Norsk Industri

Position paper: Product Environmental Footprint (PEF)

About the Federation of Norwegian Industries

The Federation of Norwegian Industries represents industry sectors such as paper and pulp, engineering, ferrous/non-ferrous, maritime, oil and gas, recycling, etc. In total, we represent 2.450 company members, with approx. 130.000 employees, with an annual turnover of approx. 75 billon €, of which export constitute 35 billion €. We hold membership in 20 industry federations in Brussels.

The Federation of Norwegian Industries has followed the pilot projects on the development of Product Environmental Footprint. We have encouraged our members to gather knowledge and environmental data relevant to their own products, manufacturing processes and criteria used for benchmarking.

Summary

- The Federation of Norwegian Industries supports the ongoing harmonization on common methods to measure and communicate the environmental footprint of products and services. The initiatives should be based on the results and experiences from the pilot projects, which are now completed.
- The environmental footprint of products should give information on the actual environmental impact. This is important to reward products with limited environmental footprint and to provide incentives to manufacture products at locations where the environmental impact is the lowest.
- Methods to measure and communicate the environmental footprint of products should be flexible, allow for national adjustments and take into account local natural conditions. It is of utmost importance that resource efficient industry/manufactures does not lose competitive advantages.
- Methods to measure the environmental footprint of products must be of proven high quality and be widely accepted by the industry before introduced in European regulations or CEN-standards.

The EU-initiative

The Commission launched several pilots for the development of specific Product Environmental Footprint (PEF) and Organization Environmental Footprint (OEF) rules in 2013. The objective is to develop common methods to measure and communicate the life cycle environmental footprints of products and organizations. This EU initiative can help developing a single market for green products.

Methods: Environmental performance, flexibility and national adjustments

A product's environmental footprint should, to the greatest extent possible, describe the product's actual environmental impact. This means that specific data from a company's production processes should be used for emissions, energy use, resource efficiency, chemicals, etc. Average values on industry level might be used for secondary data, i.e. upstream and downstream processes. The methods to measure the life cycle environmental footprints of products should provide an incentive to manufacture products at locations and industrial sites where the environmental impact is the lowest.

The methods should be flexible, allow for national adjustments and take into account local natural conditions. Examples of the competitive advantages of Norwegian industry are access to renewable electric power, access to clean and cold water, and robust recipients. The environmental impact from

energy use, water consumption and waste disposal are examples of data should be specific for the different production sites when measuring and communicating a product's environmental footprint.

The ecological and/or chemical status of a recipient may also affect the environmental impact of a specific manufacturing process. Methods for documenting and comparing environmental impact in terms of for instance ecotoxicity and biodiversity have improved, but should still be further developed.

Should the methods fail to rely on transparent and objective assumptions, or take into account local natural conditions, this may hamper market access for resource efficient producers. One example of wrongful discrimination can be the primary energy factor referred to in the EU Eco-design Directive. Another example is the use of Renewable Energy Guarantees of Origin. Use of such legal instruments might give rise to misunderstandings and may be the cause of incorrect environmental footprints.

Indicators and data quality

Methods, indicators, emission factors, etc. must be transparent and verifiable, in order to be able to challenge assumptions and prerequisites. This also means that databases used for input to measure products' environmental footprints must be kept up to date with emission factors, etc. Requirements of data quality have been crucial for the legitimacy of the EU pilots. This will be equally important in the continued development of methods to measure the environmental performance of products.

Finally, it must be possible to disregard certain indicators, which are not relevant for certain products, production sites or locations, as long as these choices can be justified and are done in a transparent manner. For instance, water consumption is usually not regarded as an environmental challenge in Norway, while water consumption might have a greater environmental impact in Southern Europe.

Co-ordination with EPDs and eco-labelling.

Today, there exist several documentation and labelling schemes to indicate the environmental impact of products. Examples may be the Nordic Swan and the EU flower. The upcoming work on product environmental footprints must involve the harmonization of the existing documentation methods used for eco-labelling. Harmonization must take place through the follow-up of the EU pilot projects. This will strengthen the single market for green products. However, harmonization should not prevent business-to-business dialogue between manufacturers and their customers, which can include demand for additional environmental documentation, for instance based on Environmental Performance Declarations (EPD). The methods for product environmental footprints and EPDs should be aligned as far as possible.

Regulations

Methods to measure the environmental footprint of products must be of proven high quality and be widely accepted by industry before introduced in European regulations or CEN-standards. The potential introduction of these methods in regulations or CEN-standards should also be preceded by a voluntary phase to assess the consequences for market actors. Finally, the development of methods for such product environmental footprints must take due account of the challenging issues of dual use.