

# **Eco Mark Annual Plan and Budget for Fiscal Year 2005**

Tuesday, March 8, 2005

Japan Environment Association

**Eco Mark Office**

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## **1. Annual Plan for 2005**

### **(1) Overall Summary**

Eco Mark program has been operated in conformity to ISO Type I environmental label standard under the guidance of the experts from various field evolving around Eco Mark Steering Committee, Eco Mark Committee for Establishing Category and Criteria and Eco Mark Committee for Product Certification.

Although the interest in the environment conscious products has become higher and number of Eco Mark products also grew steadily, last year it decreased for the first time since 1996. Main reason of decrease was that items of criteria have become wider ranged and the verification method, etc. have become stricter with shifting from old criteria to newly revised criteria. As a result the analysis explains that some manufacturers do not renew their certificate in accordance with new criteria and/or there are some products that cannot meet the new criteria. Taking the decrease in number of Eco Mark products into consideration, we are going to focus on the following points this year to promote Eco Mark more widely among consumers;

- Establish new product categories that are appealing for both consumers and manufacturers.
- Implement the revision of Eco Mark fee system and carry out paperwork more speedily for Eco Mark licensees to be able to shift their contracts smoothly.
- Build the information and collaboration network with consumers and retailers.
- Promote globalization of Eco Mark activities such as mutual recognition between Eco Mark and GEN organizations including Asian countries.

Individual descriptions for this year's activities are stated below.

### **(2) Examination and Certification of Eco Mark Product**

#### **1) Smooth transition to new fee system and speedup of paperwork**

Smooth transition of the contract procedure under new fee system will be carried out this year. Specifically we are going to speed up paperwork under the operation of new system and handle customers smoothly to increase the number of new and shifted contracts.

#### **2) Reinforcement/improvement of information service under new management system**

We are going to focus on new management system, which starts this year, to improve our information service by linking with homepage and reinforce and improve the guide function for certification/contract work as well as speedy update of Eco Mark products information.

#### **3) Reinforcement/improvement of examination/auditing system**

As we introduce the application fee, we are going to reinforce and improve the examination and auditing system that is essential to maintain the reliability of Eco Mark. Specifically we will carry out on-site audit at the time of application, which has been carried out partially

since 2003, as well as sample test and on-site audit after certification by random sampling of products.

### **(3) Development of New Product Category**

- 1) We continue to examine and consider the proposal of new product category based on the product category establishment policies (1. appropriateness, 2. environmental effect, 3. market needs, 4. feasibility, 5. relationship and consistency with other environmental labels) defined in “Guideline for Eco Mark Committee for Establishing Category and Criteria” under the supervision of Eco Mark Committee for Establishing Category and Criteria (hereinafter referred to as EMCECC). In 2005 we will also continue to focus on the establishment of the product category strategy based on “Eco Mark Mid-term Plan”.
- 2) To implement activities as described in above 1), we will consider establishing new product category in the strategically priority field based on “Eco Mark Product Category Systemization Research and Report”, which summarized the hearing sessions with the experts conducted in 2004. In considering this issue we would like to propose specific product categories among the strategically priority field based on the discussion in EMCECC.
- 3) We continue conducting additional research and holding the hearing sessions if required for the proposal of new product category in 2005.

### **(4) Review/Discontinuance/Revision of Product Category**

Revision/discontinuance of the product category should be discussed in the following process under the supervision of EMCECC based on the policy of the revision/discontinuance of the product category in the guideline.

Because the product categories established before March 1996 did not have specified expiration date and the environmental burden of the products in their overall lifecycle wasn't considered, we concluded necessary measure by 2004 including integration, review or announcement of discontinuance (setting expiration date) of such categories. We still have some categories such as “Products Using Solar Battery Modules” and “Containers” to review in 2005 continuously.

There are 9 product categories (all in category number 100's/total number of categories as of the end of February 2005 is 31), which were established after April 1996 and their expiration date is set to 2007, to review as indicated in Table 1 in (5).

Revisions will be carried out, as it is required, according to annual custom.

### **(5) Working Group (WG)**

With regard to the establishment and revision/discontinuance of the certification criteria specified in (3) and (4), it is essential to launch WGs smoothly and to speed up the process to reduce the time required for consideration in order to carry out the review and investigation as planned. We continue to enhance the utilization of the external research organizations and Management Manual for WG in the area of WG activities in 2005.

While we carry out development of New Product Category described in above (3), we are

going to launch WG in accordance with Table 1 (12), at any time it is required.

Table 1 : Working Groups (WGs) to be set up in 2005

		Title for WG on new product categories (provisional)	Product categories to be discussed
Revision	(1)	Personal Computers WG	Personal Computers (No.119 )
	(2)	Printed Matters WG	Paper Printed Matters ( No.120 )
	(3)	Returnable Containers/ Packaging Materials WG	Returnable Containers/Packaging Materials ( No.121 )
	(4)	Printers/Multi-functional Machines WG	Copier Versin2.0 ( No.117 ) * Printers ( No.122 )
	(5)	Building Products WG	Building Products Using Recycled Materials ( No.123 )
	(6)	Glass Products WG	Glass Products Version1.2 ( No.124 )
	(7)	Garbage Disposer WG	Garbage Disposer Version1.2 ( No.125 )
	(8)	Suitcase WG	Recyclable Suitcase with Collecting System after Use ( No.101 )
	(9)	Printing Ink WG	Printing Ink Version2.2 ( No.102 )
New Product Field	(10)	Products Using Natural Energy "Biomass Product WG"	not decided
	(11)	Reused Products WG	Reused Products
	(12)	Development of new product categories for the systemization of Eco Mark product category.	

\*Although "Copier (No.117)" has been already reviewed in 2004, we are going to review it again from the point of integrating the category into the multi-functional machines.

#### **(6) Meeting to explain criteria**

When we officially announce certification criteria (tentative) for new product category, we will organize a meeting to explain the criteria (tentative) for the companies with Eco Mark products based on old criteria to be able to shift to the contract based on new criteria smoothly as well as to promote application for Eco Mark certification under new criteria.

Basically meeting will be held in two locations, Tokyo and Osaka, for each product category and the number of meetings will vary depending on the needs.

#### **(7) Investigative Commission/Public Hearing**

In regard to new technology and approach that requires clarification of handling when we establish new product category and manage Eco Mark program, we will hold an investigative commission and/or public hearing to consider the direction, as it requires. Such investigative commission and/or public hearing will be held under the judgment of EMCECC.

Followings are main themes that can be considered at present.

##### **1) Assessment of biodegradable plastic/biological (mainly plant origin) plastic**

Eco Mark doesn't assess biodegradability of plastics or usage of biomass as materials of plastics at the moment. These plastics are the technologies that gather attention currently

and there are many requests to Eco Mark for assessment. We are going to clarify whether Eco Mark needs to assess and certify such technologies in future based on the knowledge to date.

## 2) Assessment of Forest Certification Program

Wood and paper are typical materials for Eco Mark product category. At WG treating wood and paper materials we have often considered whether we should assess the certification programs for “the forest managed by sustainable method” to clarify the origin of material. However the programs weren’t matured enough for Eco Mark to assess at those times and it was too early to decide. We are going to clarify whether Eco Mark needs to assess and certify such programs in future based on the knowledge to date.

## 3) Consideration on indication of Eco Mark information

“Investigative commission on indication of Eco Mark” was established in June 2001 to consider basic policies for the indication of Eco Mark. The result of commission was summarized in the report of “Investigative commission on indication of Eco Mark” in December 2001 after the deliberations in Eco Mark Steering Committee and the report has become a guide for current indication of Eco Mark.

On the other hand “Investigative Commission for Environmental Label toward 21<sup>st</sup> Century”, which was established at Planning and Coordination Bureau, Ministry of Environment in November 1997, suggested in their interim report that the information service of Eco Mark was not sufficient and Eco Mark program needed to include the environmental information data sheet based on LCA. We have been waiting for LCA method to be used generally and considered when we should adopt LCA. Recently LCA has been in practical use and the social situation surrounding Eco Mark has changed, we are going to review and consider overall approach for indication of Eco Mark including LCA point of view.

## **(8) Research Activity**

We will continue to conduct a research in regard to Eco Mark product category development and a consumer monitoring research in regard to Eco Mark products in cooperation with Japan Association of Consumer Affairs Specialists this year. However, due to the budgetary restrictions we are not going to conduct a market share research for Eco Mark products selecting 2 or 3 product categories, a quantitative research based on LCA on the contribution of Eco Mark Product in reducing environmental burden, and/or a consumer awareness research this year. These researches will be carried out next year accordingly.

## **(9) Activity to Prevent Incorrect Use of Eco Mark**

We continue to counter the incorrect use of Eco Mark including unauthorized use strictly in 2005 and we will conduct on-site audit if there should be any problem.

We will also conduct audit at the time of application depending on the judgment of Eco Mark Office. With these measures we will try to maintain the reliability of “Eco Mark Product and Program” and do our best to protect the interest (i.e. intellectual property rights including registration of trade mark) of companies and other organizations with whom Eco Mark has

contract. Furthermore we are going to conduct “4<sup>th</sup> Eco Mark Product Monitoring Research” this year to grasp the situation of incorrect use of Eco Mark in the field of household products and to enhance the measure to such cases.

#### **(10) Promotional and Enlightening Activities**

In regard to promotional and enlightening activities, we will position activities described in 1) – 5) as top priority.

##### **1) Collaborative activities with retailers**

###### **a) Increase number of cooperating organizations and enhance the contents of in-store shopping campaign**

We conducted the campaign with Ito Yokado last year to build network with retailers and this year we are going to approach to other organizations such as Japanese Consumer's Co-operative Union as well. In these campaigns we will try to promote the purchase of Eco mark products by offering various incentives including a point system. We will also consider allowing the use of Eco Mark as symbolic mark for the benefit of retailers.

###### **b) Short concert/talk show at shops**

We will expand the series of events at Mitsukoshi department store, where we implemented event at one of their stores last year, to four stores in Nagoya, Sapporo, Fukuoka and Tokyo. Another series of events will also be held at three stores of Matsuzakaya in Nagoya, Osaka and Tokyo.

##### **2) Cooperation with consumer groups**

###### **a) Consider establishing Eco Mark promoter system (tentative name)**

In order to build network with consumers we will consider establishing a long-term concept for above system and formulate concrete activity plan. We will also consider appointing “counselors” as the higher organization of the promoters.

###### **b) Nationwide lectures**

We will organize the symposium inviting Blue Angel, Germany, and nationwide lectures in cooperation with consumer groups.

##### **3) Promotional activity for companies to obtain Eco Mark certification**

###### **a) Explanatory round-table conference to obtain Eco Mark certificate**

We will explain Eco Mark program, procedure and application method in each area and industrial field to support and promote understanding of Eco Mark and application.



###### **b) Corporate seminars**

We will organize the corporate seminars in cooperation with Osaka ATC inviting Blue Angel, Germany, as well as the seminars in cooperation with local chamber of commerce and other organizations.

##### **4) Planning for improvement of PR activities**

- We will renew Eco Mark News and homepage continuously to make the contents more satisfactory and enhance the visibility.
- We will promote Eco Mark to general consumers by placing articles in “ecomom”, a magazine issued by Nikkei BP.

5) Conduct product monitoring research

With the cooperation of 600 members of Japan Association of Consumer Affairs Specialists, we conduct Eco Mark product monitoring research to know whether statements below Eco Mark are indicated correctly and to find out if there was any unauthorized use of Eco Mark by collecting Eco Mark products at homes of those members. We will use the result of this research as back-data for various purposes including the policy formulation of Eco Mark activities.

(11) International cooperation in Eco labeling business

1) Promotion of mutual recognition and expansion of cooperative activities

We will focus on following points in 2005 regarding international cooperation;

a) Expansion of number of mutual recognition organizations and subject categories by standardization of the criteria

German “Blue Angel” will join the mutual recognition for copier, which is currently shared among 3 programs. We need to consider expanding the area from copier to printer and multi-function machines in order to promote compliance with “Nordic Swan”, Nordic countries, and “Blue Angel”, Germany.

b) Promotion of mutual recognition with programs of Asian countries and countries of the Pacific Rim.

We will continue to promote the product certification work based on mutual recognition with South Korea, Thailand and Taiwan as before and expand the area to China, New Zealand, Indonesia and USA.

2) Implement the activities through Global Ecolabelling Network (GEN).

a) We are going to implement PR activities of GEN as GAO Office.

b) Project activities of GEN including the update of the Product Category List of Ecolabelling Programs Worldwide will be implemented.

c) The investigation for establishing “GEN International Coordinated Ecolabelling System (GENICES)” will be implemented.

3) International Cooperation/Support Activity

The technology (the know-how) and information of Eco Mark program will be provided on the request of the overseas ecolabelling organizations, etc. to support their activities.

4) Proposals and cooperation will be made in regard to the government policy for the ecolabelling program and trade including free trade agreement.

Appendix: List of Action of Primary Focus in the Eco Mark Annual Plan for Fiscal 2005  
(Summary)

Program initiative		Action of primary Focus
Examination and certification	Promotion of streamlining and efficiency, Prevention of incorrect use of Eco Mark	Smooth handling of customers and speedy paperwork under new fee system
		Reinforcement/improvement of information service under new system
		Enhancement of on-site audit at application and sample test after certification for some products
Product category	Systematization of the product categories	Development of new product category based on "Eco Mark Product Category Systemization Research and Report"
	Promotion of streamlining and efficiency in work to establish criteria	Reduction of the time for WG activity and harmonization/unification of certification criteria by utilizing "Management Manual for WG" (provisional name)
Research activities	Systematization of the product categories	Research, investigative commission open to the public and public hearing for new product category development
	Prevention of incorrect use of Eco Mark	Conducting monitoring research regarding Eco Mark products in household field in cooperation with Japan Association of Consumer Affairs Specialists
Promotional and enlightening activities	Promotion to consumers	Consideration of establishing Eco Mark promoter system, Building network with consumers and promotional activities in cooperation with mass media
	Promotion to sales channel	Collaborative activities including in-store shopping campaign and exhibition of products, Building network with retailers
	Promotion to business owner	Holding Eco Mark consultation meetings, Holding explanatory meetings on certification criteria by product field to increase new applicants for Eco Mark
International cooperation	Mutual recognition	Revision of the core criteria and conclusion of official agreement for the trilateral mutual recognition regarding "Copier" and join of German "Blue Angel"
		Standardization of certification procedures and certification criteria for specified product categories and promotion of mutual recognition in both aspects with programs of Asian countries and countries of the Pacific Rim
	Promotion of worldwide dissemination and improvement in reliability of type I environmental labelling	Investigation for establishing "GEN International Coordinated Ecolabelling System (GENICES)"
		Update of the Product Category List of Ecolabelling Programs Worldwide
		Support to overseas ecolabelling related organizations, etc.



## **2. Concept of Budget Compilation for fiscal 2005**

We conducted a simulation to calculate revenue based on new Eco Mark fee system, which will be introduced this year to setup the budget for fiscal 2005. (See Page 9 for the budget of revenue and expense for Eco Mark activity.)

### **2.1. Revenue**

The revenue of 29 million yen is expected from the application fee for product certification. On the other hand the revenue from the Eco Mark certification fee remained virtually flat during the period of 2003 and 2004. This is the first year for new Eco Mark fee system. For this reason and because of the fee system structure, which allows some payments to be made next year, the revenue will decrease about 50 million yen compared to the average year. As a result we draw 20 million yen from “the reserve for Eco Mark Program Fund” and total revenue of 307 million yen is accounted for this year’s budget.

### **2.2 Expense**

Main budget items in accordance with the activity plan for 2005 are as follows;

- (1) Certification expenses: Management expenses for each committee, Consignment fee for partial activities of WG, System maintenance and renovation cost, etc.
- (2) Promotional and enlightening activity expenses: Expenses for supporting green purchase activity, Expenses for permanent exhibition, mobile exhibition and fair exhibition, Production cost of brochures, Expenses for holding symposium, Management expenses for web-homepage, Production cost for publishing Eco Mark News, etc.
- (3) Research expenses: Research expenses for proposing new product category, Research expenses for establishing certification criteria (WG), Expenses for market share research, etc.
- (4) Expenses for international cooperation: GEN membership fee and travel cost for attending meetings, Expenses related to the mutual recognition activity, Expenses for GEN project activity, Expenses for cooperation activity with overseas ecolabelling programs, etc.

As for other expenses, office expenses will decrease because there isn’t any removal expense that was allocated last year and manpower cost will increase with review of the employment system.

Budget of Revenue and Expense for Eco Mark Activity for Fiscal 2005  
from April 1, 2005 to March 31, 2006

:decrease (thou.yen)

Item	Result forecast for fiscal 2004 (B)	Budget for fiscal 2005 (C)	Increase/ Decrease (C-B)	Remarks
<b>I. Revenue</b>				
1. Eco Mark program revenue	324,217	287,000	37,217	
2. Revenue from the reserve for Eco Mark Program Fund		20,000	20,000	
Revenue total	324,217	307,000	17,217	
<b>II. Expense</b>				
1. Eco Mark activity expenses	150,889	131,000	19,889	
Certification expenses	77,674	70,500	7,174	
Promotional and enlightening	47,660	43,000	4,660	
Research expenses	18,485	11,100	7,385	
International cooperation	7,070	6,400	670	
2. Administrative expenses	173,328	176,000	2,672	
Personnel expenses	97,800	106,000	8,200	
Office expenses (including JEA overhead cost (e.g. rent))	75,528	70,000	5,528	
Expense total	324,217	307,000	17,217	