63rd ARGE ANNUAL CONFERENCE
Stratford-upon-Avon
10th – 11th September

ARGE EPD Project
Roll out plans – Why EPD?
Developers Look for Green Buildings

71% of interviewed decision makers: 
“In future green certification is pre-requisite for profitable marketing of buildings.”

Drees & Sommer, Interviews with investors
Certified Green Building Space

Fast growth rates in certified building space
New Legal Requirements


- All new buildings must be nearly **zero energy** by 2020
- EU countries must set minimum **energy performance requirements**
- National **financial measures** to improve energy efficiency of buildings

European Commission

- Harmonised product standards to include sustainability
- Construction Products Regulation will make adoption of **harmonised standards mandatory**
- **Environmental Product Declarations** will be the measure

**EPD’s will become mandatory...**

European Directives drive national legislation
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ARGE EPD Project
Roll out plans – Project overview and processes
Participating national associations: 12

- Austria
- Czech Republic
- Finland
- France
- Germany
- Italy
- Netherlands
- Poland
- Spain
- Sweden
- Switzerland
- United Kingdom
# Financial overview on project

## EPD 'production', verification and registration

<table>
<thead>
<tr>
<th>Description</th>
<th>EUR</th>
<th>19% VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence Fee income from National Associations</td>
<td>123.301</td>
<td><strong>103.614</strong></td>
</tr>
<tr>
<td>CETIM consultancy agreement for 8 EPD's</td>
<td>84.550</td>
<td></td>
</tr>
<tr>
<td>CETIM consultancy agreement for additional 6 EPD's</td>
<td>7.592</td>
<td></td>
</tr>
<tr>
<td><strong>CETIM consultancy total</strong></td>
<td><strong>92.142</strong></td>
<td></td>
</tr>
<tr>
<td>IBU fees for verification and trade mark registration for 14 EPD's</td>
<td>7.500</td>
<td>reduced from EUR 17.500 'list price'</td>
</tr>
<tr>
<td>Registration fee for 'ECO' label for 14 EPD's</td>
<td>770</td>
<td></td>
</tr>
<tr>
<td><strong>IBU fees total</strong></td>
<td><strong>8.270</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses CETIM and IBU total</strong></td>
<td><strong>100.412</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td><strong>3.202</strong></td>
<td></td>
</tr>
</tbody>
</table>
**VAT requirements for ARGE**

- ARGE has not been VAT taxable so far
- Invoicing licence fees is VAT taxable under German law
- ARGE has to charge 19% VAT on the license fees
- **ARGE has applied for an EU ‘UID’** which allows ARGE to receive invoices at net value
- **According to present income/ expense ratio, ARGE will be able to ‘absorb’ the VAT** (no higher licence fees to be charged)
- Invoices issued might have to be credited and reissued (information to follow)
What did ARGE promise at the Conference 2014? What will ARGE deliver?

**Number of EPD’s:**
- Promise: 8
- To be delivered: 14

**Delivery date:**
- Promise: Q4 2015
- To be delivered: Q4 2015

**Cost:**
- Promise: EUR 110,000
- To be delivered: EUR 104,000
Roll-out process: General concept

• **National requirements:** ARGE will take responsibility and will be managing additional national requirements for EPD’s ('Core EPD’s’ will be the platform)

• **Languages:** Original language is English; translations need to be certified (cost to be born by respective National Association)

• **Individualised EPD’s:** ARGE will provide ‘general’ EPD’s which can be individualised by National Associations (see next slide)
Individualisation on the front page only

- **The upper part** of the page is given by **IBU** as programme holder and cannot be adapted

- **The lower part** (photo or drawing) can/will be individualised for the specific country by the respective **National Association** (including logo of National Association)

- **The only company-specific** reference will be made in relation to the licence on the bottom (name, logo, website, address)
Roll-out process: Details

• **Reference to a specific product of a company:**
  A ‘Letter of confirmation’ issued by the National Association will list all products of a specific company covered by the EPD.

• **Sub-license agreements:**
  They are extremely important for legally controlling the use of EPD’s by individual member companies of National Associations.

• **Managing EPD's:** ARGE will issue a guideline addressed to National Associations and their member companies.

• **Annual licence fees:** Will be charged as of 2016.
ARGE EPD project:

To be or not to be ...
ARGE EPD project:

To be or not to be able to live up to our commitment towards the ARGE members

– that was never a question!