



Product Category Rules
Committee Guidelines

For Type III Environmental Product Declarations
in accordance with ISO 14025

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INTRODUCTION

Smart EPD, through its Environmental Product Declaration (EPD) program, is engaged in the process of Product Category Rule (PCR) development. The standards that govern PCR development processes are generic in nature, without process guidance and explanation of steps. As such, Smart EPD seeks to provide more details behind its implementation of the PCR development process.

PURPOSE

The purpose of this document is to provide additional explanation and guidance for the PCR development process. Smart EPD strives to operate a credible, efficient and balanced process that results in high-quality PCRs that are applicable to targeted sectors and markets. ISO 14025 and 14027 clearly establish the Program Operator as responsible for PCR publication. As such, Smart EPD is issuing this document to add clarity to the rules and guidance followed for the PCR development and publication process.

The purpose of this document is NOT to provide a rigid step-by-step process that applies to all situations. Smart EPD believes that each PCR category and process is different and will be unique in some way, requiring some flexibility to address these differences.

GOVERNANCE

As defined by ISO 14025, the Program Operator, Smart EPD, is solely responsible for the final development and publication of Product Category Rules. Therefore, Smart EPD will, at its sole discretion, make any necessary decisions as it pertains to the process and program that are deemed to be in the best interest of all parties involved.

PCR PROCESS

Basic PCR Process

In general, a PCR process will consist of the following steps outlined in Figure 1 below.

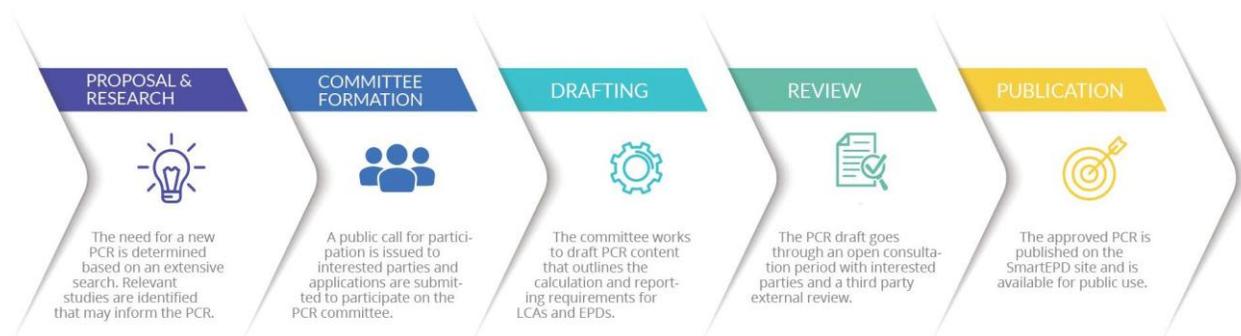


Figure 1 - Basic PCR process development steps

These five steps represent a general description of the PCR development process. These steps are generic by design, as most PCR processes require a great deal of flexibility in both process and timing to meet the ever-changing needs of the marketplace.

Overview of various PCR Processes

Typically, a PCR development process will begin under one of the following scenarios:

- 1) Creation of a new PCR,
- 2) Modification of an existing PCR for regional considerations and applicability; or
- 3) Finalization of a PCR draft;

While other scenarios may exist, these are the most common and will be further explained for clarity below. Figure 2 outlines the decision the PCR committee needs to consider before developing a new or adapting an existing PCR.

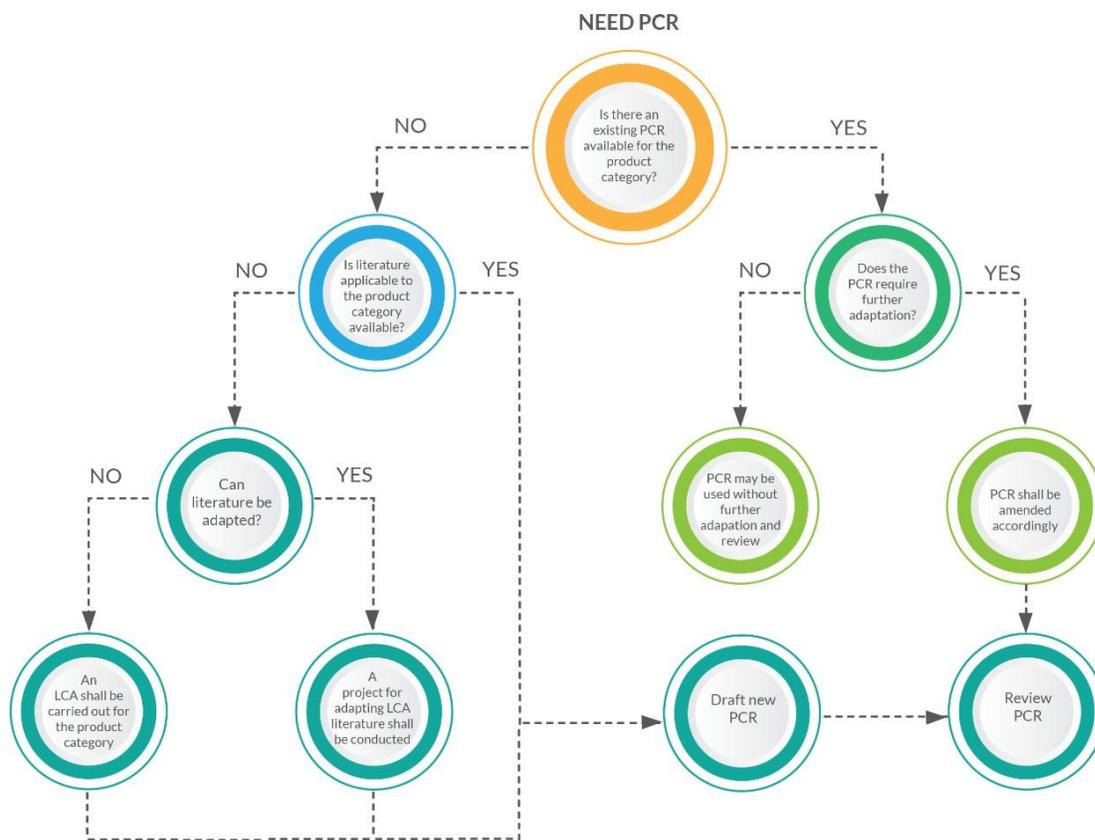


Figure 2. Flow chart to determine PCR drafting needs (adapted from Figure 1, ISO 14027)

Creation of a New PCR

For many product categories, a PCR does not exist. In these situations, Smart EPD will engage with the client(s) to go through a PCR development process that is appropriate for the given situation and product category.

Modification of an Existing PCR

EPD programs exist globally, and ISO 14025 and ISO 14027 intend for these programs to collaborate and use existing information, particularly PCRs, whenever possible. Smart EPD seeks to use existing PCRs whenever they are available, provided they are directly applicable to the given product category. When this is not the case, due to regional differences, category differences, etc., Smart EPD will work with the necessary parties to either modify the original PCR in conjunction with the authoring Program Operator, or to use the existing PCR with appropriate modifications that are made publicly available in accordance with ISO 14025's requirements.

In most cases, the existing PCR is one that is still valid under the original Program Operator who published it for use in a different region. When regional differences are the primary basis for edits, Smart EPD may either use a modification and publication approach for just those differences, or engage with the authoring Program Operator as a part of the process to potentially produce a more internationally applicable PCR either jointly or under one specific program.

Finalization of a PCR Draft

In many cases, an existing working group will require assistance in the finalization of a draft document (PCR) to formally register it as a PCR under an EPD Program. In these situations, Smart EPD (the Program Operator) will engage with the committee to assess the current state of the PCR, the stage of the PCR process, the engaged parties, overlap with existing PCRs and the remaining needs for finalization.

PCR Consultation Process

This step in the PCR process is vital for ensuring that the end product, the PCR, is credible and applicable. Since the term "consultation" can have several different interpretations, the following information provides more detail into Smart EPD's use of the consultation process.

Interested Party Engagement and the PCR Committee

The PCR Committee is the core group of individuals that participate in the development of the PCR. The group size may range on the upper end up to 15 or 20 individuals. However, at the discretion of Smart EPD, the size of the group may be adjusted for reasons

including, but not limited to, keeping a balanced representation, providing greater category coverage, etc.

Open Consultation

As Program Operator, Smart EPD ensures that the processes for developing PCRs are open to meaningful participation by a full range of interested parties, including competitors and parties with differing interests, values and viewpoints.

The open consultation process includes both the working group who is dedicating time to create the first draft of the PCR as well as the periods of comment that engage a broader audience.

Smart EPD alerts interested parties that the PCR document is open for discussion and comment. The Program Operator is responsible for ensuring that the comments are addressed and any necessary changes are implemented, either directly or after consultation with the working group. Following any significant changes or amendments in the PCR proposal as a result of the open consultation procedure, Smart EPD will submit a final version of the PCR proposal to the review panel for approval.

Interested parties are always encouraged to contact Smart EPD at info@smartepd.com to request participation and updates. Open consultation periods will also be announced via Smart EPD's PCR Website, on Smart EPD social media, and via direct outreach to members of the LCA community.

Smart EPD may consult with stakeholders or groups of stakeholders as needed throughout the PCR development process. If significant controversy were to occur in our PCR process, Smart EPD has the ability to perform the necessary actions to:

- 1) Ensure compliance with the relevant international standards (e.g., ISO 14025);
- 2) Take actions to meet stakeholder requests in a manner that is deemed most beneficial for the overall process;
- 3) Ensure compliance with Smart EPD's Program Rules; and,
- 4) Perform other actions as deemed appropriate by Smart EPD.

ESTABLISHMENT OF PCR COMMITTEE

Membership

Smart EPD is responsible for determining the size and membership of each PCR Committee. Membership for a new PCR Committee shall be requested by an interested party contacting Smart EPD directly and/or through Smart EPD inviting potential participants. All potential PCR Committee members must complete and submit a PCR Application that details their background and reason for participation. It is the responsibility of Smart EPD to document that a balance of interested parties were invited,

justify exclusion of any interested parties and identify interested parties that are chosen not to participate.

If the deadline has passed and the committee has already been seated, requests from interested parties to join the committee will be considered on a case-by-case basis.

We may accommodate such requests if:

- The organization is deemed indispensable to the work of the committee, and
- Their inclusion does not disrupt the balance of the committee.

If these conditions are not met, we will be unable to accept the request. However, we will encourage the organization to contribute during the open consultation period, where all stakeholders are welcome to provide input.

Structure

Each committee shall be formed in accordance with ISO 14025 and ISO 14027 by the Program Operator to ensure a balanced committee across interested parties. The Program Operator will also facilitate meetings to efficiently carry out the development of the proposed PCR.

Balance

Smart EPD seeks broad input to its standardization activities including the participation of all parties representing interest categories appropriate to the nature of the PCR. Smart EPD strives for balanced representation on its PCR development committees (for example, targeting one-third representation for the traditional model of the three interest categories of industry, government, general interest) to avoid a majority of any one interest category. The criteria for balance are no single interest category constitutes a majority of the voting membership of a committee.

Endorsement Not Constituted

Membership on the PCR Committee shall not in and of itself constitute an endorsement of Smart EPD, or of any document developed by the Committee on which the Member serves.

Qualifications for Membership

Qualification for Membership is based on all the information available to Smart EPD, including the information provided in the candidate's submittal. Membership is on an organizational level and floating seats may be granted to multiple individuals within an organization. Request for a company replacement of a member shall be considered by Smart EPD as the Program Operator when reviewing the request for membership and does not guarantee acceptance.

Application Process

Information to be included in a candidate's Application for Membership and how Smart EPD is to review and act on this information is specified below. In the PCR Committee Application, each candidate shall provide Smart EPD with the following information:

- a) Evidence of knowledge and competence in the work of the PCR,
- b) Assurance of ability to participate actively, including responding to correspondence, reviewing drafts, and commenting on drafts (as appropriate),
- c) Relationship of applicant to the Scope of the PCR,
- d) What organization, company, representation, etc., the applicant would represent,
- e) What person or organization would fund participation. This information is mandatory for consultants,
- f) Agreement to notify Smart EPD of a change in employment, organization represented, or funding source. This will require a new application to be completed.

Smart EPD as Program Operator shall review and approve all requests.

Consensus and Voting

PCR development is an inclusive standards-development process where all views are considered and the final composition of a PCR is agreed by PCR Committee members. If it is necessary to take a vote on a particular topic, the voting rules below shall apply.

Each organization participating on a PCR Committee shall receive one vote from its primary member. Alternates from the same company may attend calls in observation mode. An alternate may assume the role of primary member if the primary member is unable to attend a meeting. According to ISO 14025 Section 5.5, "Reasonable efforts should be made to achieve consensus throughout the process." Smart EPD defines reasonable consensus as agreement by greater than fifty percent of organizational committee members, or a simple majority vote.

Timing

While Smart EPD targets a timely and efficient process, there are many factors that may contribute to the pace of the PCR development and finalization process. As such, there are no guarantees as to the completion timeline or dates. Smart EPD will continue to make a concerted effort to provide accurate timelines and completion dates.

Code of Ethics for PCR Committee Members

Purpose

As a good corporate citizen, Smart EPD always endeavors to conduct its business in a manner conforming to the highest standards. Smart EPD's reputation for unquestionable integrity is one of its most valuable assets in its relationships with clients, customers, and suppliers.

Scope

The statements of business principles contained within the Code of Ethics have been prepared to guide the conduct of PCR development activities to comply with the highest ethical and legal standards. It is essential that all PCR Committee Members conform to these principles in performing their duties and carrying out activities on behalf of Smart EPD. These principles are not intended to supply specific guidance for every business activity, but rather to provide guidelines for the continuing policies of the corporation on ethical business behavior, which must be observed by all PCR Committee Members throughout the world. Where the Code of Ethics is specific, it should be followed to the letter. If certain situations are not expressly covered, open consultation participants and PCR Committee Members are expected to consider the spirit of this Code of Ethics in determining the most appropriate course of action. Smart EPD takes violations of the Code of Ethics very seriously. Violations of this Code may result in an immediate termination of participation or membership.

Responsibility

- 1) PCR Committee Members shall read, become familiar with, and adhere to Smart EPD's PCR Committee Guidelines.
- 2) PCR Committee Members shall act honestly and in good faith with a view to the best interest of the Smart EPD PCR Development Process. Although it is recognized that legitimate differences of opinion can exist on individual issues, PCR Committee Members should support and promote the defined broad objectives of the PCR Review Committee.
- 3) PCR Committee Members are expected to stay current with all Smart EPD PCR development activities in which they are directly or indirectly involved. PCR Committee Members should encourage full participation in Smart EPD's PCR Development Process by all interested persons, and they should encourage and facilitate the full and open dissemination of all information necessary to enable full and fair consideration of all points of view.
- 4) PCR Committee Members are expected to use Smart EPD's Sharepoint site, which provides online access for PCR review, submitting comments, and supporting documents/resources during the PCR development process.
- 5) PCR Committee Members are required to dedicate substantial time to thoroughly review guidance documents, standards, and other relevant literature resources. This endeavor is integral to augmenting their knowledge base and expertise, thereby bolstering the quality of their contributions in the development of the PCR. Similarly, committee members are encouraged to share subject-matter resources that can assist in the effective development of the PCR.
- 6) In all discussion, debate, and deliberation within the Smart EPD PCR Development Process, PCR Committee Members shall confine their comments to the merits of the scientific, technical, and procedural issues under review. Although PCR

Committee Members may zealously advocate their views or positions, they shall refrain from debate and discussion that is disrespectful, threatening, or otherwise unprofessional in tone or which is unduly personalized or damaging to other PCR Committee Members and the overall development process.

- 7) PCR Committee Members shall NOT Speak for Smart EPD or share information on ballots or other deliberate decisions outside of the committee before they are finalized.
- 8) PCR Committee Members should treat discussions that take place within Smart EPD committees as Chatham House Rule, i.e., participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.
- 9) PCR Committee Members shall take appropriate steps to ensure that any public statements, either written or oral, which are not official statements of Smart EPD, are properly portrayed as the opinion or position of that individual PCR Committee Member. PCR Committee members must take care to ensure that their statements do not mislead the public.
- 10) PCR Committee Members have a continuing obligation to provide Smart EPD with timely, accurate and complete information concerning their qualifications, organization affiliations and interest classification.
- 11) PCR Committee Members shall actively and diligently perform all duties required of them. This includes fully preparing for PCR meetings they are attending; reading and becoming familiar with all comments and discussions relating to the PCR on which their committee is to act; and promptly and thoroughly taking all actions necessary to complete the processing of documents within their committee. PCR Committee Members are encouraged to attend all committee meetings.
- 12) PCR Committee Members frequently receive funding from their employers, organizations, or other sources for their participation in Smart EPD's PCR Development Process, and they have an affirmative and continuing obligation to declare those sources of funding to Smart EPD. Apart from those declared sources of funding, PCR Committee Members must not solicit or accept gifts, hospitality, or transfers of economic benefit, other than unsolicited gifts or other benefits of nominal value, i.e., USD \$100.00 or less, from persons, groups, or organizations having dealings with their PCR Committee or under any circumstances in which the benefit would be or could appear to be bestowed or accepted for the purposes of influencing the members' activities within the PCR Development Process.
- 13) PCR Committee Members shall treat all persons with respect and fairness and should not offer or appear to offer preferential treatment to any person or group.
- 14) PCR Committee Members shall refrain from disseminating false or misleading

information or from withholding information necessary to a full, fair, and complete consideration of the issues before their PCR Committee.

- 15) PCR Committee Members shall not harass, threaten or coerce other members in an effort to persuade or sway votes. This does not preclude the straight forward lobbying of other PCR Committee Members for support or opposition to issues, proposals, etc.
- 16) PCR Working Group Committee members shall respect Smart EPD's copyright and the copyright of other individuals and organizations.

Smart EPD, PCR Committee Members and the Law

It is Smart EPD's policy to comply fully with all laws and regulations that govern its operations in the states and countries in which it operates, and to conduct its affairs in keeping with the highest moral, legal, and ethical standards.

Honesty is not subject to compromise at any time in any culture and, even where the law may be permissive, Smart EPD will follow the course of highest integrity. The reputation of Smart EPD for scrupulous dealings is a priceless asset, just as it is for individuals. It is the intent of this Code of Ethics to maintain and continuously develop this asset.

Use of Corporate Name or Influence

PCR Review Committee Members shall not use the name or influence of Smart EPD for personal purposes.

Seeking Guidance and Reporting Potential Violations

PCR Committee members should consult the Program Operator if they have any questions or concerns regarding this Code or determining an appropriate course of action. This includes seeking clarification on statements for breach of trust during the voting/balloting process when consensus has not been reached with the committee. PCR Committee Members may report issues concerning violations to the Code of Ethics to the Program Operator. It's important to note that the consequence of breach of trust by committee members with an intention to seek guidance could lead to influenced/biased voting and decision making. Smart EPD will review the issue and will take appropriate action if necessary.

PCR Panel Review

In accordance with ISO 14025, once a completed draft of the PCR is deemed ready by Smart EPD for publication, a PCR Panel Review is conducted.

Panel composition and selection

The PCR Review Panel is a required step in ISO 14025. The process is set up in order to provide assurance that the PCR was developed in accordance with the appropriate steps, considerations and content as is required.

The panel is selected by the Program Operator, with consultation of the PCR Committee. This selection consists of identifying at least three individuals:

1) A Panel Chair

The panel chair should be an LCA expert who will have the responsibility to coordinate the opinions, comments, recommendations of the Panel and ultimately author the Panel's final report. The chair will be the primary point of contact for Smart EPD and will help coordinate all peers in the process.

2) A Product Category Expert

The product category expert should be a person highly knowledgeable in the product category field. The responsibility of this person is to understand and identify the product specific aspects of the PCR that should be in place in order to ensure the necessary parameters, product function, functional unit, performance tests, etc., are covered in a manner that will be consistent and credible for the industry and manufacturers.

3) An LCA Expert

The additional LCA expert in this case is highly knowledgeable in the field of LCA. This person should be experienced in LCAs related to the sector of product categories being assessed.



Should there be a concern over the members of the Peer Review Panel, those concerns should be expressed in writing directly to the Program Operator (Smart EPD). These concerns will be responded to in a timely manner and Smart EPD will make a determination as to the resolution.

Facilitated Process

The PCR review process will be facilitated by Smart EPD to assure that the process is efficient and completed in a timely manner.

PCR Public Comment Period

Smart EPD will post the draft PCR on its PCR website and conduct direct outreach and social media posts to solicit comments on the proposed standard. This draft PCR is typically posted for a thirty (30) day period and Smart EPD manages the collection and organization of public comments that warrant discussion by the PCR Committee. This process typically occurs in tandem with the first iteration of the PCR Panel Review, listed below.

Peer Review Report, Recommendation & Resolution Process

The Panel Chair will provide Smart EPD with a Peer Review Report that will include the final recommendations and comments to the PCR. Upon receiving this report, Smart EPD will begin a comment resolution process whereby these comments are addressed accordingly, and the resulting edits are incorporated into the final version of the report. In most cases, the recommendations of the peer review panel are considered as required edits. However, in circumstances where an edit is deemed to be beyond reason, Smart EPD will make a determination as to how to proceed and publish its decision along with the PCR.

PARTICIPATION AGREEMENT

BY CHOOSING TO PARTICIPATE IN A SMART EPD PCR PROCESS, I HEREBY AGREE TO ABIDE BY THE SMART EPD CODE OF ETHICS AND ENGAGE CONSTRUCTIVELY WITH THE OTHER PARTICIPANTS IN THE PROCESS.

Signature: _____

Date: _____

Printed Name: _____

Title: _____