

FAQs for SMaRT Environmental Product Declarations (EPDs)

What is an EPD?

EPDs are statements about a product's environmental impact based on an ISO compliant life cycle assessment (LCA).

LCAs evaluate product environmental impacts over the product's entire life, from raw materials extraction, transportation, manufacturing, use, and final disposition or reuse.

ISO allows EPDs to be highly variable, for example EPDs do not have to assess a product's toxicity or climate change impacts or require pollution reductions.

Due to the laxity of ISO requirements, most EPDs are complex, confusing, and misleading to customers and consumers as reported by the French Government.

Why Are EPDs Needed?

EPDs encourage the use of LCA which is the only way to obtain supplier environmental product impact information for the vast majority of products. LCA is also the best way for manufacturers to improve the environmental efficiency of their products.

Why is the Market Making EPDs a Cost of Business for Manufacturers?

EPDs are being driven by many industry trade associations to ensure continued sale of their members' products without having to make environmental improvements.

What is the SMaRT EPD?

The SMaRT EPD is very different from all others, requiring SMaRT Certification as a prerequisite and disclosure of the SMaRT Scorecard and Summary showing the product's sustainable achievement. Unlike other EPDs, the SMaRT EPD requires substantial pollution reductions and identification of 12 environmental impacts including toxicity and climate change.

The SMaRT EPD requirements and its compliance with ISO are extensively detailed in the SMaRT EPD Policy with an example SMaRT EPD: <http://mts.sustainableproducts.com/SMaRT/ReGeneration>

What is SMaRT?

Sustainable Materials Rating Technology© (SMaRT) is the world's leadership sustainable product standard and label approved for credit by the US Green Building Council's LEED program globally, the Canada Green Building Council, and the Australia and New Zealand Green Building Councils.

Accelerating the Global Market Transformation to Sustainability

SMaRT, LEED, and FSC Certified Wood were independently identified as the leadership standards by the Leadership Standards Campaign led by the National Wildlife Federation, Sierra Club, Corporate Responsibility Association, Perkins+Will, and Eaton, in the Campaign's Public Framework Document.

SMaRT, LEED, and FSC were uniquely determined to be more profitable, less risky, and preferred by investors in Wall Street due diligence released at the NYSE. SMaRT, LEED, and FSC increased cash flow and value are measured by unanimously approved national consensus underwriting standards covering 80% of global economic activity over the supply chain.

The SMaRT EPD has global application since EPDs are recognized globally, and SMaRT EPDs are marketed globally by SMaRT manufacturers who are sustainable product leaders in their industry segments.

SMaRT 4.0 is the national consensus sustainable product standard with independent third party certification and auditing.

SMaRT is like LEED for products, with 28 minimum points required for certification, 16 prerequisites, and Sustainable, Silver, Gold and Platinum levels of certification. SMaRT provides maximum credit for up to:

- 100% reduction or avoidance of 1300 pollutants by manufacturers and suppliers
- 100% Green-e Renewable Power use or 100% reduction of carbon energy by manufacturers and suppliers
- 100% recycled content or biobased and biobased above 50% must be organic with EPA and Purdue University Best Management Practices
- 100% product reuse

SMaRT prerequisites include ISO compliant life cycle assessment, FSC Certified Wood, no Stockholm Treaty toxic chemicals which ban PVC, no carcinogens, no SF6 - the world's highest global warming potential chemical, and social equity.

The highest achievement so far for any certified product is 96 points at the Platinum level but 173 points maximum can be achieved, thus there is substantial incentive for product improvement.

How Are EPDs Different?

The environmental rigor of EPDs is highly variable, yet almost impossible for product customers or consumers to discern.

This is one reason why the SMaRT EPD was developed: to provide an independently verified leadership consensus label the market can trust.

How Can You Tell if an EPD is Greenwash and Thus Unlawful?

Greenwash is any misleading or inaccurate environmental communication and it is unlawful in violation of truth in advertising law of federal, state, and local government.

The SMaRT EPD uniquely has many prerequisites to ensure the EPD clearly shows substantive environmental improvement, otherwise EPDs violate Federal, State, and local truth in environmental marketing / advertising law by providing highly complex, confusing, and misleading environmental impact information to the market including to customers and consumers.

Truth in environmental marketing law is very clear and unlike any other area of law, the government has never lost a case.

For example, in order to comply with truth in advertising, EPDs for polyvinyl chloride (PVC) products / constituents in the product life cycle, need to clearly state in terms that customers / lay people understand, the adverse supply chain / life cycle public health and environmental impacts of PVC, otherwise the customer and consumer are misled and the communication is a legal violation.

PVC adverse public health and environmental impacts are very well documented in the leading LCA PVC report as part of the LEED CI PVC Charrette, and were not rebutted by the Vinyl Institute which participated in this LEED process, and thus are presumed to be true:

http://www.mts.sustainableproducts.com/SMaRT_product_standard.html

Almost all EPDs including by leading companies and service providers, do not clearly state as required, these adverse life cycle product impacts to public health and environment, but in fact mask those impacts through complexity of EPDs and LCA, and thus violate the law and are putting the corporate brand at risk as well as subjecting companies to enforcement fines and penalties.

EPD Service Providers also have an affirmative legal obligation to address this or they can be part of the chain of liability.

ISO EPD / LCA Standardization does not address this issue thus it provides no insulation from liability for manufacturers and service providers.

PVC is just an example but many other environmental issues are relevant for EPDs such as:

- Other toxicity issues over the life cycle of products
- Lacey Act / and legal compliance for wood in clearly achieving the Due Care and Innocent Owner defenses so not to subject any purchasers of wood and paper products anywhere in the global supply chain to Lacey Act strict criminal liability product seizure, forfeiture, fines, penalties, and incarceration. Gibson Guitar recently settled a Lacey Act case with estimated out of pocket costs of \$2.6M with associated brand destruction.
- Climate pollution from the supply chain / manufacturing in violation of law and / or endangering public health and environment. Dangerous climate change is at 350 ppm CO₂ and current levels are close to 400 ppm.

Moreover, customers and consumers want products that clearly reflect substantive environmental improvement.

There is no market demand for the status quo given the numerous widely recognized global environmental tipping points either being exceeded or approaching those levels.

There needs to be widespread public disclosure of these very important EPD issues of transparency, accuracy, ensuring lawful communications, protection of public health and environment, and market expectation of customers / consumers.

SMaRT EPDs are not certified for products with the preceding problems because SMaRT is a transparent, consensus leadership standard approved in national consensus votes where it was decided that SMaRT requires, like LEED and FSC, substantial pollution reductions.

Why is Greenwash Unlawful?

Environmental marketing claims' enforcement started aggressively in the 1980's and 90's by the State Attorney's General, EPA, Federal Trade Commission and local government under their authorities preventing companies from deceiving consumers about the environmental benefits of products.

Litigation over these cases followed longstanding truth in advertising law enforcement, but unlike truth in advertising law, and any other area of law, the government has won every case in part because manufacturers settle the cases to avoid harmful effects to their brand.

This area of law very clearly requires that all environmental claims about products must not only be accurate, but they also can not be misleading and must use qualified professionals to prepare these communications.

Greenwash is any misleading or inaccurate communication about a product's environmental benefits, and thus is unlawful.

Why Does SMaRT Have a Product Criteria Rule (PCR) for All Industries?

EPDs must have PCRs so that there are common technical assumptions. The SMaRT PCR is generic covering any industry which is very important for the market because it won't pay for thousands of PCR's that would be needed for all of the different industry categories.

PCRs including the SMaRT PCR, cost about \$60,000 - \$100,000. Thus the SMaRT PCR allows more leadership EPDs to be developed by avoiding this PCR cost and time barrier.

Having a SMaRT EPD with a PCR for all products and industries avoids the substantive problem encountered by EPA in Clean Water and Air regulations where the Agency never completed all of the needed rules because it took an industry category by industry category approach. There are thousands of and thus too many industry categories for this approach.

In other words, there is not enough time and money to conduct EPDs without a generic approach for all products like the SMaRT EPD.

When Was the SMaRT PCR Created, What Was the Process & Who Was Involved?

The SMaRT PCR was independently created by outside LCA experts consistent with ISO as part of the national consensus approval of SMaRT 2.0 in 2002-2004.

The LCA and PCR requirements for SMaRT were first developed in SMaRT 2.0 in 2003 in an extensive year and one half consensus process with many third party LCA experts including from state and federal government, universities, and professional firms as well as engaged outside third party LCA experts some of whom have been also engaged to help SMaRT manufacturers on their SMaRT EPDs.

These professionals included the leading global LCA experts from universities and government who helped develop the ISO LCA Standards and the first consensus LCA impact category performance metrics by the federal government, and were engaged by MTS as the programme operator, on an independent third party basis to develop SMaRT's LCA and PCR requirements including an extensive industry LCA baseline evaluation.

The SMaRT LCA and PCR development was Chaired by the State of Minnesota (ISO 14025 §8.1.2). The LCA requirements and PCR development and review by a group of LCA experts was led through over five outside contracts initiated by MTS at a cost of over \$60,000 with independent third party LCA experts from leading universities, the federal government, and professional firms, and the results of this effort were reviewed by hundreds of interested parties and other outside LCA experts (ISO 14025 §8.1.2).

After one year of research and development by these independent outside third party LCA experts, the LCA and PCR requirements were incorporated into the draft SMaRT 2.0 Standard.

Further outside peer review of these SMaRT LCA and PCR requirements and the Draft SMaRT 2.0 included a 20 State Task Force led by the States of California and Minnesota working in conjunction with EPA in a four month process resulting in further improvements.

The SMaRT 2.0 Standard then went through a 30-day national consensus vote of approval and was unanimously approved.

These LCA and PCR requirements in SMaRT were subsequently further peer reviewed and approved in the SMaRT 3.0 and SMaRT 4.0 national consensus votes of approval.