

# WORKSHOP REPORT

of the  
Nordic workshop on  
**Product Environmental Footprint and the Nordic Swan Ecolabel**  
- Focus on product environmental information

**Date and time:** 4 May 2017, 9:00 – 15:30

**Place:** room Muuttouhaukka, Finnish Environmental Institute (SYKE), Mechelininkatu 34a, Helsinki

## Introduction

The workshop was organized by the project “Nordic Swan, Circular Economy and Product Environmental Footprint”, funded by the Nordic Council of Ministers (NCM) and belonging to the projects of Finnish Presidency in NCM (2016) (See project at: [www.syke.fi/en-US/content/39483/25245](http://www.syke.fi/en-US/content/39483/25245)).

The objectives of the workshop were to discuss:

1. synergies, opportunities and challenges between PEF and Swan in their use of environmental information
2. implications for companies and consumers in a situation where a Swan-label and PEF-label would exist in parallel at the market (with a focus on environmental information).

A draft Nordic Working Paper, prepared during the project, provided the background material for the workshop. The Working Paper “Product Environmental Footprint and the Nordic Swan Ecolabel: Focus on product environmental information” is being published and will be found at: <http://norden.diva-portal.org/smash/search.jsf?dswid=-3148>

Ari Nissinen and Johanna Suikkanen from Finnish Environment Institute co-chaired the workshop.

## Setting the Scene

The morning session aimed to set the scene for the topic of the workshop and provide different perspectives for the afternoon’s workshop sessions. The morning consisted of presentations by the Finnish Environment Institute (SYKE), comments by the reviewers of the Draft Working Paper (Marianne Wesnaes from SDU Life Cycle engineering University of Southern Denmark, Tomas Rydberg from IVL, Catharina Hohenthal from VTT), by Karin bergbom from the Nordic Swan Ecolabel, and An de Schryver from the European Commission and Erwin Schau from EU’s Joint Research Centre. Kindly refer to the agenda (Annex I) and the presentations (Annex II) for more information.

## Workshop Sessions

The participants were divided into three groups, each group discussing each of the three key questions which were identified in the Working Paper. A summary of the discussions for each of the three questions is outlined below:.

**Question 1 (Moderated by Tomas Rydberg): To what extent can the PEF Screening Studies, PEF Category Rules or PEF profiles be used in setting or revising criteria for the Nordic Swan Ecolabel’s product groups? And should a “good PEF value” be one requirement in the Swan Criteria?**

In response to the question the groups provided the following perspectives:

In general, the groups agreed that if a PEFCR exists for a product group, using it would be helpful as information source in setting the Swan Criteria<sup>1</sup>. Both systems attempt to determine an average product: the PEF screening studies could be helpful in this regard. Currently the Swan sets benchmarks based on industry data. The participants considered that, for example, the benchmarks identified in the PEF screening study are a useful start to pinpointing life cycle impacts and benchmark values. Also the PEF profiles prepared by companies could be used as background data in criteria setting if they are 3<sup>rd</sup> party verified.

The discussion indicated that one option would be to use the PEF-values as a basis for setting the criteria. Other requirements on aspects not covered by PEF (quality, performance etc.) would be added to complement the PEF-values. The discussion indicated that the well-established type I eco-labels should accept PEF as a basis. PEF could be an especially useful data source in particular in relation to supporting criteria setting of the raw materials.

Some concerns were related to:

- verifying compliance if PEF-values were used to set criteria, especially in terms of data quality for the product groups for which the supply chains are long;
- how local and regional issues are taken into account;
- weighting;
- system boundaries (granularity); how applicable the PEF values are if the different product groups are defined in a different way in the two systems; and
- costs associated with requiring PEF values from applicants, if PEF is voluntary.

However, the participants expressed some uncertainty in answering the second question. Mostly, the participants noted that whether a “good PEF value” should be a requirement depends on whether the PEF-scheme will be mandatory:

- if PEF becomes a mandatory scheme, then PEF value could be requirement in the Swan criteria. When mandatory, it is easier for the Swan to use the requirements for setting criteria (compare to the current situation with the RED directive).
- if PEF becomes a voluntary system, then preparing a PEF study would present an additional cost for Swan applicants. It may be required as additional information. Participants considered the PEF scheme to be “heavy” for a voluntary system.

Further to the above, the discussion indicated that some participants questioned whether it would make sense to have a grading of A-E for PEF as a voluntary system. It was also noted that both systems involve some subjectivity, through weighting and expert judgement.

## **Question 2 (Moderated by Catharina Hohenthal). How could the PEF-information prepared by companies be used by applicants of the Nordic Swan Ecolabel?**

The participants well agreed that the information provided by PEF on hotspots can be used as a basis for setting the Swan criteria. It was also suggested that the information used or provided by a company could be used as an input for the application for Swan, provided that the information is verified and the system boundaries fit. For companies, having the same framework for both, would be beneficial.

Much of the discussion focused on assessing whether generic or secondary data would be usable in the context of the Swan. It was suggested that verified secondary data of good quality could in the future be accepted for use for other than the core processes of Swan. However, it was mentioned that there may be cases (in PEF) where secondary data is used on the excuse that primary data is not available.

A key concern expressed by the group related to the proxies used by PEF to estimate data for less-important functions of the company, supported by country-specific data. Swan does not allow the use of proxies. Instead Swan accepts only reported data from companies. Where an industrial plant lacks data, it will be excluded from the products gaining an ecolabel. One conclusion from the discussion was that Swan could make good use of the *inventory data* prepared in the PEF system, but there were doubts on the usefulness of the *overall aggregated PEF result*.

Some of the differences in data quality requirements that were discussed included the following:

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<sup>1</sup> It was also seen to be a decision of the Nordic Swan Eco-labelling organisation.

- PEF sets data quality requirements: time, geography, precision, technological and methodological consistency.
- Primary PEF data cannot be older than 3 years; In Swan the acceptable age of data depends on the product group.
- PEF has a sampling rule for data that is difficult to collect; Swan looks at this case by case per product group.
- PEF weighs secondary data; Swan does not accept weighing.

A couple of examples were discussed in relations to energy and chemicals. PEF uses country specific data to calculate energy-related environmental impacts. Swan uses data on electricity consumption which is translated to GHG emissions by using the specific emissions of the electricity bought. In terms of assessing chemicals the approach is different. PEF will look at all the environmental impacts of a chemical production, but the Swan may look at the hazard properties. An example of plastics and hygienic products was also mentioned. In this case data is often not available, and secondary data for plastics is the only available data for use.

**Question 3 (Moderated by Marianne Wesnæs): How can we avoid situations where the two schemes give “disagreeing results”? If they cannot be avoided, what to communicate to consumers and companies about the reasons for the differences?**

The discussion on the third question was first based on the assumption that there would be a PEF label, and then also a situation without any PEF-label was considered. The groups discussed three perspectives:

- (a) Avoiding “disagreeing” results;
- (b) Communicating to consumers and companies;
- (c) Situation without a PEF-label

*(a) Avoiding “disagreeing” results*

The participants stated that it is very important that a situation with “disagreeing” results does not happen. They viewed that this is a matter that should be discussed at the political level, so as not to accept such a situation, especially considering the EU goal of reducing the proliferation of labels. The discussion indicated that “disagreeing results” would destroy confidence in both PEF and Swan and may also have a larger effect on other discussion on environmental policies and impacts. It was emphasized that if we are not able to designate the “green products” and agreeing on this, the overall environmental sector has a serious problem, which will affect consumers’ confidence as well as producers’ awareness: How can we ask people to purchase with environmental concern, if we can’t agree on which products to buy?. Communication and cooperation between Swan and PEF already before the PEF will be adopted is important in this regard. This means that Swan delegates should participate in the PEF process. Active participation even in only one or two product pilots would had brought a lot of experience of the PEF process, both its theoretical basis and the practice. But now the pilots and the process have proceeded quite far already, and it was discussed whether a commitment to cooperate was needed and whether there would be an efficient way for Swan to participate in the already well advanced PEF development process.

In addition, participants discussed that it is important to cooperate during the criteria development process. For example, contradictions can be avoided if Swan uses the best PEF scores in setting criteria. It was considered that there would be no conflict in the Swan using PEF as a starting point and adding other criteria.

*(b) Communicating to consumers*

It was viewed that any “disagreeing” results should not be communicated further before the reasons for the differing results are understood. However a process for this understanding is currently missing. While for example a researcher can understand reasons behind differing results, explaining the difference to companies or consumers is not easy. Consumers tend not to be well aware of different environmental aspects and problems. This implies that information towards consumers should be unambiguous.

Items that could be communicated to consumers on what differentiates the two labels could include, e.g., that they focus on different markets and countries. Hotspots also depend on the geographical location. This is important for issues like paper recycling, energy and water. The fact that Swan covers additional aspects was also brought up. In addition it could be highlighted that the Swan covers quality and health aspects. It was discussed

by the groups whether PEF covers all the important environmental aspects; or whether Swan does so either. A disclaimer on PEF regarding quality and health aspects was suggested to communicate clearly that PEF is purely an environmental label, whereas the Swan identifies also other matters.

The question also sparked a discussion on the decision on the voluntary or mandatory nature of the PEF scheme. If the PEF scheme, including a label, were mandatory, consumers would be able to identify also the “worst” products and not just the most ecologically sound ones which the eco-labels can show.

*(c) Situation without a PEF-label*

Participants discussed a situation where PEF results would not be expressed as a label on the product. Instead other ways of informing about PEF would be used. Other ways to communicate the PEF information include QR codes that would include the details of all 16 impact categories, possibly without any weighing. Otherwise, it was also suggested that PEF communication could focus on companies and experts, not consumers.

It was considered during the discussion that such a situation where there would be no “simple” PEF label targeting consumers, the differences or “disagreeing” results are not as significant. At the same time, broad environmental information about products is needed and PEF like this would be very beneficial. That, however, depends on whether weighting of the environmental impacts will be included in the PEF, or not (leading to a “single number results” and “benchmarks”).

The third discussion also identified some other issues, including issues related to the costs of PEF. Swan participants also described an analogy to the appearance of energy labelling:

The Swan label criteria exists for some white goods, however, it appears that the Nordic Swan Label has difficulties in competing with the Energy labels for white goods, as White goods manufacturers considers that the energy label is sufficient. The same could happen with PEF, so that the extra value of having eco-label would not be appreciated and the eco-label not be used.

**Wrap up**

The final session of the day included short presentations of the group work by each of the moderators, a short discussion, and some final remarks by Ari Nissinen. Ari warmly thanked the participants and stressed the importance to have more cooperation and discussion between the experts of product environmental information, most of them now focusing on either life cycle assessment methodologies or eco-labelling but in future hopefully having at least some understanding of both methodologies. Ari also stressed that Swan eco-label should now quickly consider it’s relation to PEF and strive for active cooperation between Swan and PEF.