

**Questions related to the Webinar ‘PEF – What It Is,
and Benefits for SME’s’ (12 Nov 2020),
and answers provided**

Webinar delivered by the EF Helpdesk partners Sphera and maki Consulting GmbH, under the contract “Technical support during the transition phase of Environmental Footprint” (ENV.B.1/SER/2017/0004) with the European Commission, DG ENV.

Only those questions related to the topic of the webinar are included in this document.

Question: How does the weighting work to get a single score?

Answer: The weighting combines relevance weighting (e.g. how much more/less important is an environmental impact category in comparison to another e.g. Climate change compared to Marine Eutrophication) with a robustness weighting as an overlay, because the different impact methods have a very different reliability/robustness. This “robustness factor” is used to ensure that uncertain methods do not dominate the results. Like in any comparative decision making, the robustness of information is important - but still to allow including also the less robust results in the overall results.

Question: Would it be possible and how to start creating a PEFCR for a new category of products and what if one exists under the PED system?

Answer: The process start with a call for development of PEFCRs done by the EC. Among the candidates, some industries are selected depending on the resources needed. Some requirements are needed to be fulfilled such as a representation of more than 51% of the market or setting up a Technical Secretariat. The process is expected to last for two years. During these years, the EC provides support to the Technical Secretariats in the form of meetings, feedback, guidance, etc

The existence of the EPD system can make the development easier because one of the first steps to develop a PEFCRs is to review the work already done in the field. However, the existence of EPD system is not needed to develop a PEFCR.

The rules governing PEFCR/OEFSR development are under assessment in the context of the impact assessment for the green claims initiative.

Question: What is the relationship between PEFCRs and EPD's Category Rules? Can we use the former when working on an EPD?

Answer: That depends on what the specific EPD scheme allows; usually they have their own Rules (PCRs). However, a PEF study, if used to inform business clients, is equivalent to an EPD in content and purpose.

Question: What kind of practical benefits can SMEs draw from PEF?

Answer: Protect and/or increase market share; Identify most relevant activities and consumables to improve own product's environmental performance; Identify (environment-related) risks along the value chain; Build up profile and reputation; Large companies and retailers increasingly using the environmental profile of their suppliers as a key selection factor ('green supply chain'); Banks and finance institutions increasingly linking risk profile to environmental profile; An ever growing number of consumers is using the environmental features of a company when taking their customer loyalty decisions; Fair competition (everybody playing by the same rules); reduced number of false green claims (greenwashing) by competition; avoidance of unnecessary costs (by having one method, one label); remove obstacles to cross-border trading.

Question: For what purpose a manufacturer could use EF method without a PEFCR?

Answer: See just above.

Question: To which category belongs lighting? Cannot find it.

Answer: The list of categories shown in the slide covers only those that have already seen the development of a PEFCR. Lighting would require an own PEFCR (presumably with several representative products in it).

Question: In practice who is expected to write the EF reports?The company who is implementing the PEF study.

Answer: This can be done (semi)automatically, if the product life cycle model is implemented in a software that generates the report. Otherwise, an expert is often commissioned to undertake the analysis and write the report, except for where in-house groups exist, in bigger companies.

Question: What would then be the unit of this overall score?

Answer: The overall single score is dimensionless; it would be qualified as EF points or micropoints.

Question: Are there efforts to develop PEF rules for further product groups? What is the process for developing a new PEF for other products?

Answer: The Commission had invited interested industries/organisations to apply for the development of new PEFCRs in the Transition Phase. The 5 selected new PEFCRs being developed at present are shown in the presentation. New PEFs for products can be developed anytime using also directly the PEF Method, where a PEFCR is not available. Note that such PEF studies do not allow comparing products, because of a reduced reproducibility; hence only PEFs under existing PEFCRs enable direct comparison.

Question: Will PEF be implemented in the construction sector too as there already is a standardised LCA-based EPD-system available?

Answer: Several PEFCRs from the pilot phase relate to construction sector products. The development of further ones depends on the future governance of PEFCR development, but industry interest/engagement will surely be beneficial.

Question: Could you remind the different policy options and key due dates?

Answer: These have not been presented in this webinar. More information on the Green Claims Initiative can be found [here](#), especially when you scroll down to the recent workshops.

Question: Do you have some examples on the effort for a PEF for some (standard) products? Just to get an idea how much time and money companies should plan for it.

Answer: Based on a completed survey and other sources, this will be part of the policy Impact Assessment report under the Green Claims Initiative that is currently under preparation by the Commission. The cost depends also very much on aspects such as type of product, with/without PEFCR, number of products done in joint effort, availability of simple-to-use software support with in-built product models, etc.

Question: Do you have a view on which categories are now covered by a tool?

Answer: Different private sector actors (LCA software developers, industry associations) are developing software solutions which cover specific or even all product categories for which PEFCRs are available. We highlight that requirements for such and other EF-supporting software are under development to ease identification of tools that actually support PEF/OEF studies in compliance.

Question: There are given reference values in PEFCRs. If they are not representative of your product, can you use company specific values instead?

Answer: Each PEFCR determines which values can (or have to) be derived from company-specific data and which values are defaults. Some default values are provided in order to make the work easier for PEF developers. Default values can be used but some of these can also be replaced by company-specific information, while some default values cannot be changed because it has been decided that everybody shall use these values to ensure comparability. The latter refers for example to the "A" value of the CFF formula. Details are provided in the applicable PEFCRs.

Question: Can you discuss why there was a need to produce a European specific PEF model instead of using the standardized EPD? What are the high level differences between PEFs and EPDs? Can companies that have EPDs for their products use the same information to produce a PEF?

Answer: There are several EPD schemes, which are mutually incomparable. Also, within each of them many choices on method aspects and background data are allowed, which is

why they are also not fully comparable internally. Also, the rules (PCRs) in EPD schemes often can stem from a single company, while PEFCRs require >51% of the industry that sells on the EU market to be represented, plus green NGOs and civil society organisations. Then, the mandatory use of a common background database ensures reproducibility of PEF studies on that level. All of this combined provides the needed credibility plus reproducibility for market and policy use.

Question: The "free of charge" use of secondary data, is only here presented as only when official PEF studies are made. Is this not against the whole purpose of PEF, as it is a purpose to improve future LCA studies?

Answer: The purpose of the EF and the EF database is to perform PEF studies for communication to external audiences and for in-house use. For any PEF study, fully compliant and under any of the (currently) 21 PEFCRs/OEFSRs, the EF secondary database is free of charge; details are in the dataset license conditions of the various providers (all using the same text). For any other use, in-house or external, the specific data providers as IP owners decide e.g. on license fees.

Question: In terms of guidelines for making product sustainability environmental claims, the PEF is mainly a methodology to assess the impacts and have reliable and comparable data to compare products, but for the construction of claims and messages the PEF provides any guidance? e.g. ISO 14021 - Environmental labels and declarations — Self-declared environmental claims

Answer: The specific scope, form and format of communication and claims (to different target audiences) is subject to the ongoing policy development under the Green Claims Initiative of the EC, led by the EF team of DG ENV.

Question: What is meant by 'hotspot'?

Answer: Hot spots are the most relevant contributors to the overall life cycle wide environmental impact. This can be a set of processes (e.g. specific consumables or electricity during use), but also the companies own production processes. Another hotspot in use in the PEF is which life cycle stage is most relevant.

Question: I think SMEs will not deliver to international market, but their customers may be large companies requesting the information.

Answer: Partly SMEs do act beyond their domestic market but yes, most of them supply customers who are large enterprises who increasingly ask for life cycle based information of the products, e.g. in the context of carbon-neutrality but also general environmental performance improvement.

Question: Is it correct that EF impact category "Resource use, fossil" is exclusively for natural gas/oil, lignite and hard coal? While uranium (for nuclear power" falls under "resource use mineral and metals"?

Answer: In the EF flow list 3.0 and the "Resource use, fossil" impact category, Uranium resources are now included in the list of energy carriers and measured in MJ.

Question: Please explain shortly the difference between LCA and PEF.

Answer: PEF is based on the international framework of LCA, but the PEF method provides substantial additional requirements compared with ISO 14040/44 to increase the reproducibility and reliability of the results. Moreover, further specifications are implemented via product category specific requirements in the form of PEFCRs.

Question: What is the difference between EPD and PEF?

Answer: If the PEF study is used to inform business clients about the environmental performance of the product, this is in form and purpose equivalent to an EPD (while with a more robust, reproducible and recognised scheme).

Question: Do you consider the economic allocation?

Answer: The PEF Method sets a hierarchy to derive how to solve multifunctionality. Economic allocation is among these. For end-of-life modelling and recycled content and use of secondary fuels, the Circular Footprint Formula is to be used.

Question: On slide 43, could you recommend an (open source) database for textile process chains (for first approximations and calculations)?

Answer: The nodes for the official EF databases are included in the presentation. We cannot recommend any databases in this context, noting that EF compliance is a key criterion as well as minimum data quality.

Question: How many finalised PEFs so far in the first ten years? And how many PEFs do you envisage in the next 5 years?

Answer: During the Pilot Phase (2013 to 2018), in the order of 200 PEF studies were implemented, most of these as part of developing the PEFCRs. An unknown number of so-called shadow PEF studies were informally conducted by companies outside the official pilot phase, to test the approach and any implications for themselves. In the next 5 years, there will be around 100 supporting PEF studies for the new PEFCRs being developed. It is difficult to estimate the number of official PEF studies that will be implemented by industry in the next years, as the development of related policies at EU-level is still ongoing and, even more so, the number of shadow studies.

Question: How long is the total process to have a new PEFCR?

Answer: With the approach used in the transition phase, this is approximately two years, including public consultations and review. The final process may differ in some aspects.

Question: If we take an SME for example - I do not expect that they have LCA experts in house. Would you recommend they contact the Helpdesk that Hannes mentioned earlier to receive expert support? Is that the objective of the Helpdesk?

Answer: The helpdesk is exclusively supporting the EC in the PEFCR/OEFSR development process, TAB meetings, expert groups etc, and answers stakeholder questions related to specific PEF Method aspects, but not individual companies doing PEF/OEF studies. Any external support an SME may need is up to the SME to contract, as needed.

Question: Do I need prior knowledge to develop PEFCR for new product groups? Can anyone do it?

Answer: It needs a group of producing organisations that jointly represent at least 51% of the European market. From these, representatives are sent to form a Technical Secretariat. It requires expertise so not everybody can do it. Existing PCRs from other schemes are to be looked into when starting development of a PEFCR, but the final PEFCR is bound by the PEF method and rules.

Question: Are there examples of finalised PEF studies / documentations to have a look at?

Answer: The best insights you get when looking at the finalized PEFCRs from the pilot phase. These can be accessed via this link: https://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm. The many supporting studies that were used during the process are not publicly available, also have followed interim rules of that time.

Question: Is it not possible to use secondary PEF data to perform LCA studies only for internal use? Not published and reviewed.

Answer: That would be against the license conditions of the data sets. The EC has acquired the use rights exclusively for PEF/OEF studies under the PEFCRs/OEFSRs, what includes publication.

Question: If a brand wants to compare products against another product (own or competitor) not only using the PEF indicator but also additional ones like circularity, plastic leakage, biodiversity loss, etc, is there a way to still be PEF compliant?

Answer: Comparison can only to be done if there is a PEFCR available. In this case, the specific PEFCRs also list additional environmental information that shall or may be covered in the PEF report (e.g. specific biodiversity impacts, microplastics, ...).

Question: Will a Front of Pack logo will become part of the PEF?

Answer: The policy options regarding communication are still under development at the Commission.

Question: Is the data quality to be assessed by the organisation setting up the PEF or by a third party?

Answer: Data quality of company-specific data is subject to verification and validation by a qualified third party, under the current PEF method.

Question: What about the conflict between using default values in a PEF and finding hot-spots?

Answer: The purpose of compulsory default values is to allow a level playing field and to focus on those factors and stages that really count. If a Technical Secretariat has agreed on default values, it is highly unlikely that these would compromise the identification of hotspots. Other default values are of methodological nature, such as the A factor in the CFF end-of-life formula, that hence by definition is independent of specific hotspots.