



**Certified Environmental Facts:
Sustainable Energy Practices Certification**
per product

**Standard Audit Plan
April 2024**



1.0 Background

A Sustainable Energy Practices Certification presented on GreenCircle's multi-attribute Certified Environmental Facts (CEF) label demonstrates an organization's commitment to integrating improvements to a product's manufacturing process's energy consumption or use of renewable/ carbon-free energy sources to reduce the carbon footprint of their products. The certification audit will focus on the implemented energy efficiency improvements for the manufacturing stage of the product's life cycle that demonstrate an energy usage reduction or renewable/ carbon-free energy usage increase.

GreenCircle will conduct the audit for Sustainable Energy Practices Certification in accordance with the requirements and methods set forth in this audit plan and in GreenCircle's Certification Scheme; in compliance with ISO17065:2012. GreenCircle's Certified Environmental Facts (CEF) label will present the Sustainable Energy Practices achievement for the product and facility(ies) audited. This certification achievement will be presented on GreenCircle's Certified Environmental Facts label in conjunction with any other attributes achieved per GreenCircle's Certified Environmental Facts Certification Audit Plan and GreenCircle Sustainable Manufacturing Practices Audit Plan.

Energy usage reduction per product is achieved through a company's demonstration that conservation measures have been implemented to reduce its energy usage benchmarked to production as compared to a baseline period benchmarked to production. As part of GreenCircle's evaluation process, a detailed analysis of the organization's operations, energy usage, and energy efficiency improvements will be conducted. All manufacturing facilities producing the product must be included in the energy usage reduction calculation. By verifying implemented conservation measures at the facility, GreenCircle will confirm reductions in energy usage and certify the energy usage reduction percentage on a product level.

Renewable/ carbon-free energy usage increase per product is achieved through a company's demonstration that the use of carbon-free electricity or renewable energy has increased benchmarked to production as compared to a baseline period benchmarked to production. As part of GreenCircle's evaluation process, a detailed analysis of the organization's operations, energy usage and energy sources will be conducted. All manufacturing facilities producing the product must be included to determine the energy usage and renewable/ carbon-free energy usage on a product level. By verifying the energy usage and percentage of renewable/ carbon-free energy usage, GreenCircle will confirm the percent increase in renewable/ carbon-free energy usage and certify the renewable/ carbon-free energy usage increase percentage on a product level.



2.0 Goal

The goal of the Certified Environmental Facts: Sustainable Energy Practices Certification is to verify that a company has taken measures in manufacturing to reduce the carbon footprint of a product through energy improvements.

3.0 Company Qualifications

Companies that have implemented manufacturing process improvements related to reducing energy usage or increasing renewable/ carbon-free energy usage will be eligible for Certified Environmental Facts: Sustainable Energy Practices Certification. During the proposal development process, GreenCircle will conduct initial meetings with the Company contact to understand the manufacturing energy usage improvements to verify if the proposed product will most likely qualify for an audit and possible certification. It is not guaranteed that a product will be certified for Certified Environmental Facts: Sustainable Energy Practices Certification until a thorough audit is completed by GreenCircle.

GreenCircle will evaluate the energy usage reduction or renewable/ carbon-free energy usage increase of a product's manufacturing stage for manufacturing processes in the manufacturer's direct financial or operational control. The client must provide primary energy usage data at all manufacturing facilities of the product for two twelve-month periods.

Exclusions:

- Externally produced components and accessories, if no more than 5% of total mass, are outside the boundary of this scope. This allows for the certificate to be applied when the base product is packaged with various accessory sets for the consumer.
- Packaged accessories, if no more than 5% of total mass, are outside the boundary of this scope. This allows for the certificate to be applied when the base product is packaged with various accessory sets for the consumer.
- Supplemental production facilities that account for less than 10% of total production, by weight or volume, can be excluded pending GreenCircle's review of evidence and validation that the 10% determination methods and assumptions are reasonable.
- Final assembly or converter facilities that account for less than 10% of total manufacturing energy usage, by product allocation, can be excluded pending GreenCircle's review of evidence and validation that the 10% determination methods and assumptions are reasonable.



- Packaging that occurs in another facility from product manufacturing is also outside of the boundary of this scope.

GreenCircle does not recognize the following as methods of achievement:

- Absolute energy reduction, such as decrease in production
- Renewable/ carbon-free energy credit to a single product line within a multi-line manufacturing facility
- Planned energy efficiency reductions or improvements

4.0 Documentation Requirements

To qualify for certification a company must provide the requested data for two twelve-month periods. GreenCircle will need the following information for a baseline period as well as the most recent year's data to validate reductions based on implemented conservation measures. A baseline period must be within five years of the most recent evaluation period. GreenCircle requires a minimum of six months of steady-state or representative production data for new product or processes related to the attributes that are being assessed.

Manufacturing process improvements or conservation measures to reduce the energy usage or increase the renewable/ carbon-free energy usage will be verified using the follow information:

- Minimum two years of electricity, natural gas, and fuel source (oil, propane, etc., if applicable) consumption data must be provided for the total facility.

GreenCircle will also request copies of utility bills.

- This should include auxiliary fuels at site (break rooms, cafeteria, warehouse), per the GHG Protocol. GreenCircle will review documented assumptions made, and define boundaries for product allocation, which may include excluding this energy if it is less than 10% of the total energy usage of the facility.
- Energy usage for raw material *on-site storage* is part of the manufacturing process and is included in the calculation. Off-site storage is excluded.
- Data and documentation to validate the type, output size, and location of renewable/ carbon-free energy sources utilized on site.
- For a company that is utilizing renewable/ carbon-free energy for electricity (Scope 2 reductions), the following energy systems/contracts are acceptable:
 - Onsite renewable/ carbon-free energy combustion source, such as biomass
 - Onsite renewable/ carbon-free energy generation which are owned and operated by the company and documentation that the company owns the associated renewable energy credits (RECs)/ emissions free energy credits (EFEC).



- Offsite renewable/ carbon-free energy purchase through a power purchase agreement (PPA) that also conveys the ownership of the carbon-free energy credits such as RECs, EFECs, or Guarantees of Origins
 - Documentation of REC/ EFEC retirement is required to ensure the system owner is not retaining the environmental credit for clean energy and the purchaser can accurately claim the usage of the energy.
- Virtual Power Purchase Agreements (VPPA) with a long-term contract (ten or more years) that includes proof of ownership and retirement of the associated RECs.
- Green Supply Contract with utility company or electricity provider, RECs must be Green-e certified or equivalent.
- Unbundled purchased RECs/ EFECs must be Green-e Energy certified or equivalent.
- The facility(ies) will be required to submit documentation to verify energy reduction efforts, if applicable. This documentation request could include purchase orders, paid invoices, profit impact reports, etc. to demonstrate the following:
 - Operational changes
 - Behavioral changes
 - Building and equipment upgrades
 - Thermal processes/systems electrification or waste heat recovery
- Minimum two years of total production data, including production of all products, at the facility(ies) must also be provided for GreenCircle to benchmark the operations and further allocate the energy reduction or renewable/ carbon-free energy increase to a product.
- If multiple products are being manufactured, the energy usage by product (weight or unit) must be provided to GreenCircle for proper allocation.
 - Products within 10% energy draw: GreenCircle can utilize the production by weight to verify energy usage/product. Evidence must be submitted to indicate the products manufactured are within 10% energy draw
 - Product families within 10% energy draw: GreenCircle can group the production by weight of all products in the product family and verify a energy usage reduction/product family. The grouping of product families must include a description of production methods and product types which will be used to define the boundaries of the product family and evaluate the impact of future products.
 - Products not within 10% energy draw: client can confirm if product weight is an appropriate correlation to energy usage. Otherwise client must provide an allocation of the total energy usage of the facility(ies) by



production line using the most accurate method available, which may include:

- Sub-metering of energy usage data
 - Financial data
 - Process flow diagram with energy inputs
 - Production run times
 - Facility area usage by production line
- Amazon ASIN's should be provided with the data request to give GreenCircle time to review the products in the scope for possible submittal to the Amazon Climate Pledge Friendly program upon certification, if applicable based on Amazon's requirements.
 - A company must provide GreenCircle access for a site visit (virtually or in-person, per GreenCircle's determination) of the manufacturing facility(ies).

5.0 Audit and Certification Process

5.1 Data Collection

Once the proposal and certification agreement are signed, GreenCircle will prepare a data request and conduct a conference call with the contact(s) to discuss the required data, GreenCircle's audit process and project schedule. Through this initial project meeting, GreenCircle will gain an understanding and obtain information on energy efficiency practices and/or renewable/ carbon-free energy usage on-site.

GreenCircle will provide an initial data request to be completed by the facility(ies) contact(s). See Section 4.0 Documentation Requirements for specific data that will be requested in the data collection stage.

5.2 Site Audit

To validate manufacturing process improvements, GreenCircle may conduct a site visit of the manufacturing facility(ies) to verify the details of the manufacturing processes pertinent to the certification audit. GreenCircle may conduct interviews with representatives at the facility(ies) as part of the audit process as well as review any additional data needed to complete the certification. GreenCircle may walk through the facility(ies), conduct a visual inspection, and collect photo documentation to verify the processes and the implemented product improvements, energy conservation measures and/or renewable/ carbon-free energy usage associated with the manufacturing process.

GreenCircle may determine if the site visit(s) requirements can be met via virtual site visit or a desk audit. GreenCircle will perform a review of the types and quality of



data, conservation measures, documentation, and determine whether a site visit is necessary.

To be eligible for a virtual site audit, the client must complete the following for each facility:

- Provide process flow and facility diagrams, in advance.
- Participate in a virtual site visit review meeting to review the capabilities of the facility to provide visual verification through virtual equipment and to review the process and facility diagrams.

GreenCircle will consider the completeness of documentation provided to support the verification with a virtual site visit or desk audit including:

- Purchase orders or work orders that confirm implementation including facility location and date of completion
- Pictures of implementation (updated machinery in use) for the conservation measures that are being claimed

5.3 Calculations

GreenCircle will conduct a thorough review of utility data for energy reduction initiatives as well as implemented renewable/ carbon-free energy usage for both the baseline year and certification period for the entire manufacturing facility(ies). GreenCircle will validate utility data by reviewing invoices from utility vendors. GreenCircle will verify conservation measures were implemented and/or the sourcing of renewable/ carbon-free energy (per documentation requirements above) that directly resulted in energy usage reductions or renewable/ carbon-free energy usage increases on a product level as a part of this audit. GreenCircle will then calculate the energy usage for both the baseline period and evaluation period, benchmarked to production. As applicable, GreenCircle will then calculate the percent reduction in energy usage. As applicable, GreenCircle will calculate the renewable/ carbon-free energy usage both the baseline period and evaluation period of as compared to the total energy usage for the entire manufacturing facility(ies) benchmarked to total production.

If the initiatives to reduce the energy usage at the facility are related to a single production line (i.e., equipment updates), GreenCircle will work with the client to factor this into the allocation method.

In grouping products together, documentation must be provided as evidence for GreenCircle to verify if products are manufactured in a similar process and the energy draw per manufacturing process is within 10%; and therefore the product weight or unit of product can be utilized. If it is not within 10%, then GreenCircle



will need review on the proposed allocation of energy by product family/production line with the manufacturer that is reasonable and representative.

5.4 Additional Attributes

Per GreenCircle’s Certified Environmental Facts Standard Audit Plan, a client may request GreenCircle to audit for additional product attributes or additional manufacturing specific attributes. Product attributes can include, but not limited to, recycled content or closed loop. Manufacturing attributes can include, but not limited to, Water Usage Reduction, Waste to Landfill Reduction or Waste Diversion from Landfill. GreenCircle will follow the requirements set forth in the applicable audit plans to conduct those calculations.

5.5 Certification Audit Deliverables

GreenCircle requires a minimum of a 1% reduction to receive certification. GreenCircle certifies to a minimum by rounding-down all reductions and therefore reductions less than 1% will not result in a certification. GreenCircle may require footnotes on the CEF label to indicate the boundary of the evaluation such as if the reduction is only an attribute of the base product and not accessories.

Upon verification of the claims, GreenCircle will issue a GreenCircle Certified, LLC Certificate and Mark for the CEF label. The certificate will document that an independent evaluation of the claim has been conducted on behalf of the Client for the specified product, during a specified stage in the product’s life cycle. All certificate holders must notify GreenCircle Certified, LLC of any significant changes in products or operations that could alter any of the claims detailed in the certificate.

GreenCircle will prepare a written report on the audit process and findings and provide this report to the Client. GreenCircle will list the final certificates on the GreenCircle Certified Product Database and provide GreenCircle marks for use in marketing.

6.0 Annual Reverification Process

The Certified Environmental Facts Certification is valid for three years, with data verification through an annual check-in. It is important for GreenCircle to evaluate any changes within the operations or manufacturing processes to ensure continued compliance with the established criteria. At the conclusion of three years, the certification will expire. Continuous improvement must be demonstrated from the initial certification period to be eligible for recertification of a reduction. Completion of recertification ensures continued transparency and further use of the GreenCircle mark.



7.0 Complaints, Appeals, and Disputes

GreenCircle must be contacted immediately if there is a complaint, appeal, and or dispute brought against a certification that GreenCircle has verified. GreenCircle will follow the Appeals, Complaints, and Disputes procedure to review and resolve the issue.

8.0 Guidelines for Private Label User

The Certified Environmental Facts: Sustainable Energy Practices Certification is for the exclusive use of the Client. Companies that produce private label products that wish to use this certification will require any private label customers or downstream re-sellers of the certified product(s) who desire to utilize the Certified Environmental Facts: Sustainable Energy Practices Certification, to enter into a separate Agreement with GreenCircle.

9.0 Labeling Requirements

The Client agrees to promptly cease display and use of the GreenCircle Certified, LLC mark: (1) Upon expiration of the certification period; (2) If Client is no longer in compliance with the certification requirements in this audit plan or the GreenCircle terms and conditions. Please reference the **GreenCircle Certified Mark Usage Guidelines** for further details and more information on using the mark. The Client shall take caution to ensure that the GreenCircle Certification mark is not associated with products and/or operations which do not comply with the GreenCircle Certification System (GCCS). The Client will be asked to remove the GreenCircle mark immediately if it is found that they have applied the mark on a non-conforming GCCS product and/or operation. If the Client fails to remove the misused mark, an investigation will be conducted pertaining to the misuse, in which the full cost of the investigation shall be borne by the Client. The Client shall not allow the GCCS Certification mark to remain on non-conforming products offered for sale. Such action could invite prosecution under U.S. Trademark statutes or attract other penalty provisions in other U.S. or State law.

10.0 Key Terminology

Biomass: The biodegradable fraction of products, waste and residues from a biological original such as forestry, vegetation, or animal substances. The carbon in biomass is of a biogenic origin—as it was recently contained in living and breathing tissues—while the carbon in fossil fuels has been trapped in geologic formations for millennia. Because of



their biogenic origin, CO₂ emissions from biomass fuels are treated differently from fossil fuel combustion emissions per the GHG Protocol.

Bioliq*uid*: The liquid fuel for energy purposes such as electricity and heating and cooling, which is produced from biomass.

Carbon Footprint: The level of carbon dioxide equivalents generated by a process, facility, or in the production of a product.

Carbon Free Electricity: Electricity that does not produce CO₂ emissions per the GHG protocol. This includes nuclear technology and renewable energy sources. Methane, a biogenic gas, that is produced from resources such as landfill gas, municipal waste or digester gas and burned to generate electricity or steam is not recognized by GreenCircle as a carbon-free fuel source.

Cogeneration: Producing both electricity and steam/heat using the same fuel supply.

Green Supply: This is Power Purchase Agreement with an electricity generator providing power through renewable/ carbon-free electricity; which is associated with a Renewable Energy Credit (REC) or a Emissions Free Energy Credit (EFEC) to claim the renewable energy usage.

Mechanical Energy: Energy used either to drive an alternator for producing electricity or rotating equipment such as motor, compressor, pump or fan for delivering various services.

Product Family: A product, that provides the same service or consumer function, which utilizes the same bill of materials with minor deviations such as color, scent, flavor or sizing.

If the deviation of weight is less than 5% due to color, scent or flavor additives then the certification results can be combined and presented as a product family; with certification to a minimum.

If the product has multiple sizes, GCC will review the deviation of raw materials proportional to total weight. If the deviations of raw materials are less than 10% due to sizing, then this is within the product family and the certification results can be combined and presented as a product family; with certification to a minimum.

GreenCircle will accept product family grouping for products manufactured in an equivalent process. GreenCircle will determine if the energy draw of the production line is within 10%, and the BOMs are similar, then the evaluation of energy usage and carbon emissions reduction can be combined.



Power Purchase Agreement: This is a long-term contract between an electricity generator and a customer, usually a utility, government or company. PPAs may last anywhere between 5 and 20 years, during which time the power purchaser buys energy through an arrangement in which a third-party developer installs, owns, and operates an energy system on a customer's property.

Renewable Energy: Energy from a source that is not depleted when used. This includes wind, solar photovoltaic, biofuels, geothermal and water/hydro energy.

Thermal energy: Energy used either for direct process applications or for indirectly producing steam, hot water, hot air for dryer or chilled water for process cooling.

Virtual Power Purchase: A long term contract, typically 10 to 20 years, between a developer of a renewable/ carbon-free energy project and an energy buyer. This provides a Renewable Energy Credit (REC) or an Emissions Free Energy Credit (EFEC) from a specific renewable/ carbon-free energy project located off property.

11.0 Reference Documents

GreenCircle Certification Scheme, GCC-OPS-03-1, Revision 6 – Outlines the certification process and GreenCircle's Management System

The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard - World Resource Institute

The Federal Trade Commission's Green Guides:2012 – Guides for the Use of Environmental Marketing Claims

IPCC Guidelines for National Greenhouse Gas Inventories - The International Panel on Climate Change

ISO17020: 2012 Conformity assessment -- Requirements for the operation of various types of bodies performing inspection, The International Standards Organization. This International Standard defines the requirements for the operation of various types of bodies performing inspection. GreenCircle adheres to these requirements in the development of the certification process and audit plans.

ISO 14021:2016 Environmental labels and declarations -- Self-Declared environmental claims (Type II environmental labeling), The International Standards Organization



ISO 17065:2012 *Conformity assessment -- Requirements for bodies certifying products, processes, and services*, The International Standards Organization. This International Standard defines the requirements for bodies certifying products, processes and services. GreenCircle adheres to these requirements in the development of the certification process and audit plans.

ISO 14064:2018, Parts 1-3, International Standard for GHG Emissions Inventories and Verification - The International Standards Organization

ISO 14067: 2018, Carbon footprint of products – Requirements and guidelines for quantification

Amendment History

Date	Issue	Summary of Amendments
04/01/2024	Rev. 0	Separation from Sustainable Manufacturing Practices Audit Plan and Certified Environmental Facts Audit Plan reference documents for clarity

Certification Officer: Michelle Borame