



Moving the European market toward a circular economy

Theme: PEF – a life cycle based harmonized toolbox– is intended to form the motor in new regulatory measures for driving products in a green direction

**International
Conference
(Virtual)**

**30 September 2021,
10.00–16.00**

Technical Report





Panel: Gert S. Hansen (NEF Group, Danish Environmental protection agency), Arne Remmen (AAU), Emmanuelle Maire (EU Commission), Imola Bedo (EU Commission), Ari Nissinen (NEF Group, Finnish Environment Institute), Sylvain Chevassus (Ministry of Ecological Transition, France), Ruben Dekker (Ministry of Environment, The Netherlands), Christian Bruhn Rieper (Ministry for Environment and Food, Denmark), Fabio Iraldo (Sant’Anna Scoula Universitaria Superiore), Matteo Donelli (University of Bocconi), Charlotte Thy (NEF group coordinator, Bureau Veritas Denmark), Jesper Jerlang (Danfoss), Marie Busck (Danish Fashion and Textile)

The conference was organized by NEF Group in collaboration with Aalborg University. The aim of the NEF group is to coordinate within Nordic authorities work regarding the EU Commission’s PEF projects, as well as, to contribute to the Nordic and EU discussion of how to green the markets and disseminate the knowledge to the stakeholders.

In total, 180 participants registered for the conference from more than 15 countries.

This summary report is based on a selective approach to the recording from the conference, including the chat during it. The summary report shall be considered as an informal summary of the conference as neither the summaries, questions nor the answers have been approved by the presenter, questioner or the replier. The questions and answers should therefore not be referred to nor taken as the confirmed position of the persons referred.

The summary report was prepared by Stig Hirsbak, Aalborg University, and Anete Evelina Araja



Table of Contents

Table of Contents	3
Overall Summary	4
The first session – Setting the scene	5
EU Green Deal and Circular Economy	5
Questions related to Emmanuelle Maire’s presentation:	5
Second session - The cornerstones	6
Questions related to Imola Bedo’s, EU Commission, presentation	8
Discussed questions within the First Dialog Session moderated by Ari Nissinen, NEF Group	11
Third session - Member countries position and initiatives regarding Green Deal measures	14
France	14
Questions related to Sylvain Chevassus presentation (from the chat)	15
The Netherlands	15
Questions related to Ruben Dekker’s presentation (from the chat)	16
Italy	16
Questions related to Fabio Iraldo’s presentation (from the chat)	17
Denmark	17
The Second Dialog Session, moderated by Charlotte Thy, NEF group coordinator	18

Overall Summary

Overall, the conference can be considered as a success as a high engagement was observed indicating that the developments of the Commission's initiatives and PEF are of high interest and relevance. Several important questions of common interest about the Sustainable Product Initiative (SPI) including PEF were raised and addressed of the audience and the roundtable. E.g., questions concerning the existing EU Ecolabels and the interface with the PEF concept. For example, regarding the Ecolabel and its integration within PEF, one of the options on the table was to use the environmental footprint (PEF) methods in the background as a coherent way of identifying environmental hotspots and then leave the criteria set to the Ecolabel. The second option is more advanced, as the use of environmental footprint indicators as thresholds. This is only possible in case there are environmental product category rules (PEFCR). It means that users of the Ecolabels (Type I) actually would need to prepare an environmental study to comply with these threshold requirements. Also, calculators for the private sector, the impact on SMEs, as well as consistency and coherence across other initiatives were addressed. Whereas for delivering secondary data, there are such options considered such as the development of the (i) Commission's database, (ii) decentralized systems where it would be managed by third parties and (iii) a combined system where the core set of data would be owned and managed by the Commission and then this would be complemented by a network of data providers.

Green Claims Initiative is expected to be launched in the last quarter of 2021 and after it has been launched it is expected that the Commission will initiate a process regarding the development of more PEFCRs.

The first session – Setting the scene

10.00-10.15	Welcome & introduction to the day Gert S. Hansen - Chairperson for the NEF Group, Danish Environmental protection agency Practical information Moderator: Stig Hirsbak - Aalborg University
10.15-10.45	1st session - Setting the scene The Measures in pipeline and the expected process for moving the market toward a circular economy – the Green Deal Emmanuelle Maire - Head of Unit, EU Commission
10.45-11.45	2nd session - The corner stones The Commission Green Claims Initiative (GCI), the Sustainable Product Initiative (SPI) and the fundament for both initiatives – the PEF method toolbox Imola Bedo - DG Environment, EU Commission
11.45-12.00	BREAK

EU Green Deal and Circular Economy

Emmanuelle Maire, Head of Unit, EU Commission, “The Measures in the pipeline and the expected process for moving the market toward a circular economy – the Green Deal”

Summary of speech:

To start with, Emmanuelle Maire, Head of Unit, EU Commission gave an introduction of a wider policy framework of the European Green Deal and different policy initiatives are provided, where the circular economy is a central aspect. The circular economy is expected to have positive impacts in terms of a healthier planet, new business opportunities, job creation, resilient supply chains, social cohesion, less pollution, and more value from and for the EU industry. Furthermore, the circular economy is seen as a key in recovery from COVID-19 challenges. Also, the European Green Deal is the document foreseeing the adoption of the Circular Economy Action Plan. The main emphasis of the new Circular Economy Action Plan is on making sustainable products the norm in the EU. To achieve this, a closer look was taken at mainly two initiatives - Sustainable Products Initiative (SPI), Green Claims Initiative, and following methodology - PEF and PEFCR.

Questions¹ related to Emmanuelle Maire’s presentation:

Q: From Björn Spak; Naturvårdsverket : Incentives in the textile strategy refers a lot to increased recycling - what is the view on decreased consumption?

A: Emmanuelle Maire - Consumption is very high on the agenda, including a lot of awareness raising in the Member States. We would have the life cycle aspect in mind, and

¹ Only those questions which led to a clear answer has been included

how we can make the case where consumers shift away from the fast fashion. We've received more than 500 replies to the consultation on circular textiles that will be launched soon. I think that the textile strategy would be the great signal to give on how we improve circularity in the textile industry

Q: Daniel Weber, Marine Ingredients Denmark & European Fishmeal: You mention that consumers find too many labels. Is the Commission looking at substituting the many labels for green claims with a unified EU label?

A: Emmanuelle Maire: For obvious reasons many companies are tempted to use the green argument to sell products and we have seen during the crisis that the market for green products was still moving even more than before. There is an issue of the fair competition, in which the methodologies to make green claims are extremely diverse. They leave a lot of room for each and individual operator to decide which data to use and to report, for example, only report on one aspect for example, climate change without also considering other impacts on the environment. Therefore, we think that we need to move towards substantiation of green claims using the environmental footprint method, which have been developed over the last years, and make sure that we have a solid basis. This is very much the essence of the Green Claims Initiative

Q: Sylvain Chevassus, Ministry of Ecological Transition, France: We are looking forward to the initiative on sustainable products. It's a very ambitious and very interesting proposal. A question concerning the eco-design directive. When will you propose the SPI and is it certain now that it will include the revision of the eco-design directive and the proposal to allow for the scope of the eco-design directive?

A: Emmanuelle Maire: Indeed, we are really working on that basis by extending the scope of the directive, in terms of the impact covered, and not limiting the current scope to energy related products only. We have a few steps to complete within the European Commission, also in terms of internal scrutiny of our proposals, and the impact assessment process. But even if we have to correct the initial impact assessment, we had submitted it to our internal scrutiny boards. I think that we're well on track and it will result in an upgraded eco-design directive.

A: From Michele Galatola, European Commission: @Sylvain: SPI is a complex file. If we will need a few months more to deliver a strong proposal we may consider doing so. But we are also keen to have France Presidency steering the discussions

Second session - The cornerstones

Imola Bedo, EU Commission: The Commission Green Claims Initiative (GCI), the Sustainable Product Initiative (SPI) and the fundament for both initiatives – the PEF method toolbox

Summary of speech:

DG Environment pointed out that many challenges have been identified in regard to the sustainable policy framework. Many products break down too quickly, cannot be easily reused, repaired, or recycled, and many are made for single use only. For this reason, the EU Commission is working on the measures of the product design, revision of the Eco-design Directive to cover a larger scope of products beyond energy-related products and to

cover more environmental impacts than energy efficiency, which is encompassed by SPI. As well as digital product passports and minimum product requirements are under development under SPI.

There is a growing willingness for consumers to make sustainable choices. At the beginning of the COVID-19 pandemic consumers wanted to make more sustainable choices. More than 50%, and approximately 40 % - 60 % of consumers would be willing to pay more for products with a better environmental performance. Overall, it has been indicated that consumers and the economic landscape are ready for the transition. On the other hand, there is a jungle of environmental labels and a jungle of types of claims. In the EU alone, there are more than 200 active labels, and often they have different or slightly different methodologies behind them. There are many methods and many ways on how to communicate environmental performance, which is not transparent, nor enable consumers in the green transition. For this reason, the information about the environmental performance is not comparable and it is difficult for consumers to understand what to trust. Consumers lack information about environmental performance as well as they encounter misleading information about environmental performance. Moreover, studies show that companies are also facing difficulties as they feel that they have to prove their environmental credentials for different markets often by using two or more methods. The Green Claims Initiative is looking specifically at environmental claims and tries to overcome the problem of environmental claims not being reliable, comparable, and verifiable and to help companies to overcome the obstacles in leveraging their environmental performance across different markets. Green Claims Initiative is based on technical tools which are the Organization and Product Environment Footprint (OEF/PEF) methods. Green Claims Initiative was announced by the Green Deal and Circular Economy Action Plan.

The environmental footprint toolbox can be considered as a connective element of SPI and the Green Claims Initiative. In both cases, methods are needed to rely upon, which are not predefined.

The development of product environmental footprint (PEF) and development of sector and category rules (PEFCR) was started in 2009, and now it is under consideration how it can be used in different policies. One of the objectives for the product environmental footprint (PEF) method was to avoid trade-offs between different value chain steps and between different environmental impacts, thus a life cycle-based assessment. The PEF can be used to identify the most important aspects of the product life cycle. Another important aspect for PEF was how it works in practice; therefore, it has been extensively tested between 2013 and 2018. The methodological elements in the methods are based on international best practices. Also, another requirement was that the results must be reproducible. The focus is put on those processes and aspects that are driving the environmental impact of a product or organisation, therefore environmental hotspots are identified. Another important objective within PEFCRs was material comparability and defining the environmental performance of the average product on the EU market, which represents the benchmark that makes it possible to compare different products.

It was important to make it cost less. One of the ways of obtaining this is to make the secondary data available for free to the users of the category rules (PEFCR) and sector rules (OEF). In addition to the assessment, there is a separate part for additional environmental information. This is typically non-lifecycle assessment information that is

relevant to a product. Lastly, to validate and to make decisions, a lot of discussions with experts and stakeholders are undertaken.

The main difference between PEF and PEFCRs mainly relates to the methodological choices. PEF is still leaving some of the methodological choices open because it has to be applicable to any sector or any product. Whereas PEFCRs is more specified, determining what secondary data must be used, which kind of defaults have to be used, defines benchmarks etc. The development of PEFCRs is expected to be finalised in 2022. Overall, the environmental footprint methods are a living method that is continuously improved following international best practices.

Questions² related to Imola Bedo's, EU Commission, presentation

Q: From Blanca Morales, EEB: Consumers have high trust on the EU Ecolabel and equivalent national/regional ISO Type I Ecolabels. How is the green claims initiative taking these labels into account as well established methods to substantiate green claims? How will the green claims legislation reinforce them?

A: Imola Bedo, EU Commission: We have been considering several options. We had a dedicated workshop on this issue where we discussed this in detail with stakeholders. One of the options on the table is to use the environmental footprint methods in the background as a coherent way of identifying environmental hotspots and then leave the criteria setting to the Ecolabels. Then we were considering more advanced options for example the use of environmental footprint indicators as thresholds. This is only possible in case there is an environmental product category rule (PEFCR), and this would go a bit beyond. Users of the Ecolabels would then need to prepare an environmental study to comply with this threshold requirements. So, we are looking into these different options. No final conclusions were made because we are still in the assessment process. We are looking for solutions that avoid the consumers receiving contradicting information and at the same time to be proportionate and to consider what is already reliable on the market.

Q: From Jakob Zeuthen, The Danish Chamber of Commerce: What type of consumer products will EC priorities to start up with digital product passports?

A: Michele Galatola, EU Commission: SPI is not only about consumers, but also about optimisation of value chain and support to achieve a number of Environmental targets. It is also about creating the conditions for allowing sustainable products to be placed in the EU market. Consumers play an important role, but there are also other angles that need to be tackled. Making available digital information (through the digital product passport) is not only relevant for consumers, but also for recyclers, market surveillance authorities, customs' authorities, policy makers and, last but not least, for business-to-business transactions. We need an encompassing legislation that would allow us to achieve (with time) these different objectives, something that the existing legislation (and labels) unfortunately does not allow.

² Only those questions which led to a clear answer has been included

Q: From Jakob Zeuthen, The Danish Chamber of Commerce: Will the PEF and digital passport agenda be challenging for SME / small business?

A: Imola Bedo: The effects of different options on small and medium sized enterprises (SME) is one of the things that we are examining in detail in our impact assessments, both under the sustainable products initiative and under the green claims initiative. Throughout the years we have been looking into the situation of SMEs while we were developing the product environment and category rules during the pilot phase and now. We have also been looking at the experience from other countries like France and related to their own experiments. Fundamentally we think that there are measures that can make it easier for SMEs to comply. For example, the availability of simplified calculation tools, the availability of free data, the fact that there are PEFCR's which fundamentally already translate the method to their specific product, they lead to very important economy aspect. We know that an analysis could be possible for 1000- 2000 EUR instead of the 15,000 EUR, the typical cost of an analysis. There are important cost savings that are possible and that make the schemes more accessible to SMEs, but we know that SMEs have a problem in terms of having access to expertise and being able to participate and we are looking into what kind of measures that could be taken to make their life easier. We also know is that the SMEs also are suffering from the current situation as SMEs currently are very often required to produce data in different ways to different clients. We are going to analyse as part of impact assessments the impact on SMEs, what kind of measures are needed to help them

A: Michele Galatola: Any SME selling products is already using track and tracing systems like the barcode, RFID or 2D identifiers. For those companies, the digital product passport will be required adding a (limited) number of additional information, but it should not lead to disproportionate efforts. The details of the digital product passport design are still under consideration, but its implement ability for SMEs is one of our points of attention (as you could expect from DG GROW)

Q: Eva-Lotta Lindholm, The Swedish Energy Agency: As I understand, the rules for PEF is published 2013 in the OJ. Will you update these with the suggestions from JRC in the report Zampori, L. and Pant, R., Suggestions for updating the Product Environmental Footprint (PEF) method, 2019.

A: Imola Bedo: @Eva-Lotta Lindholm: Yes, the intention is to update these based on the JRC report

Q: Alberto Huerta Morales, Nilfisk: Regarding the green claim initiative, is it foreseen a durability/repairability label similar to France's Repairability Index?

A: Imola Bedo: These issues are more considered under the consumer power initiative at the more general level of access to information. This is not the main output information of the environmental footprint, the output information or the environmental impacts that are connected to all the inputs, outputs, and how resources are.

Q: From Mathilde Crepy, ECOS: Circularity strategies in products are not well rewarded with the PEF or lack comparability: for instance, the JRC LCA4Plastics initiative looked at single-use plastic products made from various raw materials instead of looking at single versus reusable alternatives. How will you ensure that the functional units recommended under PEFCR enable meaningful comparisons between linear and circular options?

A: Imola Bedo: It's an interesting question. Under green claims initiative, the ideal situation is that everything that fulfils a certain function is under a PEFCR and then the abbreviations

from this depending on the possibility that we have. We are looking into this whether and to what extent the policy should say something about this particular angle. In terms of rewarding circular strategies, this is specifically part of the SPI logic.

Q: Karen Andreassen, WindowMaster International A/S Are these initiatives being coordinated with the similar activities for the construction sector?

A: Michele Galatola: Yes, there is an internal coordination with the revision of CPR

Q: Jáchym Jud, SYKE: In connection to Sylvain's question about calculators - is the Commission planning practical hands-on trainings on practical operationalization of PEF? How to correctly model PEF in different LCA tools?

A: Michele Galatola @Jachym. As far as training, DG ENV is working on that component

Q: Stig Hirsbak, AAU: Will PEF be introduced when the CPR =Construction Product Regulation will be revised?

A: Michele Galatola: @Stig - we cannot comment on the specific content of any proposal at this stage. The construction sector is using EN 15804, and they clearly express their preference to keep this system. This led to some (unnecessary) complexities in terms of alignment and coherence between different policies. Our colleagues dealing with CPR revision are fully aware and are addressing these issues in the way that would minimise problems both for industries and competent authorities.

Q: Stig Hirsbak: What does this approach mean for international trade?

A: Imola Bedo: We are keeping this in mind. One important element is that we are not obliging products to carry environmental claims, we are rather obliging those who put certain types of claim on the products, how these should be substantiated. And of course, during the analysis, we look into what it does this mean for the international trade aspects, also for potential obstacles to international trade.

Q: Matteo Donelli, Consultant University of Bocconi: Could you tell us a little bit more about use of secondary data

A: Imola Bedo: Yes, fundamentally, we are considering several options, I mean, one of them was actually building a Commission database. Just to point out at the beginning, all the options foresee that the use of the data for making environment analysis has to be free of charge. We were considering the management by the European Commission either directly or by a third party. Also a combined system where the core set of data would be owned and managed by the Commission and then this would be complemented by a network of data providers. But we are analysing these possibilities

Q: Jesper Jerlang, Danfoss: As a manufacturer we are looking forward to this kind of simplification. How would you secure the resources to develop PEF CR?

A: Imola Bedo: In the past we have been developing these PEF CR based on call for volunteers. We could only select a limited number of cases, and the PEF CR themselves and their scope and their mission were very much depending on the interest or the resources that industry actually invested in this. The future model must depend on the type of policy that we choose. Obviously, there are different implications for mandatory requirements to substantiate a voluntary system. We are looking into different options. For example, making it possible for other that are relevant and are active on this area, like standardization organizations or LCA owners, to step in and also take part in new developments.

Discussed questions within the First Dialog Session moderated by Ari Nissinen, NEF Group

12.00-12.30	1st Dialog session - the roundtable and the virtual participants
	Is the fundament sufficient for policy measures? What is missing? Do we have time for awaiting the perfect? Moderator: Ari Nissinen - Member of NEF group, Finnish Environment Institute
12.30-13.30	LUNCH BREAK

Q: Sylvain Chevassus, Ministry of Ecological Transition, France

First, I would like to say that we like the approach concerning Green Claims. It's very interesting. I missed one aspect in your presentation. It was mentioned in the discussion with the public, the issue of SMEs and calculators, I think the calculation tools is really a key issue because we keep on saying that the system is not so complex as it looks. It's going to be made easier and more user friendly for when it's connected to calculators as we don't see those calculators here. I'm not only speaking for the European Commission's program, but I'm also speaking for the French program. It's also a challenge for us because we really in need for success for each of these programs. We really need to make them operational and accessible for SMEs.

The question is, do we leave the development of these calculators to the market? It can be interesting, because some actors have good initiatives and in France, we already have some calculators for example, in the textile sector. But what is the role of the public authorities and how do we control these calculators? How do we provide a framework for the calculators developed by the private sector? We are really looking forward to the Commission's proposals, it's very important and hope that you can adopt your proposals on the green claims on the sustainable product initiatives by the end of the year so that we can work on them immediately in the European Council at the beginning of the next year when we will have the presidency of the council, thank you.

Q: Matteo Donelli, Consultant University of Bocconi

We have heard that PEF is a living method. We have seen the construction and growth of it. Imola you mentioned that there are new aisles of exploration. I have a specific question about that. You mention that a new category is now being included or could be included in the future. Can you tell us more about the features of this? Ari added a question about biodiversity.

Q: Charlotte Thy, NEF group coordinator, Bureau Veritas Denmark

Thank you, Imola, for really a fantastic presentation. History shows that voluntary initiatives are good when you need to onboard people. But in the long run, the ambitions are usually not as high as the initial agreement with parties around this voluntary initiative. So, I'm thinking if you could reflect on the Commission's thoughts around the speed of reaching up to a higher level of ambition.

A: Imola Bedo, EU Commission

Thank you for the remarks and the reflections. I mean, regarding the SME tools and calculators, we also see that as a very important tool in making it easy to participate in the Green Claims Initiative. But we also see there are some private initiatives offering relatively low cost and efficient solutions to SMEs. Our first step in this area is to look at the market and see what is available and then consider our role. Our focus is on where the gaps are and facilitating good coverage. We are also having discussions on the verification of the options, a discussion that is not yet concluded for sure. I don't know if it's possible eventually for Michelle to intervene on the SPI side.

A: Michele Galatola, EU Commission It is a pleasure to see so many familiar faces there. So yes, let me complement what Imola was saying from the SPI perspective. Imola was saying indeed we are doing work in that direction. And of course, SPI is not yet there. But the work is already started because there are already two initiatives in place or in advanced state of development, which will be based to some extent on a calculator. The first one is the battery regulation. You know, in the battery regulation, there is the requirement to produce carbon foot printing for the batteries and it is the intention of the Commission to develop an IT calculator tool for the carbon footprints that will be made available to any user and the tool will be based on the calculation rules that are currently discussed with the council and with departments. Then there is the work on the photovoltaic panels in the context of Eco-design that is also advancing and also, we are considering developing a calculator for the carbon footprint. And this kind of model that we are now testing for these two product groups may become the standard approach in SPI in the future. At least for the information that is more closely related to the PEF. Of course, it is important to keep in mind as also Imola was hinting that there are already solutions existing on the market. And it is also important to distinguish between calculators that is basically a very simple tool that is answering to a specific question, what is my carbon footprint, you get the number. And this is different from the more sophisticated LCA tools that can help companies to work on the design of the product, work on improving the performance along the lifecycle. That is something that our calculators will not deliver. Because it is something that the market is already doing quite efficiently. The things that we want to make sure is that both tools provide the same results. What does it mean? We hear companies saying we already have our own tool, so we don't want to use the Commission tool. And that's fair enough. So, for us what is important is that if we're asking, for example, the carbon footprint that the carbon footprint calculated through our tool give the same results of the tool used by the other company. And in the end, we will probably introduce some requirements in terms of the maximum difference allowed between the two tools. And in order to facilitate the possibility for private owned tools to deliver the same results, what we are also considering on top of making available, the secondary data sets for the calculation is also to make available the model for the product. In case being the battery, being used the PV panels, does one of the things that the Commission has done with the help of all the major software providers is to define the format, so called ILCD format (The International Reference Life Cycle Data System) which is finally able to really make interoperable between different software's the same model of the product is called. So, by making it available as a downloadable item, the ILCD model for the products that we use developing CFTR for that will also help achieving a higher degree of interoperability so that the companies who want to use the Commission tool to calculate that we'll be able to do that. And the companies who want to use the own tool to deliver the same information will still be able to do that based on the model that we will make available. We'll see how to

implement that, but just wanted to share with you the information that we already kind of piloting this approach for batteries, and PV. Thank you.

A: Imola Bedo, EU Commission And for biodiversity, we want to conclude in 2022. However, I would really refer to the material available to the technical advisory

I will take the message to push for adopting as soon as possible and reaching a higher level of ambition at the end. I've also heard the comment related to thresholds; I think that this is again a very important topic in the context of the SPI. That aims of developing requirements for access to market. So basically, to do just like the eco-design directive does now, that only products reaching a certain minimum performance can access the European market. This is all in the future discussion that is upcoming

Q: Marie Busck, Danish Fashion and Textile Thank you for excellent presentations. From the textile perspective, we welcome more regulation in this area, because as it's confusing for consumers as well as for companies on how to measure the environmental impact and sustainability. More clear frameworks and clear standards in this area are welcome. Having said that, we have a few concerns. One is, how do you to ensure policy coherence at the EU level across all the various initiatives that goes on right now, green claims and SPI, but also legislation within the taxonomy and due diligence etc. We are also concerned on their speed right no - so how do you add in the development of the distinct procedures or processes that take place in different Directorates? So that's one thing. And a second one, if you can also share a little bit of your thoughts on how the market surveillance are and how do you intend to ensure that the non-EU products entering the EU market also comply with this. By now we see an increasing number of products being sold at EU market which right now do not need to comply with regulation. I would expect that we would have to see an increasing monitoring to ensure a proper implementation of this issue.

Q: Arne Remmen, AAU Thank you both presenters this morning. It was interesting. Having worked with an EU product policy for 20 years now, I think it's amazing to hear about what's going on now, because it's a lot of exciting initiatives. And, and to be honest, I think that the coherence is much better now than it was back in time because it seems like at least from the outside, that there is much more collaboration between the different departments and also a kind of coordination in treating labelling and the eco-design directive. Following life cycle assessment, we too often ended up in discussions on uncertainties related to the data quality. I like that a lot is going on in this field. Perhaps you could elaborate a bit on this as one thing because I think that this will really improve the discussions on this issue, instead we always end up in discussions of use of the wrong data sets and therefore came up with wrong conclusions. Then I found it very interesting what you mentioned related to this the PEF category rules, because it seems much more operational than what I've heard before. I think there must be a big potential for improvements in the field of EPDs, and what's going on in this field, so we have more common platform than we have had so far within this field. I think I have been to most of these NEF meetings over the years and there is one thing I've never understood, the 16, perhaps 18,19 impact category rules, and then ending up in one single score. I'm excited to see how this will work in practice.

To be honest, working together with a lot of smaller and medium sized companies in Denmark, I think that a major one thing on their agenda is climate change also, by the way, also the big companies.

When they go on board in this with the scope 3, it's kind of expanding their mindsets and understanding, it's really necessary to work with all the actors in the value chain and do the improvements there. Then it's SDGs and 16,18 impact categories.

A: Imola Bedo, EU Commission

It's a very intense development period for several policy areas in the European Union committed to the Green Deal. Basically, we are coordinating across several policy areas. We are constantly coordinating the different approaches and want to make sure that we do not come up with widely diverging approaches. Of course, we have also to take into consideration the objectives of the different initiatives. Enforcement and market surveillance is something that we are also working on. We are looking into the different enforcement systems available under environment policies and under other policy areas, to find the best solution for the Green Claims initiative. We don't have clear conclusion on this either yet.

Third session - Member countries position and initiatives regarding Green Deal measures

13.30-14.30	3rd session - Member countries position and initiatives regarding Green Deal measures
	<p>French position regarding Commission proposal for Green Deal initiatives. National measures for greening the market Sylvain Chevassus - Ministry of Ecological Transition, France</p> <p>National position regarding the developments of SPI Ruben Dekker - Ministry of Environment, The Netherlands</p> <p>Danish Government preliminary position regarding SPI and GCI measures Christian Bruhn Rieper - Ministry for Environment and Food, Denmark</p>
14.30-14.45	BREAK
14.45-15.15	Made Green in Italy
	<p>A national labelling initiative based on PEF methodology. A possible way forward for member country implementation of GCI measures??</p> <p>Fabio Iraldo - Professor Sant'Anna Scoula Universitaria Superiore Matteo Donelli - Consultant University of Bocconi</p>

France

French position regarding Commission proposal for Green Deal initiatives. National measures for greening the market, Sylvain Chevassus, Ministry of Ecological Transition, France

In France, a mandatory repairability index for electrical and electronic equipment was developed, which entered in force in 2021 where the first year of implementation is a transition phase. The objective was to encourage consumers to choose repairable products as well as push manufacturers to improve repairability. The methodology was developed in a corporation with stakeholders, and it consists of 5 criteria which are rated in average score

from 1-10. Another concrete initiative that was introduced is product environmental labelling calculated on the whole life cycle on a scale A-B-C-D-E, with similar objectives to encourage consumers and producers. For this scheme, experimentations, are going on in the priority sectors such as textiles and the food sector.

Questions³ related to Sylvain Chevassus presentation (from the chat)

Q: Blanca Morales, EEB: Please clarify whether the labelling for food and textiles will become mandatory under the Climate Law legislation. Also, could elaborate how this will fit the Green Claims initiative? For instance, Eco-score for food is not based on the PEFCR but on a different LCA database. Thank you!

A: Sylvain Chevassus: We have this objective in the regulatory perspective. We still have some methodology core works and experimentations going on in order notably to respond to stakeholders demands about some non LCA related information. We also participate very much in the PEF, e.g., as authors to PEFCR drafts, which are under preparation. The results of these experimentations will be evaluated next year. based on which we are planning to draft some regulation. Concerning the Eco-score, it's a private initiative. For those of you who may not know it, it's a concept of voluntary information, which is based on sharing information of which about 75% is based on LCA, but it also uses non LCA information with bonuses. For example, your score gets a bonus if your product is organic, as one of the criteria. For the time being this is a private initiative that participate in the experimentation, and it will be evaluated as such on the same level as the other initiatives and methods.

Q: Jáchym Judl, SYKE: If the repairability index is calculated by the producers, who verifies it?

A: Sylvain Chevassus: The repairability index is already mandatory. The implementation level we have a level of about 70%. As I said, the first year is a bit of a transition year. The controls and the sanctions for those who may fail to provide the information will start on the first of January, next year (2022). The calculation is done by the manufacturers. There are criteria for the product categories, we also provide a calculation grid to them and a manual, both available online There is also information in English and some of the technical documents are also available in English. The responsibility of providing information is more on the seller than on the retailers.

The Netherlands

National position regarding the developments of SPI

Ruben Dekker, Ministry of Environment, The Netherlands

The expectations of the EU Commission from the Ministry of the Environment, Netherlands are that the market in 2050 is fit for the circular economy and is the norm, meaning that the products are reused, shared, repaired, upgraded, and recycled. Also highlighting that having products that are fit for a circular economy is not enough. There is a need for logistics, business models, services available like repair services remanufacturing or maintenance services etc. Particularly from the Dutch perspective, it is important to ensure consistency across the initiatives and product groups, which was also discussed within the roundtable

³ Only those questions which led to a clear answer has been included

participants. Overarching principles are suggested to be a way to ensure this consistency, for example, something in line with the waste hierarchy, but for products. Another expectation, that is already in the process, is widening the scope of Ecodesign, and such product groups as textiles and furniture were highlighted as priority groups for the Netherlands. Furthermore, there is a need to find a solution for contamination of secondary raw materials with substances of high concern.

Questions⁴ related to Ruben Dekker's presentation (from the chat)

Q: Anders Koefoed, Målbar ApS: Why do you point out furniture besides textiles to be a point of interest for SPI?

A: Ruben Dekker: Furniture has high environmental impact and could be an important category to tackle. Also 'semi' furniture like mattresses could be interesting

Q: From Michele Galatola, EU Commission: I have a question for the panel: in relation to the digital product passport, would they consider more appropriate a model that would be cheaper for industries and Member States to implement but that would lead to a limited access to information, or a model that would allow wider access (on a need-to-know basis) but that would be more costly for companies and the Commission/Member States?

A: Ruben Dekker: @ Michele, of course it would depend on the details, but ultimately we could probably accept starting 'small' with limited access (in terms of actors who have access?). Especially if there is the possibility of adding more actors to the system later, or somehow linking to other systems

Italy

Made Green in Italy. A national labelling initiative based on PEF methodology. A possible way forward for member country implementation of GCI measures?

Fabio Iraldo - Professor Sant'Anna Scoula Universitaria Superiore

Matteo Donelli - Consultant University of Bocconi

First, the legislation was made, and afterwards followed by a scheme. A voluntary scheme and label "Made Green in Italy" was developed, which both indicates that the product is made in Italy and that it is a green, sustainable product. It is as far as possible adapted to the PEF and combines both Type I and Type III ISO labels. Within the scheme, the product must perform better than the determined benchmark. Also, it is expected to achieve continuous improvement if the product is classified within the best class (A). Class B determines that the product needs to be improved, whereas class C shows that it performs worse than the benchmark.

At the time of the conference, only one product, a reusable bag, has been certified, however, several more products are under certification.

⁴ Only those questions which led to a clear answer has been included

Questions⁵ related to Fabio Iraldo's presentation (from the chat)

Q: Heidi Bugge, Nordic Swan Ecolabel : How do you define the thresholds for product groups with many functional units? E.g., textiles

A: Matteo Donelli: @Heidi, thresholds for any product are defined in the specific Product Category rules, where also the functional unit and eventually different sub product categories might be applied

Q: Heidi Bugge: How does that work for textiles where I can imagine multiple functional units?

A: Matteo Donelli: @Heidi, so far we have 1 case, which is wool woven. In that case, 1 m² of product was selected as functional unit

Q: Christian Poll, DTU Management, Section for Quantitative Sustainability

Assessment (QSA): How is the benchmark points established?

A: Matteo Donelli: @Christian: the benchmark is based on the 3 most relevant impact categories, weighted according to the PEF method. The characterization, normalization and weighting factors are those set in the PEF guidance

Q: Christian Poll: But characterization, normalization and weighting are relative figures... how are the endpoints identified?... the levels for getting an A, B or C

A: Matteo Donelli: @Christian, the thresholds are set with specific rules defined in each PCR

Q: Johanna Suikkanen, SYKE: How often are the Made Green in Italy certified companies expected to update the PEF studies?

A: Matteo Donelli: @Johanna. The certification is valid for 3 years - the PCR is updated every 4 years

Q: Johanna Suikkanen: @matteo If something changes in the product composition or production are the companies then also required to perform a new study even within the 3-year period?

A: Matteo Donelli: @Johanna: the revision of the PCR will reflect the technology and any change in the product. This shall happen every 4 years as a minimum. Every company, when the certificate expires, shall perform a new study according to the PCR valid for the period

Denmark

Danish Government preliminary position regarding SPI and GCI measures

Christian Bruhn Rieper, Ministry for Environment and Food, Denmark

From the Danish point of view, there will be a need to elaborate minimum requirements for moving the product in a greener direction. Emphasizing that we need to move further than PEF to be able to compare companies and products, as PEF is merely an LCA calculator/ environmental meter. PEF should be part of all the relevant environmental regulations. However, the SPI must leave room for other assessments, for example, considering aspects outside of PEF, such as social aspects, special impact categories, special national or regional concerns. In Denmark, for instance, it could be groundwater protection. PEF should

⁵ Only those questions which led to a clear answer has been included

also be an important assessment method for green public procurement, as well as green corporate procurement. Lastly, it is suggested that the Commission establish a PEF Committee with participation from the member states, NGOs, and businesses. The focus should be not only discussing the problems around the toolbox but also monitor the use of PEF in the market.

All representatives from France, Netherlands, Denmark and Italy expressed strongly support to the Commission's GCI, SPI and PEF.

The Second Dialog Session, moderated by Charlotte Thy, NEF group coordinator

15.15-16.00

2nd dialog session - the roundtable and virtual participants

Will the intended Commission measures for greening the market work? Need for voluntary or/and legislative measures? Need for COM governance? Need for national, regional and community measures. How do we activate the market?

Moderator: Charlotte Thy - NEF group coordinator, Bureau Veritas Denmark

Q: Charlotte Thy, NEF group coordinator, Bureau Veritas Denmark: Jesper Jerlang, when you represent a company, using a lot of product standards to market your products and you're used to work with product documentation and standards for market access. Now you have heard about the ambitions of the Commission and some of the national schemes in place.

From a company perspective, can you share with us what you think about how you can work with this and how it's going to influence you?

A: Jesper Jerlang, Danfoss: Reflecting on the European developments and the national developments, and that we are a global company and sell to the global market and to the entire Europe, we are not very fond of national initiatives, even though some of them may be very good. We really favour harmonized European initiatives and are very positive about some of the ideas in the sustainable products initiative and this Green Claims Initiative. We see a quite huge need for simplification in this jungle of labels and different types of requirements, and we really like when we can get down to one or very few standards to follow. Danfoss is engaged in this development, we think that it is very important to embark on this sustainable and circular journey and can see that it needs some support on the regulatory side, to provide all the proper incentives on the market. Danfoss can see that we have different options today, but there are also things where we simply cannot see as a positive business case today, which may be different in the future, when some of these initiatives start to come into force and see this as help to the market to really to move forward.

Q: Charlotte Thy: Sylvain - Do you think that national and private schemes are willing to give up or do you think that we should cut down the forest labels and then we should just nourish one or three, so it grows bigger?

A: Sylvain Chevassus: We hope that companies can, and we are sure that companies still can differentiate themselves within the official labelling system. They don't need to develop their own label for differentiation, they need to improve their performance and then get a good score within the official labelling program. Yes, I agree, we allow ourselves in France to develop our own program and we hope it contributes to the general progress on the on the issue, but at some point, we have to align to the EU system. There may be some resistances because as we've been working on this program, and when EU comes with a proposal, that is not necessarily exactly the same, we obviously have to make some adjustments. It's a single market and especially if it's a regulation there's no there's really no question about it.

Q: Charlotte Thy: Matteo - it was somewhat surprising to hear that first legislation was made and then you did the scheme afterwards. Perhaps that's the way it works in Italy. The label is called "made green in Italy" and I would like to explore this about the need for national or regional measures. Was it important in Italy that the label was connected with something Italian or could have just been called "the green"?

A: Matteo Donelli, Consultant University of Bocconi: Yes, the idea was to give additional signals about the market for products made in Italy, so that the customer could also select or purchase the product according to some reliable information on the environmental performance of this product category. That was basically the logic behind the creation of this label.

Q: Charlotte Thy: In the presentation it was stated that the sustainable products initiative might be a game changer. And now you have been progressing towards it. What In your opinion, are the major obstacles for making this happen?'

A: Matteo Donelli: As in every case that you have to deal with the LCA, of course, it requires an effort by the applicant company. But on the other side this is an investment measuring sustainability. It's obvious that this might be an obstacle for some companies that are not familiar with the LCA. By that I mean it is a general issue for every tool that is able to measure some complex things like the environmental footprint. We have just started now as Fabio showed and so far, we have only one certified product - but the participation in the scheme looks promising.

Q: Charlotte Thy: We think that the consumers, they are the ones who should buy the most sustainable products. But we also talk about that we have this imperfect market. It was nice to see that Imola showed a slide where there is an increasing interest from consumers to buy more sustainable products, but while we are waiting for the curve to go up and the market to be fixed. Do you think the producers taking the extra costs, developing solutions, and marked safe new products, should be rewarded for this? And if so, how to reward sustainable solutions?

A: Ruben Dekker: We have now of course already a number of incentives as well in the European system for sustainable products, then again, it's not enough. Because you have the Ecolabel, we have other labels, energy label that in principle are there to reward the better products. You have green public procurement, which as I have always understood it works in some cases, not so much in other cases. Again, support supposed to be rewarding, sustainable products. My answer to the question would be no, there are some, but I don't think it's enough at this point, and this is exactly why we're calling for a strong, sustainable public policy framework, which we hope will set stronger incentives. But also, I mean, the cost element is always a tricky one. And this often the first thing we get back to when you talk about sustainable products, that's make all the products more expensive. Personally, I

always take a very strong position that this does not have to be the case. More sustainable products don't have to be more expensive, just like expensive products are not by definition, sustainable products. So, this is not a one on one, and we expect in fact, if sustainable products become the new normal, then also the costs are shared over a lot more products than it is today and the cost differences between sustainable and less sustainable should also get smaller and smaller. So, it's a much more nuanced picture than often presented by opponents of the sustainability agendas.

Q: Charlotte Thy to Hans Blonk, CEO, Blonk Consultants: When you talk about non-food products do you think that your experience from the food is applicable to other product areas?

A Hans Blonk: I think that the principles are the same. What we notice in the industry is that many actors start organizing data and developing environmental footprints from system to international guidance documents or standards. I think it's basically the same process for food and non-foods. What we see is there's a lot of effort needed in organizing data in getting all the supply information gathered. By doing this you get your insights where you stand, and you get also along the way insights on how you can improve. There's a lot answers on communication and labelling in this discussion, but you can also think that the main purpose of creating the environmental information is that you initiate the process of improvements, that you can improve by the mechanism of the market, that you have better or a worse performance as the result of your sales, but it can also be that you use this information in another way and look at how your supply chains are organized, how you can improve and improvements can be done in many ways. What I see as the big achievements of the past years, is the whole path developments in online databases etc, that the information generation process is set in motion that eventually creates the insights and the actions that are based on the same science starts improvements in supply chain and in the development and design of products.

Q: Charlotte Thy How do you prepare the youngsters to be active on this transition and transforming the way we live?

A: Arne Remmen: We are teaching in environmental and sustainability programs, so our students come to us because they have a big interest in this. I think you're right in the sense they are much more into leasing and renting, much more on buying a plant-based diet and stuff like that, even our canteen has changed so it's difficult to find the beef now. I think these changes are ongoing also on a broader scale among youth in general. I think the benefit of our programs is we have what we call problem based learning (PBL) meaning they go out and work together with the enterprise, NGOs, municipalities and in that sense, they get a very good understanding of the different types of barriers for doing these changes and also push a bit that way for making the change.

Ari Nissinen, Member of NEF group, Finnish Environment Institute I always say this when young people and next generation are mentioned. Young people have different trends for instance, this is just one trend. Our generation is the one that has the power now and has the power to change things, and we need to make changes now. There is no time to wait for the young people.

Q: Charlotte Thy: What can we do best to support the commission ambitions?

A: Imola Bedo: This event is also very useful in this regard, for making the ideas visible. This is always a reality check for us on whether we are on the right track or whether we are missing out on some of the challenges. Another important element is that bringing us together we share ideas and positions and to pass on the messages to the rest of the Commission and to the decision makers, so that there is a clear picture around the initiatives that are upcoming.

Q: Ari Nissinen: There is no scheme yet, there is no PEF, there are no tools for practitioners. Is it the slowness of the political process, or is it lack of resources?

A: Imola Bedo: I think that we have taken the process that in a way was necessary. The testing, and all the processes that we have been going on through in the past years, because exactly these were the processes needed for having support and to get to the tool that we have today.

A: Imola Bedo: What I can say inside of the green claim' initiative, I mean within our communication options, we are looking into actually respond to the information elements are looking at linking the claim to the substantiation behind it. Of course, we are fundamentally still speaking about options, but this is one of the elements we are looking at

From the chat:

Q: Blanca Morales, EEB: Can the panel develop thoughts on how the supporting evidence (PEF) for the green claims or SPI should be made publicly available? What role for the DPP?

A: Michele Galatola: @Blanca the availability of labels and the possibility to display the environmental footprint profile are two "attributes" that we are considering including among those that a DPP could show. The list of attributes available, however, may change from product group to product group, depending on what information is really needed by the different stakeholders

A: Blanca Morales: @Michele: thanks a lot for clarification. And great that you are considering the inclusion in the DPP. It is still to be understood whether the supporting evidence will be made public.

A: Michele Galatola: @Blanca, the impact assessment will be published together with the proposal after adoption, as it is usually the case

A: Blanca Morales: @Michele: I wasn't referring to the supporting evidence for the Commission Impact Assessment but to the PEF study underpinning the green claims or any mandatory info legally required through SPI

Q: Kim Christiansen, EEB expert: lower the VAT on sustainable products and the market will change overnight - or at least within a week

A: Michele Galatola: @Kim: it seems that economists disagree with you. VAT reductions seem not to be efficiently transferred to consumers, while providing benefits to producers. Q

Q: Anders Koefoed, Målbar ApS: Does somebody know if the Electric Vehicle sector is also working with the environmental impact from production of the car? Will PEF support this by developing PEFCR?

A: Michele Galatola: The carbon footprint rules for EV batteries is based on PEF. The car industry is heavily using LCA in their own design processes but not for communication purposes. However, developments in the area of taxonomy, green steel, and similia may

have an impact on that. The issue about second life of batteries is already included in the new battery regulation

Q: Anders Koefoed: Is there a way to speed up the development of new PEFCRs? Do we need to wait for more than 50% of the sector to initiate this?

A: Michele Galatola: Actually, if you look at this from another perspective, this is a very fast process we are experiencing. Till 10 years ago there were few traces of LCA in any policy implemented anywhere in the world. Now you find LCA used in mandatory legislation. That is a very fast change of pace. If we do things faster, we would be accused of being nondemocratic and non-inclusive. If we are inclusive, we are "accused" of being slow and too prone to compromises.