

# Environmental Footprint pilot phase

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# Why EF pilot phase



- Strong request from industry
  - calling for harmonised rules and level playing field
  - green marketing has become a competitiveness issue
- European Council conclusions, 2010
  - a harmonised method to calculate environmental performance
  - PEF and OEF methods : adopted by the European Commission and published on the Official Journal in 2013
- Circular Economy Action Plan
  - explicit and implicit reference to PEF/OEF
- Need to focus on most relevant issues, simplification and costs reduction, competitiveness, supply chain management



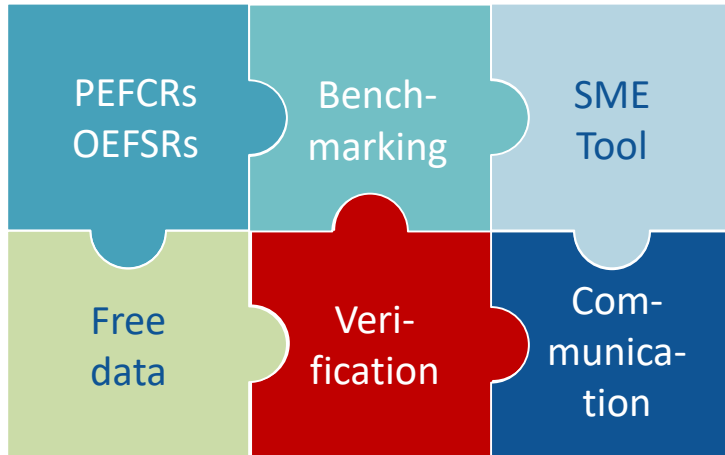
A common approach to measure, exchange and communicate environmental information is needed:

**Banks and insurance companies:** they link the risk profile of a company to their environmental profile; a company who has a solid sustainable strategy has also higher chances of being rentable.

**Large companies and retailers:** they are more and more using the environmental profile of their suppliers as a key selection factors in choosing them (**green supply chain management**).

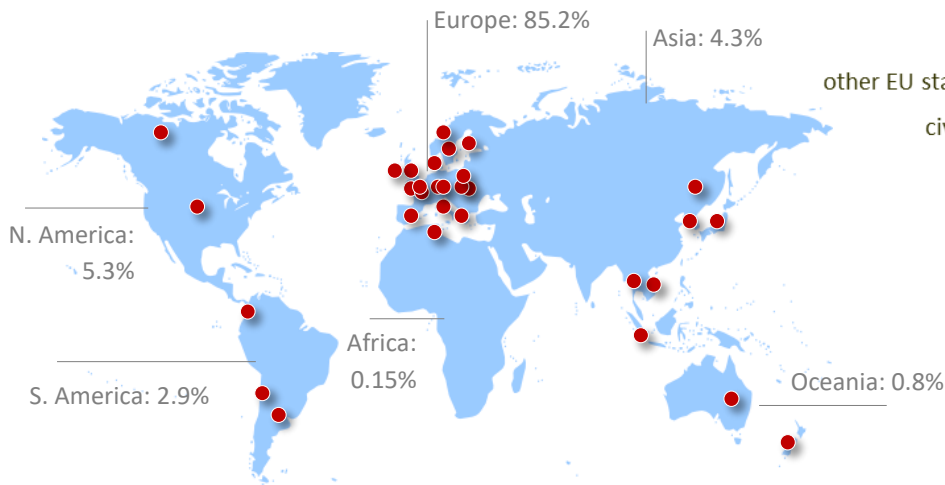
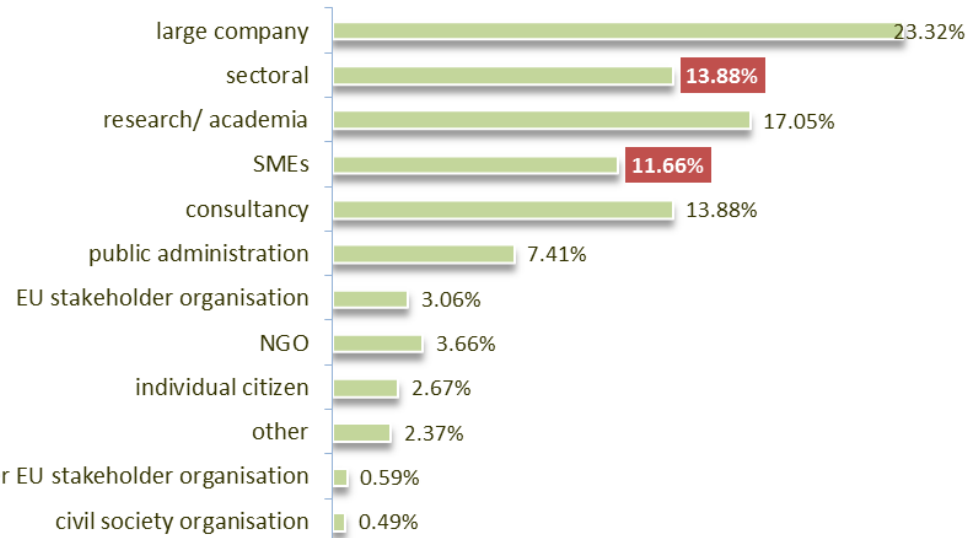
**Citizens:** an ever increasing number of them is using the environmental features of a company when taking their customer loyalty decisions.

# The pilot phase



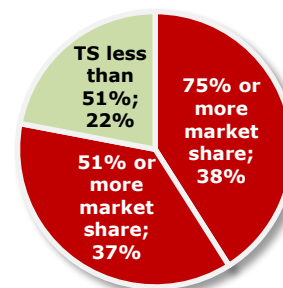
Participants (27 pilots):

**2024 individual stakeholders (5322 participations)**



Stakeholders in the world (● = leading stakeholders)

**267 leading stakeholders in the 23 active pilots**



The EU market is behind the pilots:  
**73% of pilots have the majority of industry in the lead**

# 27 -> 23 pilots



Batteries and accumulators



Decorative paints



Hot & cold water pipe systems



Liquid household detergents



IT equipment



Metal sheets



Non-leather shoes



Photovoltaic electricity generation



~~Stationary~~



Intermediate paper products



T-shirts



Uninterrupted power supplies



Retailer sector



Copper sector



Leather



Thermal insulation



Beer



~~Coffee~~



~~Fish~~



Dairy products



Feed



~~Meat~~



Pet food



Olive oil



Pasta



Wine



Packed water

# The PEFCR



## The PEFCR provides the following information:

- The most relevant impact category / life cycle stages / processes / elementary flows
- The environmental profile of the representative product (average product sold in Europe)
- List of mandatory company-specific data
- List of all the methodological rules to be used when calculating the environmental profile of any product in scope
- List of default datasets to be used + data needs requirements

	Most relevant process	Other process
<b>1. Process run by the company</b>	Use company-specific data and create a company-specific dataset <b>DQR≤1.6</b>	
		Use default secondary dataset <b>DQR≤3.0</b>
<b>2. Process <u>not</u> run but with <u>access</u> to company-specific information</b>	Use company-specific data and create a company-specific dataset <b>DQR≤1.6</b>	
	Use company-specific activity data for transport and electricity <b>DQR≤3.0</b>	
		Use company-specific activity data for transport and electricity <b>DQR≤4.0</b>
<b>3. Process <u>not</u> run by the company</b>	Use a default secondary dataset <b>DQR≤3.0</b>	
		Use a default secondary dataset <b>DQR≤4.0</b>



## **A. Harmonised method within product category/sector**

Introduced elements like:

- > Functional unit and system boundaries
- > Data Needs Matrix
- > Requirements for modelling of common elements, like electricity and transport
- > Rules for modelling different life cycle stages
- > Default impact assessment categories and methods



## **B. PEFCR support fair comparison of products within the same product category (same functional unit)**

## **C. PEFCR/OEFSR enable product/organisation improvements from an environmental point of view**

- > The Data Needs Matrix : flexibility
  - a company can determine the degree to which it has access to company-specific data
- > Verification plays an important role





- Two updated methods to carry out PEF and OEF studies
- A clear Guidance to develop PEFCRs and OEFSRs
- 21 PEFCRs and 2 OEFSRs covering a variety of sectors and products
- More than 70 models used to define the representative products available for free to any user
- Clear rules to perform PEF/OEF verifications
- About 8000 freely available secondary LCI datasets
- An open source IT tool to perform PEF/OEF calculations for 4 PEFCRs
- E-learning packages in different languages
- Information on the effectiveness of different communication vehicles tested by the pilots and by the Commission



## *"PEF is based on LCA and LCA should not be used for consumer information"*

- *Since 2003 LCA is recognised by the Commission as the best tool to assess the environmental performance of products (IPP Communication, 2003)*
- *Several already existing policies at international, European and MS level are already using life cycle assessment*
- *In 2013 Communication "Building the single Market for Green Products" we promoted the use of 6 key principles that should be always fulfilled when providing environmental information to consumers (**transparency, availability and accessibility, reliability, completeness, comparability, clarity**). We believe PEF is currently the best available tool to deliver all that.*

# What people say about PEF



*"PEF does not deal with some key impacts like biodiversity"*

## ***Climate change***

*Ozone depletion*

*Human toxicity, cancer effects*

*Human toxicity, non-cancer effects*

*Particulate matter/Respiratory inorganics*

*Ionising radiation, human health*

*Photochemical ozone formation*

## ***Acidification***

## ***Eutrophication, terrestrial***

***Eutrophication, aquatic freshwater***

***Eutrophication, aquatic marine***

***Ecotoxicity (freshwater)***

## ***Land use***

## ***Water scarcity***

*Resource use, mineral*

*Resource use, energy carriers*



## *"PEF will increase costs for companies, especially SMEs"*

- *This might be true. It all depends on what is the baseline scenario.*
  - ❑ *For companies who were doing nothing before, then surely it would lead to an increase of costs*
  - ❑ *For companies who were doing LCA studies it will bring a relevant **reduction** of costs thanks to:*
    - ✓ *Common rules (=level playing field)*
    - ✓ *Standardisation of approach at EU level = stop to proliferation of rules)*
    - ✓ *Free models*
    - ✓ *Free secondary data*
    - ✓ *IT tools*

# What people say about PEF



*"PEF is too complex"*



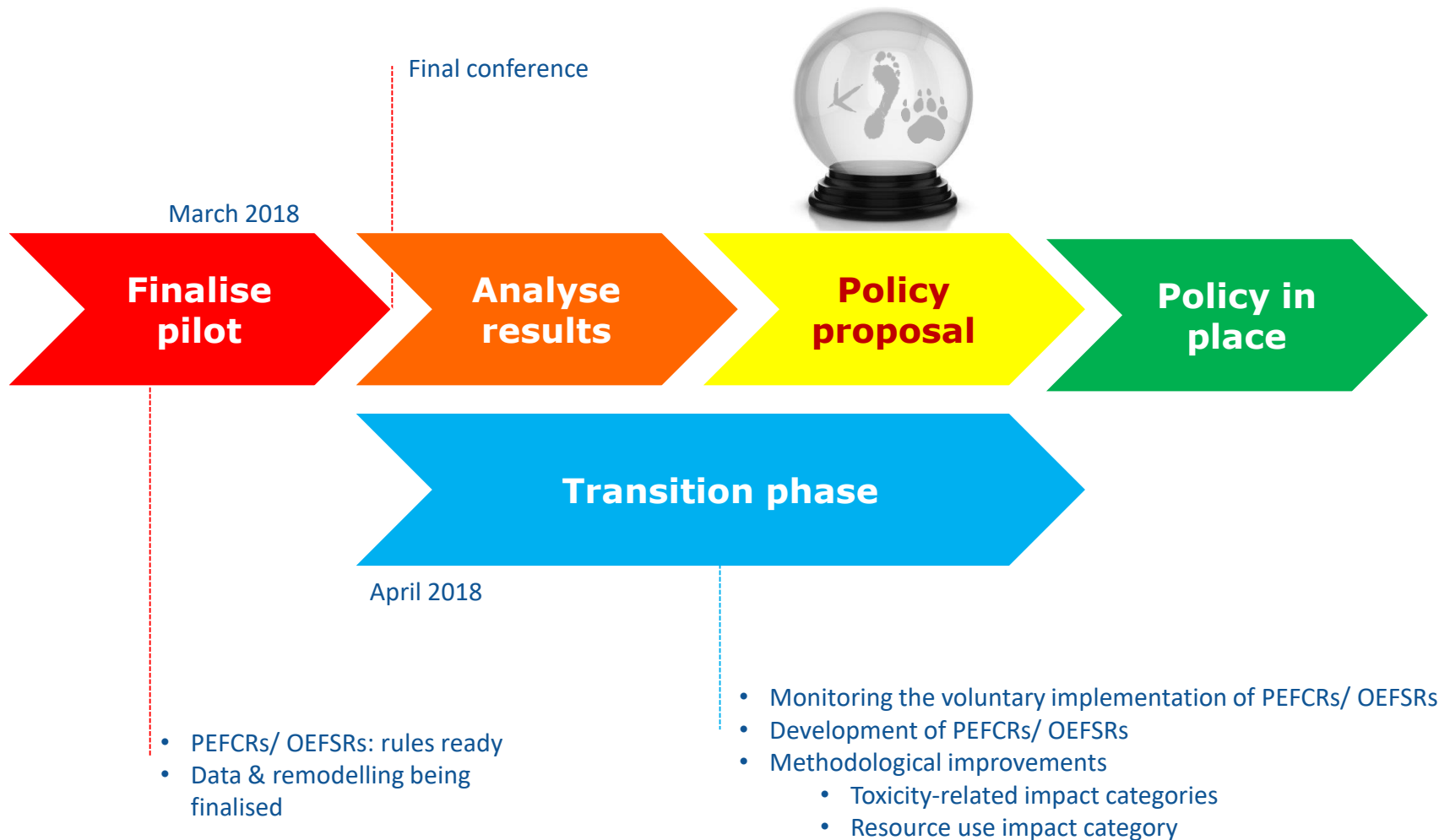
# EF-based information system



## Would allow:

- To design better products improving their environmental performance
- To transfer environmental information in a more standardised way
- To address the whole consumption market
- To allow citizens to make informed choices
- To allow Member States to introduce incentives/disincentives linked to the environmental performance
- To allow policy makers to have a picture of the potential environmental impacts related to certain product groups/sectors, setting targets and environmental objectives

# Status & next steps





<http://ec.europa.eu/environment/eussd/smgp/>

<https://webgate.ec.europa.eu/fpfis/wikis/display/EUENVFP/>

[env-environmental-footprint@ec.europa.eu](mailto:env-environmental-footprint@ec.europa.eu)

**Twitter: @EU\_EnvFootprint**





# Background slides

# EF reality-check with few months to go



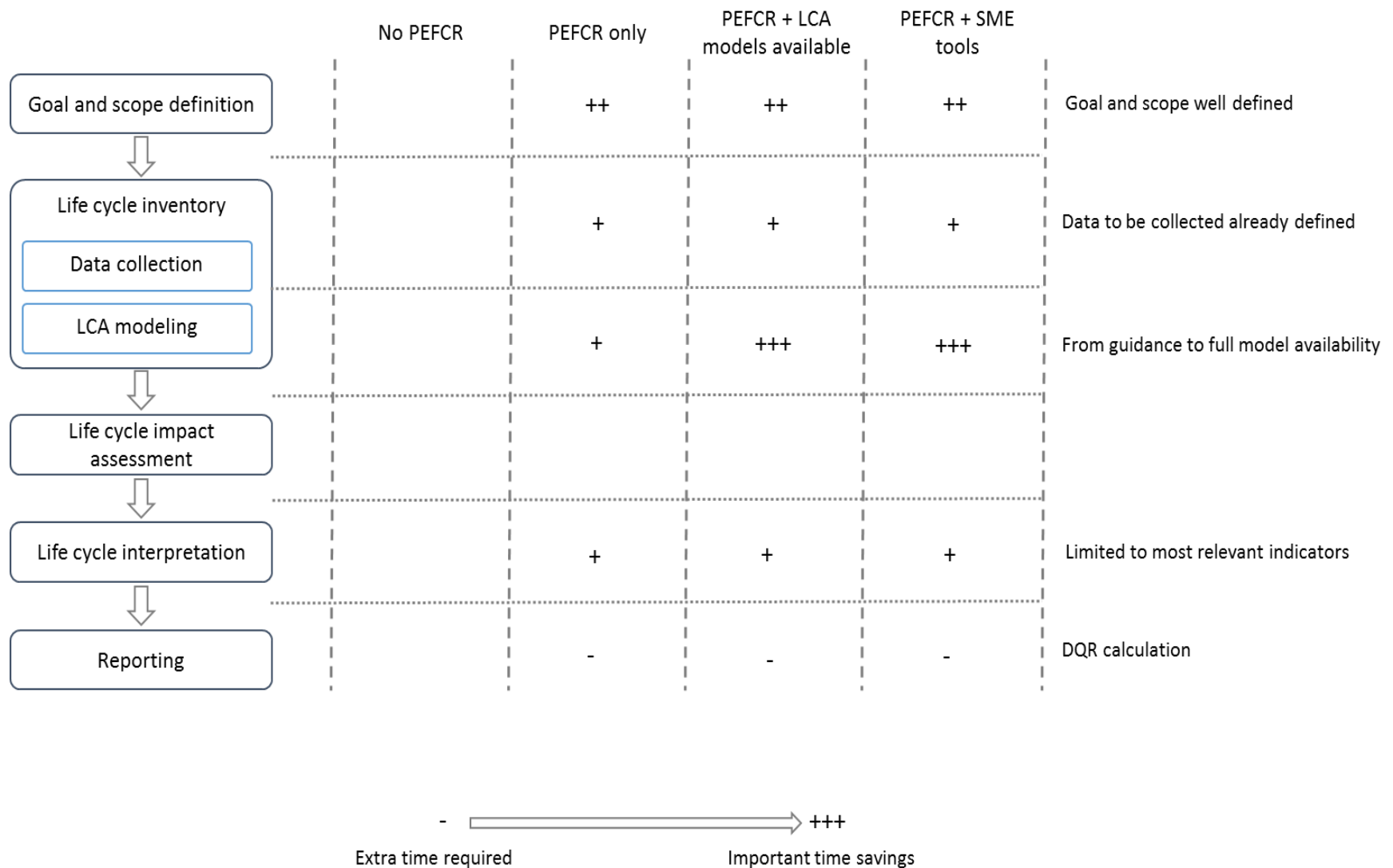
## Initial situation

- LCA standards too flexible to guarantee reproducibility and comparability of results
- Proliferation of PCRs often dealing with similar or identical products
- Benchmarks not existing
- Lack of high quality free secondary data
- Labelling and other communication activities not always focused on the most relevant issues

## Situation after pilot phase

- A single method at EU level (published in the OJEU), much stricter in terms of requirements, leading to results more reproducible and comparable
- The enforcement of the representativity rules guarantees the existence of only 1 set of rules for each product group
- Benchmarks developed for about 20 product groups
- 8000 high quality secondary datasets available for free
- Materiality principle fully implemented

## 4. Reduced costs for companies for the environmental analysis



# The info jungle



Number of ecolabels worldwide

430 → 465  
2013 2017

47%

Growth of assets under green funds  
in last three years

4%

Growth of brands with stated commitment to  
sustainability in 2014

7%

Growth of brands that state this on labels &  
packaging

1%

Growth of brands without sustainability  
commitment

29% of food and drink sales carry an  
environmental label

53% of non-food and drink sales  
carry an environmental label

DE, FR, IT, PL, SE, 2017

Product groups: wine, apples, coffee, olive oil,  
cheese, dried pasta, processed meat, bottled  
water, dog food, laundry care, footwear, jackets  
& coats, shirts & blouses, decorative paint,  
televisions

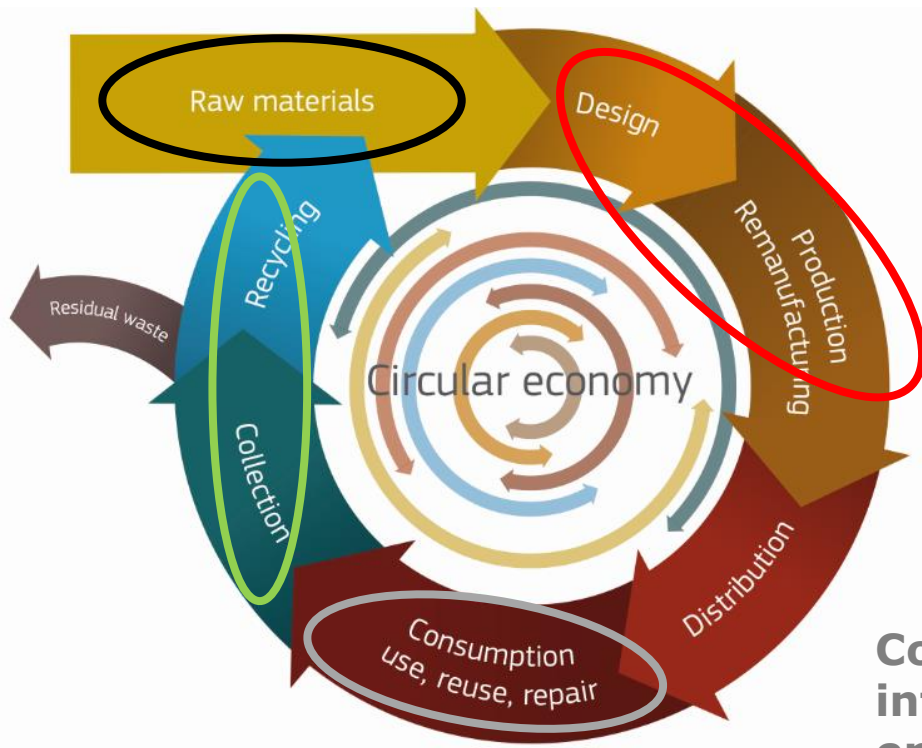
95%

of consumers say that buying "green" products is  
the right thing to do

95%

of products with environmental claims contained  
at least one false claim

# Circular economy: reflects the full life cycle



**Review ecodesign legislation:  
Focus on durability, future re-use,  
reparability, recycling and recovery**

**Resource efficiency indicators**

**Phasing-out of landfilling,  
and the right infrastructure  
for recycling**

**Consumer-related measures: product  
information on repair/maintenance,  
environmental performance  
Tackle food waste**

## **The Commission should address these challenges...**

- Unfair competition
- Confusing claims
  - ✓ Obstacle in green private and public procurement
  - ✓ Obstacle in greening investment, insurance
  - ✓ Mistrust of consumers, obstacle in the growth of green markets
- Costs to companies that trade cross-border in the EU (and internationally) and that have to measure and communicate their environmental impacts in different ways for different markets.
- Environmental information not available along the supply chain in a consistent and harmonised way – unexploited opportunities in the circular economy