



# Carbon Emissions Reduction Certification

**Standard Audit Plan  
April 2024**



## 1.0 Background

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A Carbon Emissions Reduction certification demonstrates an organization's commitment to integrating operational improvements that reduce or offset energy usage and in turn reduce the carbon footprint of their facilities.

GreenCircle Certified, LLC's (GreenCircle's) Carbon Emissions Reduction Certification was developed to evaluate an organization's efforts to reduce or offset carbon emissions and reduce their carbon footprint as compared to a baseline year benchmarked to production. By verifying implemented conservation measures and/or carbon free or renewable energy use at the manufacturing facility, GreenCircle will verify reductions in carbon emissions to certify a carbon emissions reduction percentage.

GreenCircle will conduct the audit for Carbon Emission Reduction Certification in accordance to the requirements and methods set forth in this audit plan and in GreenCircle's Certification Scheme; in compliance with ISO17065:2012. As part of GreenCircle's evaluation process, a detailed analysis of the organization's operations, energy consumption, energy efficiency improvements, carbon free or renewable energy use, and greenhouse gas emissions will be conducted. Certification can cover reductions in Scope 1, and Scope 2 emissions as defined by the Greenhouse Gas (GHG) Protocol. GreenCircle will validate reductions in these attributes as compared to a previous baseline year at the facility benchmarked to production.

This document explains GreenCircle's audit process in performing the certification as well as how carbon emissions reductions claims should be qualified and quantified.

## 2.0 Goal

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The goal of a Carbon Emissions Reduction Certification is to certify a manufacturer has implemented energy conservation measures and/or renewable energy usage and reduced their carbon footprint as compared to a baseline year, benchmarked to production. GreenCircle will certify the total reduction in CO<sub>2</sub> emissions for manufacturing processes, facilities or companies.

## 3.0 Company Qualifications

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Companies who have implemented conservation measures and/or renewable energy to reduce their carbon footprint will be eligible for Carbon Footprint Reduction certification. During the proposal development process, GreenCircle will conduct initial conversations with the potential client to understand the conservation measures implemented and/or renewable energy sources utilized in order to verify if the proposed facility will most likely qualify for an audit and possible certification. It is not



guaranteed that a facility will be certified for Carbon Emissions Reduction until a thorough audit is completed by GreenCircle.

## 4.0 Documentation Requirements

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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 year as well as the most recent year's data to validate reductions based on implemented conservation measures or carbon free/renewable energy use. A baseline year should be within five years of the most recent certification year. GreenCircle requires a minimum six months of data, for new processes related to the attributes that are being assessed. Energy reductions will be validated and require either process changes or conservation measure implementation to be valid.

- Minimum two years of electricity, natural gas, and fuel source (oil, propane, etc., if applicable) consumption data must be collected and analyzed to confirm the carbon footprint reduction and energy usage reduction claims of the manufacturing facility. The facility will also be required to submit documentation to verify energy saving efforts within the manufacturing facility. This documentation could include: purchase orders, paid invoices, etc.
- Minimum two years of total production data (all products) at the facility must also be collected to benchmark the operations (if applicable).
- Data and documentation to validate the type, output size and location of carbon free or renewable energy sources utilized on site. For a company that is utilizing carbon-free or renewable energy for electricity (Scope 2 reductions), the following energy systems/contracts are acceptable:
  - Onsite renewable energy combustion source, such as biomass
  - Onsite renewable energy generation which are owned and operated by the company and documentation that the company owns the associated renewable energy credits (RECs).
    - Documentation that the RECs have been retired (i.e. not used or claimed by any other party) is also required.
  - Documented carbon-free energy purchase through a power purchase agreement (PPA) that also conveys the ownership of the carbon-free energy credits such as RECs, Emissions Free Energy Certificates (EFECs), or Guarantees of Origins
    - Documentation of REC 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,) or off-site PPA, 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.
- Offsite carbon-free electricity or renewable energy purchased RECs; must be Green-e Energy certified or equivalent.
  - Documentation of the retirement of the RECs is also required.
- The facility will also be required to submit documentation to verify energy reduction efforts within the manufacturing facility. 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 carbon emissions reduction to a product.
- If multiple products are being manufactured, the energy usage by product (weight or unit) must be provided to GreenCircle to properly allocate.
  - Products within 10% energy draw: GreenCircle can utilize the production by weight to verify carbon footprint reduction/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 carbon footprint 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 must provide an allocation of the total energy usage of the facility(ies) by production line using the most accurate method available, if weight is not an appropriate correlation to energy usage, 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
- A company must provide GreenCircle access for a site visit (virtually or in-person, per GreenCircle's determination) of the processing or manufacturing facility(ies).



## 5.0 Audit and Certification Process

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### 5.1 Data Collection

Once the proposal and certification agreement are signed by the client, GreenCircle will conduct an initial project meeting, via video or conference call, with contact(s) at each manufacturing facility 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 energy usage on-site.

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

### 5.2 Site Audit

GreenCircle will conduct a site visit of the manufacturing facility and verify the details of the manufacturing processes pertinent to the specific site. GreenCircle will conduct interviews with representatives at the facility as part of the audit process as well as review any additional data needed to complete the Carbon Emissions Reduction certification. GreenCircle will walk through the facility, conduct a visual inspection and collect photo documentation to verify the processes and analyze the implemented energy conservation measures and/or renewable energy usage associated with carbon footprint reduction claims.

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 desk audit, the client must confirm the only conservation measure being assessed is carbon-free energy. GreenCircle will utilize the desk audit to verify the documentation requirements are met to ensure sole rights and usage of carbon-free energy.

### 5.3 Carbon Emissions Reduction Calculations

GreenCircle will conduct a thorough review of utility data for energy reduction initiatives as well as implemented carbon free or renewable energy usage for both the baseline year and certification period. GreenCircle will then calculate (benchmarked to production) the percent reductions of energy and in turn, a reduction percentage of Scope 1 and/or Scope 2 emissions from the evaluation period as compared to the



baseline year. GreenCircle will validate utility data by collecting invoices from utility vendors and also verify conservation measures were implemented (per documentation requirements above) that directly result in energy and/or carbon emissions savings throughout the facility as a part of this analysis.

Carbon emissions calculations will align with the guidance of the GHG Protocol and based on the applicable carbon dioxide equivalency factor based on the energy source.

## 5.4 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.

Upon verification of the carbon footprint reduction claims, GreenCircle will issue GreenCircle Certified, LLC Certificates and Mark for the facility. The certificate will document that an independent evaluation of the Carbon Emissions Reduction claims has been conducted on behalf of the client for the specified product(s). 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 certification.

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

## 6.0 Annual Recertification Process

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All certified claims are recertified annually. It is important for GreenCircle to evaluate any changes within the operations or manufacturing processes to ensure continued compliance with the established criteria. Completion of recertification ensures continued transparency and further use of the GreenCircle mark.

## 7.0 Complaints, Appeals and Disputes

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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

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The Carbon Footprint Reduction 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 GreenCircle Carbon Emissions Reduction certification, to enter into a separate Licensing Agreement with GreenCircle regarding the use of the GreenCircle Mark and/or Label on private label product and promotional materials. Please contact GreenCircle directly for more information.

## 9.0 Labeling Requirements

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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

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**Audit Plan:** Specifies how GreenCircle intends to conduct a particular audit. Our audit plan describes the activities we intended to carry out in order to achieve our audit objectives.

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

**Scope 1 Emissions:** All direct GHG emissions.

**Scope 2 Emissions:** All indirect emissions, such as the extraction and production of purchased electricity, heat or steam.



**Scope 3 Emissions:** Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities not covered in Scope 2, outsourced activities, waste disposal, etc.

## 12.0 Reference Documents

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

**The Federal Trade Commission’s Green Guides (2012)** - Guides for the Use of Environmental Marketing Claims

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

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

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

**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.





## Amendment History

Date	Issue	Summary of Amendments
1/22/2011	Rev. 0	Official issue date of document.
11/15/2015	Rev. 1	Update language and definitions.
5/20/2022	Rev. 2	Editorial updates
4/1/2024	Rev. 3	Update for compliance to Certification Scheme

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