

A Guide to Green Certification

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Green Recovery aims to address the ever growing pressure that the green transition puts on all relevant actors in BiH, including small and medium-sized enterprises, meso-level actors and representatives of authorities.

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LIST OF ABBREVIATIONS

ASI	Assurance Services International
BiH	Bosnia and Herzegovina
CBAM	Carbon Border Adjustment Mechanism
CCF	Corporate Carbon Footprint
CE znak	Conformite Europeenne
EAD	European Assessment Document
EMAS	Eco-Management and Audit Scheme
EPR	Extended Producer Responsibility
ESG	Environmental, social, and corporate governance
ETA	European Technical Assessment
ETS	Emission trading system
EU	European Union
EUTR	EU Timber Regulation EU uredba o drvetu
FBiH	Federation of Bosnia and Herzegovina
FSC	Forest Stewardship Council
HLS	High Level Structure/Struktura visokog nivoa
ISO	International Organisation for Standardisation
LCA	Life Cycle Assessment
MSP	Small and medium enterprises
NANDO	New Approach Notified and Designated Organisations
PDCA	Plan, Do, Check, Act
PEFC	Programme for the Endorsement of Forest Certification
RS	Republika Srpska
SWOT	Strengths, Weaknesses, Opportunities, and Threats
VTK/STK	Foreign Trade Chamber of Bosnia and Herzegovina
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute

1. INTRODUCTION

Certification is a process in which an independent organisation, based on a detailed evaluation, determines whether a company's product, process or management system meets the standards prescribed in a specific normative document. This document can be an international or national standard, a specification, a legal regulation (such as a rulebook) or a special certification scheme developed by a certification body. Certain standards encourage companies to reshape their business and production practices to reduce their environmental footprint while contributing to sustainable development and are recognised in this guide as "green" standards.

Acquiring "green" standards proves the company's ability to deliver products and services that do not have a significant negative impact on the environment and society.

This Guide presents and details "green" standards, the introduction of which would enable companies to develop and implement a "green approach" to sustainable business in order to ensure a safe, healthy and environmentally acceptable business environment, products and services¹.

The "green" standard aims to prove that the company's complete production process, including the materials and production technology used, is safe for the environment and that their impact on the user is controlled. These processes are measured and monitored, wherever necessary, to ensure compliance with environmental regulations. All of this gives customers the sense of confidence that the processes used are environmentally safe, that emissions are controlled and that it is very unlikely for them to cause any negative impacts on human health and safety.

Objective of the publication

The aim of the Green Certification Guide is to help small and medium-sized enterprises (SMEs) in understanding "green certificates", the certification process and their application. The Guide was created as part of the Green Recovery component, which GIZ implements on behalf of the German government, as part of the wider COVID-19 Investment Response/EU4BusinessRecovery project. The project provides support to BiH in mitigating the economic consequences caused by the COVID-19 virus pandemic, with a special focus on the green transition of SMEs. The Green Recovery component focuses on supporting SMEs in the wood and metal sector. Although this Guide focuses on these two sectors, it can be useful for a wider range of applications.

In the modern business environment, due to the demands of the global market, SMEs from BiH are increasingly striving to improve their business using ecological practices. The proactive adoption of green standards practices by SMEs directly contributes to the process of their green transition, thus contributing to the general strengthening of the culture of environmental awareness and the movement of the economy and society towards a sustainable future.

Overview of the methodology

In order to create a Guide based on the actual experience of applying green certificates in Bosnia and Herzegovina, those institutions, organisations and companies that have the necessary information on the

1. https://web.archive.org/web/20110323135631/http://www.green-certificate.com/index.php?option=com_content&view=article&id=1&Itemid=5

procedures related to the complete certification process were identified. Stakeholders who were contacted during the preparation of the Guide are state/entity institutions operating in the field of certification, standardisation and accreditation, the Foreign Trade Chamber of BiH, certification companies and other private companies involved in certification processes, and the wood and metal sector industries which have introduced some of the “green” standards into their operations.

As part of the creation of this Guide, questionnaires were created for companies from the wood and metal sector in BiH with the aim of collecting as much data as possible about the situation in BiH when it comes to green certification. A total of 17 companies filled out the questionnaire: 9 from the wood sector and 8 from the metal sector, which exchanged valuable experiences and information.

In addition, SMEs that already have a green certificate were identified and interviews were conducted with them in order to investigate the motivation for introducing the standard, the benefits realised, the obstacles they encountered - if any, and the room for improvement of business. The complete process of preparing the Guide was accompanied by desk-research on the “green certificates” themselves in order to prepare a comprehensive and accessible Guide that offers valuable and practical information.

All collected information was used to create a comprehensive SWOT analysis, which as a methodological approach is used to assess strengths (S), weaknesses (W), opportunities (O) and threats (T) that affect the wider application of green certificates in BiH companies.

Structure of the publication

The structure of this Guide is designed in four chapters. Each chapter has its own purpose and focuses on specific aspects of the analysis of “green” standards.

The introductory chapter provides a definition of “green” standards, and explains the aim of this guide. Also, this chapter describes the methodology of creating the document.

Chapter 2 presents a dual perspective of the legal and regulatory framework for green certification, analysing domestic and EU regulations. The roles of key institutions and actors in the fields of standardisation and accreditation in BiH were clarified, emphasising the voluntary nature of green initiatives in the country. On the other hand, a comprehensive approach to the legal and regulatory framework in the EU is given with an emphasis on directives and regulations that direct EU companies towards green certification and include eco-labelling, sustainable environmental management, energy efficiency, reporting on greenhouse gas emissions, as well as the scope of application of the Carbon Border Adjustment Mechanism (CBAM).

Chapter 3 provides an overview of standards and instruments for green certification, the introduction of which could improve the operations of BiH wood and metal sector industries. An identity card has been prepared that contains a detailed description of the standard, i.e. the instrument, and its application sector, application advantages, the complete certification procedure, including the approximate price and valid timeframe, as well as an overview of available local certification companies. Each ID card is accompanied by an example of successful application in wood and metal sector industries that have already recognised the importance of green certification.

Chapter 4 provides an analysis of the current situation in the wood and metal industry in the area of “green” certification, which is presented through an analysis of strengths, weaknesses, opportunities and threats with corresponding conclusions.

2. GREEN CERTIFICATION FRAMEWORK

Overview of the regulatory framework in Bosnia and Herzegovina

BiH takes a voluntary stance regarding certification, allowing companies and organisations to voluntarily engage in environmental initiatives defined by standards. In this way, companies and organisations self-initiatively demonstrate their commitment to environmental responsibility, fostering a culture of sustainable practices

The Institute for Standardisation of BiH and the Institute for Accreditation of BiH occupy a key role within the regulatory framework in the fields of standardisation and accreditation. The Institute for Standardisation of BiH as an independent state administrative organisation manages the national standardisation strategy, preparing and issuing Bosnian standards and representing BiH in international, European and other standardisation organisations. In the area of conformity assessment, it participates in the establishment and maintenance of the certification and homologation system in accordance with the European model. On the other hand, the BiH Accreditation Institute acts as a key accreditation body, giving credibility to conformity assessment bodies and strengthening the foundations of certificates issued in BiH.

Certification companies carry out the certification process, which includes inspection, evaluation and confirmation that certain products, services, systems or processes meet certain standards or requirements. Domestic certification companies operate in Bosnia and Herzegovina, as well as large foreign certification companies that have their branches in Bosnia and Herzegovina.

Through the Law on Environmental Protection in the Federation of BiH, that is, the Law on Environmental Protection in Republika Srpska, two important mechanisms appear: the eco-labelling scheme and the Eco-Management and Audit Scheme - EMAS. The eco-labelling scheme, as stated in both laws, serves as a channel for promoting the creation, production, marketing and use of products with a reduced impact on the environment relative to the total period of use of that product, as well as for better informing consumers about the impact of products on the environment. The eco-label, as a mark of distinction, adheres to rigorous ecological criteria and emphasises commitment to transparency and consumer awareness of environmental responsibility. At the same time, both laws specify the Eco-Management and Audit Scheme (EMAS) as a voluntary platform aligned with the European Union paradigm. EMAS promotes continuous improvements in the environmental performance of organisations, including holistic evaluation, data comparison and public disclosure. The path towards continuous improvement of the environment is supported by the active participation of employees in the organisation who nurture a culture of environmentally responsible practices.

Overview of the regulatory framework at the level of the European Union

The European Union (EU) has long been leading the way in solving environmental challenges and promoting sustainable practices. As part of its dedication to fighting climate change and encouraging green practices in

business, it has established a regulatory framework that guides companies towards the introduction of green certification. This framework aims to encourage environmentally responsible practices, reduce greenhouse gas emissions and ensure that products imported into the EU meet strict environmental standards. Below is an overview of the key elements of the legal framework in the European Union.

Table 1 Key elements of the EU legal framework

<p>Eco-label Regulation and EMAS Regulation Regulation (EC) no. 66/2010 of the European Parliament and the Council of 25 September 2009 on the EU ecolabel and Regulation (EC) no. 1221/2009 of the European Parliament and the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)</p>
<p>It prescribes eco-labelling and eco-management systems in the EU as voluntary systems. The goal of eco-labelling is the promotion of certain products that have a lower potential impact on the environment than other products belonging to the same product group. Eco-labelling is essentially intended for consumers as a notification about the impact of the product on the environment. EMAS is a tool that gives companies and other organisations the opportunity to evaluate, report and improve their performance in the field of environmental protection. Essentially, EMAS is the EU version of the ISO 14001 standard.</p>
<p>EUTR Timber Regulation Regulation (EU) no. 995/2010 of the European Parliament and the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market</p>
<p>In accordance with the EUTR, business entities that put wood and wood products on the market must apply the due diligence system, that is, they must assess the risk in the supply chain of wood and wood products. Business entities are required to have all the documentation that follows the wood from its source (harvesting place) and products to the final consumer, as well as all data on suppliers and traders. Traders in the supply chain must apply a system of traceability of wood and wood products, i.e. they are required to have all information documented about the suppliers who supplied them with wood and wood products, and about the traders to whom they supply wood and wood products.</p>
<p>Ecodesign Directive Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products</p>
<p>The Directive promotes the integration of environmental elements during the design and production of products² in order to increase energy efficiency and reduce the overall impact on the environment during the product's life cycle. It sets a clear path to reduce energy consumption, increase resource sustainability and support the EU's overarching goals to strengthen energy conservation and environmental sustainability.</p>
<p>Energy Efficiency Directive Directive (EU) 2018/2002 of the European Parliament and the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency</p>
<p>The Directive establishes a set of binding measures for the EU to reach its goal of increasing energy efficiency by 20% by 2020. It was agreed that by amending the Directive, the set goals will be updated until 2030 and beyond. All EU countries are obliged to use energy more efficiently in all phases of the energy chain, including production, transmission, distribution and final consumption of energy. Industries have significant potential for improving energy efficiency, which not only saves energy, but also reduces the demand for fossil fuels for heating, which ultimately results in better air quality. The Energy Efficiency Directive stipulates that EU member states should ensure access to high-quality energy audits for all users. Inspections can be carried out by qualified experts or independent bodies according to national legislation. European or international standards, such as EN ISO 50001 (energy management systems), should be taken into account during energy audits. Also, Article 8 encourages programmes to promote energy audits in SMEs, and sets criteria for conducting and monitoring audits to ensure their quality and efficiency.</p>

² The Directive is focused only on products that consume energy or are otherwise related to energy, and is currently being revised in order to expand the scope and promote environmentally sustainable products, and in 2022 the European Commission proposed a new Ecodesign for Sustainable Products Regulation (ESPR) to ensure that all products on the market are environmentally sustainable in line with the EU's goal of achieving climate neutrality by 2050.

Regulation on reporting greenhouse gas emissions

Commission Regulation (EU) No. 601/2012 of 21 June 2012 on the monitoring and reporting on greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council, amended by Commission Regulation (EU) No. 206/2014

The Regulation sets the rules for monitoring and reporting on greenhouse gas emissions and on activities in accordance with the Emissions Trading Directive. Companies have an obligation to monitor and report on greenhouse gas emissions in accordance with the principles stated in the Regulation and must have an emissions monitoring plan (standardised or simplified version), approved by the competent institutions of the EU member states. The company must submit an emissions report to the competent institutions, which covers annual emissions in a given period, by 31 March of each year.

Regulation on the verification of greenhouse gas emission reports

Commission Regulation (EU) No. 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports, and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council

The Regulation lays down the provisions that apply to the verification of greenhouse gas emission report and tonne-kilometer reports³ and to the accreditation and supervision of verifiers. The role of the verifier is to provide final confirmation that the report submitted by the company does not contain significant inaccuracies. The regulation specifies the detailed procedure for carrying out verification, i.e. the checklist for previous verifications, the contents of the risk analysis, the verification plan, the site visit to assess the operation of the measuring devices and monitoring systems, and the contents of the verification report. In the event that the existence of incorrect statements is determined, the duty of the verifier is to point them out to the operator and demand their correction.

CBAM regulation

Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism

The regulation aims to solve the issue of greenhouse gas emissions incorporated into the product when it is imported into the EU customs territory, in order to prevent the risk of so-called leakage of carbon emissions and thereby reduce global carbon emissions, and support the goals of the Paris Agreement⁴. The Carbon Border Adjustment Mechanism (CBAM) should prevent producers from member countries from finding themselves in an unfavourable situation in international competition, i.e. prevent the EU's efforts to reduce greenhouse gas emissions from being neutralised by importing products produced in countries outside the EU where climate change policies are less ambitious. The CBAM mechanism will enter into force in its transition phase from 1 October 2023. It will first be applied to the import of certain products whose production results in intensive carbon emissions and represents the greatest risk of displacement of emissions into the EU: cement, iron and steel, aluminum, fertilisers, electricity and hydrogen. During the first year of application, companies will have the option of reporting in three ways: (a) full reporting according to the new methodology (EU method); (b) reporting on the basis of equivalent systems of third countries; and (c) reporting based on benchmarks. From 1 January 2025, only the EU reporting method will be accepted.

Corporate Sustainability Reporting Directive (CSRD)

Directive (EU) 2022/2464 of the European Parliament and the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD)

The Directive addresses corporate sustainability reporting, emphasising the integration of sustainable practices into business activities. The goal is to increase transparency and accountability by requiring companies to report on their environmental, social, and corporate governance (ESG) performance. In practical terms, companies will have to report on how their business model affects their sustainability and how external sustainability factors (such as climate change or human rights issues) affect their operations. The CSRD introduces more detailed reporting requirements and ensures that large listed companies and SMEs must report on sustainability issues such as environmental rights, social rights, human rights and governance factors.

³ A measure used in freight transport that shows the transport effect of freight vehicles. It is obtained as a product of the mass of transported cargo and kilometres travelled.

⁴ The Paris Agreement is an international agreement reached in 2015 to combat climate change through the reduction of harmful gas emissions and the promotion of a sustainable economic transition.

The EU regulatory framework has a strong influence on business entities within the EU, but also entities outside the EU that export products and services to this market. Given the increasing emphasis on sustainability and environmental protection, companies that adopt green practices and secure green certificates for their products gain competitive advantages in the EU market. This opens up new business opportunities for exporters from third countries who will be able to adapt their products and services to meet EU sustainability standards.

For export-oriented companies, there is a threat of losing foreign customers if they do not adopt and properly apply appropriate green standards. The EMAS regulation has not yet been integrated into the legal framework of Bosnia and Herzegovina, which complicates the harmonisation of BiH regulations with the sustainable standards of the European Union. This can potentially hinder trade relations of BiH companies and their access to EU markets.

Also, it is important to note that the eco-label has become an important tool for promoting the circular economy and green public procurement. It designates those companies that produce or provide environmentally friendly products and services. The existing regulations on eco-labels and on the management of eco-labels in the FBiH and RS should therefore be harmonised with the corresponding regulations of the European Union, and companies should be familiar with these by-laws and the opportunities that the eco-label provides. The very announcement of the introduction of the emission trading system (ETS) is a signal for BiH companies to start intensively preparing for the payment of fees for obtaining emission permits, as well as for trading these permits in order to generate additional income if they reduce their emissions below the amount of free emissions quota. The assessment of these fees is the input for creating a plan to reduce emissions by measures such as replacing fossil fuels with renewable ones and increasing energy efficiency.



3. OVERVIEW OF AVAILABLE GREEN CERTIFICATION STANDARDS AND INSTRUMENTS



3.1 ISO 14001

ABOUT THE CERTIFICATE

ISO 14001 is an internationally recognised standard for environmental management systems that was first published in 1996. The standard is part of the set of ISO 14000 standards that relate to various aspects of environmental management. The environmental management system according to ISO 14001 focuses on the identification, monitoring and reduction of a company's negative impacts on the environment, including impacts caused by its operations, products or services. The standard encourages sustainability, waste reduction and resource efficiency, as well as compliance with relevant environmental laws and regulations. One of the main requirements of this standard is "compliance obligations". These are obligations that the company independently determines based on an assessment of opportunities and risks in relation to environmental aspects, environmental goals and voluntary obligations. This standard follows the so-called "High Level Structure" (HLS). In this way, certification according to ISO 14001 can be combined with other standards in an integrated management system. Currently, around 420,000 companies and organisations in the world have a certified environmental management system according to the ISO 14001 standard.

APPLICATION SECTOR

Companies and organisations from different sectors (including wood and metal), regardless of their size and field of business. This includes manufacturing companies, service industries, the public sector, non-profit organisations, universities and other organisations that want to improve their environmental performance.

PURPOSE OF APPLICATION

Ensuring the sustainable operation of organisations/companies, reducing the negative impact on the environment, and establishing an environmental management system that encourages environmental protection and sets goals for its implementation.

ADVANTAGES

- Increased customer confidence through reliable environmental management
- Continuous improvement of environmental impact
- Reliable compliance with legal and regulatory requirements through a systemic approach
- Risk prevention - early recognition and reduction of potential dangers
- Cost reduction through forward-looking proactive action
- Saving resources and energy
- Achieving environmental protection goals

CERTIFICATION STEPS

- The company and the certification body together define the goals and establish an adequate certification plan in order to determine the price
- After signing the contract, the certification body develops a customised audit programme and, if necessary, conducts a pre-audit as an evaluation of the effectiveness of the existing environmental management system
- Certification audit - phase 1: the certification body performs system analysis and evaluates documentation, objectives, results of administrative evaluations and internal audits
- Certification audit - phase 2: In the second phase, the certification body evaluates the effectiveness of the system on site through observations, interviews and inspection. The audit results are presented at the final meeting
- Based on the certification audit, the certification body prepares a report and if all the requirements of the standard are met, the company receives an ISO 14001 certificate
- The certification body conducts annual surveillance audits to ensure that the company continues to meet the criteria of the ISO 14001 standard



CERTIFICATION COMPANIES IN BIH

- Bureau Veritas
- Societe Generale de Surveillance (SGS)
- TÜV NORD Adriatic d.o.o.

APPROXIMATE PRICE AND TIMEFRAME

- The price and timeframe for ISO 14001 certification depend on the size of the company, the number of employees, the complexity of the existing environmental management system, the type of industry and other specific requirements of the company.
- ISO 14001 is valid for three years. Timely recertification is carried out before the expiration date. If all requirements are still met, a new certificate will be issued.

USEFUL LINKS

<https://www.iso.org/standard/60857.html>

A SUCCESS STORY

(based on research)

Eco Company is a company that produces upholstered and panel furniture and furnishes interiors. It was founded in Sarajevo in 2002. In addition to the domestic market, the company exports furniture and interior fittings to several countries, including Germany, Austria, Switzerland, Croatia and Montenegro. The policy of quality and environmental protection is an integral part of the company's business policy, and is based on the continuous improvement of the quality of business and environmental protection. In December 2011, the company received the Environmental Management System certificate according to the ISO 14001 standard. By obtaining this certificate, Eco Company proved that their products are made according to the highest standards of environmental protection, thus confirming their commitment to the preservation of natural resources. According to them, all the company's activities are aimed at ensuring that customers associate the concept of quality and environmental protection with the name and brand of their products - because only a satisfied customer can be a loyal customer. This prestigious standard has led to an increase in the company's competitiveness and profitability through higher sales of quality and environmentally sound products, gaining new customers who value sustainable furniture. Through this business approach, Eco Company achieves a positive impact on the environment and society, while simultaneously strengthening its position on the market.

A SUCCESS STORY

(based on questionnaires/interviews)

Emerus is a European manufacturer of pressed aluminum profiles for various industrial branches. The company was founded in 2015 in Široki Brijeg and since then has been continuously working on improving and expanding its production processes. Their products have found a place in the construction industry, the production of solar frames, electrical engineering and the automotive industry. The main goal is to ensure the long-term satisfaction of all clients by providing them with impeccable quality of products and services. Due to increasingly dynamic market demands, the company continuously works on optimizing work processes through organisation, modernisation and digitisation, taking care of employees and the environment.

With the aim of ensuring the quality of its services and products, the company has set several strategic goals: continuously raise and maintain a high level of customer trust in products and services, daily optimise the efficiency of supply chain management, pay special attention to the accuracy and timeliness of deliveries, raise the level of production, reduce internal waste and complaints, expand the range of products and enter additional sectors and markets. In order to achieve the above strategic goals, Emerus implements and operates in accordance with several standards, one of which is ISO 14001. The company states that their first signal for certification according to this standard was a customer request, however, after the implementation of ISO14001, they gained numerous advantages, of which they particularly highlight the savings they achieved in production by finding opportunities for recycling, which reduced the amount of waste that would otherwise have to be disposed of. Previously, they hired a person who will deal with the environmental aspect of the company and who ensures that the company operates in accordance with the principles of ISO 14001. By acquiring this standard, the company, in addition to retaining some customers, increased its competitiveness and gained new clients from the EU who appreciate the efforts to sustainability.

The company Emerus is an example of good practice because it continuously works to establish green business models, aware of the importance of preserving the natural environment and the environment in which we live. From the commercial aspect, it is very important that they present themselves as such a company to their EU-customers, who increasingly demand a green business model as a condition for further business cooperation.

The company Emerus is an example of good practice because it continuously works to establish green business models, aware of the importance of preserving the environment and the environment in which we live. And from the commercial side, it is very important that they present themselves as such a company to their EU-customers, who more and more often demand a green business model as a condition for further business cooperation.

3.2 ISO 14040 i 14044

ABOUT THE CERTIFICATE

Life Cycle Assessment (LCA) is a special tool for evaluating the impact of certain products on the environment. This standardised and scientifically based methodology serves as the basis for development processes and marketing strategies related to environmental impact. To ensure the long-term reliability of life cycle assessments, they need to be verified by a certification body. The International Organisation for Standardisation (ISO) created two complementary standards to ensure comparability of life cycle assessments: ISO 14040 describes the principles and structure for conducting LCA, while the requirements are specified in ISO 14044. Life cycle assessment aligned with standards usually includes defining the goals and scope of the study, preparing a life cycle inventory (list of input and output data), impact assessment and final evaluation.

ISO 14040 and 14044 in the wood and metal sector have not yet experienced wider use, therefore the research could not yet find examples of good practice in EU industries.

APPLICATION SECTOR

All sector industries, including wood and metal

PURPOSE OF APPLICATION

Provide a framework and guidelines for conducting LCA of products, processes or systems in order to evaluate their environmental impacts throughout their entire life cycle

ADVANTAGES

- Avoiding common mistakes in LCA, such as lack of data, choice of methodology and uncertainty analysis
- Improving the credibility and validity of LCA results, based on internationally recognised and accepted standards
- Increasing the compatibility of LCA results with other studies, following the same framework and principles
- Support for decision-making and communication processes
- In general, LCA helps identify areas where resource consumption can be optimised, leading to increased resource efficiency and reduced waste generation, further leading to cost savings in the long run
- Improved image of the company in the public
- Greater trust of participants (customers, business associates, future investors) due to the company's dedication to transparent and credible environmental management
- Improving competitiveness on the market

CERTIFICATION STEPS

- Initial conversation with the certification body, which includes defining the goals of certification and applicable standards, and obtaining an offer for pre-assessment
- Pre-assessment: Clarification of the task, scope of application, objectives and other criteria. Preparation of life cycle certification assessment plans
- Auditing using applicable standards and specifications. This is followed by the collection and verification of evidence, site visits, reconstruction and analysis of assessments



- Presentation of results at the final meeting and agreement on action plans
- The certification body evaluates the results. If all requirements are met, a certification statement shall be issued
- For the certification of another report or statement, for example for the next period, a new assessment is carried out. The certification statement has no expiration date and is valid for an appropriate life cycle assessment

CERTIFICATION COMPANIES IN BIH

- So far, no interest in this standard has been shown in Bosnia and Herzegovina, therefore no certification company has implemented it to date.

APPROXIMATE PRICE AND TIMEFRAME

- The price of LCA certification in accordance with ISO 14040 and 14044 varies depending on the size of the company, the scope of the project, the type of products or services, the certification company and the specific requirements of the company.
- ISO 14040 and 14044 are valid for three years. Timely recertification is to take place before the expiration date. If all requirements are still met, a new certificate shall be issued.

USEFUL LINKS

<https://www.iso.org/standard/37456.html>

<https://www.iso.org/standard/38498.html>

3.3 ISO 14064

ABOUT THE CERTIFICATE

The ISO 14064 standard provides clear guidelines and requirements for quantifying and verifying emissions in the greenhouse gas inventory - both at the organisational and project level. The ISO 14064 series of standards consists of three standards (ISO 14064-1, ISO 14064-2 and ISO 14064-3). The ISO 14064-1 standard is the basis for calculating the company's greenhouse gas emissions, that is, for determining the corporate carbon footprint (CCF). Its content is based on the Greenhouse Gas Protocol (GHG Protocol) published in 1998 by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) to standardise carbon footprint calculations. ISO 14064-2 provides a guide that can be used to monitor greenhouse gas removals or emission reductions at the project level. ISO 14064-3 is the basis for the verification of carbon dioxide calculations. Companies can monitor emissions by applying all three standards, which facilitates the implementation and development of projects to eliminate greenhouse gases.

APPLICATION SECTOR

Companies and organisations from all sectors

PURPOSE OF APPLICATION

Ensure that companies quantify, report and manage greenhouse gas emissions in a structured and systematic way

ADVANTAGES

- Increasing the transparency and responsibility of the company in quantifying and reporting on greenhouse gas emissions
- Achieving competitive advantage in the market through commitment to sustainability and environmental protection
- Identification of opportunities to save resources and reduce costs through systemic emissions management
- Strengthening the trust of participants, including clients, suppliers and investors
- Identification of controls by which the company can reduce the carbon footprint of its organisation and raise employee awareness of the importance of this issue
- Increasing transparency in reducing greenhouse gas emissions
- Encouraging innovation in order to develop sustainable practices and technologies to reduce greenhouse gas emissions
- Improving the company's reputation as socially responsible and environmentally conscious
- The company jumps ahead of competitors who have not yet taken this path, taking into account possible future legal requirements and customer requirements
- Globally recognised confirmation of the company's engagement in the fight against climate change and contribution to a sustainable future

CERTIFICATION STEPS

- Identifying the certification goals and purpose
- Development of greenhouse gas emissions management systems, including quantification and reporting of emissions
- Internal audit to identify and resolve potential deficiencies in the management system
- Selection of the authorised certification body to perform the certification
- Certification by a certification body to verify compliance with ISO 14064 requirements
- Issuance of ISO 14064 certificate if the company meets all requirements
- Regular maintenance and monitoring to ensure continuous compliance and improvements to the management system
- For the certification of another report or statement, e.g. for the next time period, a reassessment shall be



carried out.

- Each certification shall be valid for a single company's greenhouse gas statement and has no validity period

CERTIFICATION COMPANIES IN BIH

- So far, no interest in this standard has been shown in Bosnia and Herzegovina, therefore no certification company has implemented it to date.

APPROXIMATE PRICE AND TIMEFRAME

- The price of LCA certification in accordance with ISO 14064 varies depending on the size of the company, the scope of the project, the type of products or services, the certification company and the specific requirements of the company.
- ISO 14064 is valid for three years. Timely recertification shall take place before the expiration date. If all requirements are still met, a new certificate shall be issued.

USEFUL LINKS:

<https://www.avisoconsultancy.co.uk/iso-14064-greenhouse-gases>

<https://www.dqsglobal.com/hr-hr/certifikacija/iso-14064-verifikacija>

A SUCCESS STORY

(based on research)

Wieland is one of the world's leading suppliers of semi-finished copper and copper alloys, headquartered in Ulm, Germany. With a global network of production locations, the company offers a wide variety of products, technologies and services. From prototype to series production, Wieland develops solutions for the automotive industry, electronics, refrigeration, air conditioning and other sectors. High technological competence, customer focus and sustainability have been the foundation of the company's success since 1820. With the dedicated goal of achieving complete climate neutrality in business by 2045, Wieland applies adequate measures aimed at reducing greenhouse gas emissions. One of the significant steps taken by the company to achieve its sustainable goals is the adoption of the ISO 14064 standard for precise quantification and reporting of greenhouse gas emissions. By using the ISO 14064 standard, Wieland joins the global effort to combat climate change and contributes to transparency and accountability regarding its impact on the environment. Accurate measurement and reporting of emissions enables Wieland to better understand its carbon footprint and identify opportunities to reduce costs and increase energy efficiency. Also, transparent reporting on emissions creates trust among customers, partners and stakeholders, and confirms the company's commitment to sustainability and environmental protection. Wieland is an example of exceptional practice in the industry, and is a role model for other companies on the way to sustainable business and reducing greenhouse gas emissions.

A SUCCESS STORY

(based on questionnaires/interviews)

The company **TT kabeli** from Široki Brijeg is engaged in the production of low-voltage cables for various purposes, including cables for wind power plants, solar power plants, and distribution and transmission of electricity. They marketed their products on the European, African, Middle Eastern and North American markets. According to the company, they are constantly working on reducing the carbon footprint, and two years ago they started preparatory plans for the introduction of ISO 14064 in the future. They recently completed the calculation of greenhouse gas emissions in 2021 (base year), and created a strategy and action plan for their reduction. Two internationally accepted methods for business entities were used in the calculation process using the Protocol on Greenhouse Gases and ISO 14064. The Protocol on Greenhouse Gases for Business Entities defines three scopes, while the ISO 14064:2018 standard defines six categories of greenhouse gas emissions/removals. The total emission of greenhouse gases in 2021 was verified for the budget limits of volume 1 and volume 2. The largest contribution to greenhouse gas emissions was made by mobile energy sources (83.76%) and fugitive sources (16.24%). After the analysis, the company set the goals of a relative reduction in emissions of 5% per ton of product/per employee by 2027 (i.e. for a medium, five-year period) compared to the base year 2021, and a long-term goal: achieving zero carbon emissions by 2050. By adopting environmentally conscious practices and focusing on reducing emissions, TT cables demonstrate their commitment to environmental responsibility, making at the same time an example of good practice of a company that wants to have a positive impact on the environment and the community.

3.4 ISO 14067

ABOUT THE CERTIFICATE

Published in 2018, the voluntary international standard ISO 14067 is part of the ISO 14060 series of standards dedicated to the measurement, monitoring and reporting of greenhouse gas emissions. It also complies with ISO 14040 and 14044 standards.

ISO 14067 replaces the technical specification ISO/TS 14067 from 2013 and turns it into an international standard, providing companies with a comprehensive methodology for calculating a product's carbon footprint. The difference is that it focuses on quantifying the carbon footprint of products, while environmental management issues are addressed in the ISO 14000 series of standards. Special recommendations for the calculation of greenhouse gas emissions from forests and agricultural products have also been introduced. Through the implementation of this standard, companies can demonstrate their commitment to sustainability, better understand the impact of their products on the environment, and apply measures to reduce the carbon footprint, which is an important step in achieving the goals of sustainable development and the fight against climate change.

APPLICATION SECTOR

Industries and organisations from all sectors, including wood and metal, covering various products and services

PURPOSE OF APPLICATION

Enabling companies to quantify and report greenhouse gas emissions at the product level

ADVANTAGES

- Increased transparency and credibility in communication about the impact of products on the environment
- Optimisation of costs and processes through the reduction of energy and resource consumption
- Creating a company's competitive advantage through labelling products as environmentally responsible
- Compliance with regulatory requirements related to reporting on greenhouse gas emissions
- Encouraging environmental awareness
- Increased value of the company on the market, given that investors and customers increasingly value sustainability and environmental responsibility

CERTIFICATION STEPS

- Identifying the objectives of the certification and the purpose of assessing the carbon footprint of the product
- Preparation and development of a system for quantifying greenhouse gas emissions of products, including measurement and reporting methods
- Internal verification and evaluation of systems to identify possible deficiencies and ensure compliance with standard requirements
- Selection of an authorized certification body for verification of greenhouse gas emissions of products
- Declaration certification by an authorised certification body, which includes document review, data verification and possible site visits to verify compliance with the ISO 14067 standard
- Issuance of a certificate if the company meets all the requirements and successfully passes the verification of greenhouse gas emissions of the product
- Regular maintenance and monitoring of the system to ensure continuous compliance with the ISO 14067 standard and improvement of the system for quantifying and reducing the carbon footprint of products



CERTIFICATION COMPANIES IN BIH

Interest in this standard has not been shown in Bosnia and Herzegovina so far, therefore no certification company has implemented it to date.

APPROXIMATE PRICE AND TIMEFRAME

- The price of certification in accordance with ISO 14067 varies depending on the size of the company, the scope of the project, the type of products or services, the certification company and the specific requirements of the company.
- ISO 14067 is valid for three years. Timely recertification shall take place before the expiration date. If all requirements are still met, a new certificate shall be issued.

USEFUL LINKS:

<https://www.avisoconsultancy.co.uk/iso-14064-greenhouse-gases>

<https://www.dqsglobal.com/hr-hr/certifikacija/iso-14064-verifikacija>

A SUCCESS STORY

(based on research)

Waelzholz is a German company that produces cold-rolled steel materials, based in Hagen, founded in 1829. The company has over 2,300 employees worldwide. Annually, they produce approximately 780,000 tons of high-quality steel strip and shaped wire for customers in the automotive and energy industries, at locations in Europe, North and South America, and Asia. Its sustainability strategy focuses on the key aspect of reducing carbon emissions, where the goal is nothing less than becoming a technological leader in that area. In line with this ambition, as of 13 June, 2023, the company can boast of obtaining the ISO 14067 certificate. Certification according to the ISO 14067 standard is an exceptional step forward for the company, contributing to increased transparency and responsibility regarding the quantification of greenhouse gas emissions. Certification with this standard creates deeper trust among potential customers and partners, as it demonstrates the company's commitment to reducing its carbon footprint, which plays an increasingly important role in the world market. Through a validated carbon footprint calculation process for each product, Waelzholz sets guidelines for alignment with sustainable practices. This company, which stands out as an outstanding example of good practice in the field of greenhouse gas emissions, sets standards and becomes recognisable as a pioneer in its sector. Their dedication not only affects global sustainability, but also sets new standards in the steel industry.

3.5 ISO 50001

ABOUT THE CERTIFICATE

ISO 50001 is a voluntary international standard for energy management that applies to organisations of all sizes. The current ISO 50001 standard was published in 2018. This standard provides clear requirements for establishing, managing and improving energy efficiency and energy consumption within organisations. Like other ISO standards for management systems, ISO 50001 is based on the PDCA cycle (Plan, Do, Check, Act) and has a high-level structure. This ensures a high degree of compatibility with other ISO standards, including ISO 9001 and ISO 14001. Integration with other standards enables organisations to exploit synergies and efficiently manage energy resources. This standard helps organisations when evaluating and prioritising the implementation of new energy efficient technologies. Furthermore, it helps to improve energy efficiency, and the use and consumption of energy. It also creates transparency and facilitates communication about energy resource management and energy management for greenhouse gas emission reduction projects.

ISO 50001 is rarely applied in companies in Bosnia and Herzegovina, where only a few large industrial entities are certified, while SMEs have so far shown no interest. The advantage of this standard is that companies certified according to it do not have to conduct an additional energy audit, and it is primarily applied according to the needs of companies to achieve energy savings. Larger companies with energy management departments have recognised the benefits of the ISO 50001 standard and so far have been the only ones to express an interest in its application.

APPLICATION SECTOR

Entire economic sector

PURPOSE OF APPLICATION

Ensure that the company establishes an efficient energy management system, through which it reduces energy consumption, minimizes the negative impact on the environment and increases its profitability at the same time

ADVANTAGES

- Improving energy performance
- Constant monitoring of energy flows
- Systemic energy consumption reduction
- Consistent compliance with legal requirements
- Permanent reduction of greenhouse gas emissions
- Reduced need for energy imports
- Recognised basis for possible tax incentives
- Improved reputation of the company
- Competitive advantage on the market compared to other companies

CERTIFICATION STEPS

- Selection of an accredited certification body
- Preliminary audit (optional): Assessment of the energy management system and identification of areas for improvement
- Certification audit: Phase 1 and Phase 2 of the audit for a detailed review and verification of compliance with the standard
- Issuing a certificate if the requirements are met
- Annual supervisory audit to check compliance with standards

CERTIFICATION COMPANIES IN BIH

- Bureau Veritas
- TÜV NORD Adriatic d.o.o.

APPROXIMATE PRICE AND TIMEFRAME

- The duration and cost of certification according to ISO 50001 varies depending on the size of the company, including the size of the organisation, the complexity of the energy system, the current situation concerning the energy management system and the location of the organisation.
- ISO 50001 is valid for a period of three years. Recertification shall take place in a timely manner before expiry to ensure continued compliance with the requirements of the standard. If the conditions are met, a new certificate shall be issued.

USEFUL LINKS:

<https://www.dnv.hr/services/iso-50001-upravljanje-energijom-3370>

<https://www.dqsglobal.com/bo-ba/certificiranje/iso-50001-certifikacija>

https://www.traibcert.org.uk/iso-50001-2018-energy-management.php?gclid=CjwKCAjwzo2mBhAUEiwAf7wjks_IAllrdWQYExyWvmBSzBObw9ERaW1kq24jUsuZ-vGODVb7gWJn2RoC_HwQAvD_Bw

A SUCCESS STORY

(based on research)

LB.Profil is a company that was bought in 2017 by the Tešanj company Hifa Oil, which trades in oil and oil derivatives, and is involved in the production of profiles for doors and windows. They produce wide-purpose profiles, primarily for doors and windows, as well as industrial profiles. The sale of LB.Profil for BiH and other countries of the region is carried out by Euro Royal, also a member of the Hifa Oil group. In the last three years, Hifa Oil has invested more than 2 million KM in new systems and development. New investments resulted in strengthening the market position and gaining new customers, with a special emphasis on Austria and the Netherlands, as well as the countries of the Western Balkans, and Bosnia and Herzegovina. In this regard, since January of this year, the company has standardised its production according to ISO 50001. The company points out that with this certificate it enters the rank of industrial leaders when it comes to production management according to ISO regulations. This standard requires continuous improvement of their energy saving system. In addition, this is a significant progress in building the LB.Profil brand, which previously met all market conditions, as well as legal regulations in accordance with demanding EU norms. On the EU market, it is of great importance whether the products meet the ecological standards of rational energy use, and with this certificate the LB.Profil brand has officially become energy responsible.

A SUCCESS STORY

(based on questionnaires/interviews)

The company **TT kabeli** from Široki Brijeg is involved in the production of low-voltage cables for various purposes, including cables for wind power plants, solar power plants, and distribution and transmission of electricity. It places its products on the market of Europe (especially the Nordic countries), Africa, the Middle East and North America. Among the series of acquired certificates, the company can boast of certification according to ISO 50001. Although it was initially prompted by the client's requests when submitting tender documents for job competitions, the company's certification according to this standard brought countless advantages. In the first place, it managed to reduce energy consumption per ton of product by implementing several measures, such as replacing halogen with LED lighting bulbs, replacing diesel forklifts with more environmentally friendly gas alternatives and installing compensation batteries. After that, they continued to work on further reducing energy consumption through the company's energy management. The process of certification and subsequent recertification went flawlessly, skilfully managed by the company's expert in charge of these processes. The company points out that it is very important for this process to have a person in charge who knows the entire production process well and who has the necessary professional knowledge in the field of certification. In this way, an adequate understanding of all conditions of the standard is ensured and possible difficulties during implementation arising from potential misunderstandings are avoided. Successfully satisfied annual audits conducted by customers serve as proof of their continuous compliance and implementation of standards in business. With this certificate, the company maintains the image of a company dedicated to sustainability, and in the future they have a plan for certification according to another standard - ISO 14044.

3.6 Forest Stewardship Council (FSC)

ABOUT THE CERTIFICATE

The Forest Stewardship Council (FSC) is an international non-profit organisation that promotes responsible forest management worldwide. FSC was founded in 1993 in response to concerns about deforestation, illegal logging, and the social and environmental consequences of unsustainable forestry practices. FSC is present in more than 80 countries. It cooperates with various stakeholders, including forest owners and managers, business entities, environmental organisations and local communities, with the aim of promoting responsible forestry practices worldwide. According to data from September 2021, FSC has over 1,300 members, and there are 356 companies with FSC certification in Bosnia and Herzegovina⁵. FSC has a voluntary certification system for forest products. The certification process includes independent third-party assessments according to strict FSC standards for responsible forest management. As of May 2020, over 1.88 million hectares, or about 83% of state forests, in BiH have FSC certification.

APPLICATION SECTOR

Wood sector

PURPOSE OF APPLICATION

This certification ensures that the wood used in production comes from responsibly managed forests and that the process meets environmental, social and economic standards. It covers the entire production chain, from cutting wood to the final product.

ADVANTAGES

- Retention of existing customers
- Acquiring new customers
- Increasing the competitiveness of the company
- Increase in exports due to the expansion of business volume
- Improved company image
- Companies holding the FSC certificate more simply and easily meet the requirements of the EU Timber Regulation (EUTR)

CERTIFICATION STEPS

- Adopting the applicable norm
- If necessary, the company can hire a qualified consultant⁶ to help prepare for the company audit, which is mandatory before issuing the certificate
- Finding an accredited certification company and submitting an application for FSC certification
- After the organisation's production processes are adapted to the requirements of regulatory documents, the organisation shall be evaluated (audited) so that the compliance with the applicable standards be determined
- If the certification body determines that the company's supply chain system complies with the requirements of the standard, an FSC certificate shall be issued
- The responsibility for issuing certificates and conducting annual audits of issued certificates rests with certification bodies that are impartial and independent from FSC and internationally accredited by Assurance Services International (ASI).
- The certificate is valid for a maximum period of five years
- Certified companies must undergo an annual surveillance audit and, at the end of the five-year period, an audit for certification renewal

⁵ M. Šipragić, Wood Industry of Bosnia and Herzegovina - Performance and Export Analysis, GIZ, 2022

⁶ <https://adria-balkan.fsc.org/hr/baza-podataka/kvalificirani-savjetnici>



CERTIFICATION COMPANIES IN BIH

- Bureau Veritas
- Societe Generale de Surveillance
- Soil Association
- TÜV NORD Adriatic d.o.o.
- TÜV Rheinland InterCert d.o.o.

APPROXIMATE PRICE AND TIMEFRAME

- The cost of obtaining and maintaining FSC varies depending on factors such as the size of the forest operating company, the complexity of the supply chain and the chosen certification body.
- The duration of the FSC is usually five years, during which annual surveillance audits are carried out.

USEFUL LINKS:

<https://fsc.org/en>

<https://fsc.org/en/adria-balkan/bos>

A SUCCESS STORY

(based on research)

The company **Ramex** from Kladanj was founded in 1992 and specializes in the production of massive custom-made furniture with a focus on children's furniture made from beech wood. A complete range of furniture is made for renowned customers throughout Europe, North America and Asia.

In order to increase awareness of the importance of preserving the environment, natural resources and human lives, the Ramex company has decided to completely circle the production process and completely remove the negative environmental impact. Product safety and harmlessness is one of the imperatives of the company, so water-based varnishes are used for finishing the final products. All waste generated during production is further processed and turned into sawdust from which briquettes and pellets are made. In addition, the possession of the FSC certificate (from logs to final products) also contributes to this goal, thereby contributing to the responsible management of forests and their preservation. With the FSC certificate, in addition to contributing to the preservation of the environment, it also contributed to its personal development through increasing competitiveness on the world market.

Ramex is a term that today signifies the key and strength of the timber industry in the municipality of Kladanj and it is also a significant factor in the economic development of this municipality. Quality, environmental awareness and attitude towards employees have brought the company to a special status on the world map of wood processors and sellers.

A SUCCESS STORY

(based on questionnaires/interviews)

The Tešanj company **Artisan** highlights its dedicated approach to providing top quality products to its customers. It achieves its reputation through careful management of the entire production process, following every step from the log to the perfectly crafted final product. The impressive raw material drying capacity of 1,150 cubic meters enables the natural wood drying process to be applied, which results in exceptional material quality. Artisan's production facilities cover over 20,000 square meters, enabling production with high precision and volume. The company Artisan has gained international recognition and numerous awards, in this way, the pursuit of excellence is recognised around the world.

It is committed to preserving natural resources, and it therefore uses wood exclusively from sustainable sources. For this reason, the Artisan company has had the FSC certificate for many years. Certification was initiated by customer requests, and during the certification process itself, the company was faced with the need to change the organisational structure of production. After successful certification, an improved reputation as an environmentally conscious company was achieved. After certification, the company has no business risks, and has no problems with maintaining standards. Commitment to ecological values is also manifested through the possession of the ISO 14001 standard, and the use of exclusively ecologically acceptable materials for processing, as well as through the use of natural oils and waxes that emphasise the refined and organic beauty of the wood texture. These carefully selected agents enable the wood to retain its natural vitality and ability to "breathe".

3.7 Programme for the Endorsement of Forest Certification (PEFC)

ABOUT THE CERTIFICATE

The Programme for the Endorsement of Forest Certification (PEFC) is an international, non-profit, non-governmental organisation that promotes sustainable forest management through independent certification by authorised third parties. PEFC was founded in 1999 in Europe, on the initiative of owners and managers of small forests, as a mechanism for promoting and validating independent national certification systems. It currently recognises national certification schemes in 55 countries. It is considered a voluntary certification system for owners of small forests and for companies that use forest products. With more than 280 million hectares of certified forests, PEFC is the largest certification system in the world. In addition, there are more than 20,000 companies that have obtained PEFC chain of custody certification, demonstrating their commitment to responsible sourcing of certified products. Seven companies from BiH have the PEFC certificate⁷.

APPLICATION SECTOR

Wood sector

PURPOSE OF APPLICATION

Considering that all companies in the supply chain must be certified, in this way it is ensured that all forest products (wood, wood products, paper and paper products) that are integral parts of the final product come from forests where respect of established ecological, social and ethical standards is guaranteed.

ADVANTAGES

- Products will be eligible for participation in tenders in accordance with the guidelines on green public procurement
- The company will be published in a publicly available internet search engine of certification companies
- By introducing a traceability system, it will be possible to better control and manage material resources in the company
- The company will have access to new markets, but it also protects the world's forests
- Greater customer confidence in the company's products will be ensured
- Companies holding the PEFC certificate more simply and easily meet the requirements of the EU Timber Regulation (EUTR)

CERTIFICATION STEPS

- Finding an accredited certification house and submitting an application for PEFC certification
- Based on this application, the certification company sends a proposal, i.e. an offer with an estimate of certification costs
- If the certification body determines during the audit that the company's supply chain system is in line with the requirements of the standard, a PEFC certificate shall be issued
- The certificate shall be valid for a maximum period of five years
- During this time, the certification body conducts annual surveillance audits to determine that the company's operations continue to comply with the prescribed requirements.
- Before the certificate expires, a recertification audit is conducted, which starts a new five-year cycle of certificate validity

CERTIFICATION COMPANIES IN BIH

- Bureau Veritas
- TÜV NORD Adriatic d.o.o.

APPROXIMATE PRICE AND TIMEFRAME

- The price of the certification consists of PEFC fees and the audit cost. Most certification bodies determine their fees on the basis of the time required to conduct an audit (assessment of compliance with the standard). Audit time depends on a number of variables, including the size of the company and the complexity of the monitored traceability chain, and in average it lasts between half a day and two days.
- The price of surveillance audits also depends on the degree of complexity of the company and the time required to conduct the audit.
- The PEFC usually lasts for five years, during which annual surveillance audits are to be carried out.

USEFUL LINKS:

<https://www.pefc.org/>

[https://www.pefc.org/for-busi-](https://www.pefc.org/for-business/supply-chain-companies/how-to-get-certified)

[ness/supply-chain-companies/how-to-get-certified](https://www.pefc.org/for-business/supply-chain-companies/how-to-get-certified)

A SUCCESS STORY

(based on research)

Standard Furniture Factory d.d. is a company that produces wooden furniture intended for dining rooms and was founded in 1965. From the very beginning, the products of this company were widely exported and today they can be found in various showrooms throughout Europe. Most of their products are exported to Germany, Austria, Belgium, Switzerland, France, the Netherland, etc. The company focused on the development, production and sale of dining room furniture, such as chairs, tables, armchairs, benches and showcases, with a special emphasis on high product quality.

Since July 2020, the company is the owner of the PEFC certificate, which confirms their concern for responsible forest management, something they are particularly proud of. The company has successfully passed the certification audit for PEFC, which proves that all their products, which are so marked, originate exclusively from verified and sustainable wood sources. Acquiring the PEFC certificate not only strengthened their competitiveness on the European furniture market, but also increased the confidence of their customers.

Furniture factory Standard d.d. proved that environmentally responsible practices are not just a passing trend, but a strategic choice with positive effects. With every piece of furniture made from sustainably sourced wood, they continued to make a difference, one step closer to a greener, brighter future.

3.8 Responsible Steel

ABOUT THE CERTIFICATE

ResponsibleSteel is an international initiative that sets the standard for sustainability in the steel industry. The standard is based on the ISEAL Codes⁸ of Good Practice.

The main objectives of the standard are:

- improving energy efficiency,
- reduction of greenhouse gas emissions,
- waste management,
- environmental protection,
- increasing transparency in the steel industry

These goals reflect broader efforts to align the steel industry with sustainability principles and become more responsible to the environment, community and employees.

It is considered a voluntary certification system. The company's assessment, i.e. the audit, is carried out by independent certification bodies approved by ResponsibleSteel and published on the site. The certification body submits an official report on the performed audit to ResponsibleSteel, which then makes a decision on the company's certification and issuing the certificate. There are currently 57 certified companies across Europe, Asia, Australia, and North and South America, with 14% of the total world steel production covered by membership.

APPLICATION SECTOR

The steel industry, which includes steel producers, raw material suppliers, steel buyers and other participants in the steel supply chain

PURPOSE OF APPLICATION

The purpose of applying the Responsible Steel certificate is to promote sustainability in the steel industry and reduce its negative impacts on the environment, society and management.

ADVANTAGES

- Improving reputation and competitiveness: Customers are increasingly looking for sustainable and responsible products, and certification provides proof that steel production is carried out according to the highest standards.
- Access to markets: Enables companies to access new markets and better positioning in a market that appreciates sustainability
- Compliance with regulations and standards: Helps companies to comply with relevant laws, regulations and international sustainability standards in the steel industry, which reduces the risk of non-compliance and improves compliance with regulatory requirements
- Improving efficiency and reducing costs: Implementation of sustainable practices according to ResponsibleSteel standards can result in increased energy efficiency, waste reduction, better resource management and process optimisation.
- Contribution to sustainability and environmental protection: The certificate recognises companies that implement measures to reduce negative environmental impacts, which contributes to global efforts for sustainability and environmental protection.

CERTIFICATION STEPS

- Self-assessment: The company performs a self-assessment in accordance with the certification requirements. Then, the company contacts the approved certification body
- The first phase of the audit: During this step, the self-assessment and location documentation are reviewed, and the certification body also considers the input of interested parties and conducts a media analysis.
- The second phase of the audit: Auditor's visit to the company, interviews with location management,

⁸ <https://www.isealalliance.org/defining-credible-practice/iseal-codes-good-practice>

employees and external associates

- Preparation of reports on performed audits by the certification body
- Submitting the report to the Security Committee
- If the Commission decides that the company has met the requirements of the standard, the company shall receive a certificate, which shall then be published on the website of ResponsibleSteel.
- Compliance with standards is continuously monitored, followed by surveillance audits
- Recertification shall be done after three years

CERTIFICATION COMPANIES IN BIH

- DQS BH - BH cert d.o.o.

APPROXIMATE PRICE AND TIMEFRAME

The annual membership fee is calculated according to the company's annual income:

- income more than USD 20 billion – USD 60,000 membership fee
- income of USD 10 to USD 20 billion – USD 38,000 membership fee
- income of USD 5 to USD 10 billion – USD 35,000 membership fee
- income of USD 1 billion to USD 5 billion – USD 20,000 membership fee
- income from USD 100 million to USD 1 billion – USD 7,000 membership fee
- income from USD 1 million to USD 100 million - USD 1,200 membership fee
- income less than USD 1 million – USD 150 membership fee
- The duration of the certificate is three years.

USEFUL LINKS:

<https://www.responsiblesteel.org/standard/>

<https://www.dqsglobal.com/bo-ba/certificiranje/responsiblesteel-certifikacija>

<https://corporate.arcelormittal.com/sustainability/responsiblesteel>

A SUCCESS STORY

(based on research)

ArcelorMittal is the world's leading steel company, operating in more than 60 countries around the world. Production facilities are located in the regions of Europe, America, Africa and Asia, which contributes to their key status in the global steel industry. The company produces a wide range of products that are used in various industries, such as: the automotive industry, the construction industry, the production of household appliances, etc.

The company is the proud owner of the ResponsibleSteel standard for its production facilities in Belgium, Luxembourg and Germany as of July 2021. After that, the company strove for the continuous improvement of other business units, so that recently the production facilities in France and Spain are also owners of this standard. The company has worked hard in all these places to meet the 12 principles of the ResponsibleSteel standard. The company's management points out that it was not an easy task and that they believe that building an environmentally responsible steel sector requires a comprehensive approach that includes a number of criteria in all aspects of management (social, environmental and corporate aspects). They point out that it is not enough to focus only on reduced carbon emissions. Certified sites must also ensure that they are fully aligned with other sustainability goals, e.g. ensuring good water management, creating a healthy and safe workplace, protecting labour rights and participating in joint work with local communities and other stakeholders. They especially point out how this certification distinguishes them from their competition and confirms the path they have taken to decarbonise their business and make it sustainable for future generations. This is what sustainable governance is based on, i.e. governance that combines economic progress, social inclusion, environmental sustainability and transparent governance, with the aim of creating a more sustainable future for people and the planet.

3.9 Eco-Management and Audit Scheme (EMAS)

ABOUT THE CERTIFICATE

Eco-Management and Audit Scheme (EMAS) is a voluntary certification system of the European Union for environmental management that was first published in 1993. It was established with the aim of encouraging organisations to improve their environmental management, implement systematic monitoring and reporting of their activities, and achieve high standards in terms of environmental protection. EMAS deals with various aspects of environmental management, including: identification and assessment of organisations' impact on the environment, implementation of measures to reduce negative impacts, and monitoring and reporting of results. EMAS is actually a kind of upgrade of the international standard - the environmental management system ISO 14001. Organisations that are already certified according to the ISO 14001 standard have a significantly easier registration in EMAS, provided that they meet certain specific requirements of the EMAS certificate. The certification system is transparent and includes independent verification by accredited bodies. As of November 2022, 4,014 organisations with a total of 12,731 locations were registered in the EMAS register.

APPLICATION SECTOR

Complete economic sector, including wood and metal

PURPOSE OF APPLICATION

The purpose of the application is to achieve sustainable development and reduce the negative impact of companies on the environment.

ADVANTAGES

- Increased credibility, transparency and reputation of the organisation
- Cost reduction: better management of resources (more efficient use of energy and other resources)
- Substantial reduction of the risk related to the environment in the business/performance of the organisation's activities
- Improved monitoring of legislation and ensuring constant compliance with the environmental protection regulations
- Increased competitiveness of the organisation on the market
- Improved relationship with employees due to improved work environment

CERTIFICATION STEPS

The steps in the certification process are:

- Self-assessment of environmental management, which implies conducting a self-audit of all aspects of production in accordance with the EMAS requirements
- Implementation of an appropriate environmental management system based on the results of a self-assessment
- Creation of the Environmental Statement on the basis of which verifiers of environmental protection review the procedure of conducting an audit of the environmental management system
- If the validation is successful, the competent authority registers the organisation in the European Register of Locations⁹
- The audit interval is determined based on the size of the organisation. The certificate is usually valid for a period of three years

CERTIFICATION COMPANIES IN BIH

- No certification company in BiH currently performs certification according to this standard.

⁹ Each EU member state has a competent authority that is responsible for registering organisations and maintaining a list of registered organisations. Given that Bosnia and Herzegovina is not a member of the EU, the competent authority for registration has not yet been established.

- For this certification, companies usually cooperate with the so-called “ecological verifiers” or “EMAS authorised verifiers” who are independent persons or institutions authorised by national authorities for the implementation of EMAS.

APPROXIMATE PRICE AND TIMEFRAME

- The costs associated with obtaining and maintaining the EMAS certificate may vary depending on factors such as the size and complexity of the company, the scope of the environmental management system, and the chosen certification body.
- Certification costs may include several components: registration fees, verification and audit fees, annual fees accompanying annual environmental reports, consultation costs and additional costs related to training, data collection and reporting.
- EMAS is usually valid for three years. After the initial certification period, organisations must undergo a recertification process.

USEFUL LINKS:

https://green-business.ec.europa.eu/eco-management-and-audit-scheme_en

A SUCCESS STORY

(based on research)

Parador is a German company founded in 1977 that offers a wide range of products, including laminate floors, parquets, panels, and modular and textile floor coverings. Commitment to quality, innovation and environmental protection enabled the company to become a leader in the industry and establish a recognisable presence on the market. As the company points out, the concept of a quality life for them means taking responsibility for the social and ecological consequences of their activities - starting from the extraction of raw materials, production conditions at different locations, the impact of products on life’s health and comfort, all the way to the use of products until the very end of their life cycle. Sustainability is an integral part of their corporate strategy, which is reflected by having the EMAS certificate for sustainable environmental management, which has been in effect since 2015. One of the significant advantages that Parador gained through the implementation of the EMAS certificate is transparent and proactive communication with its partners and the public about its sustainable practices. This strengthens trust in the brand, provides relevant information to consumers and creates a positive image as a responsible company. In the environmental statement, which is mandatory under EMAS, they provide their partners and the public with reliable information about goals, measures and key indicators. A comprehensive internal audit of environmental protection is carried out regularly to check whether the set goals are being achieved, and the results are made public annually. By achieving sustainability goals and reducing environmental impact, Parador realises savings through increased resource efficiency, lower energy consumption and reduction of CO2 emissions. This not only supports environmental protection goals, but also positively affects business profitability. EMAS certification also opens up opportunities for the company to engage in innovative projects aimed at sustainability and to further connect with a community that appreciates ecological values. Through consistent monitoring of its sustainable performance and transparent communication, Parador continues to strengthen its image as a responsible company that strives for harmony between business performance, social responsibility and environmental protection.

3.10 EU Ecolabel

ABOUT THE CERTIFICATE

The EU Ecolabel is an official voluntary eco-label of the European Union intended to mark products and services with less negative impact on the environment, compared to similar or the same products and services from the same product group. It belongs to Type I eco-label and declaration according to the international standard EN ISO 14024:2000, which implies an independent third-party verification system. It was established in 1992 as part of the EU's wider aim to encourage sustainable production and consumption. By March 2023, 2,367 licenses were granted for 88,045 products and services on the EU market. It covers a wide range of products, including furniture and wooden floor coverings. The goal of the EU Ecolabel is to reduce the negative impact of products and services on the environment in all phases of the life cycle, including raw materials, production, use and disposal. This label provides consumers with reliable information about environmentally friendly products and services, and helps them make informed purchasing decisions.

APPLICATION SECTOR

A wide range of products and services (in the context of the subject of this guide, it is applicable to the wood sector, that is, the production of furniture as a final product. In the metal industry, it can be applied to the production of metal components that are integral parts of, for example, electrical and electronic devices)

PURPOSE OF APPLICATION

Encourage the development and promote environmentally friendly products and services on the market. For the wood industry, i.e. furniture, the EU Ecolabel ensures the sustainable use of materials from legal sources, the reduction of hazardous substances and harmful residues, and the low emission of harmful and dangerous substances. In the context of the metal industry, this certification aims to ensure that electronic displays are energy efficient, repairable, and encourages the recycling of parts, promoting sustainability in production and use.

ADVANTAGES

- Products and services have less negative impact on the environment, reducing the consumption of resources, emissions of harmful substances and the amount of waste
- Cost savings as a result of increasing the efficiency of the production process and reducing energy consumption
- Consumers have reliable information about environmental acceptability
- Companies stand out on the market as leaders in sustainability
- New market opportunities for companies
- Supporting EU goals and policies in terms of sustainable development and environmental protection

CERTIFICATION STEPS

- Application of the company to the competent authority in the member state of the European Economic Area in which the product is (or should be) put on sale, which evaluates the applications received.
- An EU Ecolabel application can cover a single product or a range of products, regardless of how many different names or brands are used for that product(s).
- The applicant is responsible for drawing up the application and obtaining all necessary supporting evidence, which may include tests, etc.
- The applicant must pay the application fee and the annual license fee if required by the competent authority
- The certification body located at the relevant national environmental ministries or agencies approves

the application and grants the license after all potential problems have been resolved and any missing documentation has been submitted.

- The certificate is usually valid for a period of 3 to 5 years

CERTIFICATION COMPANIES IN BIH

- Competent authorities in each of the EU member states that are established under the relevant ministries or agencies for the environment

APPROXIMATE PRICE AND TIMEFRAME

EU Ecolabel prices include a one-time application fee and an annual fee paid to the certification body that processes the application.

The application fee for the EU Ecolabel amounts to:

- EUR 200 - 350 for micro-companies,
- EUR 200 - 600 for SMEs and companies from developing countries,
- EUR 200 - 2,000 for all other companies.
- There is a 30% discount for companies registered under EMAS or a 15% discount for companies that are certified according to ISO 14001. The discounts are not cumulative, but only a larger discount applies if the company fulfils both systems.

The maximum annual fee for using the EU Ecolabel is limited to:

- EUR 18,750 for micro-companies, SMEs and companies from developing countries,
- EUR 25,000 for all other companies.
- The EU Ecolabel shall be awarded for a maximum period of five years.

USEFUL LINKS:

https://environment.ec.europa.eu/topics/circular-economy/eu-ecolabel-home_en

https://europa.eu/youreurope/business/product-requirements/labels-markings/ecolabel/index_en.htm

A SUCCESS STORY

(based on research)

Montana Furniture is a Danish company that has been producing furniture since 1982. In 2019, the company received the official EU Ecolabel label for its products, thus becoming one of the first Danish furniture manufacturers to have the EU Ecolabel label. The company's executive director points out that achieving this certification was very important to them, and that they worked on it for a long time. He is extremely proud because his company is one of the first furniture manufacturers in Europe to achieve this, and he considers sustainability a key responsibility during its business.

The EU Ecolabel guarantees:

- that the company uses a large percentage of wood from legally managed sustainably managed forests,
- that the company applies strict restrictions when using substances hazardous to the environment,
- that the company applies strict restrictions when using toxic substances,
- that the company uses wood that has a low formaldehyde emission.

In this way, the EU Ecolabel improves the sustainability of Montana's products, ensures transparency, and gives consumers a recognisable label when choosing products.

3.11 Eco-label

ABOUT THE CERTIFICATE

The eco-label is a certificate awarded at the level of the Federation of BiH and Republika Srpska and is valid only on the territory of Bosnia and Herzegovina. The method of creating and selecting the eco-label, as well as the conditions for obtaining and awarding the eco-label are defined by the Rulebook on Eco-labels and on the Management of Eco-labels ("Official Gazette of the FBiH", No. 92/07 and 36/10) and Rulebook on Eco-labels and on the Management of Eco-labels ("Official Gazette of RS", No. 108/13). The eco-label is an emblem that is awarded on the basis of established criteria, with the participation of experts and the public according to a precisely established procedure, and refers to quality from the aspect of environmental protection during the entire life cycle of the product and denotes that product which, with regard to related or the same products, has reduced negative impact on the environment. This certificate has not come to life on the territory of Bosnia and Herzegovina, there is no demand for it from the market or customers in order for companies to be interested in having an eco-label. For the first time in 2012, the Federation Ministry of Environment and Tourism awarded eco-labels to three companies as part of the public campaign "Eco-label - Friend of Nature". The main goal of the campaign was to start the promotion of environmentally friendly products. Further ecolabel awarding activities did not take place in FBiH. In RS, no company has been awarded an eco-label.

APPLICATION SECTOR

A wide range of products and services in accordance with products defined by eco-labelling in the EU (in the context of the subject matter of this Guide, it is applicable to the wood sector, i.e. the production of furniture as a final product. In the metal industry, it can be applied in the production of metal components that are integral parts of electrical and electronic devices).

PURPOSE OF APPLICATION

Encourage the development and promote environmentally friendly products and services on the market. For the wood industry, i.e. furniture, the EU Ecolabel ensures the sustainable use of materials from legal sources, the reduction of hazardous substances and harmful residues, and the low emission of harmful and dangerous substances. In the context of the metal industry, this certification aims to ensure that electronic displays are energy efficient, repairable, and encourage the recycling of parts, promoting sustainability in production and use.

ADVANTAGES

- Products and services have less negative impact on the environment, reducing the consumption of resources, emissions of harmful substances and the amount of waste
- Cost savings as a result of increasing the efficiency of the production process and reducing energy consumption
- Consumers have reliable information about environmental acceptability
- Companies stand out on the market as leaders in sustainability
- Supporting EU goals and policies in terms of sustainable development and environmental protection

CERTIFICATION STEPS

- The procedure for obtaining the eco-label is initiated by submitting a written request for the award of the eco-label, which the manufacturer submits to the competent Ministry. The request must contain:
 - name and address of the manufacturer
 - the name of the product for which the eco-label is requested
 - registration number from the corresponding register
 - description of the technological process



- description of technological changes, energy improvements, and the choice of raw materials with the aim of a more favourable impact on the environment
- comparison with other same or similar products on the BiH market
- product quality certificate
- safety-technical lists of products and raw materials according to European guidelines
- water permit
- environmental permit
- data on consumption of natural resources
- description of waste disposal methods

CERTIFICATION COMPANIES IN BIH

The eco-label in the FBiH and RS is awarded by the competent ministries for the environment - the Federation Ministry of Environment and Tourism and the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska.

APPROXIMATE PRICE AND TIMEFRAME

- The price is determined by the Law on Federation Administrative Fees and the Tariff of Federation Administrative Fees ("Official Gazette of FBiH", Nos. 06/98, 08/00, 45/10, 43/13 and 98/17) and the Law on Administrative Fees ("Official Gazette of RS", Nos. 100/11, 103/11 - corrected, 67/13 and 123/20).
- The eco-label is awarded for a maximum period of four years in the FBiH and three years in RS.

USEFUL LINKS:

http://www.podaci.net/_gBiH/propis/Pravilnik_o_eko-oznakama/P-enueko04v0792-1036.html

http://www.podaci.net/_gBiH/propis/Pravilnik_o_eko-oznakama/P-enueko03v0822.html

3.12 European Technical Assessment (ETA) and CE marking

ABOUT THE CERTIFICATE

European Technical Assessment (ETA) is a voluntary assessment procedure for construction products that are not covered by harmonised standards. It is actually a document that provides information about their property rating. The procedure defines the way in which the manufacturer should draw up the Declaration of Properties and place the CE marking. Only independent Technical Assessment Bodies (TABs) can issue an ETA. These bodies are appointed by EU member states in accordance with national procedures. The list of TABs can be found in the database - New Approach Notified and Designated Organisations (NANDO)¹⁰.

The CE marking indicates that the manufacturer has tested the product and assessed that it meets EU requirements in the area of safety, health and the environment. The sign is mandatory for products that are manufactured in any part of the world outside the EU, and then placed on the EU market.

APPLICATION SECTOR

The construction industry, which includes construction products made of wood and metal (e.g. windows, doors, etc.), and the electrical equipment industry

PURPOSE OF APPLICATION

ETA provides a standardised and reliable assessment of the performance of construction products, enabling manufacturers to demonstrate compliance with essential requirements and gain market access for innovative products in the construction industry.

The CE marking confirms that the product is in compliance with European legislation and that it is enabled for an unhindered flow on the European market.

ADVANTAGES

- Products meet high quality and safety standards, which increases customer confidence and makes the company more competitive
- Products with the CE marking have free access to the market within the EU, which facilitates the distribution and marketing of products to different markets
- ETA enables manufacturers to introduce innovative products with shorter timelines, as their essential performance can be independently assessed, which encourages the development of new and improved products
- The CE marking provides security and confidence to end users
- Reducing the risk of non-compliance with EU laws and potential sanctions
- Ensuring a more efficient, transparent and safer construction products market, which makes it easier for consumers to make decisions about the products they buy

CERTIFICATION STEPS

ETA:

- The manufacturer requires the issuance of an ETA for a construction product that is not covered or not fully covered by the harmonised standard. The request is directed to the TAB for the appropriate product area
- TAB assesses construction products on the basis of European assessment documentation
- If the product meets the essential requirements, the TAB issues an ETA document that describes the product, its performance and application
- CE marking:
 - The manufacturer ensures product compliance with relevant European directives and standards
 - The manufacturer determines whether he can evaluate his product himself or whether the participation of a notified body will be necessary
- The manufacturer creates technical documentation and a declaration of conformity for the product

¹⁰ <https://single-market-economy.ec.europa.eu/select-language?destination=/node/1>



- On the basis of the received ETA assessment and declaration of conformity, the manufacturer can apply for the CE marking on the product
- The product is placed on the market with the indicated CE marking, which confirms compliance with the applicable European legislation

CERTIFICATION COMPANIES IN BIH

- BH CERT
- TÜV SÜD BiH
- SGS BiH
- Certis BH

APPROXIMATE PRICE AND TIMEFRAME

- The procedure lasts about 5 months if it does not require the development of a new EAD (European Assessment Document). If a new EAD needs to be developed, the process can take up to 9 months.

USEFUL LINKS:

<https://www.eota.eu/what-is-an-eta>

https://single-market-economy.ec.europa.eu/sectors/construction/construction-products-regulation-cpr/european-assessment-documents-and-european-technical-assessments_en

<https://bmcertification.com/eta-european-technical-assessment/>

A SUCCESS STORY

(based on research)

Krivaja TMK from Zavidovići is a company that specialises in the design and production of modern low-energy houses and energy-efficient building joinery. Their low-energy houses are carefully designed and built for absolute comfort, while at the same time guaranteeing minimal energy consumption. With many years of tradition, Krivaja TMK also produces construction joinery, made of top quality materials and the most modern technologies. Constant improvement is the basis of quality improvement, which guarantees that their customers will receive customised, top-quality products. Since 2010, Krivaja TMK has proudly carried the CE marking for its products. The company points out that with the ETA certificate, which the company received in November 2009, and the CE marking for the assembly of low-energy construction, they have overcome all obstacles in the export of their main product, thereby increasing their market share in the EU. By offering reliable and sustainable solutions, the company continues to contribute to the advancement of low-energy construction and the promotion of greener, more environmentally friendly housing options.

A SUCCESS STORY

(based on questionnaires/interviews)

The **KONTINENTAL** company from Kiseljak is engaged in the production of construction carpentry - windows, doors, movable shutters, sheds. All products are made of the highest quality dried wood. The company defines its own production programme and business policy with top quality, and the use of exclusively natural materials that create a special comfort in residential and other spaces, as well as energy saving. In the final stage of woodworking, paint and varnish coatings are used according to the most modern ecological standards. Based on the completed questionnaire, Kontinental stated that the introduction of the CE marking brought benefits to the company, opening the door to new markets and providing an opportunity for further growth. Given that the company exports 80% of its products, they decided to introduce this standard 10 years ago. Given that the CE marking is a trade passport for products, if the company had not introduced this certificate, it would not be able to export its products to foreign markets. Through the possession of the CE marking, the company continued to export to the EU market without problems and became recognisable as environmentally conscious, thus strengthening its image and building trust among clients. During the implementation of this certificate, the company did not face any challenges, nor was it forced to change its production process. This dual benefit of certification provides a stable foundation for future success in line with a dedicated path to sustainability.

3.13 The Green Dot

ABOUT THE CERTIFICATE

The green dot is an internationally recognised sign put on product packaging to indicate that the company that placed the product on the market participates in the packaging waste recycling system. The green dot began to be applied in the eighties of the last century in Germany. Owner of the sign, the German company Duales System Deutschland AG. (D. S. D.), entrusted the management and coordination of the use of the mark outside the German market to the umbrella European organisation PRO-EUROPE from Brussels. The Green Dot deals with the establishment and development of the packaging waste collection and recycling system in accordance with the principle of “extended producer responsibility” (Extended Producer Responsibility - EPR). Authorised operators of the system, which operate in almost every European country, are the holders of the rights to the sign and are responsible for regulating the use of the sign. The sign is registered in more than 170 countries and is used by over 170,000 companies, with around 400 billion units of packaging being marked annually. Through the use of this sign, companies convey a message to consumers and business partners that they care about environmental protection and that there is a system that will take care of the collection and recycling of packaging after the product has been consumed.

APPLICATION SECTOR

Companies of all sectors that produce or import packaged products are responsible for packaging waste management

PURPOSE OF APPLICATION

Promoting sustainable management of packaging waste and encouraging companies to take responsibility for their environmental footprint

ADVANTAGES

- Improved company reputation and increased customer trust
- Reduction of waste disposal costs
- Compliance with legal regulations on environmental protection
- The possibility of accessing new markets and business opportunities
- Improving the brand and gaining a competitive advantage
- Increasing employee awareness of sustainability

CERTIFICATION STEPS

- Contacting the accredited body responsible for managing the Green Dot system in the country of the company that wants to apply
- Submitting an application to the certification body and providing the necessary documentation, such as company information, product details and packaging specifications
- The certification body conducts an assessment to determine whether the company meets the criteria for using the Green Dot sign
- If the company meets the requirements, it gets a license to use the sign on its packaging
- The company puts a sign on its packaging in accordance with the instructions and pays the prescribed fees
- The certificate usually needs to be renewed at certain time intervals, as determined by the certification body



CERTIFICATION COMPANIES IN BIH

- EKOPAK d.o.o

APPROXIMATE PRICE AND TIMEFRAME

- The Green Dot has different billing models depending on the type of packaging, quantity and region where the product is marketed.
- The Green Dot sign on the packaging usually does not have a specific duration like traditional certifications. Instead, the symbol signifies a commitment to participate in Extended Producer Responsibility (EPR) programmes, which finance the disposal and recycling of packaging materials.

USEFUL LINKS:

<https://www.ekopak.ba/bs/pages/4/znak-zelena-tacka>

A SUCCESS STORY

(based on research)

The company **FEAL** from Široki Brijeg produces various types of aluminium constructions that are used in construction and industry. Most of their products are marketed in the European Union, especially in Germany, Austria and Switzerland. The company has proudly held the title of leader in the aluminium profile market for 40 years, and their commitment to high standards ensures the quality and reliability of the products they offer their clients. Since January 2015, the company has acquired the right to mark its packaging with the internationally protected Green Dot symbol, showing that in this way it contributes financially to the establishment and development of the management and recycling system of packaging waste in BiH through the authorised operator EKOPAK. Through the use of the Green Dot sign, the company demonstrates its awareness of sustainability and the importance of reducing the negative impact on the environment. Acquiring this certificate additionally strengthens customers' trust in the company and its production chain, and promotes awareness of the importance of environmental responsibility in business. In this way, the company Feal confirms its commitment to the preservation of natural resources and the promotion of environmentally acceptable practices in its production, which is an excellent example of how responsible business and environmental protection can be successfully combined in market competition.

4. KEY LEARNINGS AND IMPACTS

The current situation in BiH is presented through a SWOT analysis. The SWOT analysis is based on carefully prepared questionnaires and answers received from 17 companies operating in the wood or metal sector, as well as on organised meetings with stakeholders. The strengths, weaknesses, opportunities and threats faced by each of the surveyed stakeholders were identified, an insight was gained into their aspirations towards sustainable strategies and innovations and, through this, an understanding of the current situation and future challenges for BiH industry was made possible.

The SWOT analysis is illustrated below.



STRENGTHS

- **Increased competitiveness on the market** - Proving the company's commitment to quality and sustainability, certification improves market positioning by attracting new customers and retaining existing ones.
- **Marketing advantage in the market** - Conveying the environmental awareness and quality of the company, the certification provides a convincing marketing tool, which strengthens the trust and loyalty of customers.
- **Encouraging innovation** - Certification encourages innovation throughout the entire structure of the production process, promoting the development of sustainable solutions and increasing long-term competitiveness.
- **Reduction of operating costs and resource savings** - Certification encourages efficient use of resources, reveals opportunities for recycling and reuse, thereby rationalising procedures and reducing production costs.
- **Reduction of negative impact on the environment** - Certification encourages the use of environmentally friendly practices, reflecting responsible environmental management.
- **The legal framework that transposes the Decree relative to the EU Ecolabel** - the Federation of Bosnia and Herzegovina and Republika Srpska have a legal framework for the eco-label in the form of the Rulebook on eco-labels and on the management of eco-labels, which prescribes the method of creating and selecting the eco-label, the conditions and procedure for obtaining it, and the method of awarding the ecolabel. The eco-label has become a very important instrument for implementing the circular economy and green public procurement, as it provides information on which companies produce and provide services that are environmentally acceptable.
- **Easier fulfilment of legal obligations** - Implementation of standards such as ISO 14001 and ISO 50001 enables companies to harmonise their operations with the legislative framework in BiH (laws and regulations in the field of environmental protection, i.e. energy efficiency).
- **Availability of certification companies and individual consultants during the certification process** - The BiH market in the field of certification is not large, but it offers a sufficient number of accredited certification companies. From discussions with industries, it was observed that there are no problems in finding adequate certification companies that can offer the knowledge and expertise needed for companies to get involved in the certification process. Progress in the quality of consulting services is most pronounced during the introduction of standards such as FSC, ISO 14001, ISO 5001, taking into account that these standards exactly are those stipulated by EU customers.



WEAKNESSES

- **Price barrier and variable certification prices** - Certification costs can be a significant obstacle for smaller companies with a limited budget. It often happens that companies give up a certain certificate after requesting an offer from an accredited certification company, which is higher than the offers provided by non-accredited certification companies. The above results in the loss of companies' perception of the real value of accredited certificates.
- **Requests for changes in the organisation** - Certification may require process reorganisation and affect established workflows. The aforementioned often implies additional financial investments that are often not a priority for companies.
- **Requirements for the introduction of innovations in production processes** - Certification could require investments in new technologies and specialised machines in order to fulfil all the requirements of a certain standard.
- **Internal resistance and lack of education** - Employees may show resistance to change, and lack of understanding of the requirements of the standards may make their successful implementation difficult.
- **Insufficiently rounded legal framework** - Although there are legal frameworks for eco-labels and certain green certificates, the EMAS Regulation has not yet been transposed into the legal framework of BiH. This makes it difficult to align the country with EU sustainability standards, which could potentially hinder the trade relations of BiH companies and access to the EU market.
- **Compliance with the regulatory framework at the national and EU level** - Existing regulations on eco-labels and on the management of eco-labels should be harmonised with the relevant EU regulations, and companies should familiarise themselves with the by-laws and opportunities offered by the eco-label.
- **Absence of an accreditation mechanism for certification companies in BiH** - In BiH there is no legal obligation for certification companies operating in BiH to be accredited according to the ISO 17021 standard. The BiH Accreditation Institute can do this accreditation, but the market in BiH is not sufficiently developed for the scheme to develop at all. This jeopardises the quality of the entire certification process.



OPPORTUNITIES

- **Customer requirements** - Standards such as FSC and ISO 14001 have already become unofficially mandatory for export-oriented companies because a large number of customers on the EU market require possession of the specified standards.
- **Access to new markets** - Considering that an ever-increasing number of consumers become environmentally conscious, the demand for products and services with green certificates is increasing, which provides an opportunity for companies with green certificates to expand into new markets and increase revenues.
- **Green public procurement** - Green criteria are planned to be integrated into the law on public procurement, through a new EU support package, which will give preference to companies with green certificates.
- **Availability of standards** - All standards are available for purchase at the Institute for Standardisation of Bosnia and Herzegovina, with the aim of reading and becoming familiar with the procedure, obligations and benefits before making a final decision on its implementation at the company level. Some of the standards have been translated into our language.
- **Availability of educational content** - Certification companies and consulting companies have extensive experience in the introduction and implementation of standards, especially FSC, ISO 14001 and 50001, and through various educations they can influence their promotion on the BiH market. With the aim of further strengthening the capacity of companies in the field of green certificates, the Foreign Trade Chamber of BiH organises continuous training on standards for all companies in BiH.



THREATS

- **Slowness in the adoption of relevant technical standards** - The level and speed of transposition of relevant technical standards for industrial products is unsatisfactory, and the implementation of technical regulations related to industrial products, including conformity assessment and market surveillance, is at a very low level.
- **Loss of foreign markets** - Export-oriented companies depend on the strict requirements of EU customers, which, among other things, include the possession and implementation of green standards. There is a threat of losing foreign customers if the standard is not introduced and adequately implemented.
- **Monitoring of improvements after the introduction of the standard** - Difficulties in monitoring the improvements provided for by the standard, due to failure to keep records of resource consumption (energy, water), as well as waste streams generated during production. This can lead to companies not seeing the benefits and abandoning recertification.
- **Credibility of green certificates** - Some companies may try to portray their business practices as environmentally friendly, without actual changes in their processes, which can undermine the credibility of the green certificate programme, further reducing demand for the service. For this reason, it is necessary to work on strengthening the legislative framework in this area, so that EU trends begin to be transposed into domestic legislation, and in this way ensure that all provisions of the standard are implemented in the right way.
- **Insufficient public awareness of green products** - Insufficient public awareness can prevent market acceptance of certified green products and services. If the market does not recognise or value green certificates, the company may lose the benefits it expected from their implementation. This can result in less demand for green products, potentially hindering the growth and competitiveness of companies in BiH that invest in environmentally friendly practices. For this reason, it is necessary to work on strengthening public awareness in order to recognise the efforts that individual companies make to make their products environmentally friendly.

The standardisation process in the context of green business of companies in Bosnia and Herzegovina is making progress. The main motives of companies in BiH, especially export-oriented ones, for adopting a certain green standard is to maintain a competitive position on the EU market followed by making a profit. In addition to the demands of EU customers, as a key factor that makes companies decide to introduce green standards, the interest in these certificates has increased in the previous two years due to the energy crisis and the planned introduction of carbon taxes through the CBAM mechanism.

We link green certificates to EU standards (EU Ecolabel, EMAS), then international standards (ISO 14001, ISO 14040, ISO 14044, ISO 14064, ISO 14067, ISO 50001, FSC, PEFC, ETA and CE marking, Green Dot, ResponsibleSteel), and also standards that are regulated by domestic legislation and which form the transposition of EU regulations. Until now, the EU eco-label has been transposed in BiH through the Regulations on eco-labels and on the management of eco-labels in FBiH and RS.

International green certificates (FSC, PEFC, ISO 14001, ISO 50001, CE marking, Green Dot) have found their application in BiH companies. The findings suggest that the biggest influence on the implementation of standards is the demands of customers from the EU market, and the most common standards implemented in the wood and metal sector in BiH are FSC and ISO 14001. Recently, there has been an increase in interest in the ISO 50001 standard due to the energy crisis, and companies' aspirations to reduce electricity consumption in their production processes.

Within the wood sector, the Forest Stewardship Council (FSC) standard, synonymous for responsibility and sustainability, is leading the way and has been adopted in all surveyed industries. This is a clear proof of dedication to environmental protection and forest preservation for future generations, but it is largely conditioned by customer requirements, alignment with specific market requirements or the desire to enter new markets. Also, one surveyed industry bears the ISO 14001 seal, a confirmation that high environmental standards are integrated into their daily work.

The largest number of representatives of the metal sector have implemented the ISO 14001 certificate, becoming an example of environmental responsibility.

A significant number of surveyed industries stated that they plan to introduce ISO 50001 in their operations in the future. This standard for energy management is not only a sign of their pursuit of innovation, but also a proof of their future commitment to more efficient use of energy, cost reduction and minimisation of environmental impact.

There are two key actors in the process of introducing the mentioned international standards: certification companies and companies that implement a certain standard.

Several certification companies operate in Bosnia and Herzegovina, of which a significant number are large international certification companies that have their representative offices in Bosnia and Herzegovina. In addition, domestic certification companies also operate in BiH, therefore it is extremely important that companies, before choosing a certification company, carefully check and establish cooperation with those accredited by internationally recognised accreditation bodies.

The price of certification for each standard is determined on the basis of several factors and specificities, and the key factors that shape the price for a particular company include the number of employees, the type of activity it engages in, and the level of risk associated with certification. It happens that companies abandon certification after receiving an offer from an accredited certification company, and the reason for this is that there are also non-accredited certification bodies operating on the market that offer certificates at low prices, and as a result, companies begin to lose their perception of the real value of accredited certificates.

Companies that have not adjusted their production to the appropriate standards face an increased risk of delivery delays and possible complaints from end customers. Conversely, companies that have standardised their operations have an advantage in terms of product reliability and quality, which reduces the risk of unforeseen problems. Alignment with relevant standards enables companies to achieve stability in the supply chain, improve production efficiency and meet the expectations of their customers, thereby creating a competitive advantage on the market.

Risks in the business of companies exist even with the possession of standards, but if the company owns the standard, then the risks are more easily defined, recognised and ultimately resolved. A standard can help a company know exactly what to do if something goes wrong.

Before the certification process, it is important to hire a consultant so that the company can interpret the standards and adapt them to its business and processes. That is why it is important that the consultant has a comprehensive understanding of the processes within the company. In the consulting services sector, the greatest progress is observed in areas where standards such as FSC, ISO and similar are stipulated by EU customers, creating an obligation for companies to implement them. In contrast, the offer of consulting services is somewhat more limited for aspects that are not currently imposed by customers, although these services have a significant impact on the added value, performance and competitiveness of companies.

A significant role in the promotion of green certificates and strengthening the capacity of production companies is played by the Foreign Trade Chamber (FTC) of Bosnia and Herzegovina. The Chamber regularly organises trainings in the field of certification, where currently the most requested trainings are those in the standards ISO 50001, ISO 14001 and the introduction of the CE marking. FTC founded the Energy Efficiency Network as a step forward and support towards the adoption of ISO 50001 and ISO 14001 standards.

In BiH, in the coming period, it is necessary to prioritise directives, regulations and technical standards from the EU, which must be initiated with the competent authorities in order for certain standards to be adopted and the existing regulations amended. This can be helped by starting a dialogue between stakeholders in order to exchange opinions and initiate activities that will help overcome identified obstacles for better positioning of BiH companies on the domestic and foreign markets, and in the context of the green transition.

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