



Photo: Mats Hannerz

Boosting Nordic wood sales with green marketing

Environmental Labels: customers take them for granted, but are seldom willing to pay more because of them; business partners ask for them, but don't know which to use and what impact they have.

The Nordic wood industry should have an environmental advantage, since wood can substitute materials with inferior environmental credentials. However, this advantage has not yet been converted into more business. The SNS-supported project *Improving the market for communication of wood products* focused on the issue of environmental labelling. The project included a comprehensive literature review followed by interviews with 37 wood

industry companies in Finland, Norway and Sweden. The companies represented different levels from primary production to retailers. Previous research on environmental labelling has mostly focused on end consumers. This study focused instead on business-to-business relations.

"Why pay more to show something that everybody already knows? But then, someone starts off certifying and customers think that this is great and then everyone has to do it."

a Swedish construction company in the interview

– Despite a lively debate around communication about the environmental performance of wood products, we found it to be poorly studied. Forest certification has been the main topic, but a wider range of tools are available for industries, says Dr Tarmo Rätty, researcher at Metla and the project coordinator.

A research group involving representatives from Metla, the Swedish University of Agricultural Sciences, the University of Helsinki and the Norwegian Institute of Wood Technology was formed, and the project started in 2011.

The questions to be answered were, *inter alia*, what environmental performance measures (EPMs)

are currently in use, how can the industry make efficient use of EPDs to promote wood products, and where are the gaps between producer and customer/stakeholders' perceptions of EPDs?

Customers prefer, but won't pay

The companies interviewed believed that consumers' environmental awareness is rather low, whereas industrial and public sector customers pay more attention to the environment in their decision making. Also, the literature review found that consumers are reluctant to pay for environmentally certified wood products, aside from a small segment of "green consumers". Although the environmental friendliness of wood products is usually preferred, other product properties outweigh its importance in actual purchase decisions.

As a consequence, the companies interviewed do not consider consumer benefits to be a driver of the use of EPDs. Rather than providing tangible benefits, they might help in building an image. Accordingly, consumer targeted environmental communication utilises forest certification or promotes other environmental aspects, such as



Tarmo Rätty: The main question in our study was: How can green labels best be used to communicate the environmental performance of wood products? Photo: Helios

recyclability, of wood products.

Sustainable forestry certificates (such as *FSC* and *PEFC*) and environmental management standards (*ISO 14000*, *EMAS*) are generally well known and used among the companies interviewed. In business-to-business trade and export, these certificates are considered to be mandatory for the market. Even if environmental information should follow products from forest to final use, the availability of chain-of-custody (traceability) certified wood products is still limited.

Bottlenecks for environmental communication

Forest certificates can only be used, at best, to compare one wood product to another. Generic eco labels, such as the *Nordic Ecolabel*, *EU Ecolabel* and *green building certificates*, make a material-independent claim for relatively better-than-average environmental performance. Such labels could help to compare e.g. wood products with steel or concrete in terms of their overall environmental impact. However, the *EU Ecolabel* lacks specifications for wood products.

Life cycle (LCA) measures address explicit environmental impacts. The most widely known measures are *carbon footprint* and *Environmental Product Declarations (EPD)*. The latter give a comprehensive list of impacts.

The interviewees considered the role of EPDs to be promising, although they are rarely used. This is because the standards for calculations have only recently been introduced.

Both eco labels and LCA measures contribute to green building certificates. Large constructors currently use them, but their perceived usefulness seems to be low. This is because of the observed bottlenecks of environmental communication, poor availability of chain-of-custody certified construction materials and lack of EPDs that make environmental assessment of a building unreliable.

Minimum requirements

The study suggests that the wood industry should promote chain-of-custody certification and creation of EPDs for wood products. Companies that currently rely on *PEFC/FSC* and *ISO 14001* certificates alone should be aware that these measures may become the minimum requirement in the future market. A company that wants to stand out in terms of environmental credentials has to accomplish even more.

– The Nordic wood industry still needs hands-on help to develop the role of environmental performance measures in its market communication. Public actions are needed, mostly in promoting the production and use of Environmental Product Declarations and the development of green building initiatives, concludes Tarmo Rätty.

Project: SNS-112 Improving market communication of wood products' environmental values (pilot study)

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SNS grant: 340 000 DKK

Read more: www.nordicforestresearch.org search for Improving market communication. The full report can be downloaded from here.

Reference: Rätty, T. et al. 2012. Communicating the environmental performance of wood products. Working papers of the Finnish Forest Research Institute, No 230. 71 p.

Interdisciplinary research, intensive stakeholder contacts and an advanced centre for analysis. Those are some of the key components of the giant Swedish research programme Future Forests, which is about to complete its first 4-year period. The second phase of the programme (2013–2016) is currently being planned.

Future Forests is the largest forest research programme in Sweden, with a total budget of 143 million SEK for the period 2009–2012. It was initiated in order to meet the challenging multiple demands on forests in an uncertain future.

Merge with social and human sciences

The programme is hosted by SLU, but is co-organised with Umeå University and Skogforsk. The multi-sectorial approach allows, for example, for traditional forest research to be merged with social and human sciences. The Center for Forest System Analyses and Synthesis (ForSA) conducts scenario analyses and undertakes complex studies. It is also the hub of the programme, where researchers from various disciplines can cooperate to meet the needs of society and the forestry sector.

– I am very proud of our achievements, says Professor Annika Nordin, coordinator of the programme. Our work has brought about a cultural change in forest research.

Positive evaluation ...

Her statement is supported by the external evaluation of the programme. The scientific outcome is impressive, with 130 published research articles, some of which lead the world in their subject areas. The research on water and soils, forest production and conflicts between stakeholders is particularly praised. The interdisciplinary standpoint is also appreciated, although it could be further improved.



Annika Nordin: **Future Forests changes thinking in forest research**

Photo Jenny Svennäs-Gillner

but...

There has, however, been some criticism, mostly about the draft plan for the next phase. The evaluation committee is worried that the next phase will revert to a traditional research programme, and that economic and biodiversity analyses will be weak. There is also a demand that NGOs become involved in planning the research.

Annika Nordin takes the criticism seriously, and has already launched new cooperative strands with, for

example, IIASA (the International Institute for Applied Systems Analysis), in order to strengthen the economic aspect of the research. The programme plan must also place more emphasis on biodiversity research.

– One thing is certain, says Annika Nordin. The forest is more than ever a part of the larger context. Clearly, interdisciplinary thinking is needed.

Read more: www.futureforest.se

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Bioeconomic initiative will strengthen green growth

SNS is an important player in a new platform for developing Nordic Bioeconomy.

The Nidaros declaration was adopted by the Nordic Ministers for Fisheries and Aquaculture, Agriculture, Food and Forestry at the meeting in Trondheim on 28 July 2012.

The declaration's goal is increased sustainability and competitive production within the sectors of food, feedstuff, building and construction work, bioenergy and new innovative products from the land, sea and fresh water.

Immediately following the declaration, a meeting was initiated in Iceland by NKJ (the Nordic committee for agriculture and food research). The meeting resulted in an agreement to launch *the Nordic Bioeconomy Initiative*. SNS is one of the organisations behind this.

The initiative aims at creating a common Nordic policy platform for exchanging viewpoints and developing the Nordic Bioeconomy, based on the premise that this must be a sustainable choice. The platform is intended to work across both sectors and borders.



The Nordic Council of Ministers meeting in Trondheim. Photo: Astraea Antal, Landbruks- og matdepartementet, Norway.

– The initiative will definitively impact SNS's strategy for biobased economy research, but exactly how is too early to tell, says Jan Svensson, SNS board member.

Read more:

nkj.nordforsk.org, browse to Policy
www.norden.org, search for Nidaros declaration.

What is bioeconomy?

A biobased economy is based on renewable raw materials that are produced through the sustainable use of ecosystem services involving land and water – not on fossil fuels.



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