

**SYLVAIN LHÔTE**  
Director General

Brussels, 13 November 2017

Kestutis Sadauskas - Director  
Hugo Maria Schally - Head of Unit  
DG Environment  
European Commission  
Building BU9  
1049 Brussels

Dear Messrs. Sadauskas and Schally,

**Re: Product Environmental Footprint Pilot – Postponement of the Intermediate Paper Pilot PEFCR**

I am writing to inform you that CEPI will postpone the submission of the PEFCR until further activities have been finalised to achieve the operational and workable category rule the pilot should deliver. I believe this decision deserves some explanations and I feel useful to outline our reasons for postponing the submission and the steps CEPI will take to conclude the pilot.

CEPI has always shared the need to establish a customer and consumer friendly manner of communicating about the environmental performance for paper products. Indeed we recognise the initial aim of the PEF was to have a harmonised method for simplifying environmental footprints for products and organisations. It is important to include the views of all stakeholders such as those of material and product producers as well as customers to secure a manageable workload that ensures the effectiveness of future PEFs.

For nearly seven years, CEPI has been actively assisting DG Environment in piloting product environmental footprints.

In 2011, DG Environment requested CEPI's assistance in putting together from scratch a PEFCR project. CEPI was able to prepare at very short notice the first-ever PEFCR for paper by promptly mobilising a large number of industry experts and by implementing innovative working methods such as crowdsourcing. The project concluded that the PEFCR was too academic to be applied in daily business and would require simplification. Two years later, CEPI was invited to join the 2013 – 2016 Environmental Footprint (EF) pilot phase with the understanding that, building on the previous pilot, the new pilot would be rather limited in time and would deliver a simpler and workable tool.

Unfortunately this has not been the case. The project's objectives turned out to be much more ambitious than initially signalled and required significantly more expert time, money and resources than was communicated to pilots. Managed by the JRC, the [Intermediate Paper Pilot](#) was due to be completed by 2016 but has been repeatedly extended. It is now expected to carry on until the first quarter of 2018 and may be further delayed. This has caused a massive burden for the organisations involved as companies could not plan over time the



allocation of experts' resources to the project. Throughout the process, our industry experts have continuously demonstrated their agility to adapt and commitment in contributing to the project

Additional burden has been caused by what seems to be a lack of understanding by the JRC of materiality and business needs, including confidentiality. Likewise, the JRC seems to lack the ability to take into account results from the studies (especially testing the Communication Vehicles) which goes against the stated objectives of the project.

EF pilot phase had indeed three stated main objectives: 1. test the process for developing product- and sector-specific rules; 2. test different approaches to verification; 3. test communication vehicles for communicating life cycle environmental performance to business partners, consumers and other stakeholders. Instead of advancing an operational and pragmatic modelling rule *in simulacra* that would help produce a simplified and robust reflection of reality, the project has been pushed in an overly complex and detailed direction. When testing the communication vehicles, it was independently and unanimously found across different downstream sectors, various sizes of business and geographic locations, that all customers rejected the footprint results due to the complexity and redundancy (beyond what can be considered material) of data.

As it now stands, performing a footprint calculation with the PEFCR remains a challenge and requires either the deep expertise of in-house LCA teams or the use of external consultants at a significant cost. This will make the tool far too costly and unusable for our industry value chain mostly composed of SMEs. The maxim, set by Commissioner Vella at the EF mid-term conference, "*what is not good for SMEs is not good for anyone*" has obviously been lost by the JRC when it comes to the process, the complexity and the cost of the task.

Worryingly, the functioning of the Intermediate Paper PEFCR is also still today unknown. In addition to their human resources, companies involved in the pilot have invested €15,000.00 (x production site x product) to produce supporting studies in 2016. A "final" PEFCR then went through a formal consultation. But somewhat inconsistently, the final PEFCR wasn't at that time final and was then significantly amended by JRC referring to the guidance that was only made available after the "final" PEFCR was presented. The JRC is still in process of amending the PEFCR.

Industry experts and companies involved in the project have lost confidence that a meaningful and workable tool can be delivered under the current approach and process. We do regret this situation but still believe it can be resolved.

Firstly, a majority of the companies involved in the Intermediate Paper Pilot have made a commitment to review and revise the current PEFCR into an operational and pragmatic category rule.

Secondly, CEPI is willing to set aside a budget to develop this into free intermediate paper software and stands ready to extend it for final paper products. We indeed appreciate the offer by DG Environment (email 11/07/2017) to share the software code being developed for t-shirts, beer, leather and olive oil pilots. We strongly believe this could radically reduce the cost of PEF calculations in the paper value chain and make it readily available to SMEs.

Both activities would fit neatly within the transition phase the Commission has announced for April 2018.



**CEPI will therefore postpone the submission of the PEFCR until the following activities have been finalised, by the end of 2018:**

1. CEPI would take over the coordination and management of the project.
2. Review and revise internally the current PEFCR to an operational and pragmatic category rule.
3. The Technical Secretariat would be restarted to formally revise the PEFCR.

In addition, CEPI would expect DG Environment to share the software code being developed for t-shirts, beer, leather and olive oil pilots in order that CEPI can develop it into free intermediate paper software, ready to extend to a tool for final paper products.

The PEFCR and calculation tool would be actively disseminated and made available for free by CEPI to radically reduce the cost of PEF calculations in the paper value chain.

We trust this approach will meet the interest of the paper value chain, its consumers and stakeholders as well as DG Environment.

I believe we can all agree that we share a common aim in producing a successful European tool that will be actually used by all businesses. I remain available to further discuss the matter at your convenience.

Kind regards,

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line.

Sylvain Lhôte