



**2015 Global Ecolabelling Network  
Annual General Meeting**

**Hong Kong  
October 29, 2015**

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**DRAFT AGENDA**  
**Annual General Meeting**  
Global Ecolabelling Network  
Hong Kong  
October 29, 2015

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1. **Opening of the Meeting**  
GEN Chair, Robin Taylor
2. **Appointment of Drafting Committee for 2015 Annual General Meeting (AGM)**  
**Record of Decisions**
3. **Approval of 2015 Annual General Meeting Agenda**
4. **Approval of Meeting Minutes and List of Participants from 2014 AGM**  
For decision.
5. **Update from the Board: Activities over past 12 months**  
For information.
6. **Applications for GEN Membership**  
For discussion and decision.
7. **GENICES**  
Presentation of GENICES certificates.
8. **Engagement with Standards Initiatives**  
For information.
9. **Strategic Issues and Relevant Activities**
  - 9.1. **Update on strategic networking and outreach plan**  
For information and discussion.
  - 9.2. **2015-2016 Work Plan**  
For discussion and decision.
10. **Internal Cooperation**
  - 10.1. **GEN Webpage**  
For information and discussion.
  - 10.2. **GEN News**  
For information and discussion.
  - 10.3. **Annual Report**  
For information and discussion.
11. **Secretariat and General Affairs Office**
  - 11.1. **Secretariat Work Report**  
For information.
12. **Financial Matters**
  - 12.1. **Acceptance of 2014 Finalized Financial Statements**  
For discussion and decision.

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**DRAFT AGENDA**  
**Annual General Meeting**  
Global Ecolabelling Network  
Hong Kong  
October 29, 2015

---



- 12.2. 2015 Financial Statements: Appointment of Financial Statements Review Committee**  
For discussion and decision.
- 12.3. Status of 2015 Budget Activities**  
Presentation of budget status.
- 12.4. 2016 Participation Fee Levels**  
For discussion and decision.
- 12.5. Proposed 2016 Budget**  
For discussion and decision.
- 12.6. Appointment of Treasurer for 2016**  
For information.
- 13. Update regarding review of GEN By-Laws**  
For information and discussion.
- 14. Election of Directors for 2015**
  - 14.1. Election of Chair** (Directed by Nomination Committee Chair)
  - 14.2. Election of other Directors** (Directed by Nomination Committee Chair)
  - 14.3. Selection of Nomination Committee** (Directed by new GEN Chair)
- 15. Date and Place of Next Annual General Meeting**  
For discussion and decision.
- 16. Any Other Business**
- 17. Review and Acceptance of Record of Decisions**

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



1. **Opening of the Meeting**
  - Robin Taylor (Environmental Choice New Zealand) welcomed participants and thanked CEC for hosting the GEN AGM week. He also noted that GEN was celebrating its 20<sup>th</sup> anniversary and congratulated all of the members for their efforts in contributing to GEN's success over the last two decades.
  
2. **Appointment of Drafting Committee for 2014 Annual General Meeting (AGM) Record of Decisions**
  - Ning Yu (Green Mark Program) and Linda Chipperfield (Green Seal) were appointed to the 2014 AGM Record of Decisions and Drafting Committee.
  
3. **Approval of 2014 Annual General Meeting Agenda**
  - The agenda was approved as presented.
  
4. **Approval of Meeting Minutes and List of Participants from 2013 AGM**
  - The 2013 AGM meeting minutes and list of participants were approved as presented.
  
5. **Reinstatement of GEN as a legal entity in the State of Delaware**
  - Robin Taylor explained that GEN was originally registered as a corporation in the State of Delaware in 1994 and that Eli Cohen-Kagan (Israeli Green Label), in the course of leading the by-law review, uncovered that GEN's corporate status in the State of Delaware had lapsed and had been void since 2008. Robin Taylor explained that Eli Cohen-Kagan alerted the Board of this finding in April 2014, and then provided an overview of major milestones in the reinstatement process which was completed on July 22, 2014. Robin Taylor added that the Board commissioned a corporate lawyer to provide advice regarding where to register and to actually undertake reinstating GEN's status in the State of Delaware. Robin Taylor explained that the lawyer advised that GEN could reinstate in the State of Delaware or be established in Canada. The Board decided to reinstate in Delaware to urgently expedite the process and would consider the merits of establishing GEN's corporate status elsewhere at the 2015 spring Board Meeting.  
  
*See Appendix A for Reinstatement Timeline and Overview presentation that was delivered.*  
  
**Action item:** Katherine Larocque (GEN Secretariat) to send letter of opinion from lawyer regarding advice on where to register GEN to Eli Cohen-Kagan as requested. GEN Board of Directors to consider the merits of establishing GEN's corporate status elsewhere at the 2015 Board Meeting.
  
6. **Applications for GEN Membership**
  - Robin Taylor explained that there were three membership applications to discuss, including a full membership application from TUV Rheinland, an associate membership application from Brazil and a draft full membership application from Vietnam.  
  
**Full Membership Application—TUV Rheinland**
    - Robin Taylor explained that the Board's recommendation to the membership is to not accept TUV Rheinland as a full member at this time, but instead to work with them over the next year and formally reconsider their application at the 2015 AGM. Robin Taylor explained that the Board's major concern was around a lack of transparency and public access to sufficient information regarding the program.

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



He added that while the applicant has been very responsive to questions from the Board, information about the program including stakeholder participation and the standards themselves are not easily accessible online. The Board also recommended that GEN better understand the operating structure to determine how future possible applications from other TUV entities (who also deliver this program) can be addressed. The Board proposed that Hans-Hermann Eggers (Blue Angel) work with the applicant to discuss these and other issues to help the applicant understand how to rectify them over the next year, to enable reconsideration of their membership application at the 2015 AGM.

**Decision:** The membership voted in favour of the Board recommendation to have the applicant work with Hans-Hermann Eggers and reconsider their application at the 2015 AGM. GEN membership was not granted at this time.

**Associate Status Application—Falcao Bauer Ecolabel Brasil**

- Robin Taylor explained that the Board recommendation to the membership is to accept the program as an Associate since they have standards and seem to be credible. Robin Taylor explained that they are applying for Associate status because they do not have certified products or licensees at this time. Should they wish to be considered for Full membership in the future, they would have to submit a new application.

**Decision:** A majority of members voted in favour of awarding Associate Status to Falcao Bauer Ecolabel Brasil.

**Draft Full Membership Application—Vietnam Green Label**

- Robin Taylor explained that GEN had received a draft Full membership application from the Vietnam Green Label program, but that it had not yet been formally signed and submitted because it had to be approved by senior membership within the Vietnamese ministry. He explained that the Board would like discretion to award provisional Associate Status when a signed application form is received, and to then have the applicant complete GENICES over the next year as a component of evaluating their application for full membership. Ideally, the GENICES process should be completed in advance of the 2015 AGM so that their application for full membership can be voted on by the members.

**Decision:** Members voted in favour of the Board recommendation presented. The board will grant provisional Associate Status to the Vietnam Green Label when a completed application has been received, and undertake a GENICES assessment over the next year to evaluate their suitability for full membership in GEN. The Board will make a recommendation on their suitability for full membership after completion of GENICES.

**7. GENICES**

- GENICES certificates were presented to the China Quality Certification Centre (CQC) for having successfully completed GENICES in December 2013, and the Swedish Society for Nature Conservation (SSNC) for successfully completing their Second GENICES in May 2014.
- Katherine Larocque explained that GENICES audits of TCO Development in Sweden and Green Mark in Chinese Taipei had just recently been completed, and that Good Environmental Choice Australia was completing the on-site audit the week of September 29.

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



- Katherine Larocque also explained that the GENICES guide and application form will be reviewed and refreshed over the next year to ensure it is relevant and user-friendly.

## 8. Strategic Issues and Relevant Activities

### 8.1. Proposal for new membership category of “Affiliates”

- Robin Taylor explained that the Board would like to establish a third category of membership called Affiliates, which would be reserved for organizations that support ecolabelling but are not actually ecolabelling programs. He explained that existing Associate members ISEAL and IGPN would likely be transitioned to this new category eventually. Robin Taylor explained that the Board intends to develop a more formal definition of Affiliate status and to prepare documentation for members to review and vote on at the 2015 AGM. He added that the Board would also like to review the existing Full member and Associate status description and membership requirements, to ensure they are sufficiently clear and detailed to distinguish between these three levels of membership.

**Decision:** The members voted in favour of the Board's recommendation to develop a membership category of Affiliates for presentation and voting at the 2015 AGM, and to also review existing Full membership and Associate status definitions and requirements.

### 8.2. Update on a variety of strategic initiatives

- Robin Taylor delivered a presentation which provided an overview of some of the activities that have been undertaken by the Board over the past year. Organizations which GEN has engaged in the past twelve months include ISEAL, ISO, UNEP, APO, ASEAN +3 and the OECD. *See Appendix B for the presentation that was delivered.*
- Svetlana Berzina (Ecolabelling Program in Ukraine) added that her program has been working closely with UNEP on a Green Economy program in Eastern Europe which is engaging Ukraine, Belarus, Armenia, Azerbaijan, Georgia and Moldova to encourage the development of government green procurement. Svetlana expressed hope that eventually Type I ecolabelling programs may develop in these countries and that they could become members of GEN in the future. She also noted that she has presented the activities of GEN at these project meetings and emphasizes the importance of GENICES and common core criteria. Bjorn-Erik Lonn (Nordic Swan) added that while GEN is not in a position to contribute financially to UNEP projects, GEN certainly can provide expertise.
- Katherine Larocque added that many of the activities undertaken by the Board are the result of very targeted and strategic outreach to these organizations because they were identified in the 3-year Strategic Networking and Outreach plan which was launched in 2012. She explained that this strategy will be reviewed and possibly revised early next year to confirm that the key organizations and methods of engagement still make sense. Katherine Larocque also explained that the Board will be engaging members for ideas and feedback on the future direction of GEN as an input into the development of a 5-year strategic plan that the Board will be preparing in spring 2015.

### 8.3. GEN engagement with ISO

- Bjorn-Erik Lonn provided an update on GEN's engagement with ISO, specifically on ISO Technical Committee 207/Subcommittee 3 which is tasked with determining whether ISO 14024 requires revision. Bjorn-Erik explained that GEN

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



is a liaison member of this technical committee and that both he and Ning Yu have been very active in ISO for many years on GEN's behalf—most recently attending the TC 207 meeting in May. He explained that he has advocated on GEN's behalf to retain ISO 14024 in its current form, as opposed to opening it up for revision by helping key groups more clearly understand the difference between Type I and Type III labels. He explained that the next step will be circulation of the proposed amendments for comment, and that the next meeting will be in late January 2015 in Berlin, Germany to review feedback.

- Eli-Cohen Kagan added that it is incredibly important for GEN members who are able to vote or influence votes to try and do so to broaden GEN's involvement in ISO. He encouraged members to participate on ISO committees beyond those directly affecting Type I ecolabels, including for example, work on carbon foot printing. He explained that the report that Bjorn-Erik Lonn's Technical Committee will be issuing will be voted on, and that GEN members should be alerted when this happens.

**Action Item:** Bjorn-Erik Lonn to notify GEN members via email when the TC 207 proposal is up for comment and voting so that GEN members can engage authorities in their country to represent GEN's interest. Bjorn-Erik Lonn to also circulate information updates as necessary on progress of TC 207 efforts.

#### **8.4. 2014-2015 Work Plan**

- Robin Taylor presented the proposed 2014-2015 GEN Work Plan.

**Decision:** A majority of members voted in favour of accepting the work plan as presented; the Israeli Green Label abstained from voting.

### **9. Internal Cooperation**

#### **9.1. GEN Webpage**

- Katherine Larocque provided an overview of recent updates to the GEN webpage, noting that it has received approximately 19,000 visitors over the last 12 months. She highlighted that an overview of GEN membership features and benefits has been uploaded, and that work is currently underway to feature GENICES more prominently and to refresh the description of GENICES. Katherine Larocque also explained that a 20<sup>th</sup> anniversary commemorative timeline has been prepared and will be featured on the GEN website, noting that it is currently in draft form and will be circulated to members as soon as possible.

#### **9.2. GEN News**

- Katherine Larocque explained that the GEN News continues to have good uptake and that the next edition will be published before the end of the year. The upcoming issue will feature GEN's 20<sup>th</sup> Anniversary and the AGM, while still including updates from all members.

#### **9.3. Annual Report**

- Katherine Larocque explained that the 2013 Annual Report has been posted to the GEN website and encouraged GEN members to read it and circulate it among their own networks.

### **10. Secretariat and General Affairs Office**

#### **10.1. Secretariat Work Report**

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



- Katherine Larocque provided an overview of the Secretariat Work Report that was prepared for the period from January to June 2014. She also provided a high-level summary of work undertaken since this time, in addition to work planned for the remainder of 2014.
- Eli Cohen-Kagan requested that a job description for the Secretariat be prepared and circulated to the members; Robin Taylor committed the board to responding to this request before the end of the year.

**Action item:** Board to develop job description for Secretariat and circulate to members before the end of the year.

**10.2. Board Recommendation: Contract for Secretariat services for 2015-2017**

- Robin Taylor explained that the current contract with UL Environment for Secretariat concludes at the end of this year, and that four proposals were received to perform GEN Secretariat Services from 2015 to 2017. He added that the Board reviewed and debated the proposals, noting however that both he and Angela Griffiths excused themselves from the discussion and had no role in the decision-making process due to a conflict of interest (based on who submitted proposals). As a result Bjorn-Erik Lonn led the rest of the discussion and decision-making process, and explained that the Board recommends accepting the proposal for Secretariat services from UL Environment from 2015 to 2017 in the amount of US \$50,000 annually plus travel. He also explained that contracting with UL Environment would be tied specifically to Katherine Larocque actually performing the role of Secretariat, and that this stipulation would be included in the contract language.
- Eli-Cohen Kagan explained that he was unhappy with the process, especially since he submitted a proposal that was substantially cheaper. He requested to be told who else submitted proposals and thought he should have been notified in advance of the decision.
- Angela Griffiths explained that the process was conducted in a way that was acceptable according to practices in North America and Europe. In general, lists of bidders are not provided and clients do not necessarily provide detailed information to unsuccessful bidders.

**Decision:** Robin Taylor asked members to vote on accepting the proposal for Secretariat from UL Environment, provided that Katherine Larocque is tied to the role, and a majority of members voted in favour.

**10.3. Board Recommendation: GEN General Affairs Office services for 2015 2017**

- Robin Taylor explained that the Japan Environment Association has graciously been running the General Affairs Office for free for many years, and has agreed to do so again for another 3-year contract from 2015 to 2017. The Board recommended accepting this offer and a majority of members voted in favour.

**11. Financial Matters**

**11.1. Acceptance of 2013 Finalized Financial Statements**

- Osamu Uno (Eco Mark Program Japan) began presenting the 2013 Financial Statements. Eli Cohen-Kagan interjected to draw attention to the fact that an observation submitted by Benny Braun (Israeli Green Label), who was one of the independent reviewers of the financial statements, was not addressed beforehand. Robin Taylor then addressed the observation submitted by Benny Braun by



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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



presenting language the Board proposed to include as an addendum to the 2013 Financial Statements to reflect the fact that the lapse in registration in Delaware had no material impact on GEN. Eli Cohen-Kagan indicated that he wanted to recommend additional information to include with the disclosure statement; the Board agreed to consider and deliberate the relevance of any additional statements should it be received from Mr. Kagan.

**Decision:** Members voted to accept the 2013 Financial Statements as presented, as well the proposed language to be included as an addendum to the 2013 Financial Statements. *Refer to Appendix C for proposed language.*

**11.2. 2014 Financial Statements: Appointment of Financial Statements Review Committee**

- Robin Taylor explained that external auditors are very costly, and until a need arises, GEN will continue to have two members act as independent auditors for its financial statements. Lisbeth Engel Hansen (Nordic Swan) and Eli-Cohen Kagan were appointed to review the 2014 Financial Statements when they are available next year.

**11.3. Status of 2014 Budget Activities**

- Osamu Uno presented a status update on the 2014 budget activities to date.

**11.4. 2015 Participation Fee Levels**

- Robin Taylor explained that the Board recommended no change in membership fees for 2015, noting that there is a facility to reduce membership fees where there is a demonstrated inability to pay.

**Decision:** The members voted and accepted the proposal to maintain current membership fees for 2015.

**11.5. Proposed 2015 Budget**

- Osamu Uno presented the proposed 2015 budget. Eli-Cohen Kagan expressed concern that enough budget had not been allocated to legal fees, and that they should be tripled to account for by-law drafting. Robin Taylor explained that the Board believes it is more prudent to have a better sense of costs and at the next AGM, request more budget for by-law revisions if necessary.

**Decision:** Members voted and accepted the 2015 budget as presented.

**11.6. Appointment of Treasurer for 2015**

- Robin Taylor thanked Osamu Uno for his dedication to GEN in his capacity as Treasurer, and indicated that he had been re-appointed as Treasurer of GEN for 2015.

**12. Review of GEN By-Laws**

- Robin Taylor explained that at the last AGM the members voted to establish a committee led by Eli-Cohen Kagan to review the GEN by-laws and make recommendations on possible revisions for consideration by the Board. Other members of the committee include Linda Chipperfield (Green Seal), Bjorn-Erik Lonn, Rupert Posner (Good Environmental Choice Australia) and Chin-Yuan Chen (Environment and Development Foundation). Eli Cohen-Kagan then delivered a presentation on changes to the by-laws that he recommended.

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



- Bjorn-Erik Lonn was the Board appointed representative on the committee and shared his perspective. He explained that the presentation delivered by Eli Cohen-Kagan represented Mr. Kagan's views and not necessarily the views of the whole committee because the committee was not consulted in an effective or consistent manner to establish shared recommendations.
- Angela Griffiths then presented the Board's response to each of the 11 recommendations made by Eli Cohen-Kagan in his presentation, and engaged GEN members in discussion to gather their feedback on each point. A summary of this discussion will be made available in a separate document. The Board emphasized that it was not appropriate to vote on the recommendations for several reasons: there was an obvious lack of consensus on a few issues both within the by-law committee itself and among the members in attendance; not all GEN members were present; and the implications or implementation of some of the recommendations had not been fully articulated or understood at this time.
- The members were asked to vote on whether the by-law review subcommittee had completed its work and should be dissolved. **Decision:** A majority of members voted to dissolve the by-law review subcommittee.

**Decision:** The members were asked to vote on the next steps in the by-law review process, and a majority of members agreed to the following steps:

- Board to compile feedback captured during discussion at AGM
- Board will seek additional feedback from all members via email
- Board will compile feedback, respond to comments received and share comment report with GEN members
- Board will draft proposed revisions to the by-laws and circulate to the membership by March 2015, in conjunction with the feedback and comment report outlined in the step above
- Board will ensure a vote on the by-laws will take place in 2015 to conclude the by-law review process

### **13. Election of Directors for 2014**

#### **13.1. Election of Chair**

- Katherine Larocque facilitated the election, and Robin Taylor was re-elected as Chair of GEN for 2015. She also noted that Robin declared his intention to retire in 2015.

#### **13.2. Election of other Directors**

- Katherine Larocque facilitated the election. She first noted that there were 6 board member positions for 2015. She explained that originally there were 7 candidates running, however Eli Cohen-Kagan had withdrawn his candidacy for the Board of Directors earlier in the day. As a result, the members voted to elect all 6 candidates that were running including Hans-Hermann Eggert (Blue Angel), Eva Eiderstrom (Good Environmental Choice- Sweden), Angela Griffiths (Ecologo), Guy Ladvoat (ABNT- Environmental Quality), Bjorn-Erik Lonn (Nordic Swan) and Xiaodan Zhang (China Environmental Labelling).

#### **13.3. Selection of Nomination Committee**

- Katherine Larocque (GEN Secretariat) and Chin-Yuan Chen (Environment and Development Foundation), were selected as the 2015 nomination committee. Any member who has questions about the election process or intends to run for a position at the next AGM should contact one of these individuals.

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



**14. Date and Place of Next Annual General Meeting**

- Robin Taylor invited Eli Cohen-Kagan to deliver his presentation and offer to host the 2015 AGM in Tel Aviv, Israel. Robin Taylor then explained that due to heightened security concerns due to recent events in Israel, Board members and other GEN members have expressed concern about hosting the next GEN AGM in Tel Aviv. As a result, he explained that the Board recommends accepting an offer from UL Environment to host the 2015 AGM in North America (either Chicago, Atlanta or Vancouver- location still to be determined), and to revisit the possibility of hosting an AGM in Tel Aviv in 2016 or later.
- Members were given an opportunity to express their opinion. With some members voicing support for holding the 2015 AGM in Tel Aviv and others disagreeing due to concerns around personal safety and security, the members agreed to vote on the location of the 2015 AGM. A lengthy discussion ensued, after which a vote was taken.

**Decision:** The majority of members voted in favour of accepting UL Environment's offer to host the 2015 AGM in North America.

**15. Any Other Business**

- Members were given the opportunity to raise any issues; none were identified.

**16. Review and Acceptance of Record of Decisions**

- The following decisions were recorded by Ning Yu and Linda Chipperfield, read aloud, and approved and accepted by the members:
  - The meeting agenda was accepted as presented.
  - The 2013 meeting minutes and list of participants were accepted as presented.
  - Membership application from TUV Rheinland was not accepted at this time; Hans-Hermann Eggers will work directly with them to address issues to allow reconsideration of application in 2015.
  - Associate application from Falcao Bauer Ecolabel Brasil was accepted.
  - Draft full membership application from Vietnam- award provisional associate status when completed application is received and work to complete GENICES as component of full membership application process in advance of 2015 AGM.
  - Board will further develop new membership category of Affiliates for consideration at 2015 AGM.
  - Bjorn-Erik Lonn to provide notice of voting periods on ISO matters and updates as necessary via email to GEN members.
  - 2014-2015 Work Plan was approved.
  - The board will issue a Secretariat job description.
  - Proposal for secretariat services for 2015 to 2017 from UL Environment was accepted, with provision that Katherine Larocque perform the role of Secretariat.
  - Japan Environment Association will continue to manage the General Affairs Office for the period from 2015 to 2017.
  - Lisbeth Engel Hansen and Eli Cohen-Kagan will independently review the 2014 financial statements.
  - 2015 Budget was accepted.
  - Membership fees will remain unchanged for 2015.
  - Osamu Uno was appointed Treasurer for 2015.
  - By-law subcommittee to be disbanded following their provision of recommendations to the Board and AGM .

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**DRAFT**  
**2014 Annual General Meeting Minutes**  
Global Ecolabelling Network  
Beijing, China  
September 25, 2014

---



- Board will undertake to complete the by-law review as per the process agreed to by members and outlined above.
- Robin Taylor was elected as Chair for 2015.
- Hans-Hermann Eggers, Eva Eiderstrom, Angela Griffiths, Guy Ladvocat, Bjorn-Erik Lonn and Xiaodan Zhang were elected to the board of directors for 2015.
- Katherine Larocque and Chin-Yuan Chen were appointed to the Nominations Committee.
- UL Environment will host the 2015 AGM in North America.

**Draft Participants List**  
**2014 Annual General Meeting**  
 Global Ecolabelling Network  
 Beijing, China  
 September 25, 2014



The following individuals were in attendance at the 2014 GEN Annual General Meeting

Given Name	Family Name	Organization
June	Alvarez	Philippine Center for Environmental Protection and Sustainable
Svetlana	Berzina	All-Ukraine NGO Living Planet
Benny	Braun	The Standards Institution of Israel
Yao- Tien	Chang	Environment and Development Foundation, Chinese Taipei
Chin-Yuan	Chen	Environment and Development Foundation, Chinese Taipei
Yiqun	Chen	China Environmental United Certification Center
Linda	Chipperfield	Green Seal Inc.
Eli	Cohen-Kagan	The Standards Institution of Israel
Hans-Hermann	Eggers	Blue Angel
Semen	Gordyshevskiy	Ecological Union
Yulia	Gracheva	Ecological Union
Angela	Griffiths	UL Environment
David	Gunnarsson	Bra Miljöval, Swedish Society for Nature Conservation
Linda	Ho	Green Council
Weena	Khamwichai	Thailand Environment Institute
Young Woo	Kim	Korea Environmental Industry and Technology Institute
Moonju	Ko	Korea Environmental Industry and Technology Institute
Hiroyuki	Kobayashi	Eco Mark, Japan Environment Association
Guy	Ladvocat	Associação Brasileira De Normas Técnicas - ABNT
Katherine	Larocque	UL Environment
Grace	Lebria	Philippine Center for Environmental Protection and Sustainable
Dai Hoon	Lee	Korea Environmental Industry and Technology Institute
Francesca	Lipscombe	New Zealand Ecolabelling Trust
Yuan	Liu	China Quality Certification Center
Bjorn-Erik	Lonn	Nordic Ecolabelling Board
Kavickumar	Muruganathan	Singapore Environment Council
Susy	Nurmayanti	Ministry of Environment, Indonesia
Sirithan	Pairoj-Boriboon	Thailand Environment Institute
Zhenghui	Shao	China Quality Certification Center
Robin	Taylor	New Zealand Ecolabelling Trust
Osamu	Uno	Eco Mark, Japan Environment Association
Fallight	Xu	TUV
Damon	Yong	Singapore Environment Council
Ning	Yu	Environment and Development Foundation, Chinese Taipei
Jie	Yu	China Quality Certification Center
Xiaodan	Zhang	China Environmental United Certification Center

# Membership Application Form

Please provide the following details about your organization and ecolabelling program, and feel free to attach diagrams or web links to more information as necessary. Please also provide a copy of at least one of your standards in English. This submission will be considered by the GEN Board of Directors, and further clarification will be sought as necessary.

<b>Organization Name: TÜV Rheinland</b>	
<b>Program Name: Green Product Mark</b>	
<b>Ecolabel Owned By: TÜV Rheinland AG</b>	
<b>Program Website:</b> <a href="http://www.tuv.com/en/corporate/business_customers/product_testing_3/our_services_1/green_product_mark/green_mark.html">http://www.tuv.com/en/corporate/business_customers/product_testing_3/our_services_1/green_product_mark/green_mark.html</a>	
<b>Country/Region of Operation: Germany</b>	<b>Year Established: 2012</b>
<b>Type of organization: Public-owned</b> (e.g Non-profit, governmental, private or other)	
<b>Number of Standards: 21</b>	<b>Number of Licensees:</b> 12 (as of Aug.20, 2015)
<b>Number of Standards with Active Licensees: 8 (as of Aug.20, 2015)</b>	
<b>Number of Certified Products: 117 (as of Aug.20, 2015)</b>	<b>Year First License Awarded: 2012</b>
<b>Number of staff dedicated to ecolabelling program: 50</b>	<b>Annual budget of parent organization: 1 million USD</b>
<b>Annual budget for ecolabelling program this year: 1 million USD</b>	<b>Annual budget for ecolabelling program last year: 1 million USD</b>
<b>Yearly Contribution from Sponsors/funder/other income: 1 million USD</b>	<b>Amount of License Fees Collected:</b> 1,004,000 USD
<b>Why is your organization interested in GEN membership?</b> To promote the experience-sharing with GEN members on the good practice of ecolabelling program operation; to promote the core-criteria development of eco-labelling programs with GEN members; to drive the sustainable and healthy growth of eco-labelling programs as a whole.	
<b>What is the mission and objective of your program?</b> TÜV Rheinland's Green Product Mark is a voluntary environmental label that gives consumers and buyers guidance in identifying environmentally preferable products in the market place. The Green Product Mark aims to reduce the environmental footprint of a product throughout its life cycle.	
<b>Please describe what environmental impacts your organization considers in developing standards:</b> Prevent pollution to environment; Responsible use of resources; Climate change mitigation	

<b>Please describe the process your organization follows in developing standards:</b>	
As described in the <i>Guideline for the Creation and Revision of 2 PfG-E</i>	
<b>Please describe how your organization reviews standards, and how often standards are reviewed:</b>	
As described in the <i>Guideline for the Creation and Revision of 2 PfG-E (10.2)</i>	
<b>Is there a decision-making body who oversees or approves the development of standards, the certification process, etc?</b>	
Global 2 PfG-E Technical Committee (with composition indicated in the Annex A of <i>Guideline for the Creation and Revision of 2 PfG-E</i> ).	
<b>Please describe the entire certification process, beginning with an expression of interest in acquiring certification through to awarding of certification:</b>	
As described in attached certification process.	
<b>Mailing Address: Am Grauen Stein 51105 Cologne, Germany</b>	
<b>Phone: +49 2 21/8 06-0</b>	<b>Fax: +49 2 21/8 06-1 14</b>
<b>E-mail: <a href="mailto:GreenMark@tuv.com">GreenMark@tuv.com</a></b>	

## Membership Fee

If approved for GEN membership, your organization will be required to pay the annual GEN membership dues of US \$7000. Membership dues must be paid according to the terms indicated on the invoice, which is usually issued in first quarter of the year following acceptance into GEN at the Annual General Meeting issued to them, usually in the next calendar year.

## Organizational Adherence to Membership Criteria

I affirm that my organization conforms to the GEN conditions of Membership set forth in the GEN [By-Laws](#). I also attest that all the information provided to GEN about my organization is correct and that I have signing authority for the organization. I understand that my organization may be required to undergo GENICES as part of the application process, and that there is a possibility that corrective actions may have to be taken to successfully complete GENICES in order to be eligible for full membership.

I understand that if my organization's policies or practices are altered so as to be substantially out of compliance with the criteria for membership or in contradiction with conditions of membership set forth in the GEN By-Laws, my organization's membership in the GEN may be revoked and membership fees will not be reimbursed.

<b>Date: Aug.28, 2015</b>	<b>Place: Cologne</b>
---------------------------	-----------------------

**Name: Fallight Xu**

**Title: Global Head of Green Solutions**

**Signature:**

A handwritten signature in black ink, appearing to be 'Fallight Xu', written over a horizontal line that extends from the 'Name' field.



# Associate Status Application Form

Please provide the following details about your organization and ecolabelling program, and feel free to attach diagrams or other illustrations as necessary. This submission will be considered by the GEN Board of Directors, and further clarification will be sought as necessary. Please also submit an electronic copy of your eco label mark with this submission.

<b>Organization Name:</b> Confederation of Indian Industry (CII) CII – Sohrabji Godrej Green Business Centre (CII – Godrej GBC)	
<b>Program Name:</b> 'GreenPro' – Green Product Certification	
<b>Program Website:</b> <a href="http://www.greenbusinesscentre.com">www.greenbusinesscentre.com</a>	
<b>Country/Region of Operation:</b> India	<b>Year Established:</b> CII – 1895 CII – Godrej GBC – 2004
<b>Type of organization:</b> Not-for profit (e.g Non-profit, governmental, private or other)	<b>Total Budget (\$US):</b> USD 4,000,000/- for CII – Godrej GBC
<b>Number of Standards:</b> Eight  In the process of developing standards for several other products	<b>Number of Licensees:</b> n/a
<b>Number of Standards with Active Licensees:</b> N/A	
<b>Number of Certified Products:</b> 1	<b>Year First License Awarded:</b> n/a
<p><b>Why is your organization interested in Associate Status in the GEN?</b></p> <p>CII-Godrej GBC would like to be the member GEN for the following reasons:</p> <ul style="list-style-type: none"> <li>• Network with members of GEN and other international ecolabelling programs</li> <li>• Learn the best practices adopted by the GEN members in offering Eco labels and development of standards</li> <li>• Avail the technical expertise offered by GEN members for making GreenPro a robust ecolabel in India</li> <li>• Participate in information sharing workshops and other initiatives of GEN for enhancing our technical capabilities and GreenPro programme</li> </ul> <p>Since, GreenPro – Green product certification offered by CII-Godrej GBC is at the startup stage, we would like to have only associate status. Once we are fully established, we will explore the possibility of becoming a member.</p>	

## **What is the mission and objective of your program?**

### **Overall objective:**

Facilitate green product market transformation in India by establishing and mainstreaming green product certification.

### **Mission:**

- Encourage manufacturers to design, develop and manufacture products in an environmentally sustainable manner and recognize them through the award of green product certification
- Initially focus on products, materials and technologies related to Green Buildings and over a period of time extend the focus to industry products, technologies and services
- Encourage the end users to procure certified green products
- Facilitate development of policy frameworks and encourage green institutional procurement

## **Please describe how your organization was developed:**

Confederation of Indian Industry is a non government, not for profit, industry led and industry managed organisation, playing a proactive role in India's development process. Founded over 117 years ago, it is India's premier business association with direct membership of over 6600 organisation from private as well as public sectors.

CII-Sohrabji Godrej Green Business Centre (CII-Godrej GBC) is one of the centres of excellence of confederation of Indian Industry. CII-Godrej GBC offers advisory and certification services to industry for Green buildings, Green Companies and Green Products. The centre also focuses on the advisory services in the areas of energy efficeincy, environment management, renewable energy and climate change activities.

CII-Godrej GBC works closely with the stakeholders in facilitating India emerge as one of the global leaders in Green Business by the year 2022.

The Green Building movement spearheaded by the Indian Green Building Council (IGBC), which is part of CII-Godrej GBC has enabled the building industry to adopt Green Building concepts for enhanced economic, health and environmental performance. Thus far, IGBC has been instrumental in enabling more than 3,157 projects with 3.03 billion of sq. ft. of Green buildings in India, which is the second largest green building footprint in the world.

The growth in Green buildings has created demand for credible green building products, materials and technologies. Hence, CII-Godrej GBC with the support of all the stakeholders has launched Green Products and services council. The Green products and services council offers Green Product certification and govern all the activities related to Green products.

CII-Godrej GBC has inked memorandum of understanding with Underwriters Laboratories (UL) for offering GreenPro certification. UL will be the 'Knowledge Partner' for developing the standards for GreenPro certification.

**Please describe what environmental impacts your organization considers in developing standards:**

GreenPro – Green product certification standards adopts a holistic approach based on the life cycle. Environment impact of a product due to the entire life cycle starting from the raw materials, manufacturing process, product performance during use and end of life management have been taken into consideration for evaluation.

The evaluation framework of the Green product standard involves the following 8 parameters: 1. Product design, 2. Product performance, 3. Raw material, 4. Manufacturing process, 5. Waste management, 6. Life cycle analysis, 7. Product stewardship and 8. Innovation.

Product design – Focuses on the policy adopted by the organisation for design of Green products and initiatives taken by the company at the design of the products for making the product green.

Product performance – ensures the Green performance of the product at par with international standards. Demands test certificates for the identified parameters as per the prescribed standards.

Raw material – Encourages the use of post consumer recycled content or industrial wastes as part of the raw materials. Also ensures that there is no hazardous, toxic or carcinogenic material present in the raw materials.

Manufacturing process – Encourages enhanced energy and water efficiency in the manufacturing process. Also encourages use of renewable energy as an alternate.

Waste management – Demands for reduction in specific waste generation and reduction in quantity of waste disposed as landfill.

Life cycle analysis – Encourages the manufacturers to carry out life cycle impact analysis of the product and take measures to bring down the overall impact.

Product stewardship – assumes primary responsibility for the manufacturer for the environment impact of the product and encourages them to take initiatives to bring down the environment even after delivery of the product.

Innovation – captures the innovative measures and initiatives taken by the manufacturer apart from the above highlighted areas.

**Please describe how your organization develops standards:**

GreenPro follows consultative process involving all stakeholders related to the product for developing the standards.

Under the Green Products and Services council, a technical committee has been formed involving experts from various fields of green products including specifiers, architects, consultants, testing laboratories, standard developers, manufacturers, education and research institutes etc. Technical committee will address all the technical issues related to standard development and evaluation of products.

For developing standards for specific products, product specific committees have been formed as part of the technical committee involving select stakeholders including the respective product manufacturers. The product committee will be led by a specifier. The responsibility of developing the standard is with the product specific committee.

<p>As a knowledge partner, UL supports CII-Godrej GBC for developing standards for GreenPro certification. The concerned technical experts from UL are part of the product specific technical committees.</p> <p>The committee deliberates and develops standards based on consensus as per the overall framework. The manufacturer is then encouraged to adopt the standard on pilot basis. Based on the feedback, the standard is further finetuned depending upon the requirement.</p>	
<p><b>Please describe how your organization reviews standards, and how often standards are reviewed:</b></p> <p>The technical committee is planning to review the standards 1. Periodically – once in two years 2. If required based on the feedback from industry. The review of standard will be taken up by the concerned product committee. As a knowledge partner, UL will also giving technical inputs for CII-Godrej GBC for reviewing the standards periodically.</p>	
<p><b>Decision-making body concerning environmental criteria, certification etc.:</b></p> <p>GreenPro is guided and governed by "Green Products &amp; Services Council (GPSC)". The council is headed by a Chairman. GPSC with all its stakeholders viz., manufacturers, product users, green consultants, individual product experts, architects, developers &amp; academicians, guides all the activities of GreenPro. Green Products and services council is the decision making body for any strategic decisions related to Green product certification.</p> <p>The technical committee formed under the Green Products and services council is the decision making body for the GreenPro standards and addressing other technical issues.</p>	
<p><b>Number of Staff : 4 staff working full time on GreenPro standard development &amp; certification</b></p> <p><b>Total staff at CII – Godrej GBC: 91</b></p>	<p><b>Name of Chief Executive:</b> Mr S Raghupathy, Executing Director</p>
<p><b>Total Annual Budget Last Year:</b> USD N/A</p>	<p><b>Total Annual Budget Prepared For This Year: USD 150,000/-</b></p>
<p><b>Total Funding Invested from Start:</b> N/A</p>	<p><b>Sponsorship/Funding Support From:</b> N/A</p>
<p><b>Yearly Contribution from Sponsor(s)/funder(s):</b> N/A</p>	<p><b>Amount of License Fees Collected:</b> N/A</p>
<p><b>Type(s) and Amount(s) of Other Income:</b> Consultancy services, training and capacity building, seminars, workshops, projects</p>	<p><b>Licenses Given By: N/A</b></p>
<p><b>Certification and Control By:</b> Green Product and Services Council (GPSC) which is part of Confederation of Indian Industry</p>	<p><b>Ecolabel Registered By:</b> Confederation of Indian Industry (CII) – Sohrabji Godrej Green Business Centre</p>
<p><b>Ecolabel Owned By:</b> Confederation of Indian Industry</p>	

**Mailing Address:**

**Confederation of Indian Industry**  
CII- Sohrabji Godrej Green Business Centre  
Survey no: 64, Kothaguda Cross Roads  
Near HITEC City, Hyderabad – 500 084  
[www.greenbusinesscentre.com](http://www.greenbusinesscentre.com)

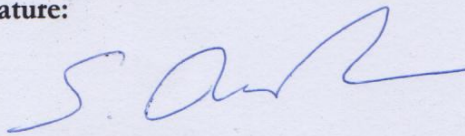
**Phone:** +91 40 4418 5138**Fax:** +91 40 4418 5189**E-mail:** [s.karthikeyan@cii.in](mailto:s.karthikeyan@cii.in) , [hiran.prashanth@cii.in](mailto:hiran.prashanth@cii.in)

## Membership Fee

If approved for GEN associate membership, your organization will be required to pay the annual GEN associate membership dues of US \$3500. Membership dues must be paid within two months of being granted associate membership in GEN.

## Organizational Adherence to Membership Criteria

I affirm that my organization conforms to the GEN conditions of membership set forth in the GEN By-Laws. I also attest that all the information provided to GEN about my organization is correct and that I have signing authority for the organization. I understand that if my organization's policies or practices are altered so as to be substantially out of compliance with these criteria, my organization's membership in the GEN will be invalidated.

**Date:** July 1, 2015**Place:** Hyderabad, India**Signature:**

Mr S Raghupathy  
Executive Director  
CII-Godrej GBC





**Global Ecolabelling Network  
DRAFT 2015-2016 Work Plan**

October 14 2015

WHO	ITEM	OCTOBER	NOVEMBER	DECEMBER	JANUARY 2016	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
<b>STRATEGIC NETWORKING AND OUTREACH</b>													
1	HOST	Host a conference and Annual General Meeting; extend invitation to all organizations identified for strategic networking and outreach											
2	ALL	Engage all opportunities for collaboration with like-minded organizations including ISO and others that will enhance the profile of GEN.											
4	BOARD	Develop 5 year strategic plan											
5	BOARD	Implement 5 year strategic plan											
6	BOARD	Implement strategic networking and outreach plan											
7	BOARD	Participate in key events or initiatives with target organizations											
<b>INTERNAL COOPERATION</b>													
8	Secretariat	Conduct annual GEN member survey											
9	Secretariat	Compile and circulate annual GEN member survey results											
10	ALL	Manage, undertake and promote the GENICES Peer Review process and begin to promote second GENICES											
11	Secretariat	Circulate Annual GENICES Declaration											
12	Secretariat	Update and revise GENICES application and guide											
13	External	Update GEN website design and functionality											
<b>COMMUNICATIONS</b>													
14	Board/Secretariat	Author and distribute GEN 2014 Annual Report											
15	Board/Secretariat	Author and distribute GEN 2015 Annual Report											
16	Board/Secretariat	Author and distribute two GEN Newsletters											
17	Secretariat	Author and distribute AGM press release											
<b>CORPORATE MATTERS</b>													
18	Board	Complete By-law review											
19	Secretariat	Continue to develop policy and procedures manual											



**Global Ecolabelling Network  
DRAFT 2015-2016 Work Plan**

October 14 2015

WHO	ITEM	OCTOBER	NOVEMBER	DECEMBER	JANUARY 2016	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
<b>MANAGEMENT AND ADMINISTRATION</b>													
20	ALL	Increase GEN membership base											
21	Secretariat / GAC	Submit and confirm filing of non-profit status in the United States for tax purposes											
22	Secretariat / GAC	Submit and confirm registration filing in State of Delaware											
23	Secretariat / GAC	Submit and confirm payment to Registered Agent in State of Delaware											
24	GAO	Issue GEN Membership fee invoices											
25	GAO	Financial planning and accounting											



## Global Ecolabelling Network Secretariat Work Report for January to June 2015

**GEN Board of Directors**  
**August 17, 2015**



This report contains an overview of work performed by the GEN Secretariat from January to June 30, 2015. Key highlights include:

- Responded to several new membership inquiries from organizations located in a variety of countries including South Africa, Russia, Colombia and India.
- Dedicated significant time to corporate matters including the review of the GEN by-laws, the development and revision of a policy and procedures manual, in addition to the development of Full, Associate and Affiliate membership application packages.
- Participated in ISEAL steering committee teleconference and provided extensive feedback on the final draft of the Guide to Understanding Sustainability Claims and materials associated with ISEAL's "Challenge the Label" campaign.

GEN Secretariat Work Report: January – June 2015	
Classification	Description
<b>JANUARY</b>	
<b>Administrative</b>	Circulated information update to Board of Directors regarding US EPA Draft Procurement Guidelines.
	Sent reminder to GEN members regarding deadline for submitting comments regarding by-law review.
	Finalized transfer of remaining funds in ING account.
	Contacted GEN members for high-resolution images for inclusion in GEN News.
	Responded to GEN member request for GEN representation at Trade Show/Conference.
	Responded to GEN member request for more information regarding GENICES.
	Reviewed and edited GEN news.
	Provided assistance in coordinating April board meeting.
	Drafted and mailed Board Meeting invitation letter to Board Member upon request.
	Responded to member request for historical GEN information.
	Updated GEN member contact list.
<b>External Inquiry</b>	Responded to information request regarding GEN testing facilities in Bangladesh.
<b>Membership Inquiry</b>	Responded to membership inquiry from South African-based "GreenCup Media."
<b>Strategic Networking and Outreach</b>	Circulated notice of ISEAL comment period regarding sustainability claims and labels to GEN members.
<b>FEBRUARY</b>	
<b>Administrative</b>	<b>AGM-Related:</b> <ul style="list-style-type: none"> <li>• Responded to member inquiry regarding draft 2014 AGM meeting minutes.</li> <li>• Provided guidance and background information to AGM hosts regarding announcement of 2015 AGM.</li> <li>• Circulated announcement regarding date and location of 2015 GEN AGM to members.</li> <li>• Responded to member request for additional information regarding</li> </ul>



## GEN Secretariat Work Report: January – June 2015

Classification	Description
	2015 AGM.
	Coordinated GENICES audit of Nordic Swan.
	Coordinated preparation of draft financial statements for inclusion in annual report.
	Drafted correspondence on behalf of Board of Directors.
	Responded to member inquiry regarding eligibility for undertaking GENICES.
	Contacted former GEN member to determine ability to pay membership fee for 2015 and re-join GEN.
	Requested and confirmed mailing addresses of Board Members to complete annual filing in State of Delaware.
	Prepared annual filing in State of Delaware for review by Chair.
	Coordinated decision regarding timing of Malmo Board Meeting.
	Prepared Secretariat Work Report for period from July to December 2014 and circulated to Board of Directors.
	Prepared and circulated annual GEN member standards development survey and strategic direction survey.
	Circulated request for information to members regarding marketing and promotion of ecolabels on behalf of GEN member.
<b>External Inquiry</b>	Responded to inquiry from Baezid Textiles regarding GEN testing facilities in Bangladesh.
<b>Membership Inquiry</b>	Responded to membership inquiry from Russian-based “EnergoStyl,” a voluntary certification system.
	Sent Associate application package to Colombian Ministry of Environmental and Sustainable Development.
<b>Strategic Networking and Outreach</b>	Circulated invitation to members to attend ISEAL webinar on the EU Public Procurement Directive.
<b>MARCH</b>	
<b>Administrative</b>	<p><b>GENICES-Related:</b></p> <ul style="list-style-type: none"> <li>Responded to member inquiry regarding GENICES renewal process.</li> <li>Scheduled auditors for Green Seal GENICES audit.</li> <li>Canvassed Board Members to determine willingness and ability to conduct additional GENICES audits in 2015.</li> <li>Responded to a series of questions regarding costs associated with GENICES audit.</li> <li>Followed up with GEN members who are eligible to sign the GENICES MMRA but have not yet done so.</li> </ul>
	Drafted correspondence on behalf of Board of Directors.
	Forwarded membership fee inquiry to Treasurer.
	Organized meeting with GEN Chair and ANSI representatives regarding accreditation program for certification bodies.
	Sent reminder to GEN members to encourage them to complete annual GEN member survey and strategic direction survey.
	Compiled GEN member comments received during the by-law review comment period.



## GEN Secretariat Work Report: January – June 2015

Classification	Description
	Prepared proposed changes to by-laws based on member and Board Member feedback.
	Mailed Board Meeting invitation letter to Board Member upon request.
	Requested Board Meeting agenda items from Board Members.
	Compiled GEN member responses to strategic direction survey and sent to Board of Directors.
	Ensured membership invoices and membership fee reduction requests were circulated to ensure Board review at upcoming Board Meeting.
	Prepared draft Board Meeting agenda and circulated to Board for review.
<b>External Inquiry</b>	Responded to request from UAE Ministry of Environment and Water regarding product categories covered by GEN member standards.
	Responded to inquiry from CRU International regarding restriction of phosphates in detergents among GEN member programs.
	Responded to inquiry from Swedish-based Goodpoint AB regarding “competitors” to the ISO 14024 standard.
	Responded to inquiry from academic researcher regarding cost of GEN membership.
	Responded to inquiry from researcher at University of Navarra, Spain regarding certified products among GEN member programs.
<b>Membership Inquiry</b>	Responded to membership inquiry from Indian-based labels and barcode printer/manufacturer.
<b>Strategic Networking and Outreach</b>	Organized GEN attendance at ISEAL Annual Conference and assisted GEN member in registering for it.
	Confirmed GEN’s subscriber benefits with ISEAL.
	Canvassed GEN members in Asia and Latin America to collect information on GEN member involvement with UNEP in these regions.
<b>APRIL</b>	
<b>Administrative</b>	Reviewed by-laws and made additional proposed changes based on Board feedback and insight.
	Prepared draft full and associate membership application packages and drafted an application package for the newly proposed membership category of affiliates and circulated to Board for review.
	Participated in meeting with ANSI to learn about their new accreditation program for certification bodies.
	Created GEN DropBox account and canvassed Board Members for input on types of documents to be shared using this platform.
	Revised draft policy manual and circulated to Board for review.
	Prepared and circulated Board Meeting documents to Board.
	Forwarded membership fee reduction requests to Treasurer.
	Followed up with former GEN member to determine feasibility of paying membership fee and re-joining GEN.
	Sent reminder to GEN members regarding GEN News submission deadline.
	Followed up with GEN Member programs who had not completed annual GEN member survey.



## GEN Secretariat Work Report: January – June 2015

Classification	Description
	Compiled GEN AGM suggestions from annual member survey and circulated to AGM hosts.
<b>External Inquiry</b>	Responded to inquiry from Indian-based textile manufacturer regarding GEN 'certification.'
<b>Membership Inquiry</b>	Responded to membership inquiry from Brazilian-based Rama Global.
	Responded to membership inquiry from TUV SUD.
	Responded to membership inquiry from Russian-based Energo-Styl.
<b>MAY</b>	
<b>Administrative</b>	Responded to member request for more information regarding AGM itinerary.
	Followed up with GEN members who had not completed GEN member survey.
	Organized auditors for GENICES audit.
	Forwarded GEN Member newsletter submissions to Michael Hooper, Spotlight Creative Media.
	Responded to member request to support the Hong Kong Green Awards.
	Compiled GEN member annual survey responses and shared with Chair for review.
	Drafted correspondence on behalf of GEN board.
	Provided copy of GEN logo to member upon request.
	Made revisions to draft revised by-laws based on Board Member feedback at Board Meeting.
<b>Membership Inquiry</b>	Responded to membership inquiry from TUV SUD.
	Provided Associate application package to EnergoStyl, Russia.
<b>External Inquiry</b>	Responded to request from Iranian Natural Resources, Environment & Tourism Department for more information on Type I ecolabelling.
<b>Strategic Networking and Outreach</b>	Reviewed and provided comment on final draft of ISEAL's Guide to Understanding Sustainability Claims and Challenge the label report and associated documents.
	Provided input and made suggestions regarding potential opportunity to cooperate with GIZ.
	Circulated UNEP call for project proposals to GEN members.
<b>JUNE</b>	
<b>Administrative</b>	Circulated a report on Greenwashing in Brazil to GEN members.
	Provided input regarding development of AGM week agenda.
	Researched corporate lawyers and contacted one to request quote for services to support by-law review.
	Prepared final proposed changes to by-laws and circulated to Board of Directors for their review, in preparation for meeting with lawyer.
	Canvassed current GEN Board of Directors to determine their intention to run or resign at the upcoming AGM.
	Coordinated initial planning for GENICES audit in Vietnam.
	Finalized dates and auditors for Green Seal GENICES.



## GEN Secretariat Work Report: January – June 2015

Classification	Description
	Met with lawyer to discuss GEN's needs in revising its by-laws, provided update to the GEN Chair and completed all necessary paperwork to retain legal services.
	Sent lawyer all requested documents pertaining to the by-law review.
	Forwarded invitation to attend the International Green Buildings and Parks World Expo to Chair.
	Drafted correspondence on behalf of Board of Directors.
	Circulated ISEAL conference notes from Good Environmental Choice Australia to Board of Directors.
	Reviewed and edited GEN news.
	Sought guidance from GEN Chair regarding update to listing of GEN member standards on GEN website.
	Initiated discussion via email among Board Members regarding planning for future AGMs.
<b>External Inquiry</b>	Responded to request for information regarding mutual recognition among GEN member programs from a company called Symphony Environmental.
<b>Strategic Networking and Outreach</b>	Circulated invitation to attend an ISEAL standards symposium in Brazil to GEN members.
	Sought clarification regarding whether GEN could prepare a letter of support for a GEN member seeking UNEP funding from the 10 YFP Trust.
	Circulated invitation to GEN members to attend an ISEAL webinar on sustainability claims and their new "Challenge the Label" campaign.
	Drafted letter of endorsement for GEN member seeking UNEP funding under the 10 YFP Trust.

The next GEN Secretariat Work Report will be produced for the period from July to December 2015.



**2014 Reviewed Financial Statements Report**  
**- January 1 through December 31, 2014-**

**Global Ecolabelling Network, Inc.**  
*December 31, 2014*

## **Reviewed Financial Statements Report**

**December 31, 2014**

### **Contents**

MESSAGE TO THE GEN MEMBERSHIP REGARDING THE ATTACHED FINANCIAL STATEMENTS-----	3
INDEPENDENT OPINION OF THE 2014 GEN FINANCIAL STATEMENTS REVIEW COMMITTEE-----	4
Statement of Financial Position-----	5
Statement of Activities-----	6
Statement of Cash Flows-----	7
Schedule of Functional Expenses-----	8
Notes to Financial Statements-----	9

**MESSAGE TO THE GEN MEMBERSHIP  
REGARDING THE ATTACHED FINANCIAL STATEMENTS**

As instructed and under the direction of the Global Ecolabelling Network (GEN) Board of Directors, I have prepared the attached 2014 GEN Financial Statements for presentation and acceptance by the membership at the 2015 GEN Annual General Meeting (AGM) in Hong Kong [China].

At the April 27, 2015 GEN Board of Directors Meeting held in Malmo [Sweden], a final draft version of the Financial Statements was reviewed and approved by the GEN Directors for finalization and presentation at the 2015 AGM.

Thus, in the opinion of the GEN Board of Directors and myself, the accompanying financial statements present fairly the financial position of Global Ecolabelling Network, Inc. at December 31, 2014, and the results of its operations and its cash flows for the year then ended.

Further, and in accordance with a decision taken at the 2014 AGM held in Beijing [China], the Financial Statements have been critically reviewed by the 2014 GEN Financial Statements Review Committee. The independent committee's opinion on the document is provided in the attached note submitted and signed by the Committee members.

**Signature:** Osamu Uno  
Osamu Uno  
GEN Treasurer  
[on behalf of the GEN Board of Directors]

**Dated:** 22 / May / 2015

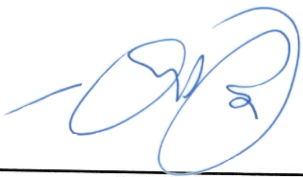



**INDEPENDENT OPINION  
OF THE 2014 GEN FINANCIAL STATEMENTS REVIEW  
COMMITTEE**

At the 2014 Global Ecolabelling Network (GEN) Annual General Meeting (AGM) convened in Beijing [China], we were selected to form an independent review committee and undertake a critical review of the adequacy and acceptability of the 2014 GEN Financial Statements.

As tasked, we have received, reviewed and considered the document as provided by the GEN Treasurer on behalf of the GEN Board of Directors.

In our shared opinion, the format and content of the document is acceptable, and we have no contentious issues relating to the information and calculations contained in the document.

Signature:   
Eli Cohen-Kagan  
The Standards Institution of Israel

Signature:   
Lisbeth Engel Hansen  
Ecolabelling Denmark

Dated: 09.09.2015

Dated: 2015.09.09

## Statement of Financial Position

2014.12.31

### Assets

#### Current assets

Cash	291,207
Accounts receivable (Note3)	7,000
Prepaid expenses (Note4)	10,000

Total assets \$308,207

### Liabilities

#### Current liabilities

Accrued expenses (Note5)	29,458
Unearned revenue (Note6)	21,000

Total current liabilities \$50,458

### Fund balances

Unrestricted	257,749
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Total fund balances \$257,749

Total liabilities and fund balances \$308,207

*See accompanying notes to financial statements.*

## Statement of Activities

2014.1.1 - 12.31

### Changes in unrestricted net assets

#### Revenues:

Contributions (Note7)	151,374
Donation (Note8)	14,498
Interest income	87
Other income	635

Total revenues \$166,594

#### Expenses

Total expenses \$126,257

Increase in fund balance 40,337

Fund balance at beginning of year 217,412

Fund balance at end of year \$257,749

*See accompanying notes to financial statements.*

## Statement of Cash Flows

2014.1.1 - 12.31

### Cash flows from operating activities

#### Receipts:

Contributions	152,374
Donation (Note8)	14,498
Interest income	87
Other income (Note9)	5,301
Total revenues	<u>\$172,260</u>

#### Disbursements

Cash paid for programs and operations	<u>125,288</u>
Total disbursements	<u>\$125,288</u>

Net increase in cash 46,972

Cash at beginning of year 244,235

Cash at end of year \$291,207

Net increase in cash 46,972

### Reconciliation of increase in fund balance to net cash used in operating activities

Increase in fund balances	
Unrestricted	40,337
Temporarily restricted	—
Net increase in fund balances	<u>\$40,337</u>

### Adjustments to reconcile increase in fund balances to net cash used in operating activities:

Increase in accounts receivable	(6,000)
Increase in prepaid expenses	(5,333)
Increase in accrued expenses	10,968
Increase in unearned revenue	<u>7,000</u>

Net cash used in operating activities \$6,635

Net increase in cash \$46,972

## Schedule of Functional Expenses

2014.1.1 - 12.31

	<u>Total</u>
Personnel: Chair	12,000
Personnel: Secretariat	47,500
Web Site Review and Upgrade Work	9,351
Other Project Work (e.g. technical assistance, etc.)	1,913
Fund raising	0
Travel	11,823
Board travel support	15,068
GEN's support to host country of AGM	0
GENews(web) and Annual report	20,297
Audit and Legal Fees (Note10)	4,091
Bank Charges and Miscellaneous	4,214
<u>Total</u>	<u>\$126,257</u>

*See accompanying notes to financial statements.*

## Notes to Financial Statements

December 31, 2014

### **1. Basis of Preparation of Financial Statements**

The accompanying financial statements from the accounts maintained by Global Ecolabelling Network, Inc. (the “Company”) have been prepared in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

### **2. Summary of Significant Accounting Policies**

#### **General**

The Company is a nonprofit association of ecolabelling organizations around the world. These organizations set standards for and certify products that cause significantly less damage to the environment than comparable products with the same function. It was incorporated in the state of Delaware in the United States on October 6, 1995. Its purpose is to improve, promote and develop the ecolabelling of products and services.

#### **Basis of Financial Statements**

The Company maintains its accounting records and prepares its financial statements in the currency of the U.S. dollar.

#### **Accounting Policies**

The Company’s financial statements are presented on an accrual basis of accounting in accordance with accounting principles and practices generally accepted in Japan.

**3. Accounts receivable**

Accounts receivable consists of the membership fees for year 2014 of one organization amounted to \$7,000.

**4. Prepaid expenses**

This is for ten months worth of Chair Personnel in 2015 of \$10,000.

**5. Accrued expenses**

This is composed of \$23,750 for 6 months Secretariat Personnel, \$3,795 for Board travel support and \$1,913 for AGM work.

**6. Unearned revenue**

This is the membership fees for year 2015 of two organizations amounted to \$21,000.

**7. Contributions in Statement of Activities**

This consists of the membership fees for year 2014 paid in 2014 amounted to \$130,374, unearned revenue (2014) of \$14,000 for one organization and accounts receivable of the membership fee for year 2014 of one organization amounted to \$7000.

**8. Donation**

The Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety in Germany contributed \$14,498 as donation.

**9. Other income**

This includes the amount of \$4,666 for overpayment for one month of Secretariat Personnel which was allocated in 2013 Financial Statements Reports as Prepaid expenses.

**10. Audit and Legal Fees**

This is the fee of reinstatement of the legal status of GEN at \$4,091. Tax-exempt was completed in July, 2015 by an authorized agent at the fee of \$2,825.

**11. Income Tax Status**

The Company has applied for a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of the United States of America. The Company has not engaged in any activities that would subject to income taxes.

## 2015 Income and Expenses

### Global Ecolabelling Network, Budget and Actual (Jan 1, 2015 - Aug 31, 2015)

\*Decimal numbers are to be omitted.

#### Income(US\$)

Source	Budget	Actual
1. Membership Fees	151,000	119,135
2. Carryover from 2014	225,000	291,207
3. Sponsorship	0	0
4. Other (bank interests, forex profit etc.)	100	24
5. JEA Contribution	24,000	24,000
<b>Total</b>	<b>400,100</b>	<b>434,366</b>

- This includes
  - The membership fees for year 2015 or 2014 paid in 2015 as of 31st Aug was 112,155
  - The membership fee for year **2014** of one organization paid in 2015 amounted to 6,980
- This excludes
  - Membership fees allocated as Unearned revenue (2015) in 2014 Financial Report is 21,000 (paid in 2014) for two organizations

#### Expenses(US\$)

<i>Strategic objective</i>	Totals	
	Budget	Actual
<i>Details</i>		
1. Personnel:Chair	12,000	0
2. Personnel:Secretariat	50,000	48,751
3. Personnel:GAO	24,000	24,000
4. Board travel support	17,500	8,837
5. Audit and Legal Fees	2,500	3,241
6. Bank Charges and Miscellaneous	3,500	2,858
7. Travel (External events, secretariat travel etc.)	15,000	0
8. Web Site Review and Upgrade Work	10,000	561
9. GENews and Annual report	14,000	6,532
10. Other Project Work (e.g. technical assistance, etc.)	10,000	0
11. GEN's support to host country of AGM	15,000	15,000
12. Legal fees	10,000	1,991
13. Meeting expenses	2,000	2,928
14. Contingency	10,000	0
<b>Totals</b>	<b>195,500</b>	<b>114,699</b>

- 201501-10 for 10,000 paid in 2014
- This consists of
  - 2/27 **2014**Q3 for 11,875
  - 2/27 2015-01 for 4,166.67
  - 3/13 **2014**Q4 for 11,876
  - 4/20 2015-02 for 4,166.67
  - 5/11 2015-03 for 4,166.67
  - 5/29 2015-04 for 4,166.67
  - 7/6 2015-05 for 4,166.67
  - 7/27 201506 for 4,166.65
- This corresponds to JEA Contribution
- 8/4 To Regadie, Brooks and Lewis, Form990-**2013** 2,825
- 8/28 To CSC registered agent(15.10-16.9) 416

- 7/28 AGM support **2014** China for CEC
- 7/2 To Andrew Robichaud, by-law redrafting 1,991

A-B (Carryover to 2016)	Budget	Actual
	<b>204,600</b>	<b>319,667</b>



## 2016 Budget Proposal

### Global Ecolabelling Network, Budget and Actual (Jan 1, 2016 - Dec 31, 2016)

\*Decimal numbers are to be omitted.

#### Income(US\$)

Source	Budget	Actual
1. Membership Fees	157,500	
2. Carryover from 2015	204,600	
3. Sponsorship	0	
4. Other (bank interests, forex profit etc.)	100	
5. JEA Contribution	24,000	
<b>Total</b>	<b>386,200</b>	<b>0</b> ---A

#### Expenses(US\$)

<i>Strategic objective</i>	Totals	
<i>Details</i>	Budget	Actual
1. Personnel:Chair	12,000	
2. Personnel:Secretariat	50,000	
3. Personnel:GAO	24,000	
4. Board travel support	17,500	
5. Audit and Legal Fees	3,000	
6. Bank Charges and Miscellaneous	3,500	
7. Travel (External events, secretariat travel etc.)	15,000	
8. Web Site Review and Upgrade Work	10,000	
9. GENews and Annual report	14,000	
10. Other Project Work (e.g. technical assistance, etc.)	10,000	
11. GEN's support to host country of AGM	15,000	
12. Meeting expenses	2,000	
13. Contingency	10,000	
<b>Totals</b>	<b>186,000</b>	<b>0</b> ---B

A-B (Carryover to 2017)	Budget	Actual
	<b>200,200</b>	<b>0</b>

附件二：本次會議北歐環保標章提供之環保標章績效指標研究報告

# Indicators for Ecolabelling

Opportunities for GEN Members to  
demonstrate and benchmark  
advancements in performance and effects

Report prepared for the  
Global Ecolabelling Network (GEN)

Åke Thidell  
Charlotte Leire  
Thomas Lindhqvist





**iiiee**

THE INTERNATIONAL INSTITUTE FOR  
INDUSTRIAL ENVIRONMENTAL ECONOMICS

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## Acknowledgements

The authors are grateful to the contacted staff members of the contributing ecolabelling schemes for their positive responses and their efforts in searching for data and answering our questionnaires. Many thanks should also be directed to Mr. Björn-Erik Lönn for his input, time and patience with this project. A special recognition is also given to Mr. Mingxing Sun, guest researcher at the IIIIEE, who with great enthusiasm helped us to go through documentation in Chinese.

Photos: Lars Hansson (pp. 8:1, 8:2, 9:1), Jessika Luth Richter (pp. 13, 14), Charlotte Leire (pp. 22, 32, 36), Thomas and Nina Lindhqvist (remaining photos).

Layout: Thomas Lindhqvist



# Table of content

1	Introduction	1
2	Purpose	3
2.1	Focus of the study	3
2.2	Method	3
3	Effectiveness and efficiency of ecolabelling	5
3.1	Discussions on the success of ecolabelling	5
3.2	Studies measuring the impacts of ecolabelling	6
3.3	Case: China Environmental Labelling	7
4	Direct and indirect effects from ecolabelling	10
5	Performance-related information provided by four ecolabelling schemes	13
5.1	Environmental Choice New Zealand	13
5.2	Thai Green Label	15
5.3	The Blue Angel	16
5.4	Korean Ecolabel	16
6	Use of indicators in four ecolabelling schemes	18
6.1	Environmental benefits/potential environmental benefits	18
6.2	Environmental objectives for ecolabelling criteria development	19
6.3	Product groups and criteria documents	20
6.4	Licences and products/services on the market	21
6.5	Sales and employees of licensed products and services	22
6.6	Market diffusion of the ecolabel	22
6.7	Producers	23
6.8	Consumer recognition and trust in the ecolabel	24
6.9	Professional purchasers	25
7	General impressions from the information collection	26
7.1	Capturing the dynamics of the ecolabelling scheme	26
7.2	Possibilities ahead	27
7.3	Using information for comparisons	28
8	Conclusions	29
8.1	Indicator design and data availability	29
8.2	Motivation-related limitations	29
8.3	Potentials and costs for ecolabelling	30



9	Proposal for proxy indicators for ecolabelling	32
9.1	Scope of the scheme	32
9.2	Number of licences and products on the market	33
9.3	Consumers' and professional purchasers' recognition and trust	34
9.4	Market penetration	35
9.5	Estimations of environmental benefits	36
	References	38

### Table of figures

Figure 1:	The schematic cause-effect chain of intervention of an ecolabelling scheme.	11
Figure 2:	Danes' knowledge/recognition about the Nordic Swan and EU Ecolabel.	27

### Table of tables

Table 1:	Environmental benefits of the China Environmental Labelling Program in 2013	9
Table 2:	Proxy indicators useful to assess the performance of ecolabelling schemes	12









## 1 Introduction

There is an increasing agreement that current patterns of consumption and production are unsustainable. In line with the complexity of the challenges our civilisation faces, environmental work is taking place targeting many angles and issues of modern society. Products and services are key perspectives when targeting consumption patterns. A product (or a service) can be seen as the unit that carries the environmental impacts from cradle to grave, and the product chain involves those actors who can make environmental improvements and affect the use and disposal of the product. Primary challenges for products, in design, production, consumption and disposal, include: to increase efficiency in energy and water use; to reduce waste; to stimulate the life cycle economy; to decrease externalisation of costs; and to inform and educate the consumers.

Ecolabelling, here used synonymously for ISO Type 1 ecolabels, has emerged as an instrument to reduce the environmental impacts throughout the life cycle: in design, production, consumption and disposal of products. It is worth mentioning that already Agenda 21 (Chapter 4, Paragraph 21) stated that governments, in cooperation with industry and other relevant groups should encourage ecolabelling as a way to encourage more environmentally friendly consumption patterns. Ecolabelling theory claims that the ecolabel offers manufacturers the possibilities to improve sales or images of a product, gives incentives to reduce the environmental impacts of products, and increases consumer awareness of environmental issues, and hence, shifts the market to products and services with reduced environmental impacts.

A number of studies have highlighted the positive environmental benefits of ecolabelling. An early attempt reported significant reductions of organic solvents in paint and emissions from burners from the German Blue Angel (Hirsbak et al., 1990). KEITI concluded that in the Republic of Korea, where ecolabels play a central role in the public procurement practices, the public procurement of green products from 2005 to 2010 has helped reduce emissions by almost 3 million tonnes of greenhouse gases (Moon, 2012). Another example is the Swedish Good Environmental Choice label that conducted a thorough evaluation of the environmental effects of the label on laundry detergents and found both a substantial reduction of some targeted surfactants and that major manufacturers had modified their recipes to comply with the ecolabelling criteria for the Swedish market (Wilske, 1999). Other studies have voiced hesitation about the environmental benefits of ecolabelling and instead pointed out, among other issues, the negative trade effects (Morris, 1997; Korteland, 2007).

To what extent ecolabelling can contribute to sustainable development remains a subject for continuous debate. The need for finding approaches of influencing our ways of production and consumption has, however, led to continued interest in ecolabelling and similar soft instruments, as these have good chances of being accepted by the political decision-makers and are only requiring low investments. This implementation feasibility supports ecolabelling, but the popularity of the instrument also means that various societal actors want to get information on the effects. There is, consequently, a continued need to evaluate the effects that ecolabelling have on the environmental impacts of products and services on the market, for instance, in terms of possible market shifts (Frey et al., 1998), but more generally there is a quest for methods to systematically assess the effects (Rubik et al., 2008).

Many studies have struggled with the task of finding ways of evaluating the environmental impacts of ecolabelling. To find methods to fairly and objectively evaluate the environmental effects of policy interventions has been a challenge for what concerns most policy instruments and ecolabelling is no exception. Because it is difficult to attribute identified changes in environmental impacts specifically to ecolabelling, many studies have pointed to the possibility of evaluating the performance of ecolabelling by looking at how they have affected the market, that is, to use market effects as proxies for environmental effects.

It should also be noted that it can be of interest to compare ecolabelling schemes in order to better understand how such schemes are designed in an optimal way. That is, besides looking at what we could call the absolute effects of ecolabelling, it is also of interest to explore the relative effects of different implementations of ecolabelling. However, when discussing and debating the virtues and weaknesses of ecolabelling, it is not always clear how data is generated (scoping etc.), how comparable definitions are, and how data is used. This means that there is an uncertainty considering the possibilities to deliver standardised and comparable indicators for environmental benefits of ecolabelling, and, moreover, to aggregate available indicator information for ecolabelling schemes.

It would, without doubt, be advantageous to give solid accounts with quantified data on positive environmental effects, that is, on the desired final outcome of ecolabelling. This would politically justify the resources spent on and by the schemes. As stated above, such hard data is, however, difficult to generate. The difficulties relate both to poor relevant data and the possibility to attribute effects to the ecolabel specifically.





## 2 Purpose

### 2.1 Focus of the study

This study intends to address the described quest for methods and tools to evaluate the effects of ecolabelling on the market, and discuss the opportunities and barriers for environmental performance indicators for ecolabelling schemes. In order to do so, a set of questions to guide the study were formulated:

- What does literature offer when it comes to ecolabelling performance?
- What are ecolabelling schemes focusing on when reporting on their own performance?
- Which indicators are common to many or all ecolabelling organisations?
- Which indicators can be useful in comparing performance of ecolabelling schemes?

When looking at indicators, this study focuses on the possibility to use *proxy indicators* that measure important aspects necessary for delivering the desired result. Proxy indicators can be used to indicate the fulfilment of goals/objectives when they can be considered to capture the essence of the goals/objectives or together provide a reasonable picture of the effectiveness of the intervention. They are of interest in cases when the desired final outcome of a policy intervention is difficult or not cost-effective to measure. Such indicators, when well selected, are expected to give an indicative picture of the impacts based on intermediary outputs and outcomes. It could also be expressed as the proxy indicators reflect performance of the system that is supposed to deliver the desired final outcome.

In addition, well-selected proxy indicators could form a foundation for benchmarking between ecolabelling schemes in order to seek improvements and experience sharing. Such indicators, though not standardised, are used, more or less systematically, by a number of ecolabelling schemes. This study aims to identify such indicators together with supplementing information.


### 2.2 Method

The study was primarily conducted through a review of documents available online, academic literature, and a questionnaire survey among the selected schemes. Moreover, telephone and e-mail interviews were conducted to further discuss the possibilities and needs to develop and apply indicators.

In short we can say that we concentrated the work on finding performance-related information by exploring the information

available on the respective websites, and supplemented this by examining external studies. This information was used to discuss what aspects could be useful for evaluations and comparisons among ecolabelling schemes. The information gathering has been carried out in several steps and has been updated by exploring the websites of the ecolabelling schemes in focus up to March and April 2015.





## 3 Effectiveness and efficiency of ecolabelling

### 3.1 Discussions on the success of ecolabelling

From the early days of ecolabelling, literature has discussed the different approaches to evaluate the performance of ecolabelling, albeit in limited scope. For example, a study from 1994 looked at the determinants of effectiveness for environmental certification and labelling (US EPA, 1994). In 2004, a study on the potentials of the EU Flower used three different scenarios. It assumed a 5%, 20% and 50% market penetration of ecolabelled products and substitution of “average” products and calculated according to the most important environmental criteria and environmental parameters such as energy and CO<sub>2</sub> emissions savings, and reduction of material, water and hazardous substances. It concluded that considerable environmental benefits could be attained if market penetration would increase as assumed (Cadman & Dooley, 2004). Another study from 2004 examined whether the European ecolabel was ahead, in line or behind current (environmental and health) legislation in order to estimate its environmental effectiveness (Locret & de Roo, 2004). In 2005, UNEP conducted a study on the environmental and trade-related effects of ecolabelling, reviewing five well-known ecolabelling programmes to identify challenges for policy integration from a sustainable development point of view (UNEP, 2005). In 2008, a study examined the state, successes, potentials and experiences of ecolabelling within businesses (Rubik et al., 2008). Delft University published a report in 2007 on the desirability of ecolabels from an environmental and poverty perspective in which a general framework of proxy indicators is developed and tested against two existing ecolabels (Korteland, 2007). The same year a study from Australia discussed, among other ecolabelling issues, success indicators for a range of international ecolabels (Horne, 2007).

Among these publications, the topic of the effectiveness of ecolabelling has been comprehensively discussed in the book from 2005 called “The Future of Ecolabelling”, edited by Rubik and Frankl. This book discusses whether ecolabels are an effective tool to foster the development, production, sale and use of sustainable products and what factors contribute to the development of successful schemes. It also looked at whether the EU Flower can be considered a success, or if national ecolabels such as the German Blue Angel and the Nordic White Swan are more effective. The book was based on the findings generated in the DEEP project (commissioned by European Commission). The project was carried out by a consortium

of research institutions from four European countries (Germany, Norway, Italy and Spain) with the lead of IÖW Germany. They looked at experiences with environmental product information systems (EPIS) in each respective country. To allow for comparison, the case studies carried out were based on three specific product groups: tissue paper (non-recoverable consumer goods), washing machines (energy-consuming durable products), and tourist accommodation (complex services). The project compared and contrasted experiences in selected products groups, each with their own specific challenges. The DEEP project attempted to respond to a number of key questions with regard to ecolabelling: Are environmental product information systems an effective tool to promote more sustainable production and consumption patterns? What factors contribute to the success or failure of such information systems?

### 3.2 Studies measuring the impacts of ecolabelling

Alongside the theoretical discussions, attempts to measure the actual success of ecolabelling have been made on the market. These studies have been conducted by a range of different organisations and not always by the ecolabelling organisations themselves.

An OECD (1997) study mentioned that the German Blue Angel reported an increase in market share for ecolabelled paints from 1% in 1981 to 60% in 1995 in the do-it-yourself sector and 20% in the handicraft sector. An assessment for the Nordic Swan, as reported by Rubik and Frankl (2005), estimated the market shares for several product groups in the Nordic countries: printing paper, laundry detergents and all-purpose cleaners.

In many cases, the studied effect on the market has been measured in terms of consumer awareness and familiarity of ecolabels. For instance, the EVER project, commissioned by the European Commission, looked at the level of awareness of the different established national ecolabels in European countries (EVER, 2005). There, a survey by the European Consumer Organisation (BEUC) looked at whether consumers know of and know where to find products with the EU ecolabel. Moreover, it reported on other studies concerning consumers' familiarity with ecolabels and on their knowledge and views/opinions of ecolabelled products, as well as, their perceptions of the role of ecolabels (EVER, 2005). A chapter in the book "The Future of Ecolabelling" compared four different countries (Germany, Norway, Italy and Spain) in terms of which ecolabels are best known among consumers (Stø & Strandbakken in Rubik & Frankl, 2005). Rubik et al. (2008) used the term "qualified" knowledge as deeper insights about ecolabels. That report also examined the so called "spontaneous awareness" compared to the "qualified knowledge", and further whether consumers confuse different ecolabels.





Our review of nine different studies on performance of ecolabelling (US EPA (1994), Cadman & Dolley (2004), Locret & de Roo (2004), UNEP (2005), Horne (2007), Korteland (2007), Rubik et al. (2008), Potts & Brennan (2011), and Seifert & Comas (2012)) shows that the market impact aspects consumer awareness and consumers' perceptions of certain ecolabelling schemes were the most commonly focussed areas. Such data is considered both reliable and easy to measure via consumer surveys. Market shares were assessed in a few studies, but the necessary information to make such an assessment is judged as more difficult and expensive to acquire, as compared to consumer awareness data. Two studies, which called for data on how ecolabels change consumer behaviour, also conclude that it will be difficult to attribute the change in behaviour to the label per se, as there could be a number of other reasons for such changes in behaviour.

The review also considered market impact indicators and could conclude that the literature points to that perception data is easier to acquire and more reliable than behaviour change data. In line with this, findings from the review pointed to that producer' perceptions of ecolabels are more commonly monitored than producers' changes in behaviour, with reported difficulties to obtain reliable data.

It was also noted that literature frequently states the desirability of monitoring the environmental impacts of ecolabels, whether real or estimated. But none of the studies is reported to have been able to present a reliable full set of data about the actual environmental impacts from ecolabels. From the review, it was finally concluded that proxy indicators are quite common, including the stringency or quality of the ecolabelling criteria.

A study by Leire and Thidell (2004) provided an extensive review of studies on the market diffusion of environmental product information, and looked specifically into the *recognition*, *understanding*, and *use*, respectively. Also the notions of *trust* and *confidence*, as well as the concept of a consumer's *ability to locate* the ecolabelled products, as noted earlier, have been deemed valid research angles to examine the market diffusion of ecolabelling.

In summary, there are several studies focusing on consumers as a way to measure the impact of ecolabelling on the market. Is consumer awareness an adequate measure? Other aspects, such as, knowledge, search for environmental information, and attitudes towards the reliability of this information, can also be important factors for the market performance of ecolabels and ecolabelled products.

### 3.3 Case: China Environmental Labelling

Towards the end of the project period, we came across information on analysis of environmental benefits from China Environmental

Labelling Programme in People's Republic of China. This information was kindly compiled and translated from Chinese by Mr. Mingxing Sun, visiting PhD candidate at IIIEE.

The China Environmental Labelling Programme<sup>1</sup>, which joined GEN in 2008, reported that it by the end of 2013 covered 91 categories of products through 96 effective technical standards including 9 low-carbon standards for different product groups. It was also reported that almost 2 000 enterprises were licensed and that there were more than 30 000 different ecolabelled products on the market worth CNY 100 billion (EUR 14 billion) output value.<sup>2</sup> It was mentioned that 84 of the standards attracted very little attention.

In 2014, the Chinese Ministry of Environmental Protection (2014) commissioned and evaluation of environmental benefits from China Environmental Labelling. For the evaluation, they selected 47 of the standards.<sup>3</sup> Out of those, company data for the analysis existed for 33 product groups which finally became the scope of the evaluation. Questionnaires were distributed to 1 867 producers and the reported response rate was 60%. Two methods were used for data processing in the evaluation:

- Different value method: pollutant emission reduction is the difference in environmental performance between a reference product and the standard values given in the requirements of the ecolabel multiplied with number of products sold. The values for the reference product were derived from national standards or industry average. This calculation was carried out for selected environmental parameters related to the individual product groups.
- Direct conversion method: Resources saved is calculated as amount of recycled material per product multiplied with number of sold products. This calculation was carried out per recycled material and product group or simply number of recycled units (products).

The report by Ministry of Environmental Protection (2014) also provides the background and the actual calculations. These methods correspond to an approach presented in Backman et al. (1995).

---

<sup>1</sup> <http://www.greencouncil.org/eng/greenlabel/china.asp>

<sup>2</sup> China Environmental Labelling – CEL. Information leaflet. Available at: [http://search.standardsmap.org/assets/media/ChinaEnvironmentalLabeling/English/AtAGlance\\_EN.pdf](http://search.standardsmap.org/assets/media/ChinaEnvironmentalLabeling/English/AtAGlance_EN.pdf) However, other sources, for instance Ministry of Environmental Protection (2014), give different numbers.

<sup>3</sup> The remaining standards were excluded for reasons like: difficulties in quantification (due to standards restricting substances according to RoHS and REACH, and restrictions of hazardous substances affecting human health), or they were of no/low relevance (restricting CFC which basically was achieved).





The reported environmental benefits of the China Environmental Labelling Programme for 2013 were reported for selected environmental parameters (see Table 1).

**Table 1: Environmental benefits of the China Environmental Labelling Program in 2013**

Environmental category	Environmental parameter	Reduced amount [tonne]
Air pollution	VOCs	195 000
	NO <sub>x</sub>	130 000
	SO <sub>2</sub>	27 000
	CO <sub>2</sub>	8 590 000
	CO	482 000
	HC	37 300
Water pollution	Phosphate(PO <sub>x</sub> <sup>y</sup> )	61 600
Hazardous waste	Hg	10
Resources saving	Water	227 000 000
	Plastics	120 000
	Industrial waste	3 500 000
	Paper pulp	8 200 000
	Toner cartridge	3 000 000 units
Energy saving	Electricity	50 TWh



The breakdown of energy savings to different product groups shows a wide spread of the contributions, where web servers alone stand for 73%, printers, fax machines, and similar stand for 10% and solar heating systems stand for 9%. The remaining product groups together contribute with 8%.

However, while processing the given background information, it was concluded, that there is a need for better explanations of the real meaning of the data and better transparency to judge data quality.

## 4 Direct and indirect effects from ecolabelling

It has been empirically proven to be difficult to directly capture the reduced environmental impact and to have quantitative data to support it. Instead, environmental benefits are most commonly examined through the lens of market diffusion, and using a range of indicators to get a comprehensive picture.

As Rubik et al. (2008) point out, the more ecolabelled products are sold and bought by consumers, the more they can substitute for environmentally less benign products. Therefore, consumer awareness can be seen as a useful indicator for the success of ecolabelling. The authors conclude that the most reliable data exists on consumer awareness of ecolabels.

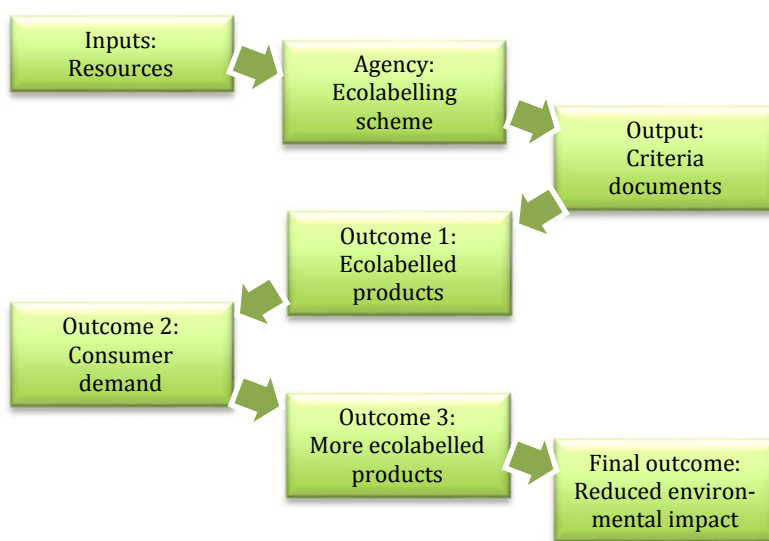
Another important indicator of successful market penetration is the market share of ecolabelled products in relation to all other products sold that belong to the same group (Rubik & Frankl, 2005). The market share is influenced by the consumer acceptance of the ecolabels. This factor will to some extent determine the success (FAO, 2001). Availability of a wide supply of ecolabelled products is also an important factor (FAO, 2001). Also other parameters have been suggested, such in the case for the EU Ecolabel: the absolute number of licences and the absolute number of applicants (US EPA, 1994).

Furthermore, with time it has become increasingly evident that ecolabelling plays not only one but many roles in the work to green the markets. This makes the task to measure its environmental benefits even more challenging. Besides the direct effects there are also indirect effects caused by secondary uses of information generated by the ecolabelling scheme, and some spin-off effects. The indirect environmental benefits and effects mean the environmentally positive impacts induced by ecolabelling schemes on its surroundings in policy, business and society. This includes, for example, ecolabelling criteria playing a role as informal “standards”, and ecolabelling multi-stakeholder approach as initiator for co-operative action (EVER, 2005).

It was mentioned above that the direct environmental benefits are rarely measured in quantitative terms and this can be related both to insufficient methods and lacking data availability. Despite the scarcity of indicators for measurements on indirect effect, the train of causes and effects has been fairly well explored, in particular in comparison to the knowledge on how comparable relations influence actors and cause indirect effects.



The logical flow of successful growth and market impact of an ecolabelling scheme can be summarised as a cause-effect chain of interventions (Thidell, 2009). A higher number of criteria documents and demand for ecolabelled products can generate a higher interest among producers to apply for licences and ecolabel their products. When the requirements in the ecolabelling criteria are sufficiently stringent and the scheme attracts producers and consumers, it will encourage environmental product modifications and innovation, and thus contribute to reduced environmental stress from a given level of consumption. The cause-effect chain is illustrated in Figure 1 below.



**Figure 1:** *The schematic cause-effect chain of intervention of an ecolabelling scheme.*

Along this chain, proxy indicators can be used to measure the success. These can capture the interim evaluation of how the ecolabel functions, such as development of criteria documents, their use, consumers' perception and knowledge of the system, etc. The overall idea is that if these indicators show positive results, it also means that the ecolabelling system would have a positive environmental impact on the market.

Table 2 lists the main set of indicators and their associated aspects and qualities that are relevant in the discussion on the performance of ecolabelling schemes.

Some methodological reasons for the lack of data have been suggested to be, for instance, data availability and reliability (Korteland, 2007). Gathering data is a complex task and faces challenges in that economic data often is confidential. Also, understanding causation of data and effects is a daunting task because the effects of ecolabelling might be intangible or long term in nature. There are therefore also difficulties in isolating the effects

of ecolabelling from other economic, environmental and social factors and policies. Moreover, it can be inappropriate to generalise outcomes as ecolabelling schemes are likely to differ in design.

**Table 2: Proxy indicators useful to assess the performance of ecolabelling schemes**

Proxy indicator	Aspect/quality
Number of product group criteria.	Range of labelled products and opportunities for dissemination of information on environmentally benign products.
Number of product groups without issued licences.	Market attraction (lack of perceived industry benefits from adapting to the ecolabel), unrealistic level of requirements, weak capacity to identify relevant product groups.
Number of product groups with licences, the total number of licences issued.	Market attraction. Ability to respond to or to induce market needs.
Consumer recognition and knowledge about the ecolabel, confidence in the ecolabelling scheme.	Conditions for impact, trust and credibility.
Measured or estimated (insignificant, modest, medium, significant) market shares.	Potential to cause impacts.
Trends in the foregoing indicators.	Dynamics and direction of the scheme’s attractiveness.
Judgement of the product group relevance and criteria requirement levels based on stakeholder consultation and coverage of the ecolabelling scheme in the media debate or from desktop assessment.	Potential to deliver environmental benefits. Trust and credibility in the scheme.
Estimated differences in performance for selected environmental parameters between average and ecolabelled products in individual product groups times estimated number of ecolabelled products sold in each product group.	Order of magnitude of (potential) direct environmental benefits for the selected parameters for each product group.





## 5 Performance-related information provided by four ecolabelling schemes

### 5.1 Environmental Choice New Zealand

Environmental Choice New Zealand ecolabelling scheme (ECNZ) was established in 1989. The turn-over of the scheme was in 2011 NZD 1.0 million (approx. EUR 600 000). The New Zealand Ecolabelling Trust currently has 18 mutual recognition arrangements with other schemes.

The ECNZ scheme is directed by a number of objectives including to:<sup>4</sup>

- Improve the quality of the environment by encouraging more sustainable processes through the design, production, marketing, and use of products that have a reduced environmental impact during their entire life cycle;
- Offer a credible national and/or regional (e.g. Australasian) programme for environmental labelling;
- Work towards compliance with recognised international programmes and principles;
- Foster and develop international relationships with relevant recognised international networks and other ecolabelling programmes/initiatives;
- Establish mutual recognition agreements with other similar programmes;
- Work towards the harmonisation of national and/or international product specifications;
- Provide a clear, credible and independent guide to help eco-friendly consumers and businesses identify products and services that are less harmful to the environment;
- Provide a market incentive to manufacturers, suppliers and retailers of environmentally preferable products and services;
- Encourage manufacturers, suppliers and retailers to develop products and processes that are in compliance with published green product specifications;
- Promote responsible procurement policies by central and local government, other organisations and business; and
- Establish and maintain strategic relationships with government, business and non-government organisations which have common environmental and product performance interests.

The ECNZ outlines a number of public good benefits derived from ecolabelling, including to promote economic efficiency, reduce consumer information costs, crowd out “green wash” claims, validate products in competitive trading environments, increase

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ECNZ homepage  
[http://www.environmentalchoice.org.nz/about\\_ecnz/index.htm](http://www.environmentalchoice.org.nz/about_ecnz/index.htm)

environmental awareness, reduce impacts of consumption, and enhance key environmental strategies.<sup>5</sup>

In its annual report from 2013/2014, ECNZ explains that the scheme champions mainly in the business-to-business and business-to-government contexts and that this was tested in a follow-up (2-year interval) survey (conducted by Colmar Brunton). It also highlights that an unprecedented number of specification (criteria) updates and revisions had been carried out during the year.

In terms of growth of the label, ECNZ reports on the following numbers<sup>6</sup>:

- financial results;
- fees received for licences (without any increases to the scale of fees);
- ecolabelled products per head of population;
- number of published criteria;
- number of updated and revised criteria documents;
- new applicants;
- expanding licensees;
- number of operating and proposed licences (89 in 2013-2014);
- growth in licensees (15 during 2012-2013);
- estimated total financial turnover of licensees is in excess of NZD 2 billion;
- public trust in the label (from survey by Colmar Brunton);
- success of promotional activity (as measured by continued consumer trust);
- financial outcomes in line with overall economic activity; and
- business plan has been followed.

Moreover, ECNZ compares itself with other labels such as FSC, CarbonZero and Energy Star in terms of, for instance, ecolabelled products per head of population, “stronger environmental guarantee”, “stringency” and “trustworthiness”. Also “consumer influence” is tested against the FairTrade label and is measured by consumer perceptions on the following statements: good quality, recyclable, tested, better choice for New Zealanders, biodegradable, trustworthy, reduced carbon footprint or pollution, and government backed.<sup>7</sup>

Finally, in terms of consumers, ECNZ claims, based on the Colmar Brunton report from 2014, that consumers perceive the ECNZ ecolabel to be more trustworthy, stringent, government endorsed and strong in their environmental guarantee compared to other ecolabels. It was concluded that six out of ten who recognise the ecolabel, are more likely to buy the product over others.

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<sup>5</sup> ECNZ [www.environmentalchoice.org.nz/about\\_ecnz/eco\\_labelling/index.htm](http://www.environmentalchoice.org.nz/about_ecnz/eco_labelling/index.htm)

<sup>6</sup> ECNZ Annual Report 2013/14 <http://www.flipsnack.com/FA69B9F569B/ecnz-annual-report-2014.html>

<sup>7</sup> Ibid.





## 5.2 Thai Green Label

The Green Label is an environmental certification awarded to specific products that are shown to have minimum negative impact on the environment, in comparison with other products serving the same function. The Thai Green Label Scheme applies to products and services, not including food, drinks, and pharmaceuticals.

The Thai Green Label Scheme was initiated by the Thailand Business Council for Sustainable Development (TBCSD) and formally launched in August 1994 by The Thailand Environment Institute (TEI) in association with the Ministry of Industry. It operates in consultation with the Federal Environmental Agency of Germany. The Thai Green Label is open to both domestic and foreign suppliers. In Thailand, the ecolabelling scheme supports public procurement and vice versa (Role of the Thai Green Label in Environmental Management, Presentation, 2009).

The Thai Green Label Scheme, implemented by TEI, has signed bilateral mutual recognition agreements with six ecolabelling programmes in six different countries: Taiwan, Japan, Korea, New Zealand, Australia and China.<sup>8</sup>

In 2011, TEI had 130 employees in total, of whom a few work with the Thai Green Label and the turnover for the labelling programme was THB 2.5 million (approx. EUR 60 000).<sup>9</sup>

In May 2013, the scheme had criteria for 73 product groups, whereof 21 with issued licences. The number of products (models) on the market was 564 from 61 companies.<sup>10</sup> One licence can cover several models under the same trade mark.

The scheme is developed to promote the concept of resource conservation, pollution reduction, and waste management. The purposes of awarding the green label are:<sup>11</sup>

- To provide reliable information and guide customers in their choice of products;
- To create an opportunity for consumers to make an environmentally conscious decision, thus creating market incentives for manufacturers to develop and supply more environmentally sound products; and
- To reduce environmental impacts that may occur during manufacturing, utilisation, consumption and disposal of products.

<sup>8</sup> Thai Environment Institute  
<http://www.tei.or.th/greenlabel/mra.html>

<sup>9</sup> Personal communication with Dr. Bunyagidj

<sup>10</sup> List of Thai Green Label, Update 31 May 2013 <http://www.tei.or.th/GreenLabel/Eng%20PDF/2013-05-Name-GL-eng.pdf>  
Thai Green Label, Objectives  
<http://www.tei.or.th/GreenLabel/aboutobjectives.html>

### 5.3 The Blue Angel

The Blue Angel was established by the German government in 1978 and is awarded by an independent Jury to products that are environmentally friendlier than others serving the same use.

The Blue Angel is managed by four entities:

- 1) The Environmental Label Jury is an independent decision-making body composed of representatives from environmental and consumer associations, trade unions, industry, trade, crafts, local authorities, science, media, churches and federal states.
- 2) The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety that has the ownership of the label.
- 3) The Federal Environment Agency with its “Ecolabelling, Eco-declaration and Eco-procurement” department acts as office of the Environmental Label Jury and develops the technical criteria of the Basic Award Criteria for the Blue Angel.
- 4) RAL GmbH, which is the label-awarding agency.

The shared responsibility makes it difficult to specify a turnover of the scheme. At the Environmental Agency (Umweltbundesamt), six people are directly working with the ecolabel, but they receive input from other departments. Therefore, the capacity behind the six people is significant. RAL has income of fees of licences and has also six people employed for both the Blue Angel and for EU Ecolabel.

Each label specifies that the product or service focuses on one of four different environmental protection goals: health, climate and energy, water, and resources. The most important criterion to award the Blue Angel ecolabel is an energy consumption that is markedly lower than that of conventional products. Moreover, labelled products should also fulfil high standards of occupational health and safety and fitness for use for the consumers.

The Blue Angel has no specific guidelines to decide the scope and description of product categories, but defines the product groups on a case-by-case basis after consultation with the producers and the Ökoinstitut that is doing the background research.


### 5.4 Korean Ecolabel

The Korean Ecolabel was established in 1992. In 2011, the organisation had 36 employees in Environmental Standard Management Office and Ecolabel Certification Office, and 27 employees in the Eco-products Promotion Office and the Green Lifestyle Spreadability Office. The turnover in 2011 was about KRW 3 160 million (approx. EUR 2 million).<sup>12</sup>

<sup>12</sup> Personal communication with Ms. Ju-Young







The Korea Eco-Products Institute carries out operations related to improvement in environmental performance of products by setting up the ecolabelling criteria, building an evaluation system, environmental information to the public, etc.

Currently (2015) the scheme has listed criteria documents for 153 product groups.

Since 2005, according to the Act on the Promotion of the Purchase of Environment-Friendly Products<sup>13</sup>, ecolabelled products are target products that public agencies are obligated to purchase. Korea aims for mutual recognition with other schemes and governmental purchasing should give same preference to the foreign ecolabelled products imported through MRA (law of 29th May 2003).

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<sup>13</sup> See:  
[www.eiskorea.org/04\\_Policy/01\\_Law.asp?schMenuCode=MC100&schTabCode=&strIdx=899&schCom=&schSearch=&intPage=1](http://www.eiskorea.org/04_Policy/01_Law.asp?schMenuCode=MC100&schTabCode=&strIdx=899&schCom=&schSearch=&intPage=1)

## 6 Use of indicators in four ecolabelling schemes

The information provided in this chapter is mainly based on communication with the individual ecolabelling schemes, but also supplemented with information from websites and communication materials.

### 6.1 Environmental benefits/potential environmental benefits

This section concerns information on work with measuring the environmental benefits of the ecolabelling schemes. Representatives from the schemes were asked for own and known such investigations. It seems like environmental benefits often are considered as the difference between ecolabelled and conventional products. Even if this does not provide the best picture of actual gains, this measure may give an indication of the stringency of the criteria requirements.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>No</li> </ul>	
Thai Green Label	<ul style="list-style-type: none"> <li>Upcoming?</li> </ul>	<ul style="list-style-type: none"> <li>Conducted LCA-based comparisons between products meeting the Green Label requirements and general products for 20 product groups in 2007.<sup>14</sup> No results from the study found.</li> <li>Ongoing study (started March 2012) on ecolabelled products (Thai Green Label). Sales reports from the private sectors, LCAs and life cycle costs are used for the evaluation of environmental impacts. In addition, a study on policy and evaluation of impact, efficiency and effectiveness of Thailand's Government Green Public Procurement (GPP) to the country's environment has been initiated by the National Metal and Materials Technology Center (MTEC).</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Have tried to estimate energy-saving potentials.</li> <li>Have no information on environmental benefits.</li> <li>Did not quantify in the past. Claims it to be methodically difficult.</li> <li>Assessed in 2011 the effects of energy efficiency of ecolabelled products compared to conventional and have rough indications on how big the energy efficiency is, how much energy can be saved if only ecolabelled products were used in all households in Germany. The Ökoinstitut shows that 100 top products (household appliances) with 30-40 per cent higher efficiency could equal ten power plants. However, this is only a potential and cannot be realised in practice. Timescale would be 2020 – it means changing all the technical equipment in the households (from internal paper in German).</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>They have investigated economic and environmental benefits since 2007<sup>15</sup> but the information is not open to the public.</li> </ul>

<sup>14</sup> Role of the Thai Green Label Scheme in Thailand's Environmental Management, GEN-AGM 2009 Kobe, Japan [http://www.globalecolabelling.net/docs/japan2009/09kobejapan\\_1-2\\_thailand.pdf](http://www.globalecolabelling.net/docs/japan2009/09kobejapan_1-2_thailand.pdf)

<sup>15</sup> Global Ecolabelling Network AGM 2014 Report <http://www.flipsnack.com/FA69B9F569B/global-ecolabelling-network-agm-2014-report.html>



## 6.2 Environmental objectives for ecolabelling criteria development

In order to analyse potential environmental effects and to compare criteria and product groups, information on objectives and approaches for criteria development was collected. That kind of data is not used for qualitative indicators per se, but serves as information on comparability.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>They do not specify environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>The scheme does not specify environmental objectives when developing requirements for products/services in the individual criteria documents. However, the criteria and supporting explanatory information have been prepared specifically for the New Zealand Ecolabelling Trust as part of the ECNZ Programme's life cycle approach and its principles and procedures.</li> <li>Criteria are prepared based on an overview level life cycle assessment, information from specifications for similar products from other GEN-member labelling programmes, relevant information from other ECNZ specifications, publicly available information, and information provided by current licensees.</li> <li>Criteria are scoped to address environmental issues across the entire life cycle of the products.</li> <li>Comparisons between of the ECNZ criteria and those of other schemes for 14 product or service groups are made available on their website.<sup>16</sup></li> </ul>
Thai Green Label	<ul style="list-style-type: none"> <li>They do not specify environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>They don't specify environmental objectives when developing requirements for products/services in the individual criteria documents. However, they use "life cycle consideration" following the principle of ISO 14024.</li> <li>Some of the criteria documents in English specify prioritised environmental aspects for the product groups. However, these practices vary between different criteria documents.</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>They do not specify environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>Criteria development from sustainability studies based on life cycle thinking. Looking for market situation, life cycle, etc. from that study, they derive the most important impact. It is not a life cycle assessment.</li> <li>Four prioritised impact categories: <ul style="list-style-type: none"> <li>Climate and energy;</li> <li>Health and environment;</li> <li>Water; and</li> <li>Resources.</li> </ul> </li> <li>Also including occupational health and safety and fitness to use.</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>They specify environmental objectives.</li> </ul>	<ul style="list-style-type: none"> <li>They develop standards after evaluating environmental loads, which occur throughout entire procedure of product manufacture. For example, a reason for certifying computers is "power saving, low-noise and eco-friendly design".</li> <li>The reasons for certification are specified.</li> <li>Environmental aspects follow life cycle screening.</li> </ul>

<sup>16</sup> See [http://www.environmentalchoice.org.nz/specifications/international\\_comparison/index.htm](http://www.environmentalchoice.org.nz/specifications/international_comparison/index.htm)

## 6.3 Product groups and criteria documents

This section relates to definitions of product groups, including certain environmental objectives, function or characteristics, and identification of environmental aspects.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>Information available</li> </ul>	<ul style="list-style-type: none"> <li>The scheme provides 37 environmental criteria documents.</li> <li>The product group definition is given in the criteria documents.</li> <li>There are product groups without any licence.</li> </ul>
Thai Green Label	<ul style="list-style-type: none"> <li>They have recorded the number of products, models and companies – those are certified monthly</li> <li>Have back-records making it possible to derive similar information for a situation three years ago.</li> </ul>	<ul style="list-style-type: none"> <li>73 product groups</li> <li>555 products/models</li> <li>81 companies as licence-holders</li> <li>At least one licence-holder for 25 product group. Two product groups (paints and paper) have 13 licence-holders.</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Complete list of criteria documents online</li> <li>Currently 125 product groups</li> <li>6 are represented with 2 different generations of the same product group (with different licence-holders and registered products)</li> <li>3 are announced to merge with a fourth product group</li> <li>1 050 licences for 11 700 products</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Complete list of criteria documents online</li> <li>153 criteria documents</li> <li>About 8000 licences</li> <li>If several product groups are covered under a single criteria document depends on the characteristics of the products described by the existing document. For example, “flooring materials for interior decoration” are composed of synthetic resins, wood, synthetic rubber or inorganic substances. However, “decorative leather” has more narrow scope, since it mainly refers to artificial leather used for walls, ceilings, and furniture.</li> <li>Product categories are mainly defined according to the national standards, and a standard document specifies the definition. Some products define product categories according to environmental characteristics. Such examples include synthetic resin products, rubber products and wood plastic products. These products require to certain levels use of recycled materials.</li> </ul>



## 6.4 Licences and products/services on the market

This section deals with licences and products on the market and how they are defined. These aspects are often used by individual ecolabelling schemes in order to present themselves and their outreach.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>Have back-records, but it takes some efforts to retrieve it.</li> </ul>	<ul style="list-style-type: none"> <li>Each producer has one licence per product group.</li> <li>There are time series of numbers of licences in the annual report (2013/2014), but the numbers are not explained and difficult to interpret.</li> <li>It currently (2015) has about 1400 products that are registered and countable from the website. There are some product groups/criteria documents without any licensed products.</li> <li>A website claim states 2000+ products.</li> </ul>
Thai Green Label	<ul style="list-style-type: none"> <li>They have back-records making it possible to derive similar information for a situation three years ago.</li> </ul>	<ul style="list-style-type: none"> <li>They have recorded the number of products, models and companies that are certified monthly</li> <li>61 companies as licence-holders</li> <li>564 products/models (in 21 product categories)</li> <li>Most of the product groups have a handful of licence-holders while three product groups (paints, copy machines and paper) have substantially more.</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>No back-records. However, newsletters and information material publish numbers that could be arranged in series.</li> </ul>	<ul style="list-style-type: none"> <li>One licence could be valid for several models, but depends on how different the models are from each other.</li> <li>12 000 products from</li> <li>1 500 producers</li> <li>RAL<sup>17</sup> knows exact number of products or licences on the market.</li> <li>Several product groups without any licences.</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>Back-records are possible; all documents used in review processes are scanned and stored.</li> </ul>	<ul style="list-style-type: none"> <li>Derived products share same components, use and performance, but have different product names due to changes in design, colour and sale shop. For any other cases, a licence is registered for each product or service.</li> <li>The number of licences, products and producers depend on the criteria.</li> <li>There are some product groups/criteria documents without any licensed products in the scheme.</li> <li>Certified products and derived products are registered as a single licence.</li> </ul>

<sup>17</sup> RAL GmbH is the label-awarding agency in Germany



## 6.5 Sales and employees of licensed products and services

In this section we collect information on total sales of ecolabelled products within each product group. The sums make up a turnover, but also indicate how sensitive a scheme may be on individual product groups and producers.

Scheme	Indicator?	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>The licence fees are based on turnover of licensed products across different sales bands – as there is a limit on the maximum fee it is almost impossible to establish the real turnover.</li> </ul>
Thai Green Label	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>They do not measure turnover/sales of ecolabelled products covered by each licence.</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>The information is with the producers and confidential. The Blue Angel stated interest in getting access to such information.</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>To some extent</li> </ul>	<ul style="list-style-type: none"> <li>They estimate the turnover/sales of ecolabelled products covered by each licence from revenue amount of products when they set the Ecolabel usage fee.</li> <li>No data on actual sales of ecolabelled products in monetary terms</li> <li>They have data on actual sales in terms of number of products.</li> <li>The licence-holders in the service sector have about 2 400 employees.</li> </ul>

## 6.6 Market diffusion of the ecolabel

The section deals with measures of the market volume of ecolabelled products (which together with difference in environmental performance makes up an important factor for environmental benefits from ecolabelling). The size is preferably measured as share of market of the specific product groups.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Don't have the data, but individual licensees may well have it.</li> </ul>
Thai Green Label	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>MTEC may have data of some product groups after the study that was just initiated.</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>They don't have this information. It is possible that private market research companies, such as GFK, has the information, however, that is expensive to obtain.</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>No data available</li> </ul>



## 6.7 Producers

In this section we ask about information and studies on awareness, recognition and attractiveness among producers and service providers in general within product groups subject to ecolabelling.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>They do not measure this. They have only anecdotal information on producers use and benefits from using the ecolabel.</li> </ul>
Thai Green Label	<ul style="list-style-type: none"> <li>To some extent</li> </ul>	<ul style="list-style-type: none"> <li>They have information on the ratio of the number of Green Labelled products and total products produced, and the domestic sales and export sales amount of Green Labelled products.</li> <li>73.3% of surveyed producers aware of ecolabel.</li> <li>During 2007-2011, there were about 36.7 to 57.9% of surveyed producers informed that the sales value of their Green Labelled products was increased.</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>No such information.</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>To some extent</li> </ul>	<ul style="list-style-type: none"> <li>Survey conducted in 2009. They surveyed 187 certified enterprises in 2009. 55.3% of the respondents answered that they obtained a certificate to supply their products to public agencies, whereas 18.9% obtained it for product awareness enhancement, and 12.6% obtained it for improvement of corporate image.</li> <li>In response to the question "Was your product revenue amount affected by the acquisition of Ecolabel?", 52.5% answered that obtaining the Ecolabel resulted in revenue increase.</li> <li>Trust and knowledge of what the label stands for were not surveyed.</li> <li>40.9% answered that production cost increased because of Ecolabel certification commission.</li> <li>No data on producers use and benefits from using the ecolabel</li> </ul>



## 6.8 Consumer recognition and trust in the ecolabel

This section deals with consumer investigations on their perceptions of the ecolabelling schemes and how such studies are conducted. It is often other organisations than the ecolabelling schemes that conduct and provide the information.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"> <li>Upcoming?</li> </ul>	<ul style="list-style-type: none"> <li>Carrying out some awareness research [n=1000]</li> </ul>
Thai Green Label	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>A market survey was conducted during September-December 2011. A questionnaire was used as the tool for collecting data from individual consumers. Total numbers of 455 people were sampled from Bangkok and adjacent provinces.</li> <li>78.6 % of the sampled people were aware of Green Labelled products and about 67% of the sample knew what the Green Label stands for.</li> <li>Awareness, recognition, knowledge or trust is measured once a year.</li> </ul>
The Blue Angel	<ul style="list-style-type: none"> <li>As part of a larger study</li> </ul>	<ul style="list-style-type: none"> <li>Surveys by the Federal Environmental Agency show the great brand awareness of the Blue Angel with 79 percent, but slightly decreasing in recent years.</li> </ul>
Korean Ecolabel	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>According to a survey conducted in 2010, 39.3% answered that they were aware of the Ecolabel system ("Fully aware" + "Roughly aware"), whereas 60.7% answered that they did not know. ("I don't know but I have seen Ecolabel." + "I don't know at all"). [Proportion of respondents who were aware of the Ecolabel system increased by 8.8% compared to 2007 (30.5%).]</li> <li>Simple recognition of the Ecolabel system ("Aware of Ecolabel" + "I have seen Ecolabel.") was found to be 63.6%. [About 1.0% increase from 2007 (62.6%)]</li> <li>62.6% recognised the Ecolabel products as products that discharge less environmental pollutants, whereas 44.3% recognised them as products with lesser substances hazardous to health, and 34.1% recognised as products with high energy efficiency. (Multiple answers were allowed)</li> <li>60.4% answered that the Ecolabel system contributes ("Contribute actively" + "Contribute to a certain degree") to improve consumers' reliability on eco-friendly products.</li> <li>Surveyed 1000 ordinary people (over 19 years old) throughout the nation for one month inquiring consumers' awareness of eco-friendly products.</li> <li>No earlier surveys were done.</li> <li>It will now be done once per two or three years.</li> <li>They evaluate "knowledge" and "trust" of your ecolabel based on consumers' awareness of Ecolabel and Ecolabel system. (Comparison with other systems, etc.)</li> </ul>





## 6.9 Professional purchasers

In the last section, the intention was to gather information and design indicators that better could explain to what extent ecolabelling is used in green professional procurement and how professional purchasers perceive the ecolabelling schemes in a parallel approach as to private consumers.

Scheme	Indicator	Comment/information
Environmental Choice New Zealand	<ul style="list-style-type: none"><li>No</li></ul>	
Thai Green Label	<ul style="list-style-type: none"><li>No</li></ul>	
The Blue Angel	<ul style="list-style-type: none"><li>No</li></ul>	<ul style="list-style-type: none"><li>The Ministry is also the agency overseeing GPP. The problem there is the lack of information about GPP, only small picture about how GPP is conducted in a PWC study from 2010.</li></ul>
Korean Ecolabel	<ul style="list-style-type: none"><li>No</li></ul>	

## 7 General impressions from the information collection

It has been proven that information gathering and processing for establishing indicators takes longer time than expected in terms of total time span needed. Some of the selected key parameters are also absent or not reported at all in the inquiry answers from the participating schemes. If this is a failure of our questionnaire, or if it simply signifies that such data is missing is often not clear. When such data is missing, it would be useful to find out why it is not considered valuable and justified for the ecolabelling organisations to gather it. Furthermore it would be interesting to note the cases when some indicators are considered realistic and useful for some ecolabelling organisations and considered unrealistic for others. We have, however, in this project not been able to follow up these questions.

All schemes provide information on their websites whereof some can be processed and further used as background for indicators and performance-based information. Moreover, there are sometimes claims that are not supported with transparent background data. The initial suspicion that not much information is available on direct environmental effects from individual ecolabelling schemes has proven to be correct.

### 7.1 Capturing the dynamics of the ecolabelling scheme

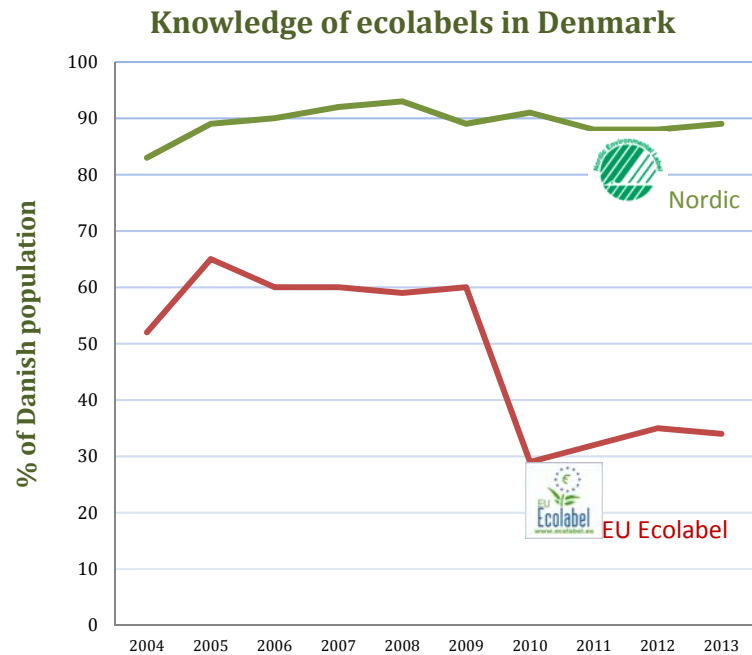
Displaying information such as indicators on performance is sometimes considered problematic also due to the fact that numbers constantly change and get outdated. It should be acknowledged that collecting and updating information could be both time consuming and resource demanding. In a few cases, at least some such information has been met in the form of time series. The opportunities for collecting past information on performance has been considered, but it has not been possible in this study. An observation is that data is collected, sometimes occasionally, sometimes in structured manners, but rarely displayed over time.

We argue that changes in the exposed indicators, trends, are equally interesting and valuable as the given numbers since such information is relevant for the documentation of the dynamics of how the performance of the schemes and their outcomes has changed as over time.

As an example, in Figure 2 the Danish branch of the Nordic Swan gives account for such trends concerning Danish consumers'



knowledge about the Nordic Swan and EU Ecolabel between 2004 and 2013.<sup>18</sup>



**Figure 2:** Danes' knowledge/recognition about the Nordic Swan and EU Ecolabel.

Source: Ecolabelling Denmark

It is likely that keeping track of historical data and exposing changes could be eased by set routines on what defined data that should be collected at certain time intervals with structured methods for measurements. That would, in addition, safeguard certain data quality.

## 7.2 Possibilities ahead

It appears like it is possible to generate proxy indicators for individual schemes. In many cases they could also be designed to be reasonably standardised, however, it is questionable to what extent they will be comparable based upon presently recorded information. Systematic and transparent data accounts for selected parameters would help constructing such information.

One aspect that should be further investigated is methods used and accuracy in given measurements. This is of higher priority in case the information should be used for comparisons and benchmarking. The questionnaire method has not generated sufficient information on these issues. For instance, the product group definitions will need to be compared for selected product groups through criteria analysis that reveals what the combination of general product group

<sup>18</sup> Ecolabelling Denmark <http://ecolabel.dk/da/blomsten-og-svanen/kendskab-til-maerkerne>

definition implies and limitations introduced through criteria requirements. Such analysis will also have to be done for sub-product groups covered by the criteria documents. Likewise, the information on licences, producers and products on the market would benefit from additional clarifications from the participating schemes.

In the past, most research on market diffusion (i.e. mainly consumer awareness) has been conducted by external research institutions, unrelated to the ecolabelling scheme in question. Only very few studies have been found that have been commissioned by the ecolabelling organisations themselves. However, it is possible to discern a change among the pilot ecolabelling organisations to request and gather information on the performance of their labels. For instance, the German Blue Angel has commissioned annual studies for a series of year focusing on consumer recognition and the results are published by the German Environmental Protection Agency.<sup>19</sup>

### 7.3 Using information for comparisons

The study builds on the compilation of scheme-specific indicators. There are yet no standardised methods for measurements. Consequently, for the sake of making comparisons, we need to both assure that different measurements are reasonably alike and what aspects that are interesting to compare.

There is a need to deepen the abovementioned understanding of the definitions of licences and products on the market. One of the interesting parameters to analyse for comparisons is market shares of ecolabelled products in given product groups since that can give valuable insights on how to approach the market actors. As stated in previous studies, this information can be difficult to compile in the first place. This challenge is also reflected by the interviewees from the ecolabelling schemes, who even went so far as to claim that it is basically impossible due to confidentiality. Thus, there is a need to find other paths for obtaining such information since little is measured and known.

One possible way to compare ecolabelling schemes may be to first make pilot studies for a few different schemes and for a limited number of parameters and indicators to achieve pictures on similarities and differences on data quality and availability. Such studies may also serve as benchmarks for further analysis of successful facilitation factors. It should be noted that structured comparisons have not, according to our knowledge, been tried so far.

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<sup>19</sup> Jana Rückert-John, Inka Bormann, René John, "Umweltbewusstsein in Deutschland 2012: Ergebnisse einer repräsentativen Bevölkerungsumfrage", Repräsentativumfrage zu Umweltbewusstsein und Umweltverhalten im Jahr 2012, Berlin 2013.





## 8 Conclusions

Today the market displays a great number of ecolabels. Nonetheless, we still have limited knowledge about the actual environmental benefits they provide. It is difficult to make objective comparisons, partly because there is no independent body of data on the performance of ecolabelling and partly because there are no agreed-upon indicators. In the absence of “reporting standards” for ecolabelling, GEN could play an important role in guiding the reporting practice among member schemes and encourage monitoring according to such a practice.

### 8.1 Indicator design and data availability

We realised that all requested data and information is not readily available and small organisations may often lack resources to extract and provide it from the materials they have already collected or through new studies. However, not being readily available does not necessarily mean unavailable. The data may be hidden for methodological or other reasons. Thus, there is reason to investigate if, and what, information can be obtained through other channels. The current gaps in the tables presented in Chapter 6 might still be possible to fill in for historic data and more so in the future. If there is a desire to conduct regular and standardised indicator studies in the future, there is a task to define what information that ecolabelling schemes should be recommended to gather and maintain for making these studies possible. It appears like lots of information could be collected and displayed rather conveniently by the schemes if the task to do so is defined in the first place. The challenge appears to be to find a reasonable structure for systematic data recording and transparent display, as well as, to demonstrate the relevance of the information.

So far, the schemes contributing to this study have similar structures in information provision, but a clear weakness is the use of different definitions of the terms. An indicator system will not be perfect in the sense that all input values would be collected in identical manners with the same precision. It appears more reasonable to build from existing information flows, but systematise the bookkeeping and structure the displays for regular updates in time series (rather than spending resources in digging up historical data). Most likely, that would by time provide sufficiently good indicator information that can be used for further analysis and conclusions on the state and development of individual ecolabelling schemes.

### 8.2 Motivation-related limitations

The analyses that should be possible through indicator studies must be useful and sufficiently valuable both for the individual ecolabelling scheme and the ecolabelling community as a whole. There should,

among others, be one tool that gives market information to help convince producers to apply for licences. But do the schemes themselves see the benefits of tracking information necessary for indicator studies over time? Which type of performance information can be used to convince more producers to apply for a licence? One ecolabelling scheme stated that they see a general problem with measuring success since the picture is valid for only a short time. Admittedly, however, the information would be good for the internal processes and it could probably pay off if such information manages to convince producers to seek more licences. It is a learning process on how to interpret changes in these indicators and what factors that influence these changes. In a nutshell, what is considered a positive indication might be re-evaluated and some of these indicators may need to be broken down in new, or even considered pointless and be discarded. Only after some time of continual evaluation of the indicator sets will the true usefulness be established.

One ecolabelling scheme stated: “this field is a very open field, and there is little quantified information yet”. However, the organisation does not plan to collect this information in the future. We will in Chapter 9 attempt to give some recommendations how the results that were derived from the project can be used for outlining a set of indicators to assess the ecolabelling schemes.


### **8.3 Potentials and costs for ecolabelling**

Before presenting our proposal for indicators to assess the ecolabelling, it is important to remember the overall potentials for ecolabelling when it comes to influencing environmental impacts and the inherent limitations this instrument has. Ecolabelling could, as any other policy instrument, be criticised for not solving all environmental problems and, for not significantly impacting some important environmental and sustainability challenges. Such criticism is, however, for ecolabelling, as well as for other instruments, of little interest. No serious proponent of ecolabelling would claim that ecolabelling is a panacea.

Other disputed issues around ecolabelling are whether ecolabels really demand high environmental standards, or if it is possible to, for instance, obtain an ecolabel even when you do not fulfil legal standards or answer to demands of other types of ecolabels. When such examples have been put forward, they seem, however, to be related to something like outdated criteria documents that are not in actual use, even if they formally are valid. It may be wise for ecolabelling schemes to be more attentive to these situations and discontinue or update such documents in order to avoid being criticised and misunderstood by less informed people.

What is more interesting is whether ecolabelling is an efficient instrument, that is, are the resources spent on ecolabelling used in a good way. While the lack of available measures of the true effects of





ecolabelling makes it impossible to fully quantify the benefits, it is clear that the costs are quite limited. Most ecolabelling schemes attain public funding to some degree, even if licence fees from producers and other sources of funding appear to be the most important financial income. As can be seen from the four systems studied, the exact costs for administrating the ecolabel are not always known, but all evidence points to that they are quite limited. There is also a cost for companies to adjust to the ecolabelling requirements and to use the ecolabel. These costs, however, could be said to be covered by benefits the companies acquire by joining the system, as the instrument is voluntary for businesses. This is fully in line with the idea of ecolabelling as it offers a communication tool the licence-holders apparently find it worthwhile to pay for. It is therefore reasonable to conclude that ecolabelling is a cost-effective policy instrument. Moreover, it should be acknowledged that the indirect benefits are significant, while the challenges to find any realistic approaches for systematic evaluations of indirect environmental benefits are overwhelming.

Ecolabelling does not directly address the level of consumption, neither necessarily all the most prioritised environmental problems of our societies. Ecolabelling helps consumers and clients to choose the most environmentally preferable products or services when choosing between different alternatives. Since ecolabelling is a market-based policy instrument, the market situation, as well as, differences in environmental performances between products in the product groups set conditions for which products that actually are suitable for the instrument, and thus also the extent of what possible direct environmental benefits that could be gained. In many cases, the choice has been made to rely on other policy instruments. Among such instruments are also other types of ecolabels than the ISO Type 1, which is the topic of this study. In other cases, the ecolabels are one of several instruments that have been bundled together to address a challenge.

## 9 Proposal for proxy indicators for ecolabelling

In this chapter we have made an attempt to identify a set of proxy indicators that we, based on the study, consider to be useful for the ecolabelling, as well as, feasible to produce by the ecolabelling schemes. In order to structure and make use of information in general (not only for realistic and useful comparisons of schemes), there would be a need of defining and standardising some of the terms and concepts used as measures for indicators. Thus, we strongly suggest that GEN takes an international lead in such a process. An important aspect is to give accounts for the time series (how the indicators change over time) pointing at trends of these indicators.

The five (areas for) proxy indicators we propose are addressing the following aspects:

- Scope of the scheme;
- Number of licences and products on the market;
- Consumers' and professional purchasers' recognition and trust;
- Market penetration; and
- Estimations of environmental benefits.

The indicators could as such signal the effect of the scheme. However, proxies for potential environmental gains could be considered as supplement. This includes, among others, a solid notion of the stringency of the requirements of the product criteria. However, some drawbacks will also be discussed below.

### 9.1 Scope of the scheme

The number of product groups (categories) that are covered by criteria is part of the scope of a scheme since it conveys the range of products that actually may, at any given time, carry the ecolabel – the potential spread of ecolabelled products. Yet, criteria documents often open up for several kinds of products<sup>20</sup> which make counting and comparing the number of criteria documents less relevant.


A step could be to make a generic list of more narrowly defined product groups. The approach could be to make a gross list of sub-product groups covered under each criteria document of the different GEN members. In the comparison, each scheme ticks off or adds sub-products groups included in its criteria documents. Such a

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<sup>20</sup> The definition in ISO 14024, *Product category: group of products which have equivalent function*, is obviously not stringent enough to serve as working definition.







list would, besides making comparisons possible, also be useful information for producers and in processes for mutual recognition, as well as, useful for other schemes looking for opportunities to include new product groups.

**Recommended indicator #1:**

**The number of sub-product groups that are covered by the scheme.**

In order to make the indicator useful and apt for benchmarking, GEN needs to establish a generic list of product groups and sub-product groups.

When the number of sub-product groups covered is a large and growing number, it is a positive indicator.

## **9.2 Number of licences and products on the market**

The number of issued licences, as well as, number of ecolabelled products on the market indicate market attraction and are obviously commonly given as indicators by many schemes. There is need to clarify both concepts: does a producer need several licences for similar products or does the licence give the producer the right to label several products under the same criteria document (given the products meet the requirements of the criteria) regardless the products are manufactured at different sites or marketed under different brand-names?

In parallel, it appears like there are different views on how to count products on the market: how different should varieties of a product be to be considered as separate products? This could be as simple as different sizes of packages or different colours, but also a fundamentally similar design modified as different models to fit applications (for instance for toner cartridges). Most likely, standardisation must be set for individual product groups based on overarching principles.

The indicators could be given for individual product groups (criteria), as well as, aggregated information for an ecolabelling scheme. The first would show for what market segments ecolabelling is strongest, what criteria documents that actually are used or which have no issued licences. In a way, such indicators could also show to what extent the ecolabelling scheme is dependent on specific product groups for its financial turnover.

**Recommended indicator #2:  
The number of licences that are valid for the scheme.**

In order to make this indicator useful for comparisons, GEN could promote common rules on how to define what constitutes a licence – preferably built on precise rules for various product groups based on the common principles.

High and growing numbers of both number of licences and different products on the market are positive and should be followed over revision cycles of the individual criteria.

### **9.3 Consumers' and professional purchasers' recognition and trust**

All ecolabelling schemes are dependent on consumers who are aware of ecolabelling and know and trust the scheme. Many schemes do conduct different kinds of consumer surveys on recognition of the label, what it means and stands for. In addition, some schemes include questions concerning to what extent consumers put trust in the label. Details in the survey methods may vary, as well as, intervals between the surveys, but often it is possible to get trend lines for individual schemes. Even if the methods vary between ecolabelling schemes, these figures tend to give a reasonably good and comparable picture of the situation.

Thus, we suggest GEN to promote its member organisations to conduct such studies on a regular basis and give advice on suitable methods.

**Recommended indicator #3a:  
Percentage of the consumers (lower age limit to be defined) that recognise the ecolabel, know its meaning and put trust in the scheme.**

If this indicator should be fully useful for benchmarking it may need more clear definition of how the question should be asked etc.

High recognition, knowledge and trust of the individual scheme is positive.

Ecolabelling has a well-established role in green public procurement policy, not the least in several Asian countries where the roles have





been more formalised. Ecolabelling schemes are moreover gradually promoting their services among professional purchasers from the private sector. Thus, professional purchasers are an important group to reach. A further step, as a parallel to consumer surveys, though not yet reported among the examined ecolabelling schemes or in literature, would be to make similar surveys among professional purchasers both in public and private sectors. There is though probably a need to develop suitable methods, which could be a task for GEN.

**Recommended indicator #3b:**

**Recognition and trust of the ecolabel among professional purchasers.**

As such studies are not known, there are good opportunities for GEN to find common approaches that would facilitate benchmarking.

## 9.4 Market penetration

The market share of ecolabelled products is an aspect that tells something about both attractiveness and could indicate environmental benefits. A high market share indicates high attractiveness, which is positive. However, an ecolabelling scheme should, at least initially and after revisions, generally aim for targeting the best products of a product group. High market shares could therefore indicate slack requirements and thus insignificant environmental benefits and a need for criteria revision. The indicator of market penetration could therefore give different signals. The interpretation depends on the situation. Moreover, market penetration should be considered for the individual product group and could be difficult or expensive to measure, but market surveys should, according ISO 14024, be conducted in the feasibility study.

Estimations of market shares should thus be possible to do in order of, for instance, less than one per cent, 1 to 5 per cent, 5 to 15 per cent, 15 to 40 per cent, 40 to 80 per cent, and more than 80 per cent, or within any other given intervals with systematic approaches. The most interesting information comes from tracking changes over time, both during the valid time for a given criteria document and over criteria revision cycles. An ecolabelling scheme should have a fair picture of sold ecolabelled products from the licence fees producers pay. Yet, the uncertainties in the method – estimation of the total market for the product – makes detailed comparisons between schemes difficult. However, the indicator could still provide useful information for comparisons on orders of magnitude and changes over time. Thus, it could be a task for GEN to further investigate and

analyse methods and the reliability of the methods to build market share indicators based on comparing sale of ecolabelled products from fees and estimated market size. Ultimately, it should also be possible to make estimations on number of products sold and not only the monetary value of the products in cases of substantial differences in price between product alternatives.

In some cases and for some product groups, central business organisations do build statistics on sales of specific products and make that information available commercially. It could be an easy and often more reliable source of information. Some drawbacks are that such information does not always exist and it is expensive to obtain when it does exist. It is reasonable to believe that this kind of more detailed and reliable information will develop and become more readily available. Thus, opportunities for building market penetration indicators from such sources should continuously be evaluated.

Many ecolabelling schemes report the number of producers that are licenced under the scheme. This could be interpreted as an indication of attractiveness or market penetration. However, it could be questionable if comparing numbers is fruitful since both market shares and nature of their potentials to contribute to environmental benefits are quite different. Moreover, there are uncertainties regarding the definition of producer and, as a result, how to count them. Consequently, we have left that indicator out.

**Recommended indicator #4:**  
**Market shares of ecolabelled products.**

In order to make this indicator useful for comparisons, GEN is recommended to identify product groups which would be most interesting for international benchmarking and share experiences on how to estimate market shares, without necessarily looking for all schemes to use the same approaches as considerable national differences could be expected and the choice of method would best be done on the national level.

### 9.5 Estimations of environmental benefits

It has repeatedly been acknowledged that it is hard to measure environmental benefits from ecolabelling. There are some attempts both in the literature and among individual schemes. These estimates are mostly derived from assessments of differences in performance between a thought “average” product of the product group as reference point and a product corresponding to the requirements in



the environmental criteria combined with number of sold ecolabelled products. There are obvious drawbacks of these methods, including:

- The sold ecolabelled products could meet the requirements without having being changed – that is, no improvements were gained. This is reasonably the case for some products as the criteria are mostly designed so that the best products can meet them.
- It is often hard to identify the performance levels of the thought bulk product (the “average” product that acts as reference point).
- The most significant environmental aspects should be used for comparisons, but sometimes there is a need to go for what is possible for practical reasons.
- Changes of product design and improvements could be difficult to attribute to the ecolabel.
- Abovementioned difficulties of estimating market shares.
- The methods do not consider indirect benefits from ecolabelling.

However, systematically conducted such estimations could indicate order of magnitude of environmental benefits over time. As a next step, we suggest that GEN takes the lead in developing and critically analysing structured methods for making estimations of environmental benefits in individual product groups. We recommend a process where selected individual product groups are targeted before any attempts are made to find aggregated indicators for combined product groups or entire ecolabelling schemes.

**Recommended indicator #5:  
Estimations of environmental benefits.**

GEN is recommended to critically analyse structured methods for such estimations in individual products groups.

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