

UNEP Eco-innovation: Making your business sustainable



What is eco-innovation and why is it important to my business?

Your impacts go beyond your business operations – it's natural to focus on your own business' impacts when trying to make your business more sustainable, but what you do can also impact your suppliers or your clients, in either positive or negative ways.

Eco-innovation is a process to help you develop and diversify **sustainable business models** that reduce your social and environmental impacts, as well as the impacts along your value chain to make you more resilient and competitive.

Eco-innovation helps you evaluate the overall sustainability of your business' value chain by incorporating three principles:

Life-cycle thinking considering the sustainability of all life cycle phases of a good or service, to identify the 'hotspots' along your value chain

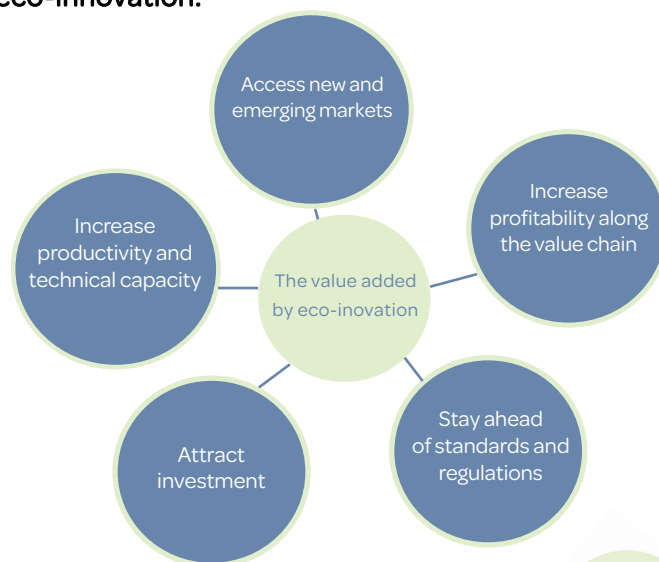
Strategic change going beyond technical improvements to change your core business strategy and business models

Collaboration collaborate with value chain partners to amplify benefits and reduce hotspots

Economies don't stand still and neither do companies. Eco-innovation gives you the tools and methodology you need to compete in changing circumstances while securing your value chain relationships and operations.



The five drivers of eco-innovation:



With eco-innovation towards a circular economy:

There is a growing interest on the part of governments in promoting circularity, where the underlying objective is to keep materials at their highest possible value as they move through their life cycle and are retained as long as possible within the economy.

The aim is to decouple our economic activities from the increased use of natural resources and environmental impacts, while enabling improvements in human wellbeing and society as a whole.

Eco-innovation is very well suited to supporting your efforts to transition to circular business models:

- Life cycle thinking is key to circularity, as it can inspire strategies that ensure materials retain their value in the economy indefinitely
- Strategic changes to core business models are crucial to shift from linear to circular production
- Collaboration with value chain partners is required to find and implement optimum circular solutions

Government policies are moving towards circularity, where materials are kept in use in a loop to avoid disposal. Eco-innovation gives you the tools to help you transition towards circularity by training you to think about the life cycle of your products together with partners while diversifying your business model and strategy.

Eco-innovation and resilience






External shocks happen frequently – whether they are supply chain disruptions, environmental disasters, strikes, or financial or public health crises. Eco-innovative businesses are more prepared to survive, as they:

- are more prepared and adaptable to new circumstances
- have more diverse operations (preventing dependency on any one resource or function)
- have organized their operations to be flexible and modular
- have stronger relationships with customers, suppliers, communities, and employees

The resilience you can create for your business through eco-innovation can take many forms:



UNEP has a history of helping companies become more resilient while implementing eco-innovation – here is what we have learned so far:

-  Consumers are demanding more transparency and products that are environmentally and socially responsible. Eco-innovation, with its incorporation of life cycle thinking and resource efficiency, will help you develop goods and services that are sustainable and affordable to meet this demand.
-  Conversations cost nothing - the more you work with your supply and value chain, the more it works for you – you'll both know more about impacts of shocks and have inside knowledge on how to adapt your operations.
-  Regulations can be both long-term and ephemeral – understanding how your operations can be reconfigured for both short and long-term regulatory compliance will help you stay ahead.
-  Stimulus packages are prioritizing green businesses – eco-innovation may make you eligible for more funding in the future.
-  Digitalization helps productivity and technical capacity – having a website is important, but so is thinking about how technology and data can be used to help you become more efficient and effective. Collecting data on your environmental performance can help identify inefficiencies, compete for profitable MNE contracts or comply with regulations.

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To learn more about eco-innovation, visit our website:
<http://unep.ecoinnovation.org/>
or read our publication “[The Business Case for Eco-innovation](#)”

