



BOMBAY CHAMBER

Bombay Chamber
of Commerce & Industry

SQ

raising the Sustainability Quotient



Editorial

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Sustainable Consumption and Green Products

Green products in many ways form an important interface between sustainable production and consumption. The concept of green product promotes life cycle thinking – something very essential in today's context. We need to bring this thinking in environmental education, practice, management and policies. Here all the three key drivers viz. Government, Business and Communities (consumers in specific) must come together and act.

India's interest on Green Products has been pretty lukewarm with interventions undertaken in spurts. We were quite early in introducing the eco-labelling scheme such as Eco-Mark I 995. We take that in pride, but unfortunately due to poor promotion and inappropriate institutional and operational framework, the Eco-mark scheme has failed.

Countries in the Asia-pacific region like Thailand, Malaysia, Singapore, Korea and Japan have embarked on national laws, regulations and policies related to

Green Products and their procurement. Currently, Government of Mauritius is introducing "Greenness" in five priority products in their public procurement. Advanced countries in the European Union are operating programs to promote low carbon goods and services and are strategizing technology and knowledge transfers on this basis.

Innovation is an important outcome or co-benefit of Green Products and not regulation or compliance. Governments of Vietnam, Lao and Cambodia have drafted policies in this direction with plans for building national institutional capacities centered around product innovation.

Greendex surveys of the last two years have shown that Indian consumer now tops in the world in showing preference to purchasing of Green Products. The Ministry of Environment & Forests (MoEF), Government of India hasn't paid much attention to this awakening. We are still confining to regulations on wastes, residues and not related to



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Bulletin do not necessarily reflect the views of
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products and procurement. Private sector in India, although now facing significant pressures from international supply chains is not acting together on lines such as the Sustainability Consortium in the United States. Given the expected surge of FDI in the retail sector, formation of such groups could facilitate the niche market of Green Products.

MoEF under direction of the Prime Minister's council asked Confederation

of Indian Industry (CII) to prepare a report on Green Public Procurement. This report was completed in 2012 and hasn't seen follow up actions based on the various recommendations that were made. Indeed, we continue our tradition and reputation of being good in thinking but stay poor on implementation. Hope this issue of SQ stimulates our readers to act upon and bring in the change.

- Prasad Modak

<http://environment.nationalgeographic.com/environment/greendex/>
<http://www.sustainabilityconsortium.org/>



Greening your Procurement

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Green Procurement (GP) is one of the key strategies towards Sustainable Consumption and Production (SCP).

Many countries have recognized the importance of GP and have formulated policies, regulations and guidance for its promotion. Examples of countries leading in GP include China, the European Union, Korea, Japan, Taiwan and Thailand. Movement to GP in Asia is picking up, especially under support from UNEP and EU supported SPIN-Asia program and initiatives such as International Green Purchasing Network (IGPN). However, where there are no national policies on GP, there is not much impetus as well as guidance to the corporations, either in the form of recognition or financial incentives. Having a national framework on GP in place, is therefore important to trigger and sustain green procurement. In the absence of such policy frameworks, green procurement is often adopted by businesses due to pressures from the supply chain.

Introducing and practicing GP is however a long process and requires a strategic approach. Ad-hoc approaches can pose risks, especially if the launch is ambitious. There are concerns whether change in the procurement will work at all on the account of quality and whether there will be availability in quantities and in time. Vendor capacity to ensure green supplies is also a concern. Definition of green itself has been a nebulous area. In its absence, especially at the operational level, skeptics often call green procurement as green washing.

A rounded approach is needed supported by top management and that includes building of vendor understanding and capacities with deliberate efforts of influencing the market. This article presents a 16 step process for greening of procurement. Each of these 16 steps is described below

1. Get management buy-in: Such initiatives are successful if the organisation's top management believes in it.
2. Reflect the spirit of GP in Vision/Mission and Principles: It is important that the spirit of GP, especially of SCP, is well reflected in vision/mission of the organization.
3. Find a leader: In order to succeed, organization needs to appoint a

leader who will take on responsibility of introducing GP.

4. Establish a Multi-Disciplinary and Multi-Departmental Team: Given the wide canvas of GP that encompasses environmental, social and economic dimensions, a team that brings together core understanding of these dimensions needs to be built within the organisation. In addition, representatives of key departments such as accounts, finance, human resources, public relations and legal apart from procurement and environment divisions are also required.
5. Formulate GP Policy: Develop GP policy based on organisation's vision/mission statement. This policy should be signed up by organisation's CEO.



Figure 1: Core Common Criteria of a Green Product (developed by GPNi)

Table 1: List of 8 Common Core Criteria for Green Product and their Relevance to GP

| S.N. | Criteria | Relevance to GP |
|------|---|--|
| 1. | Compliance to environmental regulations and pollution control standards | Products should be sourced only when they meet compliance requirement across the life cycle. Life cycle consideration of compliance is the key here. |
| 2. | Exclusions and Preferences based on Life Cycle Assessment | Example here could be opting for less or no recalcitrant materials or avoid materials with high embodied energy |
| 3. | Resource Conservation and Efficiency | Asking for minimum Energy Star rating, ensuring that water consumption is close to benchmarks and waste/emissions per unit production are low |
| 4. | Conservation of Biodiversity and Overall Environmental Protection | Ensuring that depletion / degradation of forest resources is avoided through sustainable forestry |
| 5. | Reporting and Responsible Disclosure of Product Information | Creation of datasheet based on green criteria and making it mandatory for labelling / websites etc. |
| 6. | Biodegradability and Recyclability | Use of biodegradable materials, factoring Design for Sustainability (D4S), take back policy for recycling |
| 7. | Implementation of Environmental Management Systems (EMS) | Made compulsive for large scale vendors or component suppliers having high impacting goods / services |
| 8. | Social Inclusion | Ensuring that labour is managed on fair basis, with elements of benefit sharing |

6. Define what is green?: Greenness of a product or a service is hard to define given the broad canvas of sustainability. Green Purchasing Network of India (GPNI) under a project "Harmonization of Criteria for Eco-labels" reviewed 143 eco-labels across the world and came up with 8 common core criteria (See Figure 1). Table 1 presents the criteria and their relevance to GP.
7. Assess current purchases: Establish a baseline of the existing situation before starting the process. Compile information on procurement statistics (items, quantities, quality/standards, timing, vendor details, client feedback, past experience etc.)
8. Start small: It is important not to embark into an ambitious plan at the start. Based on assessment done, scope and prioritize the products/components that need to be greened in a phased approach.
9. Consider a thematic for a Product: Choose green themes across products or product categories. For example, GP may be introduced by focusing on purchasing *recycled content products*. Such products include office papers and envelopes, packaging, plastic lumber, traffic cones, re-refined motor oil, antifreeze, and toner cartridges, just to name a few. Another possibility could be to focus first on *energy efficient products*. Such products could be labelled (e.g. Energy Star) and help reduce operational costs through reduced electricity consumption and decrease the Greenhouse Gas (GHG) emissions. Here, greening the procurement helps save monies. Other possibilities include focusing on *green cleaning products* to improve health and safety of staff and consumers.
10. Strategize procurement: Once product focus and phasing is decided, various strategies on procurement need to be aligned with the organisation's procurement guidelines or corporate procurement systems or the national procurement framework. Broadly, for mainstreaming, a special approach needs to be adopted where green procurement is treated as a category. In mainstreaming, elements of resource efficiency, exclusions, biodegradability, and recyclability need to be included in the product specification itself. In a special approach, one can introduce 'Green tenders' as a category. Green tenders become in a way "pilots" to understand and learn about operationalizing the concept of "greening". Green tenders help build a targeted vendor database around certain priority products and services, build internal processes and staff capacities, send signals of phase wise greening to the market. Again, both these strategies cited

above should not be looked at as "silos". In practice a hybrid solution that is scaled up in phases, is recommended.

11. **Involve Stakeholders:** It is very important that stakeholders are consulted in deciding the implementation strategies. Stakeholders could involve internal team members of various departments, existing vendors, buyers, environmental NGOs, green specialists, eco-label representatives and certifiers, regulators etc. Involvement could be sought through discussion meetings and bi-lateral consultations etc.
12. **Choose Right Vendors:** Organisations may have to approach new vendors or build capacities of the existing vendors. Vendor selection criteria could include - consistent record of meeting environmental and social compliance, a certain degree of commitment to proactive environmental management for example asking for EMS ISO 14001 certification etc.
13. **Build Vendor Capacities:** Building of vendor capacity to respond to the newly set green requirements is very important. This should

ideally be preferred instead of working with entirely new set of vendors. Building capacity could involve vendor audits, technical assistance (training, piloting, knowledge dissemination), organizing visits etc.

14. **Track progress to learn, Assess the benefits of greening and Make a Business case:** Allocating time and effort for measuring and tracking the changes taking place, will keep the project implementation on track and help in identifying possible issues. Tracking data will also provide a basis for assessing the overall cost savings, health and environmental benefits of greening on a life cycle basis. The progress status must be put forth for Management Review.
15. **Reward Supporter and Celebrate Success:** Once a phase of greening is complete, be generous in sharing the results and the credit for its success. Recognize and reward the Team, supporters, even if their contribution was small. Such recognition, whether it is done through a personal thank-you letter, company award or additional "brownie" points to the employee in promotions, will help build support for future

greening efforts.

16. **Record and Move on:** Record the GP journey in various forms, through newsletters that are easy to understand, through technical reports containing metrics that technical staff will appreciate and one or two specific pages that apprise management about the triple bottom line benefits of GP. Move on with the next phase of GP armed with learnings from the first phase.

Figure 2 shows schematic of the above 16 steps. These steps are however more of guideline and may need to be adapted to an organizational context and needs.

Most corporates today want to go green in their procurement. The hesitation comes in as they many believe that green procurement will cost more. This is understandable because examples where green procurement has been competitive or has added to benefits in material terms or a brand image are not many.

In the next few years, GP may perhaps not be optional anymore. It will be asked for or demanded and may become an integral element of the business strategy and operations.

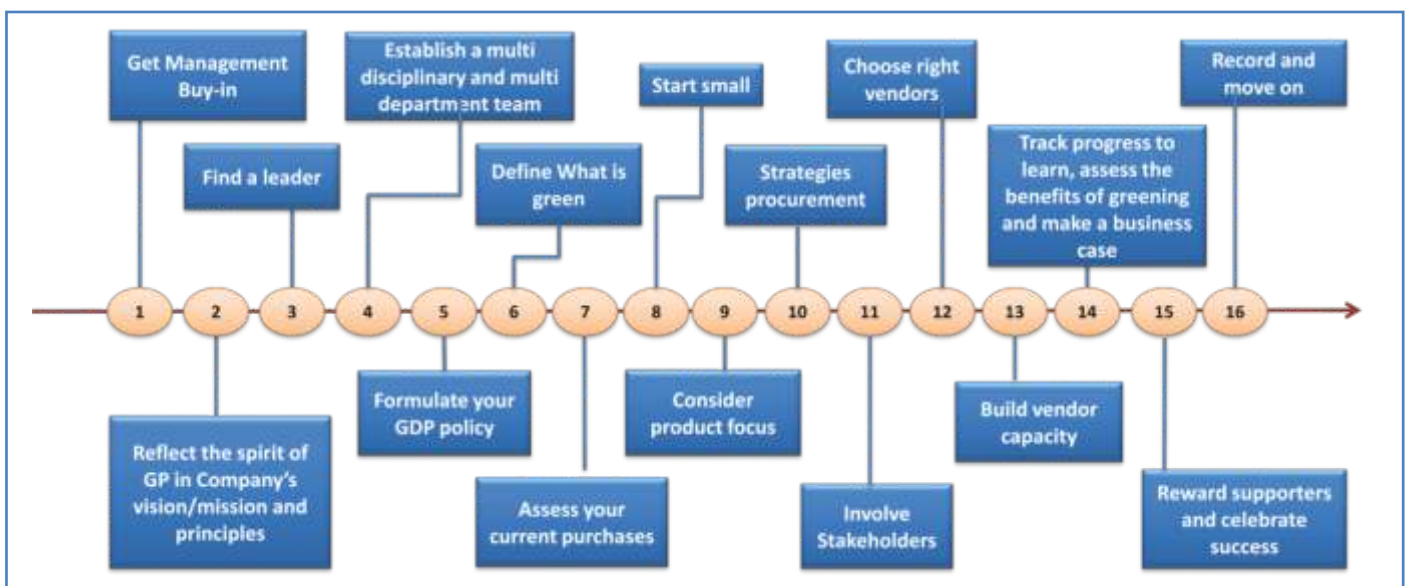


Figure 2 : Sixteen Step Greening of Procurement Process

The Transparency Curve: Understanding 'Green' Communication Needs

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Consumers around the world are increasingly recognizing that every purchase has hidden human health, environmental, and social impacts. Every purchase has potential impacts on our health or the health of the broader environment. The goods and services we buy all contribute in some way to issues like climate change, air and water pollution, toxins in the environment, and resource depletion. Consumers are also recognizing that the companies and suppliers making the products exert control over many of these human health and environmental impacts along with social impacts such as labour standards and practices.

As this understanding has grown and expanded from one consumer to another, from one industry to another, and from one region of the world to another, a variety of transparency tools has emerged⁴. The tools make it easier for individual consumers, large government or institutional purchasers, retailers, and manufacturers to better understand the individual and collective impacts of their purchasing decisions. They make it easier to identify and buy "greener," more sustainable products and services.

The transparency tools range from declarations of a specific environmental attribute like 'recycled content' or 'energy efficiency' to more complex standard-based assessments of multiple environmental indicators. They also include standardized reporting of environmental data and the collection of massive amounts of environmental, human health, and social data in searchable databases. All the tools are designed to communicate sustainability information about a product or service and enable better decision making.

For 35 years, ever since the German government launched the German Blue Angel environmental label in 1978, various transparency tools competed with one another to provide "the" product transparency solution. Multi-attribute, standard-based environmental labels and certification programs like Blue Angel, Nordic Swan, UL ECOLOGO, and Green Seal claimed to provide a better solution than 'simple' labels that identified a specific human health or environmental benefit, such as UL GREENGUARD's focus on indoor air quality, or the Energy Star

program's focus on energy efficiency. Advocates for the 'simple' labels claimed they provided more specific or more relevant and, therefore, more useful information than the multi-attribute labels. More recent approaches such as lifecycle assessments (LCAs) and the associated Environmental Product Declarations (EPDs) claim to be better than the earlier approaches because they provide even more information, while proponents of the more traditional environmental labels claim LCAs and EPDs are too complex to be useful when making purchasing decisions.

Historically, each of the product transparency tools was provided and promoted by a government agency, non-profit organization, or company that only offered one of the tools. Each promoted the approach it offered as "the" solution, whether it was a recycled content label, a fair trade label, a multi-attribute label, EPDs, or other similar approach.

UL Environment, a part of the 120 year old UL global safety certification company, approaches transparency at the product, company, and supplier levels from a different

³ Scot Case has been researching and promoting responsible purchasing since 1993. This article represents the views of the author only and do not necessarily reflect the views of UL Environment or its affiliates or subsidiaries.

⁴ Note: The meaning of transparency has evolved over the last two decades. In the early 1990s, a time in which there was very little public information about the environmental impacts of products, the U.S. Environmental Protection Agency and others believed providing information on attributes such as the recycled content of a product made purchasing impacts "more transparent." They believed this increased transparency made it possible for consumers to make better purchasing decisions. Transparency proponents today expect much greater information disclosure to be considered transparent. For purposes of this article, the author views all of these efforts as steps towards greater and greater transparency.

perspective. Rather than adopting any single approach, UL Environment recognizes that each of the transparency tools is useful for communicating sustainability information to a specific audience.

Different audiences have different understandings of sustainability issues and, therefore, have different desires and needs for sustainability information. The transparency tools appropriate for one audience might differ from the needs of other audiences. The needs might also differ from industry to industry.

To help clients determine which transparency tool is most appropriate to reach their customers, UL

Environment has adopted the Transparency Curve.

THE TRANSPARENCY CURVE

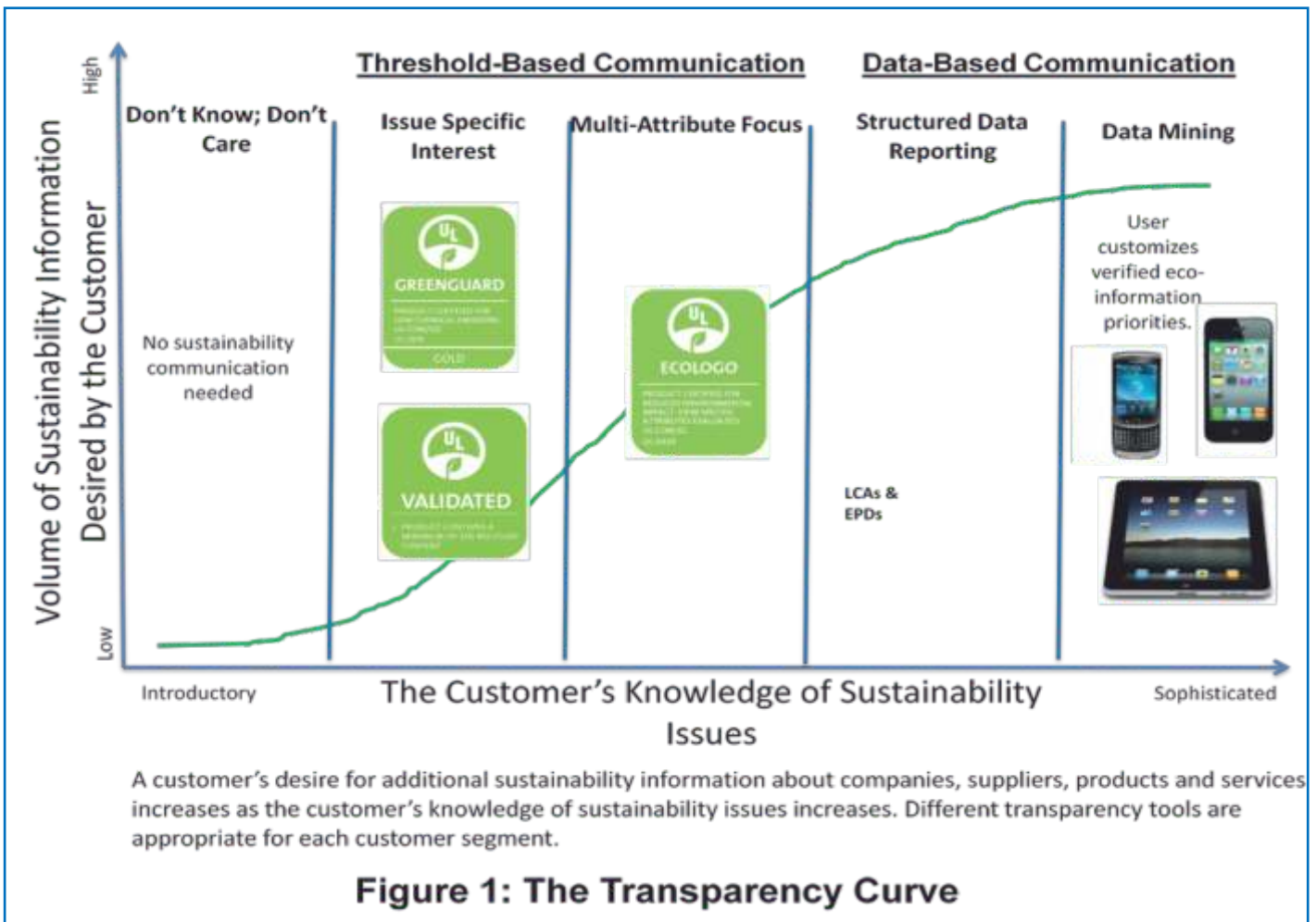
The Transparency Curve, depicted in Figure 1, illustrates how different groups of customers desire different levels of transparency. It shows that a customer's desire for additional sustainability information about products and services increases with the increase in the customer's knowledge of sustainability issues.

The more a consumer, purchaser, retailer, manufacturer, or industry learns about the connection between global sustainability issues and their purchase decisions, the more

product-specific or company-specific sustainability information they want to review. Greater sustainability knowledge drives a need for increasing levels of transparency about products, services, companies, and supply chains.

The Transparency Curve highlights five customer segments, each of which has different needs and expectations for the type of sustainability information a company should provide about itself and its products or services.

- Segment One "Don't Know; Don't Care"
Some customers do not know much about sustainability issues



and, as a result, they do not want or need any sustainability information. Providing sustainability information is not likely to help sales and might even have a negative impact on sales if customers assume that “greener” products perform poorly.

- Segment Two Issue Specific Interest

Customers with limited knowledge of sustainability issues or deep knowledge or interest in a particular issue want sustainability claims with clear, specific connections to human health or environmental concerns. Transparency tools for this customer segment focus on single attribute claims like indoor air quality (UL GREENGUARD), energy efficiency (Energy Star), water efficiency (Water Sense), recycled content, and fair trade, among others. Most claims are based on meeting a clearly defined threshold. Products meeting the established threshold earn a mark or badge that can be displayed on the product.

- Segment Three Multi-Attribute Focus

As a customer's interest broadens, they recognize that every purchase has multiple sustainability impacts and that a focus on any single attribute might obscure other important sustainability attributes. At this point along the Transparency Curve, multi-attribute sustainability labels like Blue Angel, Nordic Swan, UL

ECOLOGO, and Green Seal become a more appropriate transparency tool to communicate sustainability information to customers. These tools balance multiple environmental and social issues in publicly available, consensus-based environmental standards that establish clear thresholds for each of the attributes addressed by the standard. Products or services meeting the standards earn the relevant certification mark.

- Segment Four Structured Data Reporting

As customers migrate towards the next segment, there is an important change in their expectations. Rather than looking for others to establish sustainability thresholds, these customers want to see the sustainability data reported in a structured format. They want more detailed information about multiple sustainability indicators. Rather than relying on an environmental label to identify “greener,” more sustainable products, services, or companies, they want access to specific indicators that they can use to make their own judgments based on the attributes they think are most important.

There are several existing and emerging transparency tools to facilitate this need. Environmental Product Declarations (EPDs), based on Lifecycle Assessments (LCAs) that follow approved Product Category Rules (PCRs), and the

emerging use of Health Product Declarations (HPDs) do not make value judgments about whether a product or service is “greener” or more sustainable than competing products or services. Instead, they provide information in a standardized reporting format, analogous to the nutrition information found on food packaging. Customers then make their own determinations about which products, services, or companies are best.

EPDs are growing in popularity in Japan and Europe. In France, the government-backed Environment Round Table (Le Grenelle Environnement) has proposed that all high volume consumer products imported to France have an EPD. They are also gaining traction in the United States, particularly in the green building sector.

- Segment Five Data Mining

The final segment includes even more sophisticated customers who want access to significant volumes of sustainability information in formats that permit them to determine which attributes are most important to them, combine them with other attributes, and create their own framework for determining which products or services are most sustainable. This part of the Transparency Curve currently includes a handful of retailers and large manufacturers with sophisticated supply chains. They have the ability to ask customized sustainability-

manufacturers with sophisticated supply chains. They have the ability to ask customized sustainability-related questions to their suppliers, combine it with existing information, and use the resulting information to make better decisions.

VALUE OF THE TRANSPARENCY CURVE

The Transparency Curve helps companies sell more products and services by identifying which transparency tools best meet the sustainability information needs of their customers.

All customers can be located on the Transparency Curve. At any point in time for any company within any industry, there are customers with varying understandings of sustainability issues who desire varying degrees of transparency about the human health, environmental, and social impacts of a product, service, or company.

This makes communicating environmental information very challenging because different customers want different information. Communicating too simply using simple transparency tools puts a company at risk by alienating its more sophisticated

customers. Communicating too much information with more complex transparency tools puts a company at risk of confusing its customers.

The Transparency Curve helps companies match their customers' sustainability information needs with the appropriate communication tool. It also helps companies understand how their customers' sustainability information needs will change as those customers increase their understanding of sustainability issues.

It also makes it more clear that all the transparency tools are actually interdependent. The sustainability information contained in the more sophisticated data-based transparency tools support the sustainability information contained in the threshold-based transparency tools.

UL Environment can manage all the product- and company-level sustainability information and help companies share relevant information with relevant customer segments in a format that meets the sophistication and needs of those customers. By combining all the approaches within a single set of offerings under a single brand, UL Environment has made it possible

for companies and their customers to easily transition from one point on the Transparency Curve to the next without having to hop from one brand or service provider to the next.

CONCLUDING THOUGHTS

Consumers around the world are learning that their purchases have impacts on their health and the health of communities and the broader environment. They are learning that it is possible to buy affordable paint or furniture products without the harsh smells and chemical emissions associated with some products, appliances that are more energy efficient, electronic products that are more durable with fewer hazardous materials, and buildings that are more resource efficient and more pleasant places to live and work. The demand for greener products continues to grow. As consumers continue climbing the Transparency Curve, they will want and expect better information about the sustainability performance of the products they buy. Companies that understand the Transparency Curve and that know where their customers and competitors are along the curve have an advantage in today's market. They will have an even greater advantage in the future.

Is your Mobile Green? Why should it be?

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It took less than a decade to replace the bulky walky-talkies and pager technologies with small, sleek, handy, and often “smart” mobile phones. This device has seeped deep into our societies debarring social, economic, and cultural barriers and has become an integral part of our daily routine. According to a recent report by GSM Association (GSMA), mobile phone subscribers are growing four times faster than the global population, and Asia Pacific will add more than half of the new connections between now and 2017. Clearly, from an environmental and sustainability standpoint, this arises a number of concerns that entail urgent attention.

Ever evolving technology and introduction of slimmer, more visually appealing, and smarter phones in the market supplemented with captivating advertisements restrict the average life span of mobiles to merely a couple of years, thereby adding significantly to the existing heap of e-waste. With each new purchase of a mobile phone and consequently, each dismissal of the old, a cycle of events is triggered. However, consumers are unaware of proceedings before purchase and after disposal of their phones, furthermore, majority of the consumers are even oblivious to appropriate means of disposing their mobiles safely. As a result, most used mobiles either sit in old drawers for years unnoticed or end up at the bottom of a landfill, neither of which are safe disposal practices.



Today, “eco-friendly” and “sustainability” claims are abundant in the corporate sector, however a peek into these claims often leads to disappointing discoveries. Little is being done by the mobile phone industry to provide environmental and social safeguards into practice, especially in the developing markets like Asia. Even fundamental practices like safe disposal and recycling of mobile phones are either completely missing or not propagated enough. “Conflict minerals” – or rare earth metals such as Gold, Silver, Copper, Tin, Cobalt, and Tantalum, sourced from violence inflicted areas including Democratic Republic of the Congo (DRC), Angola, Central African Republic, Rwanda, and Sudan – are incessantly used to produce electric components of mobile phones in the absence of stringent laws to increase transparency in the supply chain and ensure responsible procurement by the suppliers and sub-suppliers. Additionally, toxic chemicals are used

in the electronic and plastic parts, and in packaging, which increases health risks among users.

In India a law was recently passed in 2012 by the Ministry of Environment and Forests (E-waste (Management and Handling) Rules, 2011) to promote sustainable practices in the electronics sector. To our dismay, this law only addressed a few areas of concern and is nowhere comparable to regulations passed in the EU (European Union) or the U.S. (United States of America). For example, this Rule admonishes the use of 20 hazardous elements only while the Western world considers over 3000. Such loopholes in the regulatory system provide opportunities to corporates to practice non-uniform business norms across regions. Resultantly, a phone manufactured in China or India does not enjoy the same guarantee/ warranty benefits, as a phone manufactured in the EU, clearly illustrating the risks consumers in this region bore. Recent protests by the Chinese media and customers against Apple's ineffective customer service and its current one-year service warranty, among others, is a testimony to this fact.

To overcome this discrepancy, and protect the interests of the consumers and natural resources of the region, developing countries should learn from the best practices around the globe and ensure benchmarks comparable to those in the Western world are followed,

penalizing corporations that do not adhere to these standards. Last summer⁵, at a leading environmental consulting firm based in Mumbai, India – Environmental Management Centre – a project was carried out to precisely address this issue and build a sustainability metrics that would assess whether your mobile phone is safe for you and your environment and are the mobile manufacturing corporation is maintaining appropriate sustainability standards. Furthermore, this metrics can be used by decision makers to determine appropriate regulations, by the corporation's management to enhance their extant system and build a transparent supply chain by suppliers who supply components to the corporate giants to better understand their responsibilities, and finally by consumers to gain their right to information and protection against exploitation.

The metrics was built by carrying out exhaustive study of mobile phone supply chains, life cycle analysis, and review of existing information – collected from over 25 standards, eco-labels, initiatives, and regulations across the industry – to understand and clearly demarcate the set of criteria that define sustainability in mobile phones. The key norms – 285 criteria across 10

themes embracing reduction/elimination of environmentally sensitive materials, responsible procurement from suppliers, design and manufacturing operations, energy efficiency and use of renewables, health and safety, social inclusions, management system, reporting and responsible disclosures, post consumer life, and green house gas emissions – were strategically combined in an easily traceable manner to facilitate the user in locating shortcomings and areas for improvement. Furthermore, the metrics also provides the user with a rich knowledge base to learn about the best practices in the industry and informs means to install them in their prevailing system. Therefore, this sustainability metrics applies the assessment scheme of mobiles in a simple yet all-encompassing manner and is very handy in providing clear insights and guidance to the user.

Preliminary research using this metrics made it evident that among the big corporations in this industry; Apple, Nokia, and Sony Ericson are the most environmentally aware, while RIM⁶ is still behind in the league. Post consumer initiatives like product take back facilities, information on handling electronic wastes, and recycling and

refurbishment initiatives in India is incorporated well by Nokia although its scale is negligible as compared to those in the EU and the U.S. Apple is big on counting its greenhouse gas (GHG) emissions, and Motorola and Sony Ericson have strong initiative to use recyclable plastics in the phones and packaging.

As a responsible consumer, we should be aware of the claims that our mobile phone corporation make, the initiatives it takes to keep us and our environment safe, provisions it makes available to help us use and dispose the gadget safely, and the validity of the information it supplements to us. In a free market like today's consumers play an integral role in shaping corporate policies and driving government regulations to address issues pivotal to our needs and therefore it is important for us to be well-informed of the facts.

Proliferation of mobile phones and their incessant use in the society raise, among others, one important question that we often neglect to enquire – How green is my mobile phone? – An answer that should be readily provided to us, by our mobile phone manufacturers and media through metrics like the one discussed above.

⁵This study was carried by the author during her internship at Environmental Management Centre LLP during Summer of 2012

⁶BlackBerry Limited, formerly known as Research In Motion Limited (RIM)

Why was the Indian Ecomark Scheme not successful?

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The desire for "environment-friendly" products and the urge to protect the environment developed in the late 70's due to the rise in awareness for a safe and clean environment. Awareness led to the desire to protect the environment from adverse effects caused due to production, use, consumption, and disposal of products. This desire gradually opened the doors in the market for green, environment-friendly products, which subsequently coined out a new concept called "ecolabels".

Ecolabelling was first initiated by Germany in 1978 with the release of the "Blue Angel" program. They intended to enlighten consumer about the environment-friendly nature of a particular product. It evaluates, authenticate, and standardise "green" claims and inform consumers, by providing a product's overall environmental character thus conveying that the labelled product is more environment-friendly than most in its product category.

In 1991, Ministry of Environment and Forest (MoEF), Government of India launched its own ecolabelling scheme called "Ecomark" for easy identification of environment

friendly products. The label is awarded to consumer goods, which meet the specified environmental criteria and the quality requirements of Indian Standards. The criteria follows a cradle-to-grave approach, i.e. from raw material extraction, to manufacturing, and to disposal. Any product with the Ecomark is considered to be the right environmental choice!

Although the Ecomark is similar in many ways to ecolabels of other countries, it differs from most in one important aspect; ecolabels in most countries are awarded solely on the basis of environmental considerations, whereas in India, it is also linked with the quality of products. In other words, in order to be eligible, products must meet both environmental and quality criteria.

However, in spite of 22 long years of existence it has hardly caught the fantasy of buyers. Neither the producers nor the consumers are either aware about its existence or willing to go for this label. Those who have got the license for their product hardly use the same on their pack. The reason – no consumer demand for such labelled products and hence no extra profit!

In this backdrop, the objective of this article⁷ is to highlight the reasons why the Indian Ecomark Scheme has not succeeded as desired. Taking these reasons into consideration the present article makes some vital recommendations as to how the Scheme could be revived, reinvigorated and implemented to benefit consumers, producers and the society at large.

Too Many Product Categories

During the inception of the scheme, 16 product categories⁸ were identified and finalised for labelling. Each of the product category required to meet two sets of requirement - General requirement (common to all product categories) and Product specific requirements. These 16 product categories had around 132 sub-products; which were too many to start with. Criteria development for these 132 sub-products needed focused efforts and expertise but due to haste for completing and launching the Scheme, not much attention could be given to the criteria development of the sub-products. Awareness generation on the criteria developed and the use of the Ecomark scheme could not get the attention either.

⁷ This article is an abridged version of the research report by Pradeep S Mehta entitled 'Why was India's Ecomark Scheme Unsuccessful?' researched and written for CUTS Centre for International Trade, Economics & Environment.

⁸ I) Soaps and Detergents, II) Plastic Products, III) Food Items (such as edible oils, tea, coffee, baby food, processed foods and beverages), IV) Paper, V) Textiles, VI) Food Additives, VII) Cosmetics, VIII) Architectural Paints and Powder Coatings, IX) Batteries, X) Lubricating Oils, XI) Packaging Materials, XII) Aerosol Propellants, XIII) Pesticides, Insecticides, Biocides and Weedicides, XIV) Drugs, XV) Electrical /Electronic Goods and XVI) Wood substitutes.

A better approach would have been to start with a lesser number of product categories.

A Three-Tiered System

A three-tiered system was set up for the implementation of the Ecomark Scheme - an Inter-Ministerial Steering Committee (constituted in the Ministry of Environment and Forest MoEF), a Technical Committee (constituted in the Central Pollution Control Board CPCB), and the Bureau of Indian Standards (BIS). This existing three-tier system had been too bureaucratic and despite the fact that it was mandatory to have at least two consumer groups in the Steering and the Technical committees, environmental groups were ignored. This furthered the red-tapism in the operationalization of the Scheme. Also, there had been instances within the bureaucratic system, that one of the tier bypassed the other, creating discontent within the system itself.

The existing representation of the two Committees includes Government organisations. The Scheme was and still is heavily reliant on Government organisations because of which there has always been a lack of continuity of specialised officials (due to regular transfers) on ecolabelling from the member Government agencies or Ministries.

The exclusion of the Ministry of Finance from the Steering Committee, from inception, was regarded as inappropriate. This

Ministry would have considered the feasible suggestions on incentives and rewards more actively. This led to the lack of realisation of the two prime objectives of the Ecomark Scheme.⁹

Complex Process of the Ecomark Scheme

The process of developing product criteria for the grant of an Ecomark licence is too complex and time consuming as it goes through many rounds between Steering and Technical committee for approval. As a consequence, during the initial years after the launch of the Scheme, proper attention could not be given by the three bodies to popularize the Scheme in an effective manner.

Popularisation of the Ecomark Scheme

One of the major challenges for the success of any ecolabelling scheme is its popularisation i.e. raising awareness among producers, consumers and the society at large. As there had been inadequate marketing, the desired awareness of the Scheme among industry, consumers and government departments was never created. Evidently, the Scheme was launched without any communication strategy and with consumers not aware, the demand for Ecomark products never caught on. There was also no incentive for industry to introduce eco-friendly technologies and products.

Even after 22 years the launch of the

scheme, its credibility within India remains a big question mark, fuelled by the fact that the level of awareness of the Scheme among consumers as well as industry had been miserably low.

POLICY RECOMMENDATIONS

First, there is a need for a new, independent board with an advisory structure comprising of consumer, environmental and business groups. Second, there should be reduction and prioritization of the number of selected product categories to be included under the Scheme. Third, the product categories should be selected based on certain measurable parameters (for example, maximum adverse environmental impact or high national consumption). There should be a system that determines whether to include new product categories under the Scheme in view of the environmental dynamics.

In addition, the Scheme needs to be made more dynamic and forward looking by periodic revisions of criteria through wide stakeholder consultations that could motivate and encourage industry to attain a higher gradation. And most important of all, since the ecolabels can be used as Non-tariff trade barriers (NTBs), domestic as well as international requirements need to be balanced while setting a feasible criteria. The Government should press for equivalence and mutual recognition of the Schemes of different countries at the World Trade

⁹ These objectives being (i) to provide an incentive for manufacturers to reduce adverse environmental impact of products; and (ii) to reward genuine initiatives by companies to reduce adverse environmental impact of their products and processes.

Organization (WTO), as it will prove beneficial for industries.

Lastly, an effective National Awareness Campaign should be carried out to raise both consumer and industrial awareness and demand for the Ecomark.

CONCLUSION

During the procedure of developing and adopting an ecolabel there needs to be more involvement of stakeholders into the process, thereby increasing ownership and self-regulatory aspects of the Scheme. Role of the government should be restricted to that of a facilitator and reward industries that are contributing in improving the environment. Moreover, there is a need to first identify meaningful criteria specific to India, such as

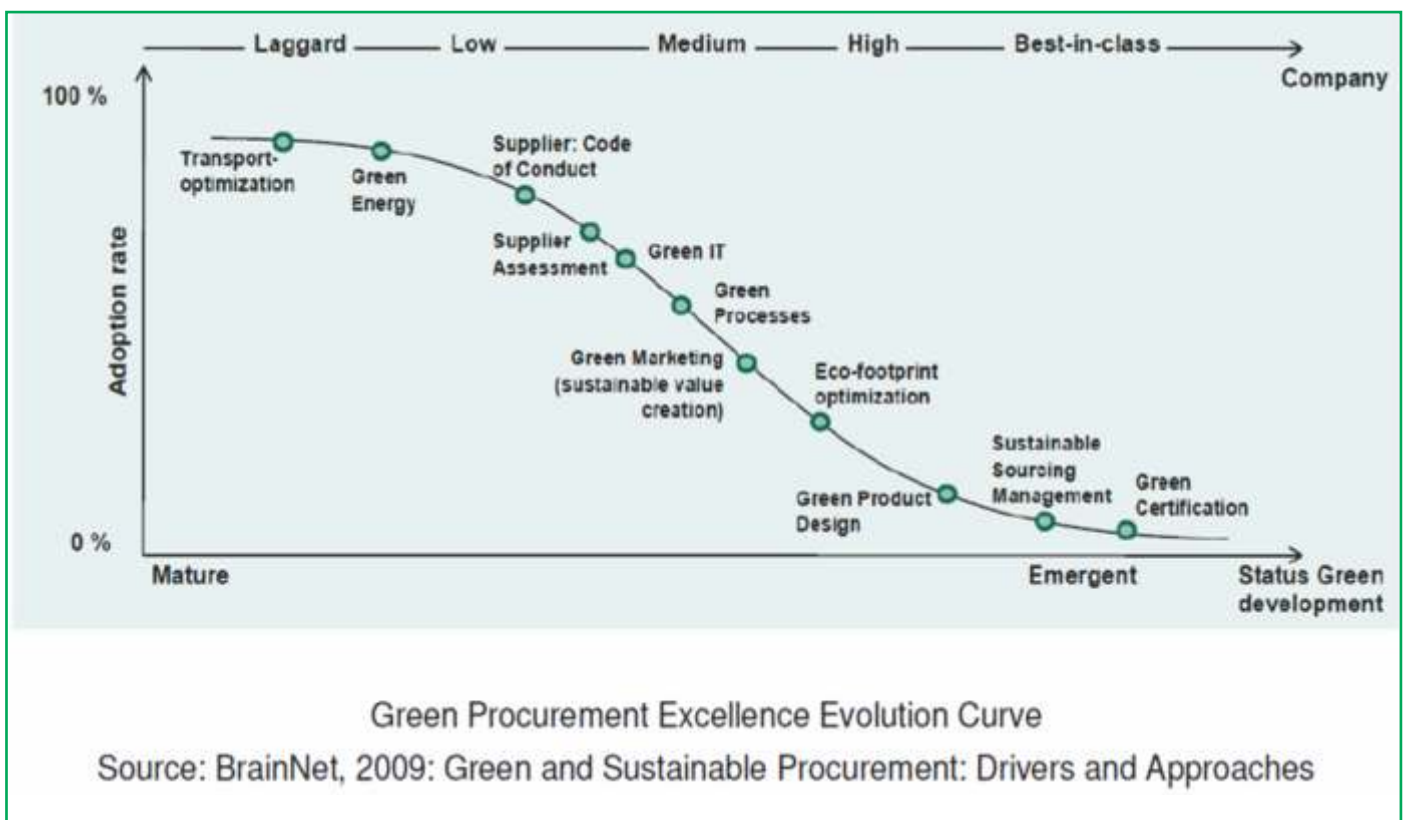
conserving water and energy. Also, synergies with existing eco-labels at international level need to be addressed.

There is also a need to put some limit on the costs and fees that the applicant needs to pay while applying for the label. A reasonable fee that is assessed fairly without any discrimination on the grounds of size, location or other such factors do play a crucial role for attracting industry participation.

Furthermore, a program like ecolabel, which is a voluntary policy instrument developed to achieve environmental goals, needs to offer some incentives/awards to the business community to ensure their maximum participation. The manufacturers and retailers should be made to realize that by being part of such a program their

reputation in the market place would only improve, thus enhancing their brand image and credibility.

The involvement and support by environmental and consumer NGOs and also by the media are other key factors which could contribute in increasing the level of consumer awareness on environmentally preferable products. In a country where consumer awareness of environmental issues is low, it is difficult to convince companies that there is any advantage to be gained from an ecolabel. Hence, some initial awareness education is vital prior to, or in conjunction with, the re-introduction of ecolabelling. Therefore, any form of instigation to go for green products should begin from the government, once the existing scheme is re-imaged!



Green Public Procurement Scenario in Asia-Pacific

In recent years, Green Public Procurement (GPP) has attracted the attention of governments looking to embark on the path of sustainable development especially developing economies threatened by resource depletion and ecosystem degradation. In this context, the Asia Pacific Economic Cooperation (APEC) Committee on Trade and Investment released a report in April 2013 titled "Green Public Procurement in the Asia Pacific Region: Challenges and Opportunities for Green Growth and Trade", based on findings from surveys and literature reviews. It presents the progress made by APEC economies in implementing GPP policies, best practices as well as the challenges and opportunities of GPP with regard to green growth and promotion of trade in environmental goods and services (EGS). Its findings and recommendations are summarized here.

Of the 21 APEC economies, GPP policies at different stages of progress exist for 18 economies. These include a wide basket of policy framework tools comprising legislations, strategies, policies, programs, plans and guidelines (Refer Figure 1). Of these, strategies, guidelines and policies are found to be the most commonly employed. 15 of the 18 countries have developed product environmental criteria that vary on several aspects - stringency of technical specifications, making comparisons between green products in the different countries a difficult task. The best GPP practices are being practiced in Japan (refer Box 3).

Many of the countries have received technical support through dedicated GPP initiatives of international organizations in developing and implementing GPP nationally (Refer Box 2).

| Economy | Framework Policies | | | | | | Year of Implementation |
|-------------------|--------------------|------------|--------|---------|------|------------|------------------------|
| | Legislation | Strategies | Policy | Program | Plan | Guidelines | |
| Australia | | • | • | | | • | 1998-2003 |
| Canada | | • | • | | | • | 2006 |
| Chile | | • | | | • | • | 2009 |
| China | • | | • | • | | • | 1990 |
| Hong Kong, China | | • | • | • | • | • | 2000 |
| Indonesia | | • | • | | | | 2010 |
| Japan | • | | • | | | • | 1992 |
| Republic of Korea | • | | • | | • | • | 1992 |
| Malaysia | | • | | | | | 2010 |
| Mexico | | • | • | | | | 2004 |
| New Zealand | | | • | | | • | 2006 |
| Peru | | | | | | • | 2008 |
| The Philippines | | • | • | | | | 2004-2012 |
| Singapore | | • | | | | | 2009 |
| Chinese Taipei | • | | • | | | | 1999 |
| Thailand | | • | • | | • | • | 1993 |
| The United States | • | • | • | • | • | • | 1976 |
| Vietnam | | | | | • | | In progress |
| Total Economies | 5 | 11 | 13 | 3 | 6 | 11 | - |

Source: Green Public Procurement in the Asia Pacific Region: Challenges and Opportunities for Green Growth and Trade, APEC, April 2013.

Figure 1 - GPP frameworks in APEC economies

Box 1: Difference between Green Public Procurement (GPP) and Sustainable Public Procurement (SPP)

GPP focuses on products that are environmentally less harmful at each stage of a product lifecycle.

SPP, in addition to environmental criteria, also incorporates the social aspect where protection of human rights of workers and of communities affected by production, are given attention. Often however, the terms SPP and Gpp are used interchangeably, with GPP sometimes comprising social consideration.

Box 2: Key international GPP initiatives in Asia Pacific. The Organisations active are-

Asia Pacific Roundtable for Sustainable Consumption and Production (APRSCP)

Asian productivity Organisation (APO)

Commission for Environmental Cooperation - North America Green Purchasing Initiative (CEC - NAGPI)

Sustainable Public Procurement in Urban Administrations in China (SUPPUrb) - SWITCH Asia Project

International Green Purchasing Network and Green Purchasing Network (IGPN-GPN).

Box 3 - Example of best practice in GPP - Japan

Japan's GPP framework is considered a best practice, and is one of the first GPP policies in the region. It consists of :

- The Green Purchasing Law
- The Green Contract Law
- Eco-mark Japan (ecolabel) and
- The Green Purchasing Network of Japan

All these instruments promote green purchasing and provide information on eco-friendly goods and services. Environmental criteria for numerous product categories are revised and new product criteria developed periodically. Monitoring of GPP achievements, including extent of implementation by Central and local governments, is conducted regularly and the results published.

Bombay Chamber Activities

Series of Sessions on Sustainability

The Sustainability Committee has organised Series of sessions on various aspects of Sustainability. The key focus areas of the Committee are creating awareness on Sustainability, sharing of best practices to establish sustainability practices as business case. In this connection the Committee has arranged for Sessions for the benefit of the members of the industry. KPMG has agreed to be a knowledge partner.

The details of the Sessions are as under:

Topic : Responsible Supply Chain
Date : August 22, 2013
Speaker: Mr. Yasir Ahmad,
Technical Director, KPMG

Topic : Responsible Investment and Sustainability Indexes
Date : September 5, 2013
Speaker: Mr. Anshul Dubey,
Manager, KPMG

Topic : Human Rights in Business
Date : September 19, 2013
Speaker: Mr. Prathmesh Raichura,
Associate Director, KPMG

Topic : Carbon - Post 2012
Date : October 17, 2013
Speaker: Mr. Manpreet Singh,
Associate Director, KPMG

Topic : Product Sustainability
Date : November 13, 2013
Speaker: Mr. Anand Joshi,
Associate Director, KPMG

The presentations can be down loaded from the below link:

<http://www.bombaychamber.com/Activities.aspx?CommitteeId=71&Type=5>

FORTHCOMING SESSIONS

Start from 2.30 p.m. to 5.30 p.m.

Topic : Integrated Reporting
Date : December 5, 2013
Speaker: Mr. Santosh Jayaram

Workshop on "Perform Achieve & Trade" (PAT) organised on October 10, 2013 at the Conference Room of Bombay Chamber of Commerce and Industry at its Ballard Pier Office.

The workshop aimed at providing the update and understand on the PAT mechanism, Plan to trade ECERTs (Energy Certificates), Creating awareness level for other industries like petrochemical, chemical industries, automobiles, large building, Providing inputs to the audience with improved economic feasibility of renewable power generation under the Renewable Power Obligation (RPO) regime. Chief Guest: Dr. Ajay Mathur, Director General, Mr. Alok IAS, Dy. Director General and Mr. Saurabh Diddi, Energy Economist, Bureau of Energy Efficiency (BEE). The other speakers were: Mr. Umesh Agrawal, Associate Director, PWC and Mr. Arun Thomas, Head - Business Development & Strategic Partnerships, GIBSS.

The presentations can be down loaded from the below link:
<http://www.bombaychamber.com/Activities.aspx?CommitteeId=71&Type=5>

Seminar on "Sustainability Standards" jointly organised with Centre for Responsible Business (CRB) and ISEAL Alliance on October 11, 2013 at the Conference Room, Bombay Chamber at the Ruby, Dadar.

In line with India's Twelfth Five Year Plan (2012-2017) that recommends businesses and business associations to develop their own standards to encourage self-regulation for more business responsibility and responsible conduct, and to build capacity and knowledge. The objective is to promote awareness and uptake of voluntary sustainability standards in India.

Conference on Technologies to Pre-empt & Protect
and
Workshop on SCADA Security

Bombay Chamber was the Knowledge Partner for the Conference on Technologies to Pre-empt & Protect organised jointly with by IEEE Bombay Section and CDCC on October 18, 2013 at Vivanta by Taj President and Workshop on SCADA Security on October 19, 2013 at C-DAC Auditorium, Juhu, Mumbai.

For more details contact:

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