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Nordic Forest Research
Co-operation Committee (SNS)

Project no: SNS -112

Send the report to SNS-secretary Katrine Hahn Kristensen (hahn@life.ku.dk)

FINAL REPORT for PROJECT

Please notice that the size of text sections in the form can be adjusted if needed.
The length of the final report should not exceed 3 pages. **Supplementary information can be attached**

1. Projekt titel	Förstudie: Marknadskommunikation av träprodukters miljöegenskaper
2. Project title	Pilot study: Improving Market communication of wood products' environmental values
3. Coordinator (name, address, telephone, e-mail)	Tarmo Rätty Finnish Forest Research Institute P.O. Box 68 FI-80101 Joensuu, FINLAND tel. +358 40 8015184, Email: tarmo.raty@metla.fi
4. Duration	24.2.2011 -31.12.2012
5. Cost	SNS-funding: 340000,00 DKK (30%) Other funding: 795454,50 DKK (70%)
6. The purpose of the project / main problems / hypotheses addressed)	The objective of this study is to provide a basis for improving the market communication of the environmental performance of wood products in Nordic countries. The focus is on business-to-business relations. The research questions consider different aspects of environmental performance measures (EPMs) and their role in business communication, such as what EPMs are currently in use, how can the industry make efficient use of EPMs to promote wood products, what are the vital hotspots where environmental concerns are the most influential and where are the gaps between producer and customer/stakeholder perceptions on EPMs.
7. Brief description of the research plan and of possible larger deviations from the plan	A broad approach was adopted that combined an extensive assessment of the relevant literature with an assessment of the views and opinions of Nordic woodworking industry stakeholders. The literature study links EPMs with companies' economic performances and defines the main classification principles for EPMs. The interviews with 37 sample companies highlight the current situation and perceptions on EPMs. The results of this study are drawn as a synthesis of the literature review and the interviews. Given that research plan was extended to full scale review and empirical

	<p>study, the research group has not been able to develop new plan for the future studies. The initiative is under discussion, however.</p>
8. Results (max 2 pages)	<p>A two page summary of the results is attached.</p> <p>In a nut shell:</p> <p>The use of EPMs is efficient if grounded on, or resulting in, sustained competitive advantages at a firm or product level. For wood products, this usually necessitates the substitution of wood for materials with inferior environmental credentials. While forest certification is unique to forest products, generic eco-labels, such as consumer labels, green building certificates and Environmental Product Declarations (EPDs), make it possible to compare the environmental performance of wood with other materials.</p> <p>The use of consumer labels should be improved for better usability with wood products and regional coverage. Green building certification offers the best opportunities for wood, but these plans could be further developed to take better account imputed environmental impacts. The introduction of the CE-mark for construction products and green building certification will probably increase the motivation to adopt EPDs.</p> <p>The responsible and sustainable sourcing of wood is important product information that should be attached to wooden products throughout the whole value chain. Therefore, the industry should promote chain-of-custody certification. Companies that put their stakes on PEFC/FSC and ISO 14001 certificates alone should be aware that these measures may become the minimum requirement in the future markets. A company that wants to stand out in terms of environmental friendliness has to do even more.</p>
9. What advantages have been gained by the Nordic collaboration	<p>Even if all the four research organizations possess rich research experience and methodological 'critical mass' in the economics of wood products and wood products marketing, the research group has combined academic, applied and technical knowledge on wood products and marketing from partners. Nordic co-operation increased the both vertical and horizontal coverage of the value chain in the interviews, giving a more comprehensive picture on the state-of-the-art of environmental performance measures in woodworking industry.</p>
10. Publications and other communication activities	<p>Full list of publications attached.</p> <p>Given short period of the project peer reviewed articles are still under development.</p> <p>By March 2012: Final report to be published 04/2012, 1 article in professional Magazine, 2 web articles, 1 Master's thesis. Additionally 3 conference presentations are scheduled for the summer 2012 and one article in professional magazine.</p>

<p>11. Project summary (about 1/3 page) for possible use in the News & Views section of Scandinavian Journal of Forest Research</p>	<p>The motivation for this study grew from the discussions around the implementation of EU Strategy for Baltic Sea Region (EUSBSR). Developing sustainable strategies for wood is considered as one of the priorities that contribute to the prosperity. The research is done under the common umbrella called EFINORD flagship for the implementation of EUSBSR.</p> <p>The focus for improving market communication is on business-to-business relations. The research questions concern current state-of-the-art of environmental performance measures, their efficient use, influential hotspots of environmental concerns and gaps between producer or stakeholder perceptions. The study combines an extensive assessment of relevant literature with the sample of 37 interviewed companies to assess views and opinions in the Nordic woodworking industry.</p> <p>The use of EPDs is found efficient if grounded on, or resulting in, sustained competitive advantages at a firm or product level. For wood products, this usually necessitates the substitution of wood for materials with inferior environmental credentials. While forest certification is unique to forest products, generic eco-labels, such as green building certificates and EPDs, make it possible to compare the environmental performance of wood with other materials.</p> <p>Generic eco-labels such as Nordic Ecolabel and EU-Ecolabel make a claim for relatively better than average environmental performance. However, neither one is a genuine international or pan-European consumer label. Green building certification offers the best opportunities for wood, but these plans could be further developed to take better account imputed environmental impacts. Not yet widely used EPDs communicate environmental information efficiently. The introduction of the CE-mark for construction products and green building certification will probably increase the motivation to adopt EPDs.</p> <p>The responsible and sustainable sourcing of wood is important product information that should be attached to wooden products throughout the whole value chain. Therefore, the industry should promote chain-of-custody certification. Companies that put their stakes on PEFC/FSC and ISO 14001 certificates alone, should be aware that these measures may become the minimum requirement in the market in the future. A company that wants to stand out in terms of environmental friendliness has to do even more.</p>
<p>12. Date and signature</p>	<p>Date: Signature of project leader/coordinator: Joensuu 23.3.2012 Tarmo Rätty</p>