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COMMISSION RECOMMENDATION

of 16.12.2021

on the use of the Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 191 and 292 thereof,

Whereas:

- (1) Reliable and correct measurement and information on the environmental performance of products and organisations is an essential element in the environmental decision-making of a wide range of actors.
- (2) The Product Environmental Footprint and Organisation Environmental Footprint methods (hereafter ‘Environmental Footprint methods’) enable companies to measure and communicate their environmental performance and thereby compete on the market based on reliable environmental information. They contain detailed instructions on how to model and calculate the environmental impacts of products and organisations. The Environmental Footprint methods build on existing, internationally accepted practices, indicators and rules.
- (3) In 2013, the Commission adopted Commission Recommendation 2013/179/EU¹ to promote the use of common methods to measure and communicate the life cycle environmental performance of products and organisations. It recommends their use to Member States, companies, private organisations and the financial community, and contains two annexes establishing the proposed methods.
- (4) The Commission established a framework for developing further the Environmental Footprint methods with the participation of a wide range of stakeholders, including industry, and particularly SMEs, through a pilot phase.
- (5) In the pilot phase running from 2013 to 2018, the development of product-specific rules (Product Environmental Footprint Category Rules, PEFCRs) and sector-specific rules (Organisation Environmental Footprint Sector Rules, OEFSRs) was tested with the active participation of stakeholders, resulting in the finalisation of 19 PEFCRs and 2 OEFSRs.
- (6) The Environmental Footprint methods were also updated on several technical aspects, such as: (1) application of the materiality principle (“*act where it matters*”); (2) the definition of a benchmark corresponding to the Environmental Footprint profile of the average production the market, also called representative product/ organisation; (3) agreements on the modelling of key aspects concerning climate change, electricity, transport, infrastructure & equipment, packaging, end of life and agriculture; (4) inclusion of normalisation and weighting; (5) guidelines on how to include

¹ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1)

biodiversity as additional environmental information; (6) improvement of some impact assessment methods, with particular attention to the toxicity-related methods (human toxicity – cancer effects; human toxicity – non-cancer effects; eco-toxicity freshwater, water use, land use, resources and particulate matter); (7) defining characterisation factors based on REACH data; (8) and a guide on Environmental Footprint compliant datasets.

- (7) The results of the pilot phase were presented in the 2019 Commission Staff Working Document on “Sustainable Products in a Circular Economy – Towards an EU Product Policy Framework contribution to the Circular Economy”². The same staff working document also indicated possible uses of the Environmental Footprint methods in policy development at EU level. Since 2019, and following a call of interest addressed to industry, the Commission continued the development of new Product Environmental Footprint Category Rules.
- (8) The Council Conclusions of October 2019³ welcomed the piloting of the EU Environmental Footprint methodology and all initiatives to support the communication of environmental impacts based on the Environmental Footprint pilot.
- (9) The European Green Deal⁴ aims to mobilise industries for a clean and circular economy and underlines that to enable buyers to make more sustainable decisions and reduce the risk of ‘green washing’, reliable, comparable and verifiable information is needed.
- (10) In its Communication “A new Circular Economy Action Plan - For a cleaner and more competitive Europe”⁵, the Commission highlighted that companies should substantiate their environmental claims using Product and Organisation Environmental Footprint methods and committed to test the integration of these methods in the EU Ecolabel.
- (11) The Communication on a “New Consumer Agenda - Strengthening consumer resilience for sustainable recovery”⁶ indicates that to stimulate more voluntary corporate action, the Commission plans to work with economic operators to encourage their voluntary pledges to disclose to consumers the company’s environmental footprint, improve their sustainability and reduce the impact on the environment.
- (12) The Council Conclusions of December 2020 noted that the Product Environmental Footprint method has the potential of being one underlying methodology for various product policy tools in the EU and the framework for sustainable products, taking also other suitable methodologies into account.
- (13) The use of the Environmental Footprint methods is already foreseen in the context of EU policies and legislation such as the Taxonomy Regulation⁷, the Sustainable Batteries Initiative⁸ and the Green Consumption Pledge⁹.

² SWD(2019)91final

³ <https://www.consilium.europa.eu/media/40928/st12791-en19.pdf>

⁴ COM(2019) 640 final

⁵ COM(2020) 98 final

⁶ COM(2020) 696 final

⁷ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13)

⁸ COM(2020) 798 final

⁹

https://ec.europa.eu/info/sites/default/files/working_document_for_the_green_consumption_pl_edges_0.pdf

- (14) In the light of these developments, Commission Recommendation 2013/179/EU should be updated to integrate the technical developments of the pilot phase, in particular the development of category and sector rules, and therefore provide a sound basis for further policy development and implementation. It should facilitate companies to calculate their environmental performance based on reliable, verifiable and comparable information, and for other actors (public administrations, NGOs, business partners, for example) to have access to such information. It should also enhance the development of an EU Environmental Footprint database.
- (15) SMEs might lack the expertise and resources to address the requests for life cycle environmental performance information. Therefore, support to SMEs should be provided not only by the Commission, but also by Member States and industrial associations.
- (16) As new, internationally agreed approaches emerge, the Environmental Footprint methods are expected to be updated to integrate new indicators or modelling rules. These aspects are discussed in the Commission expert group on the Environmental Footprint Technical Advisory Board. Impacts related to biodiversity are for instance currently being considered.
- (17) As announced in the new Circular Economy Action Plan, the Commission will explore the development of a regulatory framework for certification of carbon removals based on robust and transparent carbon accounting to monitor and verify the authenticity of carbon removals. This framework will be developed in mutual synergy and consistency with the environmental footprint method and when necessary be reflected in future updates of this Recommendation.
- (18) While this recommendation focuses on environmental impacts, in the global context concerns related to economic and social impacts, including of labour practices, play an increasingly important role. The Commission will continue to closely follow these developments as well as methods of analysing environmental, social and economic supply chain impacts of products consumed in the EU that have effects along the supply chain in third countries.
- (19) This Recommendation should replace the Commission Recommendation 2013/179/EU.

HAS ADOPTED THIS RECOMMENDATION:

- 1. PURPOSE AND SCOPE
 - 1.1. This Recommendation promotes the use of the Environmental Footprint methods in relevant policies and schemes related to the measurement and/or communication of the life cycle environmental performance of all kinds of products, including both goods and services, and of organisations.
 - 1.2. This Recommendation is addressed to Member States and to private and public organisations that measure or intend to measure the life cycle environmental performance of their product or of their organisation, and/or communicate or intend to communicate life cycle environmental performance information to any private, public and civil society stakeholder in the EU.
 - 1.3. This Recommendation does not apply to the implementation of EU mandatory legislation that foresees a specific methodology for the calculation of the life cycle environmental performance of products or organisations. This Recommendation may

however be referred to by EU legislation or policy as a method for the calculation of the life cycle environmental performance of products or organisations.

2. DEFINITIONS

For the purposes of this Recommendation, the following definitions apply:

- (a) Product Environmental Footprint (hereinafter ‘PEF’) method: general method to measure and communicate the potential life cycle environmental impact of a product as laid down in Annex I.
- (b) Organisation Environmental Footprint (hereinafter ‘OEF’) method: general method to measure and communicate the potential life cycle environmental impact of an organisation as laid down in Annex III.
- (c) Product Environmental Footprint: result of a Product Environmental Footprint study based on the Product Environmental Footprint method.
- (d) Organisation Environmental Footprint: result of an Organisation Environmental Footprint study based on the Organisation Environmental Footprint method.
- (e) Product Environmental Footprint Category Rules (hereinafter ‘PEFCRs’): Product category specific, life cycle based rules that complement general methodological guidance for PEF studies by providing further specification at the level of a specific product category. If a PEFCR exists, this should be used for calculating the environmental footprint of a product belonging to that product category.
- (f) Organisation Environmental Footprint Sector Rules (hereinafter ‘OEFSRs’): Sector-specific, life-cycle-based rules that complement general methodological guidance for OEF studies by providing further specification at the level of a specific sector. If an OEFSR exists, this should be used for calculating the environmental footprint of an organisation belonging to the sector.
- (g) Life cycle environmental performance: quantified measurement of the potential environmental impacts taking all relevant life cycle stages of a product or organisation into account, from a supply chain perspective.
- (h) Communication of life cycle environmental performance: any disclosure of life cycle environmental performance information, including to business partners, investors, public bodies or consumers.
- (i) Organisation: a company, corporation, firm, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public or private, that has its own functions and administrations.
- (j) Scheme: for-profit or not-for-profit initiative taken by private companies or an association thereof, by a public-private partnership, by governmental or by non-governmental organisations that requires the measurement or communication of life cycle environmental performance.
- (k) Industrial association: organisation representing private companies that are members of the organisation or private companies belonging to a sector at local, regional national or international level.
- (l) Financial community: all actors providing financial services (including financial advice), including banks, investors and insurance companies.

3. USE OF THE PEF AND OEF METHODS IN MEMBER STATES' POLICIES

Member States should:

- 3.1. Use the PEF method or the OEF method and related PEFCRs and OEFSRs in voluntary policies involving the measurement or communication of the life cycle environmental performance of products or organisations, as appropriate while ensuring that such policies do not create obstacles to the free movement of goods in the EU.
- 3.2. Consider life cycle environmental performance information or claims based on the use of the PEF method or the OEF method and related PEFCRs and OEFSRs as valid in relevant national schemes involving the measurement or communication of the life cycle environmental performance of products or organisations.
- 3.3. Make efforts to increase the availability of high quality life cycle data by setting up actions to develop, review and make available national databases and contributing to populating existing public databases, based on requirements for Environmental Footprint compliant datasets. Coherence between the different databases should be ensured between themselves..
- 3.4. Contribute to Commission efforts in the area of availability of high quality of EF compliant datasets.
- 3.5. Provide assistance and tools for SMEs to help them measure, improve and communicate the life cycle environmental performance of their products or organisation based on the PEF or the OEF method, on PEFCRs and OEFSRs. In doing so, authorities should avoid to duplicate existing tools, where these are fit for purpose.
- 3.6. Encourage the use of the OEF method and related OEFSRs, where applicable, for measuring or communicating the life cycle environmental performance of public organisations.
- 3.7. Promote and support the use of PEF and OEF methods at international level, including in multilateral forums or in relation to schemes on the measurement or communication of life cycle environmental performance. In doing so, authorities should consider providing assistance and tools to SMEs in EU partner countries for the measurement and improvement of the life-cycle environmental performance of any intermediate goods or semi-finished products they produce.

4. USE OF THE PEF AND OEF METHODS BY COMPANIES AND OTHER PRIVATE ORGANISATIONS

Companies and other private organisations deciding to measure or communicate the life cycle environmental performance of their products or organisation should:

- 4.1. Use the PEF method and the OEF method and related PEFCRs and OEFSRs for the measurement or communication of the life cycle environmental performance of their products or organisation.
- 4.2. Contribute to the review of public databases and populate these with high quality life cycle data in line with requirements on Environmental Footprint compliant datasets. Contribute to Commission efforts in the area of availability of high quality of EF compliant datasets.

- 4.3. Consider providing support to companies in their supply chains, especially SME, to provide information based on PEF and OEF or PEFCRs and OEFSRs and to improve their organisations' and their products' life cycle environmental performance.

Industrial associations should:

- 4.4. Promote the use of the PEF method and the OEF method and related PEFCRs and OEFSRs among their membership.
- 4.5. Contribute to the review of public databases and populate these with high quality life cycle data in line with the requirements on Environmental Footprint compliant datasets. Contribute to Commission efforts in the area of availability of high quality of EF compliant datasets.
- 4.6. Provide simplified calculation tools and expertise to help SME members calculate the life cycle environmental performance of their products or organisation based on the PEF method or the OEF method and related PEFCRs and OEFSRs.
- 4.7. Promote and support the use of PEF and OEF methods at international level, including in multilateral forums or in relation to schemes on the measurement or communication of life cycle environmental performance.

5. USE OF THE PEF AND OEF METHODS AND RELATED PEFCRS AND OEFSRS IN SCHEMES RELATED TO THE MEASUREMENT OR COMMUNICATION OF LIFE CYCLE ENVIRONMENTAL PERFORMANCE

- 5.1 Schemes related to the measurement or communication of life cycle environmental performance should use the PEF method and the OEF method and related PEFCRs/OEFSRs as a reference method for the measurement or communication of the life cycle environmental performance of products and organisations.

6. USE OF THE PEF AND OEF METHODS AND RELATED PEFCRS/OEFSRS BY THE FINANCIAL COMMUNITY

Members of the financial community should, if appropriate:

- 6.1. Promote the use of life cycle environmental performance information calculated on the basis of the PEF method or the OEF method and related PEFCRs and OEFSRs in the assessment of financial risk related to life cycle environmental performance.
- 6.2. Promote the use of information based on OEF studies in their assessment of performance levels for the environmental component of sustainability indices.
- 6.3. Promote and support the use of PEF and OEF methods at international level, including in multilateral forums or in relation to schemes on the measurement or communication of life cycle environmental performance.

7. VERIFICATION

- 7.1. If PEF and OEF studies are disclosed to third parties, the studies should be verified according to the requirements of the PEF and OEF methods and any specific indications in PEFCRs and OEFSRs.

8. REPORTING ON THE IMPLEMENTATION OF THE RECOMMENDATION

- 8.1. Member States are invited to inform the Commission of actions taken in light of this Recommendation on a yearly basis. The first provision of information should be transmitted one year after the adoption of this Recommendation. Information transmitted should include:

- (a) how the PEF method and the OEF method and related PEFCRs/OEFSRs are used in policy initiative(s);
- (b) number of products and organisations covered by the initiative;
- (c) incentives related to life cycle environmental performance;
- (d) initiatives related to the development of high quality life cycle data;
- (e) assistance provided to SMEs in the provision of life cycle environmental information and in improving their life cycle environmental performance;
- (f) eventual problems or bottlenecks identified with the use of the methods.

9. REPEALING OF PREVIOUS RECOMMENDATION

Commission Recommendation 2013/179/EU is hereby repealed. References to the repealed Recommendation shall be construed as references to the present Recommendation.

Done at Brussels, 16.12.2021

For the Commission
Virginijus SINKEVIČIUS
Member of the Commission

