

## POLICY OPTIONS FOR PEF

The European steel industry welcomes the development of the PEF methodology during the piloting phase and offers its opinion on the need for further improvements, and potential policy options being considered following the PEF closing conference.

The EF methodology should be used as an underlying approach in supporting product policies, rather than a policy in itself.

### Potential benefits of using the EF method in product policy:

- EUROFER sees the need for a coherent product policy framework that supports a circular economy and sustainability, giving full recognition to materials at the design stage that are fit for circularity and support sustainable outcomes. We see a lifecycle approach in product policy as the only way to achieve this, and the EF method could provide the coherence, if it is used in existing product policies that focus on different lifecycle stages e.g. design, production, use or end of life.
- We believe the greatest benefit of PEF can be achieved when applied in end product applications, rather than in the supply chain of semi-finished products. This is because the product design stage, including the materials used and other product design choices, has the greatest potential to improve environmental performance of a product, and in particular the degree of circularity achieved during the waste management of products at end-of-life.
- PEF could also be used for supply chain specific choices on a voluntary basis, where differences between suppliers can be highlighted, whilst preventing ‘free riders’ who could hide behind average data rather than their own specific (worse case) data.
- PEF should be used to ensure a level playing field, by harmonising methodologies for communicating environmental claims, and thus avoiding the proliferation of different methods and improving comparability. Making environmental claims in general should however remain voluntary.
- EUROFER welcomes the improved consistency for calculating the environmental benefits of recycling during production and end-of-life, since it supports greater circularity and functionality of recycled materials.
- The EF approach also increases the focus on data quality and the verification of environmental data and so improves the robustness of environmental claims, as well as increasing awareness of the greatest impacts.
- EUROFER supports the further development and simplification of the EF method, for example, in finding alternatives to the less robust impact methods such as toxicity and resource depletion, and in the consistent application of co-product allocation methods for material flows that occur between material sectors, through industrial symbiosis.

### Potential applications of the EF method in existing Product Policy:

- Product policies should renew their focus on the design of products in order to effect the greatest environmental improvement. We therefore believe that the Eco-Design directive should be revised to utilise the EF method for preparing background studies, as well as for setting minimum requirements aimed at **increasing recyclability and reusability** at a horizontal level, and for specific product implementing measures. The ongoing development of a standard on recyclability of EuP (CEN CENELEC JTC10) is only focussing on the quantity of material recovered and will fail to take into account differences in the environmental aspects, or quality of recyclability, unless a lifecycle approach is adopted.

- Further alignment is needed between PEF and CEN TC 350 standards (including EN 15804), before construction specific standards can be used in policy. In particular, the impacts of secondary materials, end-of-waste, and waste in Modules A, C and D need further alignment with PEF, in order that the standards support greater circularity and the waste hierarchy.
- The availability of good quality data is key to the implementation of life cycle approaches in product policy. In vehicle CO<sub>2</sub> regulations, greater emphasis is being placed on reporting lifecycle emissions of vehicles. The availability of data could facilitate the reporting of lifecycle emissions and eventual potential use in regulation.
- Finally, it should be underlined that PEF might be used as the life cycle assessment tool within an integrated sustainability framework for product policy, including social and economic aspects. Also recognising that there are some limitations on covering all environmental impacts, such as plastics in the marine environment.