AUGUST 2020

Metals industry response to the Roadmap on substantiating green claims using Environmental Footprint methods

Introduction

The European Green Deal sets out Europe's intention to become a world leader in the climate neutrality by 2050 and also in Circular Economy. Ways to achieve this lead through the clean technologies and digitisation as well as through market development offering sustainable products to business and individual consumers.

The new Circular Economy Action Plan, published in March 2020, highlights that the growing competition on the green markets needs the provision of reliable, comparable and verifiable information on environmental impact of different products, services and organisations. To allow for informed investments and purchases, the Action Plan announces that the European Commission will prepare a legislative proposal on substantiating green claims using Product and Organisation Environmental Footprint (PEF/OEF) methods.

Since 2013, the European non-ferrous metals industry has been actively engaged in the European Commission's Environmental Footprint (EF) project and has developed, during the EF Pilot Phase, the 'Product Environmental Footprint Category Rules (PEFCR) for Metal Sheets in Various Applications'. Currently, we are also an active stakeholder in the so called Environmental Footprint Transition Phase (2018 – 2021).

This paper provides our sector's recommendations on the issue of substantiating green claims and focuses in particular on the four options announced in the Roadmap.

Our key recommendations

- **Creation of a coherent product policy framework** – The Commission should create a policy framework that supports the circular economy and sustainability, giving full recognition to materials that have a low environmental impact and at the design stage are fit for circularity supporting the objectives of chemicals, products and waste interface.
- **Further refinement of Environmental Footprint (EF) method** – The Commission should work with stakeholders to revise shortcomings defined during the EF Pilot Phase to make sure that the methodology is robust and does not lead to inappropriate results before it is used in the EU policy.
- **Harmonise methodologies for calculating environmental impacts** – The use of the life cycle assessment (LCA) is fully supported whenever the environmental performance of a product needs to be evaluated. The Commission should further promote robust LCA practice and harmonised methodology in order to avoid green claims proliferation to ensure a high level of consistency and to improve comparability.
- **No standalone EF tool/label** – The EF methodology should complement existing tools after essential developments and corrections are made. Benchmarking and comparison of products should remain voluntary and industry led.

Eurometaux - European Association of Metals
Avenue de Tervueren 168, Box 13 | B-1150 Brussels | Tel: +32 (2) 775 63 11 | www.eurometaux.eu | eurometaux@eurometaux.be | @Eurometaux

Analysis of the potential options presented for the future Impact Assessment

The Roadmap presents four options that will be studied in depth during the Impact Assessment and considered in synergy with other initiatives announced in the new Circular Economy Action Plan:

- **Baseline:** No modification to the 2013/179/EU Recommendation establishing PEF/OEF methods and no further action.
- **Option 1:** Updating the 2013/179/EU Recommendation based on the outcome of the 2013-2018 pilot phase.
- **Option 2:** Establish a voluntary EU legal framework enabling companies to make green claims in accordance with the Environmental Footprint methods, as a complement to existing methods (developed by private or public entities, at national or international level).
- **Option 3:** Establish an EU legal framework requiring companies making claims related to the impacts covered by the Environmental Footprint methods to substantiate them via the Environmental Footprint methods.

Below comes the evaluation of the proposed options and suggestions on how to move forward.

Baseline: No modification to the 2013/179/EU Recommendation establishing PEF/OEF methods and no further action

Since 2013, the European Commission and interested industry sectors have invested enormous human and financial resources in the development of the EF Category Rules for Organisations (2 OEF Pilot Projects finalised) and Products (19 PEF Pilot Projects finalised). The non-ferrous and ferrous metals sectors focused on developing the PEFCR for metal sheets and interacted with many other metals-related Pilot Projects, e.g. beer, batteries, IT equipment, or copper production.

The experience gathered during the EF Pilot Phase (2013 – 2018) has shown that the use of life cycle assessment to evaluate the environmental performance of products helps to avoid making product choices based on single indicators or parts of the lifecycle. We believe that the environmental footprint methodology has a role to play in driving improvement in the lifecycle performance of products, as long as it can consistently account for the contribution of products throughout all lifecycle stages to a greener and more circular economy. The Environmental Footprint methodology improves current LCA methods by integrating data quality requirements and rules that improve consistency. It also requires a cradle-to-grave approach, which includes the End-of-Life (EoL) stage. The development of Product Environmental Footprint Category Rules and Guidance contributes to increased reproducibility and comparability of results.

Our assessment of the proposed option

A baseline option not to take any further action isn't a recommended way forward. In the first place, it would undermine the European Commission and industry efforts towards an EU harmonised method for assessing the environmental

Eurometaux - European Association of Metals
Avenue de Tervueren 168, Box 13 | B-1150 Brussels | Tel: +32 (2) 775 63 11 | www.eurometaux.eu | eurometaux@eurometaux.be | @Eurometaux

performance of products and organizations. Secondly, it wouldn't solve the existing problem of EF methodology shortcomings identified during the PEF Pilot Phase that needs to be solved (e.g. eco-toxicity, human toxicity and resource use). Thirdly, it would sustain the unfavourable situation of the proliferation of methods to measure and assess the environmental impact of products and multiplication of misleading green claims.

Option 1: Updating the 2013/179/EU Recommendation establishing PEF/OEF methods based on the outcome of the 2013-2018 Environmental Footprint Pilot Phase

The vast experience gained during the EF Pilot Phase has led in many cases to sector-specific conclusions. For the Metals Sheets Pilot the following main outcomes were noted that have a direct impact on the EF Transition Phase discussions:

- The **End-of-Life modelling** in PEF has taken the concerns of the metals industry into account and the original 50-50 formula has been replaced with a formula that takes the specificities of materials and applications into account. The new, material-dependent, formula gives 80% to recyclability at end-of-life and 20% to recycled content. Albeit it is not yet ideal for metals, that as fully circular, endlessly recyclable, permanent materials do not need to promote recycled content, it was accepted as a workable solution.
- The **Human Health Toxicity and Ecotoxicity** have been removed temporarily from the EF impact categories considered in the analysis of the most relevant processes (previously called hot spot analysis), in comparison of products and in communication. The main reasons behind this decision were their underlying model shortcomings and significant uncertainty of results.

  In 2019, the JRC published a technical report[1] with the new characterisation factors for the freshwater ecotoxicity and human health toxicity for organic chemicals, including a disclaimer about the non-appropriateness of the characterisation factors for metals and proposed to use a specific robustness factors for metals to mitigate their contribution compared to organics. This solution may reduce the contribution of metals to the overall toxicity impact however, it does not solve the problem as the impact of metals products remains not correctly assessed. We are looking forward to the future discussions during the EF Transition Phase to find an effective solution. Toxicity and ecotoxicity should remain removed from the impact categories taken into account for comparison of products and communication until the impact assessment for metals becomes sufficiently robust.
- The **Abiotic Depletion Potential (ADP)** Reserve Base has been temporarily replaced by the ADP [Crustal Content] and PEF Guidelines were changed in that sense. The need to develop a better alternative in the years to come has been formally expressed and the European Commission has committed to invest jointly with the industry in the development of an alternative approach moving from depletion to dissipation model to better quantify the potential

[1] JRC Technical Report *'Environmental Footprint: Update of Life Cycle Impact Assessment Methods–Ecotoxicity freshwater, human toxicity cancer, and non-cancer'*, Saouter E., Biganzoli F., Ceriani L., Versteeg D., Crenna E., Zampori L., Sala S., Pant R.: https://publications.jrc.ec.europa.eu/repository/bitstream/JRC114227/jrc114227__final_online_2020.pdf;

for conservation of resources. However, at present two projects are running in parallel: one by the JRC and the second by the metals and mining industries. We strongly suggest that both approaches are explored in depth, considering available knowledge like for example the EIT Raw Materials SUPRIM project[2] results. A discussion at the PEF TAB should be organised during the EF Transition Phase to discuss the new approach. In the meantime, the interim solution (ADP $_{[Crustal\ Content]}$) should be adopted to the most recent update[3].

Our assessment of the proposed option

Updating 2013/179/EU Recommendation based on the outcome of the 2013-2018 EF Pilot Phase is highly recommended to avoid inappropriate benchmarking approach and misleading product comparison. It should incorporate an improvement of the toxicity impact categories for metals and a new method moving from resource depletion to dissipation model to better quantify the potential for conservation of resources.

Moreover, the European Commission should ensure that sound and robust data is available for EF users, by improving the EU datasets. These should comply with high quality data requirements and represent the state-of-the-art knowledge of industrial processes.

Option 2: Establish a voluntary EU legal framework enabling companies to make green claims in accordance with the Environmental Footprint methods, as a complement to existing methods (developed by private or public entities, at national or international level)

The EU product policy framework encompasses many elements and needs a careful evaluation on how to best address sustainability and circularity aspects of products without expanding but rather streamlining and optimising the legislation, methodologies and other tools (e.g. labelling) already in place.

Current methodologies to assess products are based upon existing life cycle assessment (LCA) standards or on recently developed methodologies and cover a variety of environmental impact categories. In order to make products comparable and to encourage companies to develop improvements, a workable, harmonised and scientific approach as well as specific product category rules are necessary to assess product/activity performance from a life cycle perspective.

The Product Environmental Footprint method integrates data quality requirements and rules that improve consistency of life cycle assessment. However, the shortcomings of the methodology (e.g. toxicity, ecotoxicity and resource use) need to be further addressed before it can be integrated in the product policy.

[2] http://suprim.eitrawmaterials.eu/project-results

[3] van Oers, L, Guinée, J B & Heijungs, R (2020) *'Abiotic resource depletion potentials (ADPs) for elements revisited – updating ultimate reserve estimates and introducing time series for production data'*, The International Journal of Life Cycle Assessment, 25, 294-308 (https://link.springer.com/article/10.1007/s11367-019-01683-x#citeas)

Eurometaux - European Association of Metals
Avenue de Tervueren 168, Box 13 | B-1150 Brussels | Tel: +32 (2) 775 63 11 | www.eurometaux.eu | eurometaux@eurometaux.be | @Eurometaux

A thorough strategic reflection is needed especially on how to align the Environmental Footprint method with the other EU's methods and initiatives for measuring the environmental performance of products and associated green claims. Elements of the EF method could potentially be integrated in the existing framework. An analysis of the policies and tools, including Eco-Management and Audit Scheme (EMAS), Green Public Procurement (GPP), Ecolabel or Ecodesign is necessary.

Furthermore, we would like to underline that there is no need to establish any legal framework for making claims for construction products as the Environmental Product Declarations (EPDs), widely used in the construction sector, show the environmental performance based on LCA. Within the standard EN15804 on EPDs the process is streamlined and it supports the best practice in the sector. However, further alignment is needed between PEF and CEN TC350 standards (including EN15804) before they can be used in policy to grant a recognition of European EPDs in all Member States. For such purpose, the standard EN15804 'Sustainability of construction works - Environmental product declarations - Core rules for the product category of construction products' has been amended and a new version has been published in October 2019. While such an amendment provides a better convergence between both LCA methodologies, there are still important divergences, especially regarding the allocation rules related to recycling.

Our assessment of the proposed option

Establishing a voluntary approach to make green claims in accordance with the Environmental Footprint methodology, as a complement to the existing other methods is the preferred way forward. Benchmarking and comparison of products should be voluntary and industry led.

The methodology should complement existing life cycle assessment tools after essential developments and corrections are made (e.g. toxicity, ecotoxicity and resource use).

EF should be further developed to ensure a level playing field, by harmonising methodologies for substantiating environmental claims, and thus avoiding the proliferation of different methods and improving comparability. Moreover, it should effectively minimize the economic impact by reducing the need to apply multiple methods.

Option 3: Establish an EU legal framework requiring companies making claims related to the impacts covered by the Environmental Footprint methods to substantiate them via the Environmental Footprint methods

This option considers that when Product Environmental Footprint Category Rules (PEFCRs) or Organisation Environmental Footprint Sector Rules (OEFSRs) have been adopted, green claims should be substantiated on that basis, as they are establishing a more detailed calculation of the environmental footprint. When no such rules exist, claims could be substantiated via a study compliant with the PEF/OEF method.

Eurometaux - European Association of Metals
Avenue de Tervueren 168, Box 13 | B-1150 Brussels | Tel: +32 (2) 775 63 11 | www.eurometaux.eu | eurometaux@eurometaux.be | @Eurometaux

As explained in relation to Option 2, green claims should be voluntary and industry led. Market players should be free to choose but at the same time the European Commission should promote the use of green claims for products and organisations for which the EF rules are developed. Moreover, as argued under Option 1, the main obstacle at this stage is the fact that not all elements of the Environmental Footprint are robust enough and as a result they translate to an incorrect assessment of some materials' impact.

Our assessment of the proposed option

Establishing a mandatory requirement for substantiating green claims based on the officially adopted PEFCRs and OEFCRs is not a preferred option as benchmarking and comparison of products should be voluntary and industry led. Moreover, some impact categories under the EF methodology are not robust enough for a legal framework and should be further refined during the EF Transition Phase.

ABOUT EUROMETAUX

Eurometaux is the decisive voice of non-ferrous metals producers and recyclers in Europe. With an annual turnover of €120bn, our members represent an essential industry for European society that businesses in almost every sector depend on. Together, we are leading Europe towards a more circular future through the endlessly recyclable potential of metals.

Contact: Kamila Slupek, Sustainability Manager, slupek@eurometaux.be, +32 (0) 2 775 63 25