Guidelines on Conflict of Interest and Impartiality

The Green Electronics Council (GEC) is responsible for conformity assurance processes in the EPEAT System. GEC is the scheme owner of EPEAT, and in this capacity defines conformity assurance requirements for the system. GEC also operates a Conformity Assurance Body (the Green Electronics Council CAB or GEC CAB). GEC CAB delivers conformity assurance services in the EPEAT System. GEC is committed to ensuring impartiality and transparency in its roles as both scheme owner of EPEAT and as a CAB. GEC has taken a number of steps to ensure that all of its activities are undertaken impartially and that all GEC personnel are free from conflicts that may influence the outcomes of conformity assurance activities. Conformity assurance activities include Desk Review, Verification Investigations and any other activities intended to ensure the accuracy of the EPEAT Registry.

In addition to establishing documented procedures on the management of impartiality, GEC has developed these guidelines, which are intended to help personnel and members of the GEC Committee on Impartiality understand and identify conflicts of interest. These guidelines are intended to provide additional context to GEC Procedure 2 (P02), Management of Impartiality.

Conflicts of Interest can arise in any areas of GEC’s operations as a CAB or scheme owner. These guidelines provide a framework for identifying conflicts at the organizational and personnel levels and for managing these conflicts and ensuring impartiality.

Conflict of Interest and Impartiality: Definitions
Conflict of interest occurs when GEC personnel or GEC as an organization has interests which parallel or influence those of others. Any situation where conformity assurance processes may be influenced by pressure from commercial, financial, organizational or other obligations is considered a conflict of interest.

Impartiality is defined by ISO as the presence of objectivity. Objectivity, in turn, means that conflicts of interest do not exist or are managed such that conflicts do not adversely impact GEC’s conformity assurance activities. Impartiality also means that that GEC and its personnel are able to carry out conformity assurance free from the influence of any individual or organization that has a vested interest in the outcomes. Other terms that may be used in conveying impartiality or lack of conflict of interest are neutrality, fairness, independence and balance.

Causes of Conflict of Interest
At the level of GEC Personnel, the following are sources of conflict of interest:

- PERSONAL BENEFIT including direct financial gain, indirect gain (such as currying favor with a client) or internal benefit (such as promotion)
• LOYALTY including involvement of a friend or family in the assessment, a longstanding relationship with the client (such that the assessor feels protective of the client) or previous employment by the client being assessed
• ASSESSING ONE’S OWN WORK

At the organizational level, the following are sources of conflict of interest:

• DIRECT FINANCIAL BENEFIT such as seeking to gain clients at the expense of compromising the assurance process
• INDIRECT FINANCIAL BENEFIT such as using positive outcomes from inspections to retain clients in other business lines or relying on one or two big clients for a substantial portion of income
• DESIRE TO FURTHER ORGANIZATIONAL SUCCESS such as placing financial self-interest above the organization’s mission or lowering quality of conformity assurance principles to achieve short term growth

Types of Conflict of Interest
This policy identifies five general types of conflict that might arise in the course of GEC undertaking conformity assurance as both scheme owner and CAB.

• Sources of income and commercial pressures
• Technical assistance and conformity assurance
• Political pressure and conformity assurance
• Scheme ownership and independence
• Using competent personnel while avoiding conflicts of interest

Sources of income and commercial pressures
The need to be fiscally solvent is an inherent conflict of interest in any conformity assessment body. GEC both generates revenues through client Manufacturers, presenting a financial pressure that has the potential to influence the outcomes of conformity assurance activities.

Being aware of this, GEC carefully reviews any circumstances where increasing the base of client Manufacturers is a budgetary or programmatic goal, such that the quality of conformity assessment services may be compromised in an effort to expand the client base. Fees for services are structured so that larger Manufacturers pay more than smaller Manufacturers. GEC reviews any instances where one client Manufacturer represents a substantial portion of GEC’s income, such that the client receives preferential treatment or is subject to verification, nonconformances and desk review at a lower rate than other Manufacturers with similar characteristics.

Technical assistance and conformity assurance
Given the complexity of the EPEAT System, GEC provides technical assistance to Manufacturers to ensure accuracy and consistency in the system. Technical assistance offered by GEC includes training for CABs and Auditors as well as general support to CABs and Manufacturers on the registration process and the criteria covered in GEC approved standards.
The GEC CAB provides Manufacturers with support in making accurate declarations to the Registry. The GEC CAB confines this support to explaining the EPEAT system and the types of verification evidence that can be provided in conformity assessment. The EPEAT system has specific requirements for verification evidence and conformity assessment protocols and the GEC CAB ensures that any support offered to Manufacturers is in line with the guidance offered by the EPEAT system.

To ensure that any support provided to Manufacturers does not amount to a conflict of interest, the EPEAT PRE does not provide Manufacturers with advice that may be considered consulting, including advice on how to ensure specific products conform to GEC approved standards. GEC CAB also continually reviews whether the benefits of providing support to Manufacturers is greater than the risk of being perceived as impartial.

As the scheme owner of the EPEAT System, GEC occasionally offers trainings to current and potential CABs and Manufacturers. GEC training may be led by personnel who do conformity assurance work for the GEC CAB. If GEC is asked to run a private training course, it reviews any actual or perceived conflicts associated with offering a closed course. GEC also ensures that courses are marketed as services offered by GEC as scheme owner of EPEAT, not the GEC CAB.

Political pressure and conformity assurance
The EPEAT System may be subject to political pressures from users of the system. It is critical that GEC maintains impartiality in the conformity assurance activities it undertakes and that any decisions relating to a Manufacturers conformance to the rules of the EPEAT system are based on objective evidence, not political pressure.

The success of EPEAT depends on the support of large purchasers such as the US Federal Government and the participation of major manufacturers. Stakeholders may pressure GEC to change the requirements of the EPEAT system so that it is easier to achieve compliance, or they may pressure GEC to make the conformity assurance process less rigorous. Manufacturers that have a vested interest in positive outcomes of the conformity assurance activities may try to influence the outcomes of conformity assurance activities. GEC must be sensitive to the needs of all users of the system without compromising the credibility of the EPEAT system and the impartiality of the assurance processes.

If GEC does decide to make changes to the EPEAT system, GEC avoids the real or perceived risk that changes are made at the direction of any one stakeholder.

Scheme ownership and independence
GEC recognizes that its organizational structure may present challenges to ensuring real or perceived risks to impartiality. As EPEAT scheme owner and operator of a Conformity Assurance Body, GEC is responsible for conformity assurance at two different levels. GEC works to maintain an organizational structure that ensures the impartiality at both levels of the organization and continually reviews the suitability of its organizational structure.

For the EPEAT system to be credible, it is critical that the outcomes of the conformity assurance activities are not influenced in any way by broader programmatic goals of GEC. GEC’s mission of
increasing the use of the EPEAT Registry must not conflict with the conformity assurance work done to ensure the accuracy of the Registry.

GEC is responsible for overseeing all of the CABs that participate in the EPEAT system. To avoid the perception that oversight of the EPEAT PRE is less rigorous, GEC works with 3rd party assessors to evaluate and accredited the GEC CAB.

**Using competent personnel while avoiding conflict of interest**

Given the highly specialized nature of the EPEAT System, there are a limited number individuals who possess the qualifications and specific knowledge needed to work within conformity assurance. It is likely that some GEC personnel may be involved in multiple aspects the EPEAT system including standard setting, assurance and oversight.

To manage this, GEC reviews carefully the instances where GEC personnel (including contract workers and consultants) serve in more than one role and ensure that their roles are clearly defined and the potential for conflicts identified.

**Managing Conflicts of Interest**

GEC identifies potential and existing conflicts of interest through the process outlined in P02. When conflicts are identified, GEC uses several strategies to mitigate or eliminate the conflict. In instances where the conflict presents a serious threat to the credibility of the work of GEC and the EPEAT System, the conflict is eliminated. In other cases, GEC relies on checks and oversight within the EPEAT conformity assurance process to ensure that conflicts are managed in such a way that the impartiality is not compromised. GEC is committed to operating in transparent and open manner, providing a basis for identifying and managing conflicts of interest.