
Brussels, 18 December 2018

COMMENTS ON PRODUCT AND ORGANISATIONAL ENVIRONMENT FOOTPRINT METHODOLOGIES (PEF/OEF)

Orgalime, representing Europe's Technology Industries, appreciates the opportunity to comment on the Product and Organisational Environmental Footprint methodologies following Commission recommendation 2013/179/EU and the selected pilot case studies carried out on their basis.

Orgalime supports the use and development of reliable, coherent, understandable, and verifiable environmental information. The existing situation with more than 100 active environmental labels in Europe alone¹ seems far from ideal or efficient to advance common EU policy measures and reach a joint objective. All these options on the other hand can enable customers to choose and prioritise the environmental issue that they consider to be most important and relevant for them. The PEF (Product Environmental Footprint) and OEF (Organization Environmental Footprint) could, under the right circumstances, be a helpful tool; however more development would be needed and important barriers would have to be removed, especially in the following areas:

- Such an approach should ensure that the information ultimately adds value that can enable and reliably influence purchasing decisions. It is a challenge to combine data on energy, material and toxicity to get a single qualitative result that properly informs different target groups, such as both companies and consumers. In business-to-business relationships in particular, customers do not demand aggregated, comparative information but different sets of product, production or supply chain related environmental data. These are usually provided on the basis of international standards, such as EN ISO 14000 for environmental management systems or EN ISO 14040 series for life-cycle assessment methods.
- Reliable and cost-efficient verification of data, including for supply chain issues, will be needed to enable the desired accuracy. The suggested third-party auditing does not necessarily provide the required verification. It also raises questions as to how often such an audit would be needed, and if the audits already used by many companies to verify ISO standards or sustainability reports could be expanded to cover this as well. To be cost efficient and effective, verification procedures would have to be embedded in the international accreditation system and be based on European Regulation 765/2008 and European Decision 769/2008.
- Sufficient market surveillance needs to be ensured before considering the wider use of the method. Reliable market surveillance across the EU is a must to ensure a level playing field. As long as the PEF method risks creating a system that further promotes imports of lower-priced products from other geographical regions, it risks not leading to the reduction of environmental impacts.

¹ As stated in the background document, [Background document - Consultation on the potential policy options to implement the Environmental Footprint methods](#), 5 November 2018

Orgalime representing the European Technology Industries speaks for 45 trade federations of the mechanical, electrical, electronic, metalworking & metal technology industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2017 accounted for some €2,000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.

- It should be considered to use the PEF method for identifying the significant environmental impact of a product category. Life Cycle Assessment (LCA) is a good instrument to identify the most significant environmental aspects on a system level, but can often be very difficult to use to make specific design choices. The choice of sub suppliers, their location, production method and so forth will to a large extent affect the result, making the iterations endless. For that reason, LCA techniques should primarily be used to identify the prioritised environmental impact for different sectors.
- The subjective assumptions inherent to LCA methods prevent using PEF for reliably comparing products of different product manufacturers with each other. Consumers should not be misled and the market should not be distorted.
- The lack of data, such as average data on standard machinery components and parts and their environmental impact, remains a key barrier towards using LCA-based methods, whether PEF or other.

To conclude:

Orgalime recommends that the use of the PEF and OEF Guidance remains voluntary and suggests making a thorough impact analysis with proper stakeholder involvement. This could be performed with a multi-stakeholder approach that considers existing initiatives and aims to explore how the PEF would overlap or complement existing systems. Orgalime remains available to contribute to such a process.

Orgalime also underlines the importance of international collaboration to enable comparison of all actors in a given supply chain. To ensure harmonisation any further development of the PEF should be led by standardisation organisations. To make PEF workable and support Europe' sustainability agenda international harmonisation is required.

For further information, please contact:

Sigrid Linher, Director Energy and Environment: firstname.lastname@orgalime.org



The European Technology Industries