOMORROW

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Executive conversations with...

PRAKASH ARUNKUNDRUM

Chief Operating Officer

Logitech

SUSTAINABLE, BY DESIGN

Logitech is a Swiss company which specializes in designing products for enhanced user experience. The company is a leading manufacturer of computing peripherals and software. It had a revenue of USD $4.54 billion in the financial year 2023. Logitech's products and engineering processes leverage a Design for Sustainability philosophy.

As Logitech's Chief Operating Officer, Prakash Arunkundrum focuses on operational and organizational effectiveness. His areas of responsibility include global manufacturing, worldwide supply chain, sourcing, customer experience, and quality. Prakash is also responsible for driving the strategy and execution of Logitech's environmental sustainability initiatives and advancing sustainability commitments across its worldwide operations and products. He also oversees corporate strategy and mergers and acquisitions (M&A). Prior to Logitech, he held senior positions at several management consulting and supply chain services and software companies. He is based in San Jose, California.

As chief operating officer of Logitech, how do your responsibilities transcend both operations and sustainability?

At Logitech, we have come to the view that operations and sustainability should coexist. Whenever you make something, you create a footprint; you sell something, you create a footprint; you use something, you create a footprint. So, how do we work on reducing this at all stages of the process, from development to manufacturing and operations? My team also runs new product initiatives, which look at end-to-end products and product development. Also as the general manager of our B2B business group, I have had the unique opportunity to follow a product from inspiration through design and engineering, sourcing, manufacturing, and ultimately delivery to our enterprise or channel partners, where we have take-back and recycling plans for their end-of-life products.

Prakash Arunkundrum,
Chief Operating Officer,
Logitech

"At Logitech, we have come to the view that operations and sustainability should coexist."

SUSTAINABILITY AND LOGITECH

How has Logitech's sustainability journey progressed in recent years?

Sustainability is embedded as a named value at Logitech – in products, in design, in operations, and even in marketing. We've been publishing sustainability reports for over 15 years now. We formally set a goal to be part of the Paris Accord in 2019 – 20. And we hope to achieve our goals much sooner than 2050.

The first component is primarily around reducing the emissions we create. With each generation of new products and innovations, we try to reduce the carbon footprint. Next, we decided that we were going to be transparent with our customers on our carbon impact. As part of that, we carbon label our products, breaking down the carbon footprint.

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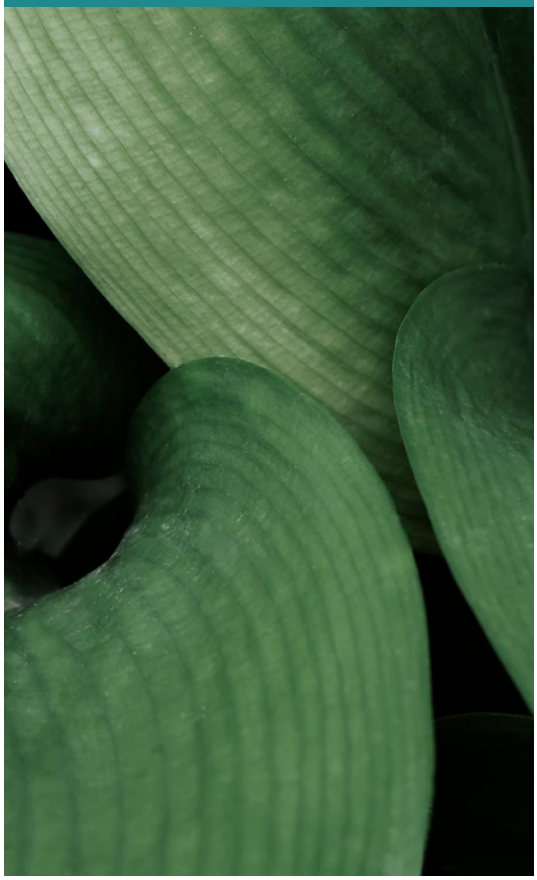

The third component is the direct adoption or purchase of renewable energy and energy credits, locally, in the same markets. The fourth component is really rethinking our business model. How do we make it more sustainable? How do we create a circular supply chain? How do we bring products back in-house for repair and refurbishment? How do we extend the life of our products?

The key goal has been to progress on these dimensions and inspire others in the value chain to do more, be it with our ecosystem partners, our suppliers, or with customers.

How have you created a culture of sustainability at Logitech?

The biggest advantage we have at Logitech is that our employees care about sustainability. But leaders also have to make clear that it is top of the organization's priorities, as well as setting out a roadmap that includes what risks they are willing to take to get there.

An organization must not only understand the pathway along its sustainability journey but also how to implement it. Hence, we at Logitech

came up with the philosophy of pervasive sustainability, which means it is part of everyone's job description to consider sustainability. The goal is if you are an engineer and you're trying to look at an alternate product development feature, you should consider sustainability as part of the process.

If you have a new product in the roadmap that you as a product manager are trying to introduce, you're going to look at cost, schedule, and user experience, but also at CO_2 emissions as part of your product development efforts. It's a metric that we use to inspire, rather than punish.
The goal is to be able to add more features while simultaneously reducing footprint. This is part of our Design for Sustainability approach.

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DESIGN FOR SUSTAINABILITY

Can you help us understand the philosophy of Design for Sustainability?

Design is about imagining what the user experience should look like when you buy a product. The best technology disappears in the foreground – you don't even know that it exists. That is the goal of good design.

When applied to sustainability, it means thinking about what design decisions can we make at every point of the lifecycle. Design for Sustainability influences both the product itself and the user experience, through hardware and software features, respectively.

When applied to sustainability, (good design) means thinking about what design decisions can we make at every point of the life-cycle."

As an example, we have installed 'sleep mode' in several conference room video collaboration devices. Sleep mode fundamentally reduces the energy load, like with a mouse for a computer. You don't want to be waiting for a long time for the mouse to wake up. But, equally, you don't want it to be drawing power when nobody's using it. These are examples of Design for Sustainability that we are weaving into our products.

What is the role of data in building this design mindset?

The biggest question that comes up in this mindset is data and understanding of trade-offs. For example, if we want to have a cable of a certain length, do we have the data to understand the emissions impact? You need that data to feed into the design process.

But you need to know what the data is so that you can actually track that. We have a team of people in the sustainability team that builds this data competence and works with the engineers to share such trade-off data. This is the key capability for Design for Sustainability, and it also underpins the carbon labeling methodology.

You are one of the pioneers of carbon labeling in the electronics industry. Can you help us understand the concept further?

An average consumer is not going to try to understand our design and manufacturing processes or decisions. We took inspiration from calorie labeling. If you think about your average food product, consumers know roughly what portion of their daily calorie consumption it constitutes. With this universal reference, they understand what it means from a measurement perspective.

Additionally, the more detailed the life cycle assessment (LCA) data collection, the more we can improve the product. We were the first in the industry to do it across all our products, and my hope is that we can inspire other people to do the same. We have 42% of our products already carbon labeled and, by the end of 2025, it should be most products.

"The more detailed the Life Cycle Assessment (LCA) data collection, the more we can improve the product."

DESIGNING FOR A CIRCULAR ECONOMY

What is your approach to repairability?

Repairability needs to be a key focus area for the industry. One of the core things about repairability in tech is, that unlike an automobile, which you can take to a local mechanic, there isn't local service for an electronics ecosystem.

There are two sides to repair. The first side is how to make sure the product doesn't require repair for the longest time possible, which is a core emphasis for Logitech. The second side is, when repair is required, how do you make it more straightforward? The answer is: either through a direct relationship with Logitech or through authorized third parties. To that end, we collaborated with iFixit, an online store that provides repair parts. So, now, if a scroll wheel doesn't work, you can go to iFixit and find the repair guides, original equipment manufacturer (OEM) parts, and tools to fix it yourself.

The third thing we are working on with our enterprise customers is a program to take back old tech, and either refurbish or recycle it.

We're also working on doing take-backs with retailers, such as Best Buy. It's a multi-pronged effort.

> **Repairability needs to be a key focus area for the (tech) industry."**

How do you take the supplier ecosystem with you on your sustainability journey?

A few years ago, we engaged with every one of our suppliers to discuss sustainability, and how we expected them to start measuring and reporting progress. Our intent was to help them think about measuring and reporting their emissions.

We then either connected them to local renewable energy sources or encouraged them to consider renewable energy certificates. We set up a buyers' club, so that they can access renewable energy to offset the amount of emissions they create in a particular year.

In the past three years we conducted workshops challenging them to innovate with sustainability in mind. We said: "I'm buying this from you. How can you produce it with lower emissions?" This approach has resulted in several new innovations for our products; for example, low-carbon aluminum, which we receive from various suppliers.

We also co-innovate with our suppliers. Sometimes, there are innovations in materials or improvements to their processes, which they haven't done for reasons of cost, time, or simply because we haven't asked them.

Our principal focus over the coming years is to redesign the electronics ecosystem and how we make and source products, material, and components. We want to change everything, from the ground up.

Prakash Arunkundrum,
Chief Operating Officer,
Logitech

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