



## JRC TECHNICAL REPORTS

# Suggestions for updating the Organisation Environmental Footprint (OEF) method

Zampori L, Pant R

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This JRC technical report is a working document and does not modify Recommendation 2013/179/EU on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations

# Contents

- Foreword .....6
- Acknowledgements .....7
- Abstract .....8
- Terminology: shall, should, may .....9
- List of acronyms ..... 10
- Definitions ..... 12
- 1 Introduction ..... 23
  - 1.1 Context ..... 23
  - 1.2 Main changes proposed by this report ..... 24
  - 1.3 Objectives and target audience ..... 26
  - 1.4 Relationship to other methods and standards ..... 26
  - 1.5 Relationship to the Product Environmental Footprint method ..... 27
  - 1.6 Organisation Environmental Footprint Sector Rules (OEFSRs) ..... 28
  - 1.7 Approach and examples for potential applications ..... 29
- 2 General considerations for Organisation Environmental Footprint (OEF) studies ..... 30
  - 2.1 How to use this method ..... 30
  - 2.2 Principles for Organisation Environmental Footprint studies ..... 30
  - 2.3 Phases of a Product Environmental Footprint study ..... 30
- 3 Defining the goal(s) and scope of the Organisation Environmental Footprint study ... 32
  - 3.1 Goal definition ..... 32
  - 3.2 Scope Definition ..... 33
    - 3.2.1 Reporting unit: organisation and product portfolio ..... 33
    - 3.2.2 System boundary ..... 34
      - 3.2.2.1 Organisational boundary ..... 34
      - 3.2.2.2 OEF boundary ..... 35
      - 3.2.2.3 System boundary diagram ..... 35
    - 3.2.3 Environmental Footprint impact categories ..... 35
    - 3.2.4 Additional information to be included in the OEF ..... 39
      - 3.2.4.1 Additional environmental information ..... 39
      - 3.2.4.2 Additional technical information ..... 41
    - 3.2.5 Assumptions/ limitations ..... 41
- 4 Life Cycle Inventory ..... 42
  - 4.1 Screening step ..... 42
  - 4.2 Direct activities, indirect activities and life cycle stages ..... 42
    - 4.2.1 Direct and indirect activities ..... 43

|         |   |    |
|---------|---|----|
| 4.2.2   | Life cycle stages .....   | 44 |
| 4.2.3   | Raw material acquisition and pre-processing .....                             | 45 |
| 4.2.4   | Manufacturing .....   | 45 |
| 4.2.5   | Distribution stage .....  | 45 |
| 4.2.6   | Use stage .....   | 45 |
| 4.2.7   | End of life (including product recovery and recycling) .....                  | 47 |
| 4.3     | Nomenclature for the life cycle inventory .....                               | 47 |
| 4.4     | Modelling requirements .....  | 47 |
| 4.4.1   | Agricultural production .....   | 48 |
| 4.4.1.1 | Handling multi-functional processes .....                                     | 48 |
| 4.4.1.2 | Crop type specific and country, region or climate specific data.....          | 48 |
| 4.4.1.3 | Averaging data .....  | 48 |
| 4.4.1.4 | Pesticides.....   | 49 |
| 4.4.1.5 | Fertilisers.....  | 49 |
| 4.4.1.6 | Heavy metal emissions .....   | 51 |
| 4.4.1.7 | Rice cultivation .....  | 52 |
| 4.4.1.8 | Peat soils .....  | 52 |
| 4.4.1.9 | Other activities .....  | 52 |
| 4.4.2   | Electricity use.....  | 52 |
| 4.4.2.1 | General guidelines .....  | 52 |
| 4.4.2.2 | Set of minimum criteria to ensure contractual instruments from suppliers..... | 53 |
| 4.4.2.3 | How to model 'country-specific residual grid mix, consumption mix' ...        | 56 |
| 4.4.2.4 | A single location with multiple products and more than one electricity mix    | 57 |
| 4.4.2.5 | For multiple locations producing one product.....                             | 57 |
| 4.4.2.6 | Electricity use at the use stage .....  | 58 |
| 4.4.2.7 | How to deal with on-site electricity generation? .....                        | 58 |
| 4.4.3   | Transport and logistics .....   | 58 |
| 4.4.3.1 | Allocation of impacts from transport – truck transport .....                  | 59 |
| 4.4.3.2 | Allocation of impacts from transport – van transport .....                    | 60 |
| 4.4.3.3 | Allocation of impacts from transport – consumer transport.....                | 60 |
| 4.4.3.4 | Default scenarios – from supplier to factory .....                            | 60 |
| 4.4.3.5 | Default scenarios – from factory to final client .....                        | 61 |
| 4.4.3.6 | Default scenarios – from EoL collection to EoL treatment .....                | 62 |
| 4.4.4   | Capital goods – infrastructure and equipment.....                             | 62 |
| 4.4.5   | Storage at distribution centre or retail .....                                | 62 |
| 4.4.6   | Sampling procedure .....  | 63 |

|          |  |    |
|----------|--|----|
| 4.4.6.1  | How to define homogeneous sub-populations (stratification)                 | 64 |
| 4.4.6.2  | How to define sub-sample size at sub-population level                      | 66 |
| 4.4.6.3  | How to define the sample for the population                                | 67 |
| 4.4.6.4  | What to do in case rounding is necessary                                   | 67 |
| 4.4.7    | Use stage  | 67 |
| 4.4.7.1  | Main function approach or delta approach                                   | 68 |
| 4.4.7.2  | Modelling the use stage  | 69 |
| 4.4.8    | End of life modelling  | 69 |
| 4.4.8.1  | The Circular Footprint Formula (CFF)                                       | 69 |
| 4.4.8.2  | The A factor   | 70 |
| 4.4.8.3  | The B factor   | 71 |
| 4.4.8.4  | The point of substitution  | 71 |
| 4.4.8.5  | The quality ratios: $Q_{S_{in}}/Q_p$ and $Q_{S_{out}}/Q_p$                 | 73 |
| 4.4.8.6  | Recycled content ( $R_1$ )   | 73 |
| 4.4.8.7  | Guidelines when using supply chain specific $R_1$ values                   | 74 |
| 4.4.8.8  | Guidelines on how to deal with pre-consumer scrap                          | 74 |
| 4.4.8.9  | Recycling output rate ( $R_2$ )  | 75 |
| 4.4.8.10 | $E_{recycled}$ ( $E_{rec}$ ) and $E_{recyclingEoL}$ ( $E_{recEoL}$ )       | 77 |
| 4.4.8.11 | The $E^*v$   | 77 |
| 4.4.8.12 | How to apply the formula when intermediate products are included in the PP | 77 |
| 4.4.8.13 | How to deal with specific aspects  | 78 |
| 4.4.9    | Extended product lifetime  | 79 |
| 4.4.9.1  | Reuse rates (situation 1)  | 80 |
| 4.4.9.2  | How to apply and model the 'reuse rate' (situation 1)                      | 80 |
| 4.4.9.3  | Packaging reuse rates  | 80 |
| 4.4.9.4  | Average reuse rates for company-owned pools                                | 81 |
| 4.4.9.5  | Average reuse rates for third party operated pools                         | 81 |
| 4.4.10   | Greenhouse gas emissions and removals                                      | 82 |
| 4.4.10.1 | Sub-category 1: Climate change – fossil                                    | 82 |
| 4.4.10.2 | Sub-category 2: Climate change – biogenic                                  | 83 |
| 4.4.10.3 | Sub-category 3: Climate change – land use and land use change (LULUC)      | 83 |
| 4.4.11   | Offsets  | 85 |
| 4.5      | Handling multi-functional processes  | 85 |
| 4.5.1    | Animal husbandry   | 87 |
| 4.5.1.1  | Allocation within the farm module  | 87 |
| 4.5.1.2  | Allocation within the farm module for cattle                               | 87 |

|         |   |     |
|---------|---|-----|
| 4.5.1.3 | Allocation within the farm module for sheep and goat.....   | 88  |
| 4.5.1.4 | Allocation within the farm module for pig .....   | 92  |
| 4.5.1.5 | Allocation within the slaughterhouse .....  | 93  |
| 4.5.1.6 | Allocation within the slaughterhouse for cattle .....   | 93  |
| 4.5.1.7 | Allocation within the slaughterhouse for pigs .....   | 95  |
| 4.5.1.8 | Allocation within the slaughterhouse for sheep and goat .....   | 96  |
| 4.6     | Data collection requirements and quality requirements.....  | 97  |
| 4.6.1   | Company-specific data .....   | 97  |
| 4.6.2   | Secondary data .....  | 97  |
| 4.6.3   | Which datasets to use?.....   | 97  |
| 4.6.4   | Cut-off .....   | 98  |
| 4.6.5   | Data quality requirements.....  | 98  |
| 4.6.5.1 | DQR formula .....   | 100 |
| 4.6.5.2 | DQR of company-specific datasets .....  | 100 |
| 4.6.5.3 | DQR of secondary datasets used in OEF studies .....   | 104 |
| 4.6.5.4 | The data needs matrix (DNM).....  | 105 |
| 4.6.5.5 | DNM, situation 1 .....  | 106 |
| 4.6.5.6 | DNM, situation 2 .....  | 106 |
| 4.6.5.7 | DNM, situation 3 .....  | 107 |
| 4.6.5.8 | DQR of an OEF study.....  | 107 |
| 5       | Environmental Footprint impact assessment .....   | 108 |
| 5.1     | Classification and characterisation .....   | 108 |
| 5.1.1   | Classification .....  | 108 |
| 5.1.2   | Characterisation .....  | 108 |
| 5.2     | Normalisation and weighting .....   | 109 |
| 5.2.1   | Normalisation of Environmental Footprint impact assessment results .....  | 109 |
| 5.2.2   | Weighting of Environmental Footprint impact assessment results.....   | 109 |
| 6       | Interpretation of Organisation Environmental Footprint results .....  | 110 |
| 6.1     | Introduction .....  | 110 |
| 6.2     | Assessment of the robustness of the Organisation Environmental Footprint model<br>110                                   |     |
| 6.3     | Identification of hotspots: most relevant impact categories, life cycle stages,<br>processes and elementary flows ..... | 110 |
| 6.3.1   | Procedure to identify the most relevant impact categories.....  | 111 |
| 6.3.2   | Procedure to identify the most relevant life cycle stages .....   | 111 |
| 6.3.3   | Procedure to identify the most relevant processes.....  | 111 |
| 6.3.4   | Procedure to identify the most relevant elementary flows .....  | 112 |
| 6.3.5   | Dealing with negative numbers.....  | 112 |

|       |   |     |
|-------|---|-----|
| 6.3.6 | Summary of requirements .....   | 113 |
| 6.3.7 | Example .....   | 113 |
| 6.4   | Conclusions and recommendations.....  | 116 |
| 7     | Organisation Environmental Footprint reports.....   | 118 |
| 7.1   | Introduction .....  | 118 |
| 7.1.1 | Summary.....  | 118 |
| 7.1.2 | Main report .....   | 118 |
| 7.1.3 | Validation statement .....  | 118 |
| 7.1.4 | Annexes .....   | 118 |
| 7.1.5 | Confidential report .....   | 118 |
| 8     | Verification and validation of OEF studies, reports, and communication vehicles ....                          | 119 |
| 8.1   | Defining the scope of the verification.....   | 119 |
| 8.2   | Verification procedure .....  | 120 |
| 8.3   | Verifier(s) .....   | 120 |
| 8.3.1 | Minimum requirements for verifier(s) .....  | 121 |
| 8.3.2 | Role of the lead verifier in the verification team .....  | 122 |
| 8.4   | Verification / validation requirements .....  | 122 |
| 8.4.1 | Minimum requirements for the verification and validation of the OEF study<br>123                              |     |
| 8.4.2 | Verification and validation techniques.....   | 124 |
| 8.4.3 | Data confidentiality .....  | 124 |
| 8.5   | Outputs of the verification/ validation process .....   | 125 |
| 8.5.1 | Content of the verification and validation report .....   | 125 |
| 8.5.2 | Content of the validation statement .....   | 125 |
| 8.5.3 | Validity of the verification and validation report and the validation statement<br>125                        |     |
|       | References .....  | 127 |
|       | List of figures .....   | 133 |
|       | List of tables .....  | 134 |
|       | Annexes .....   | 136 |
|       | ANNEX A REQUIREMENTS TO DEVELOP OEF SRS AND PERFORM OEF STUDIES IN<br>COMPLIANCE WITH AN EXISTING OEF SR..... | 137 |
|       | ANNEX B OEF SR TEMPLATE.....  | 182 |
|       | ANNEX C LIST OF DEFAULT CFF PARAMETERS.....   | 222 |
|       | ANNEX D DEFAULT DATA FOR MODELLING THE USE STAGE.....   | 223 |
|       | ANNEX E OEF REPORT TEMPLATE .....   | 226 |
|       | ANNEX F DEFAULT LOSS RATES PER TYPE OF PRODUCT .....  | 234 |

## **Foreword**

This report represents the outcome of the Administrative Arrangement (No 33446-2013-11 07.0307/ENV/2013/SI2.668694/A1) between the Directorate General for the Environment (DG ENV) and the Joint Research Centre (JRC). Task 5 consisted in taking into account the learnings from the Environmental Footprint pilot phase, organised by the European Commission in the period 2013-18. The information and views set out in this report are those of the author(s) and do not necessarily reflect the official opinion of the Commission



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## **Abstract**

The Organisation Environmental Footprint (OEF) is a Life Cycle Assessment (LCA) based method to quantify the environmental impacts of organisations: this includes companies, public administrative entities and other bodies. The OEF method builds on existing approaches and international standards. OEF information is produced for the overarching purpose of seeking to reduce the environmental impacts of organisations taking into account supply chain activities (from extraction of raw materials, through production and use, to final waste management). This purpose is achieved through the provision of detailed requirements for modelling the environmental impacts of the flows of materials and energy, and the emissions and waste streams associated with the product portfolio of an organisation, throughout its life cycle. The OEF is complementary to other assessments and instruments, such as site-specific environmental impact assessments or chemical risk assessments.

At organisational level, the importance of the environmental impacts occurring in the supply chain is increasingly recognised. Standards and methods were created, such as the GHG Protocol Corporate Standard and its sectoral guidance or Global Reporting Initiative indicators. At EU level, the EMAS Sectoral Reference Documents include guidance on indirect impacts, highlighting also the use of LCA-methods for evaluation of the respective product portfolio (PP).

The rules provided in the OEF method enable to conduct OEF studies that are more reproducible, comparable and verifiable, compared to existing alternative approaches. However, comparability is an option only if the results are based on the same Organisation Environmental Footprint Sector Rules (OEFSR) and if the performance is normalized against a reference system (e.g. yearly turnover with reference to the product portfolio). The development of OEFSRs complements and further specifies the requirements for OEF studies.

## **Terminology: shall, should, may**

The OEF method uses precise terminology to indicate the requirements, the recommendations and options that the user of the OEF method may choose.

The term "shall" is used to indicate what is required in order for an OEF study to be in conformance with the OEF method.

The term "should" is used to indicate a recommendation rather than a requirement. Any deviation from a "should" requirement has to be justified by the user of the OEF method and made transparent.

The term "may" is used to indicate an option that is permissible without further justification.

## List of acronyms

|                |  |
|----------------|--|
| <b>ADEME</b>   | Agence de l'Environnement et de la Maîtrise de l'Energie             |
| <b>AF</b>      | allocation factor  |
| <b>AR</b>      | allocation ratio   |
| <b>B2B</b>     | business to business   |
| <b>B2C</b>     | business to consumer   |
| <b>BoC</b>     | bill of components   |
| <b>BoM</b>     | bill of materials  |
| <b>BP</b>      | bonne pratique   |
| <b>BSI</b>     | British Standards Institution  |
| <b>CF</b>      | characterization factor  |
| <b>CFCs</b>    | Chlorofluorocarbons  |
| <b>CFF</b>     | Circular Footprint Formula   |
| <b>CPA</b>     | Classification of Products by Activity                               |
| <b>DC</b>      | distribution centre  |
| <b>DMI</b>     | dry matter intake  |
| <b>DNM</b>     | Data Needs Matrix  |
| <b>DQR</b>     | Data Quality Rating  |
| <b>EC</b>      | European Commission  |
| <b>EF</b>      | Environmental Footprint  |
| <b>EI</b>      | environmental impact   |
| <b>EMAS</b>    | Eco-Management and Audit Scheme                                      |
| <b>EMS</b>     | Environmental Management Systems                                     |
| <b>EoL</b>     | End of life  |
| <b>EPD</b>     | Environmental Product Declaration                                    |
| <b>FU</b>      | functional unit  |
| <b>GE</b>      | gross energy intake  |
| <b>GHG</b>     | greenhouse gas   |
| <b>GR</b>      | geographical representativeness                                      |
| <b>GRI</b>     | Global Reporting Initiative  |
| <b>GWP</b>     | global warming potential   |
| <b>ILCD</b>    | International Reference Life Cycle Data System                       |
| <b>ILCD-EL</b> | International Reference Life Cycle Data System – Entry Level         |
| <b>IPCC</b>    | Intergovernmental Panel on Climate Change                            |
| <b>ISIC</b>    | international standard industrial classification                     |
| <b>ISO</b>     | International Organisation for Standardisation                       |
| <b>IUCN</b>    | International Union for Conservation of Nature and Natural Resources |
| <b>JRC</b>     | Joint Research Centre  |

|               |  |
|---------------|--|
| <b>LCA</b>    | Life Cycle Assessment  |
| <b>LCDN</b>   | Life Cycle Data Network  |
| <b>LCI</b>    | life cycle inventory   |
| <b>LCIA</b>   | life cycle impact assessment   |
| <b>LCT</b>    | life cycle thinking  |
| <b>LT</b>     | lifetime   |
| <b>NACE</b>   | Nomenclature Générale des Activités Economiques dans les Communautés Européennes |
| <b>NDA</b>    | non-disclosure agreement   |
| <b>NGO</b>    | non-governmental organisation  |
| <b>NMVOC</b>  | non-methane volatile compounds   |
| <b>P</b>      | precision  |
| <b>PAS</b>    | Publicly Available Specification   |
| <b>PCR</b>    | Product Category Rules   |
| <b>PEF</b>    | Product Environmental Footprint  |
| <b>PEFCR</b>  | Product Environmental Footprint Category Rules                                   |
| <b>PP</b>     | product portfolio  |
| <b>OEF</b>    | Organisation Environmental Footprint   |
| <b>OEF-RO</b> | OEF study of the representative organisation                                     |
| <b>OEF-SR</b> | Organisation Environmental Footprint Sector Rules                                |
| <b>RF</b>     | reference flow   |
| <b>RP</b>     | representative product   |
| <b>RU</b>     | reporting unit   |
| <b>SB</b>     | system boundary  |
| <b>SMRS</b>   | sustainability measurement & reporting system                                    |
| <b>SS</b>     | supporting study   |
| <b>TeR</b>    | technological representativeness   |
| <b>TiR</b>    | time representativeness  |
| <b>TS</b>     | Technical Secretariat  |
| <b>UNEP</b>   | United Nations Environment Programme   |
| <b>UUID</b>   | Universally Unique Identifier  |
| <b>WBCSD</b>  | World Business Council for Sustainable Development                               |
| <b>WRI</b>    | World Resources Institute  |

## Definitions

**Activity data** - This term refers to information which is associated with processes while modelling Life Cycle Inventories (LCI). The aggregated LCI results of the process chains that represent the activities of a process are each multiplied by the corresponding activity data<sup>1</sup> and then combined to derive the environmental footprint associated with that process. Examples of activity data include quantity of kilowatt-hours of electricity used, quantity of fuel used, output of a process (e.g. waste), number of hours equipment is operated, distance travelled, floor area of a building, etc. Synonym of "non-elementary flow".

**Acidification** – EF impact category that addresses impacts due to acidifying substances in the environment. Emissions of NO<sub>x</sub>, NH<sub>3</sub> and SO<sub>x</sub> lead to releases of hydrogen ions (H<sup>+</sup>) when the gases are mineralised. The protons contribute to the acidification of soils and water when they are released in areas where the buffering capacity is low, resulting in forest decline and lake acidification.

**Additional environmental information** – Environmental information outside the EF impact categories that is calculated and communicated alongside OEF results.

**Additional technical information** – Non-environmental information that is calculated and communicated alongside OEF results.

**Aggregated dataset** - Complete or partial life cycle of a product system that next to the elementary flows (and possibly not relevant amounts of waste flows and radioactive wastes) lists in the input/output list exclusively the product(s) of the process as reference flow(s), but no other goods or services. Aggregated datasets are also called "LCI results" datasets. The aggregated dataset may have been aggregated horizontally and/or vertically.

**Allocation** – An approach to solving multi-functionality problems. It refers to "partitioning the input or output flows of a process or a product system between the product system under study and one or more other product systems" (ISO 14040:2006).

**Application specific** – It refers to the generic aspect of the specific application in which a material is used. For example, the average recycling rate of PET in bottles.

**Attributional** – Refers to process-based modelling intended to provide a static representation of average conditions, excluding market-mediated effects.

**Average Data** – Refers to a production-weighted average of specific data.

**Background processes** – Refers to those processes in the life cycle for which no direct access to information is possible. For example, most of the upstream life-cycle processes and generally all processes further downstream will be considered part of the background processes.

**Bill of materials** – A bill of materials or product structure (sometimes bill of material, BoM or associated list) is a list of the raw materials, sub-assemblies, intermediate assemblies, sub-components, parts and the quantities of each needed to manufacture an end product. In some sectors it is equivalent to the bill of components.

**Business to business (B2B)** – Describes transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer.

**Business to consumers (B2C)** – Describes transactions between business and consumers, such as between retailers and consumers. According to ISO 14025:2006, a consumer is defined as "an individual member of the general public purchasing or using goods, property or services for private purposes".

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<sup>1</sup> Based on GHG protocol scope 3 definition from the Corporate Accounting and Reporting Standard (World resources institute, 2011).

**Characterisation** – Calculation of the magnitude of the contribution of each classified input/output to their respective EF impact categories, and aggregation of contributions within each category. This requires a linear multiplication of the inventory data with characterisation factors for each substance and EF impact category of concern. For example, with respect to the EF impact category “climate change”, CO<sub>2</sub> is chosen as the reference substance and kg CO<sub>2</sub>-equivalents as the reference unit.

**Characterisation factor** – Factor derived from a characterisation model which is applied to convert an assigned life cycle inventory result to the common unit of the EF impact category indicator (based on ISO 14040:2006).

**Classification** – Assigning the material/energy inputs and outputs tabulated in the life cycle inventory to EF impact categories according to each substance’s potential to contribute to each of the EF impact categories considered.

**Climate change** - All inputs or outputs that result in greenhouse gas emissions. The consequences include increased average global temperatures and sudden regional climatic changes. Climate change is an impact affecting the environment on a global scale.

**Co-function** - Any of two or more functions resulting from the same unit process or product system.

**Commissioner of the EF study** - Organisation (or group of organisations) that finances the EF study in accordance with the OEF method and the relevant OEFSR, if available (definition adapted from ISO 14071/2014, point 3.4).

**Company-specific data** – It refers to directly measured or collected data from one or multiple facilities (site-specific data) that are representative for the activities of the company. It is synonymous to “primary data”. To determine the level of representativeness a sampling procedure may be applied.

**Company-specific dataset** – It refers to a dataset (disaggregated or aggregated) compiled with company-specific data. In most cases the activity data is company specific while the underlying sub-processes are datasets derived from background databases.

**Comparative Assertion** – An environmental claim regarding the superiority or equivalence of one organisation versus a competing organisation in the same sector (adapted from ISO 14044:2006).

**Comparison** – A comparison, not including a comparative assertion, (graphic or otherwise) of two or more organisations based on the results of an OEF study and supporting OEFSRs.

**Co-product** – Any of two or more products resulting from the same unit process or product system (ISO 14040:2006).

**Cradle to Gate** – A partial product supply chain, from the extraction of raw materials (cradle) up to the manufacturer’s “gate”. The distribution, storage, use stage and end of life stages of the supply chain are omitted.

**Cradle to Grave** – A product’s life cycle that includes raw material extraction, processing, distribution, storage, use, and disposal or recycling stages. All relevant inputs and outputs are considered for all of the stages of the life cycle.

**Critical review** – Process intended to ensure consistency between an OEFSR and the principles and requirements of the OEF method.

**Data Quality** – Characteristics of data that relate to their ability to satisfy stated requirements (ISO 14040:2006). Data quality covers various aspects, such as technological, geographical and time-related representativeness, as well as completeness and precision of the inventory data.

**Data Quality Rating (DQR)** - Semi-quantitative assessment of the quality criteria of a dataset based on technological representativeness, geographical representativeness, time-

related representativeness, and precision. The data quality shall be considered as the quality of the dataset as documented.

**Delayed emissions** - Emissions that are released over time, e.g. through long use or final disposal stages, versus a single emission at time t.

**Direct elementary flows** (also named elementary flows) – All output emissions and input resource use that arise directly in the context of a process. Examples are emissions from a chemical process, or fugitive emissions from a boiler directly onsite.

**Direct land use change (dLUC)** – The transformation from one land use type into another, which takes place in a unique land area and does not lead to a change in another system.

**Directly attributable** – Refers to a process, activity or impact occurring within the defined system boundary.

**Disaggregation** – The process that breaks down an aggregated dataset into smaller unit process datasets (horizontal or vertical). The disaggregation may help making data more specific. The process of disaggregation should never compromise or threat to compromise the quality and consistency of the original aggregated dataset

**Downstream** – Occurring along a supply chain after the point of referral.

**Ecotoxicity, freshwater** – Environmental footprint impact category that addresses the toxic impacts on an ecosystem, which damage individual species and change the structure and function of the ecosystem. Ecotoxicity is a result of a variety of different toxicological mechanisms caused by the release of substances with a direct effect on the health of the ecosystem.

**EF communication vehicles** – It includes all the possible ways that may be used to communicate the results of the EF study to the stakeholders (e.g. reports, ratings, etc.).

**EF compliant dataset** – Dataset developed in compliance with the EF requirements provided at <http://eplca.jrc.ec.europa.eu/LCDN/developer.xhtml>.

**Electricity tracking<sup>2</sup>** – Electricity tracking is the process of assigning electricity generation attributes to electricity consumption.

**Elementary flows** – In the life cycle inventory, elementary flows include “material or energy entering the system being studied that has been drawn from the environment without previous human transformation, or material or energy leaving the system being studied that is released into the environment without subsequent human transformation” (ISO 14040, 3.12). Elementary flows include, for example, resources taken from nature or emissions into air, water, soil that are directly linked to the characterisation factors of the EF impact categories.

**Environmental aspect** – Element of an organisation’s activities or of products or services that interacts or can interact with the environment (ISO 14001:2015).

**Environmental Footprint (EF) Impact Assessment** – Phase of the OEF analysis aimed at understanding and evaluating the magnitude and significance of the potential environmental impacts for an organisation throughout the life cycle of its product portfolio (based on ISO 14044:2006). The impact assessment methods provide impact characterisation factors for elementary flows in order to aggregate the impact to obtain a limited number of midpoint indicators.

**Environmental Footprint (EF) Impact Assessment method** – Protocol for quantitative translation of life cycle inventory data into contributions to an environmental impact of concern.

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<sup>2</sup> <https://ec.europa.eu/energy/intelligent/projects/en/projects/e-track-ii>



**Environmental Footprint (EF) Impact Category** – Class of resource use or environmental impact to which the life cycle inventory data are related.

**Environmental Footprint (EF) impact category indicator** – Quantifiable representation of an EF impact category (based on ISO 14000:2006).

**Environmental impact** – Any change to the environment, whether adverse or beneficial, that wholly or partially results from an organisation's activities, products or services (EMAS regulation).

**Environmental mechanism** – System of physical, chemical and biological processes for a given EF impact category linking the life cycle inventory results to EF category indicators (based on ISO 14040:2006).

**Eutrophication** – Nutrients (mainly nitrogen and phosphorus) from sewage outfalls and fertilised farmland accelerate the growth of algae and other vegetation in water. The degradation of organic material consumes oxygen resulting in oxygen deficiency and, in some cases, fish death. Eutrophication translates the quantity of substances emitted into a common measure expressed as the oxygen required for the degradation of dead biomass. Three EF impact categories are used to assess the impacts due to eutrophication: Eutrophication, terrestrial; Eutrophication, freshwater; Eutrophication, marine.

**External Communication** – Communication to any interested party other than the commissioner or the practitioner of the study.

**Extrapolated Data** – Refers to data from a given process that is used to represent a similar process for which data is not available, on the assumption that it is reasonably representative.

**Flow diagram** – Schematic representation of the flows occurring during one or more process stages within the life cycle of the organisation being assessed.

**Foreground elementary flows** - Direct elementary flows (emissions and resources) for which access to primary data (or company-specific information) is available.

**Foreground Processes** – Refer to those processes in the life cycle for which direct access to information is available. For example, the producer's site and other processes operated by the producer or its contractors (e.g. goods transport, head-office services, etc.) belong to the foreground processes.

**Functional unit** – The functional unit defines the qualitative and quantitative aspects of the function(s) and/or service(s) provided by the product being evaluated. The functional unit definition answers the questions "what?", "how much?", "how well?", and "for how long?".

**Global warming potential** – Capacity of a greenhouse gas to influence radiative forcing, expressed in terms of a reference substance (for example, CO<sub>2</sub>-equivalent units) and specified time horizon (e.g. GWP 20, GWP 100, GWP 500, for 20, 100, and 500 years respectively). It relates to the capacity to influence changes in the global average surface-air temperature and subsequent change in various climate parameters and their effects, such as storm frequency and intensity, rainfall intensity and frequency of flooding, etc.

**Horizontal averaging** - it is the action of aggregating multiple unit process datasets or aggregated process datasets in which each provides the same reference flow in order to create a new process dataset (UN Environment, 2011).

**Human toxicity – cancer** – EF impact category that accounts for adverse health effects on human beings caused by the intake of toxic substances through inhalation of air, food/water ingestion, penetration through the skin insofar as they are related to cancer.

**Human toxicity - non cancer** – EF impact category that accounts for the adverse health effects on human beings caused by the intake of toxic substances through inhalation of air, food/water ingestion, penetration through the skin insofar as they are related to non-

cancer effects that are not caused by particulate matter/respiratory inorganics or ionising radiation.

**Independent external expert** – Competent person, not employed in a full-time or part-time role by the commissioner of the EF study or the user of the EF method, and not involved in defining the scope or conducting the EF study (adapted from ISO 14071/2014, point 3.2).

**Indirect land use change (iLUC)** – It occurs when a demand for a certain land use leads to changes, outside the system boundary, i.e. in other land use types. These indirect effects may be mainly assessed by means of economic modelling of the demand for land or by modelling the relocation of activities on a global scale.

**Input flows** – Product, material or energy flow that enters a unit process. Products and materials include raw materials, intermediate products and co-products (ISO 14040:2006).

**Intermediate product** – Output from a unit process that is input to other unit processes that require further transformation within the system (ISO 14040:2006). An intermediate product is a product that requires further processing before it is saleable to the final consumer.

**Ionising radiation, human health** – EF impact category that accounts for the adverse health effects on human health caused by radioactive releases.

**Land use** – EF impact category related to use (occupation) and conversion (transformation) of land area by activities such as agriculture, forestry, roads, housing, mining, etc. Land occupation considers the effects of the land use, the amount of area involved and the duration of its occupation (changes in quality multiplied by area and duration). Land transformation considers the extent of changes in land properties and the area affected (changes in quality multiplied by the area).

**Lead verifier** – Verifier taking part in a verification team with additional responsibilities compared to the other verifiers in the team.

**Life cycle** – Consecutive and interlinked stages of a product system, from raw material acquisition or generation from natural resources to final disposal (ISO 14040:2006).

**Life cycle approach** – Takes into consideration the spectrum of resource flows and environmental interventions associated with a product or organisation from a supply-chain perspective, including all stages from raw material acquisition through processing, distribution, use, and end of life processes, and all relevant related environmental impacts (instead of focusing on a single issue).

**Life cycle Assessment (LCA)** – Compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle (ISO 14040:2006).

**Life cycle impact assessment (LCIA)** – Phase of life cycle assessment that aims at understanding and evaluating the magnitude and significance of the potential environmental impacts for a system throughout the life cycle (ISO 14040:2006). The LCIA methods used provide impact characterisation factors for elementary flows in order to aggregate the impact to obtain a limited number of midpoint and/or damage indicators.

**Life cycle inventory (LCI)** - The combined set of exchanges of elementary, waste and product flows in a LCI dataset.

**Life cycle inventory (LCI) dataset** - A document or file with life cycle information of a specified product or other reference (e.g., site, process), covering descriptive metadata and quantitative life cycle inventory. A LCI dataset could be a unit process dataset, partially aggregated or an aggregated dataset.

**Loading rate** – Ratio of actual load to the full load or capacity (e.g. mass or volume) that a vehicle carries per trip.

**Material-specific** – It refers to a generic aspect of a material. For example, the recycling rate of PET.

**Multi-functionality** – If a process or facility provides more than one function, i.e. it delivers several goods and/or services ("co-products"), then it is "multifunctional". In these situations, all inputs and emissions linked to the process will be partitioned between the product of interest and the other co-products according to clearly stated procedures.

**Non-elementary (or complex) flows** – In the life cycle inventory, non-elementary flows include all the inputs (e.g. electricity, materials, transport processes) and outputs (e.g. waste, by-products) in a system that need further modelling efforts to be transformed into elementary flows. Synonym of activity data.

**Normalisation** – After the characterisation step, normalisation is the step in which the life cycle impact assessment results are multiplied by normalisation factors that represent the overall inventory of a reference unit (e.g. a whole country or an average citizen). Normalised life cycle impact assessment results express the relative shares of the impacts of the analysed system in terms of the total contributions to each impact category per reference unit. When displaying the normalised life cycle impact assessment results of the different impact topics next to each other, it becomes evident which impact categories are affected most and least by the analysed system. Normalised life cycle impact assessment results reflect only the contribution of the analysed system to the total impact potential, not the severity/relevance of the respective total impact. Normalised results are dimensionless, but not additive.

**OEF profile** – The quantified results of an OEF study. It includes the quantification of the impacts for the various impact categories and the additional environmental information considered necessary to be reported.

**OEF report** – Document that summarises the results of the OEF study.

**OEF study** – Term used to identify the totality of actions needed to calculate the OEF results. It includes the modelling, the data collection, and the analysis of the results. It excludes the OEF report and the verification of the OEF study and report.

**OEF study of the representative organisation (OEF-RO)** – OEF study carried out on the representative organisation(s) and intended to identify the most relevant life cycle stages, processes, elementary flows, impact categories and any other major requirement needed for the for the sector/ sub-sector in scope of the OEFSR.

**Organisation Life Cycle Assessment (OLCA)** – Compilation and evaluation of the inputs, outputs, and potential environmental impacts of activities associated with the organisation as a whole or a portion thereof adopting a life cycle perspective. The results of an OLCA are sometimes referred to as an organisation's environmental footprint. (ISO 14072:2014).

**Organisation Environmental Footprint Sector Rules (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. OEFSRs help to shift the focus of the OEF study towards those aspects and parameters that matter the most, and hence contribute to increased relevance, reproducibility and consistency of the results by reducing costs versus a study based on the comprehensive requirements of the OEF method. Only the OEFSRs listed on the European Commission website ([http://ec.europa.eu/environment/eussd/smgp/PEFCR\\_OEFSR\\_en.htm](http://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm)) are recognised as in line with this method.

**OEFSR supporting study** – The OEF study done on the basis of a draft OEFSR. It is used to confirm the decisions taken in the draft OEFSR before the final OEFSR is released.

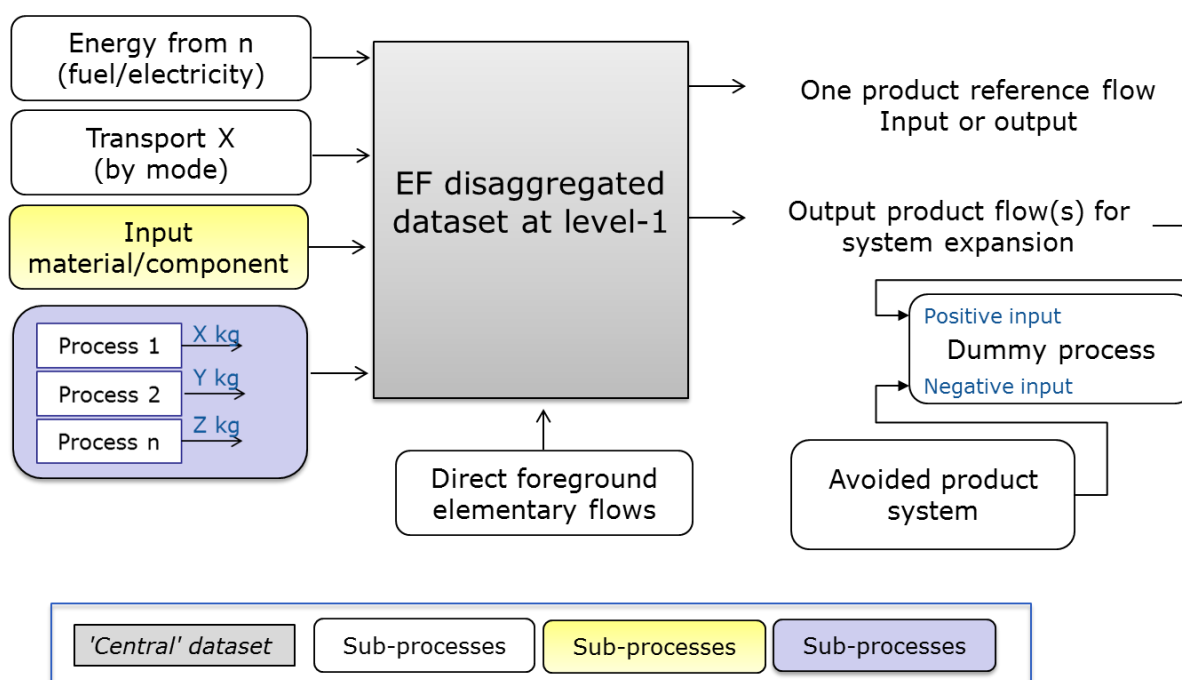
**Output flows** – Product, material or energy flow that leaves a unit process. Products and materials include raw materials, intermediate products, co-products and releases (ISO 14040:2006).

**Ozone depletion** – EF impact category that accounts for the degradation of stratospheric ozone due to emissions of ozone-depleting substances, for example long-lived chlorine and bromine containing gases (e.g. CFCs, HCFCs, Halons).

**Partially disaggregated dataset** - A dataset with a LCI that contains elementary flows and activity data, and that only in combination with its complementing underlying datasets yield a complete aggregated LCI data set.

**Partially disaggregated dataset at level-1** - A partially disaggregated dataset at level-1 contains elementary flows and activity data of one level down in the supply chain, while all complementing underlying datasets are in their aggregated form.

**Figure 1** Example of dataset partially disaggregated at Level-1



**Particulate Matter** – EF impact category that accounts for the adverse health effects on human health caused by emissions of Particulate Matter (PM) and its precursors ( $\text{NO}_x$ ,  $\text{SO}_x$ ,  $\text{NH}_3$ ).

**Photochemical ozone formation** – EF impact category that accounts for the formation of ozone at the ground level of the troposphere caused by photochemical oxidation of volatile organic compounds (VOCs) and carbon monoxide (CO) in the presence of nitrogen oxides ( $\text{NO}_x$ ) and sunlight. High concentrations of ground-level tropospheric ozone damage vegetation, human respiratory tracts and manmade materials through reaction with organic materials.

**Population** - Any finite or infinite aggregation of individuals, not necessarily animate, subject to a statistical study.

**Primary data**<sup>3</sup> - This term refers to data from specific processes within the supply chain of the user of the OEF method or user of the OEF SR. Such data may take the form of activity data, or foreground elementary flows (life cycle inventory). Primary data are site-

<sup>3</sup> Based on GHG protocol scope 3 definition from the Corporate Accounting and Reporting Standard (World resources institute, 20011).

specific, company-specific (if multiple sites for the same product) or supply chain specific. Primary data may be obtained through meter readings, purchase records, utility bills, engineering models, direct monitoring, material/product balances, stoichiometry, or other methods for obtaining data from specific processes in the value chain of the user of the OEF method or user of the OEFSR. In this method, primary data is synonym of "company-specific data" or "supply-chain specific data".

**Product** – Any goods or services (ISO 14040:2006).

**Product category** – Group of products (or services) that can fulfil equivalent functions (ISO 14025:2006).

**Product Category Rules (PCRs)** – Set of specific rules, requirements and guidelines for developing Type III environmental declarations for one or more product categories (ISO 14025:2006).

**Product Environmental Footprint Category Rules (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. PEFCRs help to shift the focus of the PEF study towards those aspects and parameters that matter the most, and hence contribute to increased relevance, reproducibility and consistency of the results by reducing costs versus a study based on the comprehensive requirements of the PEF method. Only the PEFCRs listed on the European Commission website ([http://ec.europa.eu/environment/eussd/smgp/PEFCR\\_OEFSR\\_en.htm](http://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm)) are recognised as in line with this method.

**Product flow** – Products entering from or leaving to another product system (ISO 14040:2006).

**Product system** – Collection of unit processes with elementary and product flows, performing one or more defined functions, and which models the life cycle of a product (ISO 14040:2006).

**Raw material** – Primary or secondary material that is used to produce a product (ISO 14040:2006).

**Reference flow** – Measure of the outputs from processes in a given product system required to fulfil the function expressed by the functional unit (based on ISO 14040:2006).

**Refurbishment** – It is the process of restoring components to a functional and/ or satisfactory state to the original specification (providing the same function), using methods such as resurfacing, repainting, etc. Refurbished products may have been tested and verified to function properly.

**Releases** – Emissions to air and discharges to water and soil (ISO 14040:2006).

**Reporting unit** – The organisation is the reference unit for the analysis and, along with the product portfolio, the basis for defining the reporting unit (RU). It is parallel to the concept of "functional unit" in a traditional Life Cycle Assessment (LCA).

**Representative product (model)** - The RP may be a real or a virtual (non-existing) product. The virtual product should be calculated based on average European market sales-weighted characteristics of all existing technologies/materials covered by the product category or sub-category. Other weighting sets may be used, if justified, for example weighted average based on mass (ton of material) or weighted average based on product units (pieces).

**Representative organisation (model)** - The "representative organisation" is in many cases a virtual (non-existing) organisation built, for example, from the average EU sales-weighted characteristics of all existing technologies, production processes and organisation types.

**Representative sample** – A representative sample with respect to one or more variables is a sample in which the distribution of these variables is exactly the same (or similar) as in the population from which the sample is a subset.

**Resource use, fossil** – EF impact category that addresses the use of non-renewable fossil natural resources (e.g. natural gas, coal, oil).

**Resource use, minerals and metals** – EF impact category that addresses the use of non-renewable abiotic natural resources (minerals and metals).

**Sample** – A sample is a subset containing the characteristics of a larger population. Samples are used in statistical testing when population sizes are too large for the test to include all possible members or observations. A sample should represent the whole population and not reflect bias toward a specific attribute.

**Secondary data**<sup>4</sup> - It refers to data not from a specific process within the supply-chain of the company performing an OEF study. This refers to data that is not directly collected, measured, or estimated by the company, but sourced from a third party LCI database or other sources. Secondary data includes industry average data (e.g., from published production data, government statistics, and industry associations), literature studies, engineering studies and patents, and may also be based on financial data, and contain proxy data, and other generic data. Primary data that go through a horizontal aggregation step are considered as secondary data.

**Sensitivity analysis** – Systematic procedures for estimating the effects of the choices made regarding methods and data on the results of an OEF study (based on ISO 14040: 2006).

**Site-specific data** – It refers to directly measured or collected data from one facility (production site). It is synonymous to “primary data”.

**Specific Data** – Refers to directly measured or collected data representative of activities at a specific facility or set of facilities. Synonymous with “primary data.”

**Subdivision** – Subdivision refers to disaggregating multifunctional processes or facilities to isolate the input flows directly associated with each process or facility output. The process is investigated to see whether it may be subdivided. Where subdivision is possible, inventory data should be collected only for those unit processes directly attributable to the products/services of concern.

**Sub-population** – Any finite or infinite aggregation of individuals, not necessarily animate, subject to a statistical study that constitutes a homogenous sub-set of the whole population. Synonymous with “stratum”.

**Sub-processes** - Those processes used to represent the activities of the level 1 processes (=building blocks). Sub-processes may be presented in their (partially) aggregated form (see Figure 1).

**Sub-sample** - A sample of a sub-population.

**Supply chain** – It refers to all of the upstream and downstream activities associated with the operations of the user of the OEF method, including the use of sold products by consumers and the end of life treatment of sold products after consumer use.

**Supply chain specific** – It refers to a specific aspect of the specific supply chain of a company. For example the recycled content value of an aluminium may produced by a specific company.

**System boundary** – Definition of aspects included or excluded from the study. For example, for a “cradle-to-grave” EF analysis, the system boundary includes all activities

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<sup>4</sup> Based on GHG protocol scope 3 definition from the Corporate Accounting and Reporting Standard (World resources institute, 2011)

from the extraction of raw materials through the processing, distribution, storage, use, and disposal or recycling stages.

**System boundary diagram** – Graphic representation of the system boundary defined for the OEF study.

**Temporary carbon storage** - happens when a product reduces the GHGs in the atmosphere or creates negative emissions, by removing and storing carbon for a limited amount of time.

**Type III environmental declaration** – An environmental declaration providing quantified environmental data using predetermined parameters and, where relevant, additional environmental information (ISO 14025:2006). The predetermined parameters are based on the ISO 14040 series of standards, which is made up of ISO 14040 and ISO 14044.

**Uncertainty analysis** – Procedure to assess the uncertainty in the results of a OEF study due to data variability and choice-related uncertainty.

**Unit process** – Smallest element considered in the LCI for which input and output data are quantified (based on ISO 14040:2006).

**Unit process, black box** – Process chain or plant level unit process. This covers horizontally averaged unit processes across different sites. Covers also those multi-functional unit processes, where the different co-products undergo different processing steps within the black box, hence causing allocation problems for this dataset.

**Unit process, single operation** - Unit operation type unit process that cannot be further subdivided. Covers multi-functional processes of unit operation type.

**Upstream** – Occurring along the supply chain of purchased goods/ services prior to entering the system boundary.

**User of the OEFSR** – a stakeholder producing an OEF study based on an OEFSR.

**User of the OEF method** – a stakeholder producing an OEF study based on the OEF method.

**User of the OEF results** – a stakeholder using the OEF results for any internal or external purpose.

**Verification** - Conformity assessment process carried out by an environmental footprint verifier to demonstrate whether the OEF study has been carried out in compliance with the most updated version of the OEF method adopted by the Commission.

**Validation** - Confirmation by the environmental footprint verifier, that the information and data included in the OEF study, OEF report and the communication vehicles are reliable, credible and correct.

**Validation statement** – Conclusive document aggregating the conclusions from the verifiers or the verification team regarding the OEF study. This document is mandatory and shall carry the electronic or handwritten signature of the verifier or, in case of a verification panel, of the lead verifier.

**Verification report** – Documentation of the verification process and findings, including detailed comments from the verifier(s), as well as the corresponding responses. This document is mandatory, but it may be confidential. The document shall carry the electronic or handwritten signature of the verifier, or in case of a verification panel, of the lead verifier.

**Verification team** – Team of verifiers that will perform the verification of the OEF study, of the OEF report and the OEF communication vehicles.

**Verifier** – Independent external expert performing a verification of the OEF study and eventually taking part in a verification team.

**Vertical aggregation** - Technical- or engineering-based aggregation refers to vertical aggregation of unit processes that are directly linked within a single facility or process train. Vertical aggregation involves combining unit process datasets (or aggregated process datasets) together linked by a flow (UN Environment, 2011).

**Waste** – Substances or objects which the holder intends or is required to dispose of (ISO 14040:2006).

**Water use** – It represents the relative available water remaining per area in a watershed, after the demand of humans and aquatic ecosystems has been met. It assesses the potential of water deprivation, to either humans or ecosystems, building on the assumption that the less water remaining available per area, the more likely another user will be deprived (see also <http://www.wulca-waterlca.org/aware.html>).

**Weighting** – Weighting is a step that supports the interpretation and communication of the results of the analysis. OEF results are multiplied by a set of weighting factors, which reflect the perceived relative importance of the impact categories considered. Weighted EF results may be directly compared across impact categories, and also summed across impact categories to obtain a single overall score.



# 1 Introduction

The Organisation Environmental Footprint (OEF) is a Life Cycle Assessment (LCA) based method to quantify the environmental impacts of organisations: this includes companies, public administrative entities and other bodies. The OEF method builds on existing approaches and international standards. OEF information is produced for the overarching purpose of seeking to reduce the environmental impacts of organisations taking into account supply chain activities (from extraction of raw materials, through production and use, to final waste management). This purpose is achieved through the provision of detailed requirements for modelling the environmental impacts of the flows of materials and energy, and the emissions and waste streams associated with the product portfolio of an organisation, throughout its life cycle. The OEF is complementary to other assessments and instruments, such as site-specific environmental impact assessments or chemical risk assessments.

At organisational level, the importance of the environmental impacts occurring in the supply chain is increasingly recognised. Standards and methods were created, such as the GHG Protocol Corporate Standard and its sectoral guidance or Global Reporting Initiative indicators. At EU level, the EMAS Sectoral Reference Documents include guidance on indirect impacts, highlighting also the use of LCA-methods for evaluation of the respective product portfolio (PP).

The rules provided in the OEF method enable to conduct OEF studies that are more reproducible, comparable and verifiable, compared to existing alternative approaches. However, comparability is an option only if the results are based on the same Organisation Environmental Footprint Sector Rules (OEFSR) and if the performance is normalized against a reference system (e.g. yearly turnover with reference to the product portfolio).

The requirements included in the OEF method may be applied in three possible situations:

- (1) For OEF studies of organisations which do not fall within the scope of a valid OEFSR;
- (2) For OEF studies of organisations which fall within the scope of a valid OEFSR. The requirements in this OEF method shall be used in addition to the requirements listed in the applicable OEFSR;
- (3) For developing an OEFSR.

The current document (the OEF method) details rules on how to calculate an OEF in the absence of an OEFSR (item 1 in the list above). Annex A specifies how to develop sector-specific methodological requirements (OEFSRs – item 2 and 3 on the list above). The development of OEFSRs complements and further specifies the requirements for OEF studies.

## 1.1 Context

In April 2013 the Commission adopted Recommendation 2013/179/EU on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations, which had the Organisation Environmental Footprint (OEF) Guide<sup>5</sup> as its annex. The method was part of a wider policy defined by the Communication Building the Single Market for Green Products<sup>6</sup>.

The OEF Guide was developed as one of the building blocks of the Flagship initiative of the Europe 2020 Strategy – “A Resource-Efficient Europe.”<sup>7</sup> The European Commission’s

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<sup>5</sup> OJ L 124, 4.5.2013

<sup>6</sup> COM/2013/0196 final

<sup>7</sup> European Commission 2011: COM(2011) 571 final: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Roadmap to a Resource Efficient Europe.

“Roadmap to a Resource Efficient Europe”<sup>8</sup> proposes ways to increase resource productivity and to decouple economic growth from both resource use and environmental impacts, taking a life cycle perspective. One of its objectives is to: “Establish a common methodological approach to enable Member States and the private sector to assess, display and benchmark the environmental performance of products, services and companies based on a comprehensive assessment of environmental impacts over the life-cycle ('environmental footprint')”. This objective was confirmed by the European Council conclusions of October 2010<sup>9</sup>.

Thus, the Organisation Environmental Footprint project was initiated with the aim of developing a harmonised EU methodology for EF studies that can accommodate a broader suite of relevant environmental performance criteria using a life cycle approach.

When adopted in 2013, the OEF method, whilst including more specific requirements than any alternative comparable existing method, it still included some generic requirements related to modelling certain activities (e.g. agriculture) and in particular related to the process of developing OEFSRs.

The development of OEFSRs, approaches how to verify and communicate to different stakeholders the resulting information was subject to a pilot phase in the period 2013-18. Volunteering industry was leading the work under the supervision and with the input of different European Commission services, Member States, EU and international stakeholders. In this period, several methodological topics were further developed through this multi-stakeholder process, making the method stronger, more reliable and more implementable.

In this report the Joint Research Centre is proposing how the OEF Guide should be amended in the future to reflect the developments and the practical experience gained during the pilot phase<sup>10</sup>. The suggestions are detailed in the following chapters.

## **1.2 Main changes proposed by this report**

The fundamental principles of the methods did not change. OEF remains a method based on Life Cycle Assessment (LCA), the 16 environmental impact categories in scope are all relying on scientifically sound impact assessment methods that are agreed at international level and the role of industry stakeholders remain essential. The pilot phase, however, was instrumental in strengthening some methodological approaches.

Most of the changes introduced are of methodological nature, but also some procedural or editorial changes have been implemented. For example, terminology and definitions have been aligned to those included in ISO 14040-44, the basic standard from which all LCA methods are derived. Other elements are described better are:

- (a) the process for developing Organisation Environmental Footprint Sector Rules (OEFSRs),
- (b) the minimum requirements that the user of the method has to fulfil in order to prepare a OEF study,
- (c) the verification and validation procedures of OEF studies (essential to guarantee the reliability of the information communicated).

From the methodological viewpoint, the pilot phase produced an incredible amount of knowledge from the different sectors and experts involved. These methodological improvements can be grouped into three main areas: i) modelling requirements, ii) data and data quality requirements and iii) life cycle impact assessment.

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<sup>8</sup> [http://ec.europa.eu/environment/resource\\_efficiency/index\\_en.htm](http://ec.europa.eu/environment/resource_efficiency/index_en.htm)

<sup>9</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/envir/118642.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/envir/118642.pdf)

<sup>10</sup> Final deliverables and reports on the pilot phase are available at [http://ec.europa.eu/environment/eussd/smgp/PEFCR\\_OEFSR\\_en.htm](http://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm)

Regarding modelling requirements, the main changes are:

- (a) the modelling of agricultural production was improved, based on inputs received from the many food-related pilots but also building on the deliverables of the FAO LEAP Initiative (e.g. emissions of pesticides, fertilizers, heavy metals emissions, allocation of emissions at farming level, etc.);
- (b) electricity modelling (electricity product or mixes to be used, minimum criteria to ensure contractual instruments from suppliers, how to deal with on-site electricity generation, etc.);
- (c) transport and logistics (including default data to be used in different situations);
- (d) exclusion from the system modelling of capital goods and their infrastructure, unless there is evidence from previous studies that they are relevant);
- (e) use stage (distinction between product dependent and independent processes, better definition of system boundaries of the use stage);
- (f) development of a new approach for end-of-life modelling (recovery, recycling, final treatment) in collaboration with all industry sectors and life cycle assessment experts; this resulted in a harmonised approach that can better reflect market realities of different recycled and recyclable materials;
- (g) better alignment of the method to account for greenhouse gas (GHG) emissions and removals with the standard ISO 14067:2018;
- (h) development of a structured and detailed procedure to identify the most relevant impact categories, life cycle stages, processes and elementary flows (i.e. emissions);
- (i) definition of classes of environmental performance.

Regarding data and data quality requirements, the main changes are:

- (a) implementation of the Data Needs Matrix (used to evaluate data requirements, including source and quality), depending on the control the company has on a specific process within the system boundary);
- (b) calculation of Data Quality Ratings for company-specific and secondary datasets and for OEF studies;
- (c) hierarchy of data sources to be used in OEF studies;
- (d) cut-off: the processes that in total account less than 3.0% of the material and energy flow and environmental impact for each impact category may be excluded from OEF studies (starting from the less relevant).
- (e) clear rules and references related to technical aspects of EF-compliant datasets.

Regarding life cycle impact assessment, the main changes are:

- (a) updated characterization models for some of the EF impact categories (water use, land use, resource use - minerals and metals; fossils), particulate matter, human toxicity cancer, human toxicity non-cancer, ecotoxicity freshwater);
- (b) updated characterization factors (ozone depletion, climate change);
- (c) provision of default normalization factors;
- (d) development of default weighting factors.

All these changes have been discussed all along the pilot phase during numerous meetings with the participation of Member States, industry stakeholders, and NGOs representatives.

### 1.3 Objectives and target audience

The main part of this document is primarily aimed at technical experts who need to perform an OEF study, for example engineers and environmental managers in companies and other institutions.

The intended audience of Annex A includes:

- stakeholders participating in the development of OEFSRs. The stakeholders should be involved following a supply chain approach. The relevant stakeholders for an OEFSR may include, but are not limited to, material suppliers, manufacturers, trade associations, purchasers, users, consumers, government representatives, non-governmental organisations (NGOs), public agencies and, when relevant, independent parties and certification bodies;
- users of an OEFSR<sup>11</sup> when conducting an OEF study.

### 1.4 Relationship to other methods and standards

Each requirement specified in the OEF method was developed taking into consideration the recommendations of similar, widely recognised organisation environmental accounting methods and guidance documents. Specifically, the methodological guides considered were:

- ISO standards<sup>12</sup>, in particular:
  - ISO 14040:2006 Environmental management — Life cycle assessment — Principles and framework;
  - ISO 14044:2006 Environmental management — Life cycle assessment — Requirements and guidelines;
  - ISO 14067:2018 Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification;
  - ISO 14046:2014 Environmental management — Water footprint — Principles, requirements and guidelines;
  - ISO 14020:2000 Environmental labels and declarations — General principles;
  - ISO 14021:2016 Environmental labels and declarations — Self-declared environmental claims (Type II environmental labelling)
  - ISO 14025:2006 Environmental labels and declarations – Type III environmental declarations – Principles and procedures;
  - ISO 14064 (2006): Greenhouse gases -- Part 1 and 3;
  - ISO/WD TR 14069:2013 GHG -- Quantification and reporting of GHG emissions for organizations;
  - ISO 14050:2009 Environmental management — vocabulary

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<sup>11</sup> List of available OEFSRs: [http://ec.europa.eu/environment/eussd/smgp/PEFCR\\_OEFSR\\_en.htm](http://ec.europa.eu/environment/eussd/smgp/PEFCR_OEFSR_en.htm)

<sup>12</sup> Available online at <https://www.iso.org/standards-catalogue/browse-by-ics.html>

- ISO/TS 14071:2014 Environmental management — Life cycle assessment — Critical review processes and reviewer competencies: Additional requirements and guidelines to ISO 14044:2006
- ISO/TS 14072:2014 Environmental management — Life cycle assessment — Requirements and guidelines for organizational life cycle assessment
- ISO 17024:2012 Conformity assessment – General requirements for bodies operating certification of persons.
- OEF Guide, Annex to Commission Recommendation 2013/179/EU on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (April 2013);
- ILCD (International Reference Life Cycle Data System) Handbook<sup>13</sup>;
- Ecological Footprint Standards<sup>14</sup>;
- Greenhouse Gas Protocol - Product Life Cycle Accounting and Reporting Standard <sup>15</sup> (WRI/ WBCSD);
- BP X30-323-0:2015 General principles for an environmental communication on mass market products (ADEME)<sup>16</sup>;
- PAS 2050:2011 Specification for the assessment of the life cycle greenhouse gas emissions of goods and services (BSI)<sup>17</sup>;
- ENVIFOOD Protocol<sup>18</sup>.
- FAO:2016. Environmental performance of animal feeds supply chains: Guidelines for assessment. LEAP Partnership.

A detailed description of most of the analysed methods and of the outcome of the analysis is available in "Analysis of Existing Environmental Footprint methodologies for Products and Organisations: Recommendations, Rationale, and Alignment"<sup>19</sup>. Whereas existing methods may provide several alternatives for a given methodological decision point, the intention of the OEF method is (wherever feasible) to identify a single requirement for each decision point, or to provide additional guidance, in order to support more consistent, robust and reproducible studies.

## 1.5 Relationship to the Product Environmental Footprint method

Both the PEF and the OEF methods provide a life cycle approach to quantifying environmental performance. Whereas the PEF method is specific to individual goods or services, the OEF method applies to organisational activities as a whole – in other words, to all activities associated with the goods and/or services the organisation provides from a supply chain perspective (from extraction of raw materials, through use, to final waste management).

<sup>13</sup> Available online at [http://eplca.jrc.ec.europa.eu/?page\\_id=86](http://eplca.jrc.ec.europa.eu/?page_id=86)

<sup>14</sup> Global Footprint Network Standards Committee (2009) Ecological Footprint Standards 2009.

<sup>15</sup> WRI/WBCSD 2011, Greenhouse Gas Protocol – Product Life Cycle Accounting and Reporting Standard.

<sup>16</sup> Withdrawn on May 2016.

<sup>17</sup> Available online at <http://www.bsigroup.com/en/Standards-and-Publications/How-we-can-help-you/Professional-Standards-Service/PAS-2050/>

<sup>18</sup> ENVIFOOD Protocol, Environmental Assessment of Food and Drink Protocol, European Food Sustainable Consumption and Production Round Table (SCP RT), Working Group 1, Brussels, Belgium

<sup>19</sup> European Commission - Joint Research Centre - Institute for Environment and Sustainability (2011b). Analysis of Existing Environmental Footprint methodologies for Products and Organisations: Recommendations, Rationale, and Alignment. EC – IES - JRC, Ispra, November 2011. <http://ec.europa.eu/environment/archives/eusssd/pdf/Deliverable.pdf>

In OEF studies, a top-down approach is often used, therefore it is not required to model all the individual products or services included in the product portfolio of the organisation. An OEF study is typically modelled using aggregate data representing the products, materials, components, resources, emissions and wastes that cross the defined organisational boundary (section 3.2.2).

The OEF can help to identify areas of the organisation's product portfolio where environmental impacts are most significant and, where detailed, individual product-level analyses may be desirable.

If needed, once the OEF is calculated, it may be disaggregated to the product level by using appropriate allocation keys. In theory, the sum of the PEFs of the goods and/or services provided over a certain reporting interval (e.g. one year) by an organisation should be equal to its OEF for the same reporting interval.

The PEF and OEF methods have been developed to ensure consistency between them, therefore many requirements are common between the two methods. Furthermore, to ensure the highest degree of consistency across PEF and OEF studies, in case there is an existing PEFCR covering a product, material or component in the product portfolio (PP) of an organisation, the related EF compliant dataset developed for that product, material or component shall be used for modelling that element in the PP, unless company-specific data are used.

Similarly, the user of the OEF method shall make sure that the OEF study is conducted applying the same assumptions and approaches of existing PEFCR, if they are relevant for the organisation in scope.

## **1.6 Organisation Environmental Footprint Sector Rules (OEFSRs)**

The primary objective of an OEFSR is to fix a consistent and specific set of rules to calculate the relevant environmental information of the organisations belonging to the sector in scope. An important objective is to focus on what matters most for a specific sector to make OEF studies easier, faster and less costly.

An equally important objective is to enable comparisons and comparative assertions i) between organisations or production sites within a same sector, or ii) of the performance of a single organisation or production site throughout time (see Annex A for further details).

Comparisons and comparative assertions are allowed only if OEF studies are conducted in compliance with an OEFSR. The product portfolios of different organisations or production sites, or of a same organisation over different reporting years, are usually different (e.g. in terms of amounts of products included), therefore the OEFSR shall provide guidance on how to ensure comparability, for example by normalizing the results of OEF studies against an appropriate reference system (e.g. yearly turnover).

An OEF study shall be conducted in compliance with an OEFSR, if an OEFSR is available for the organisation in scope.

Requirements for the development of OEFSRs are specified in Annex A to the OEF method. An OEFSR may further specify requirements made in the OEF method and add new requirements where the OEF method leaves more than one choice. The objective is to ensure that OEFSRs are developed according to the OEF method and that they provide the specifications needed to achieve the increased reproducibility, consistency, relevance, focus and efficiency and comparability (if applicable), of OEF studies.

OEFSRs should, to the extent possible, and recognising the different application contexts, be in conformity with existing relevant international sector rules and with Product Environmental Footprint Category Rules (PEFCRs these are to be listed and evaluated. They may be used as a basis for developing an OEFSR, in line with the requirements provided in Annex A.

## 1.7 Approach and examples for potential applications

The rules provided in the OEF method enable practitioners to conduct OEF studies that are more reproducible, consistent, robust, verifiable and comparable. Results of OEF studies are the basis for the provision of EF information and they may be used in a diverse number of potential fields of applications.

Potential applications of OEF studies without an existing OEFSR for the organisation in scope are:

- In-house applications
  - support to environmental management systems,
  - identification of environmental hotspots,
  - environmental performance improvement and tracking,
  - optimisation of processes along the supply chain,
- External applications: (e.g. business to business (B2B), business to consumer (B2C)):
  - responding to investors' information requests
  - sustainability or environmental reports,
  - marketing,
  - responding to requirements of environmental policies at EU level or at the level of the individual Member States,
  - participation in 3<sup>rd</sup> party schemes related to the environmental performance of organisations (e.g. ratings, reputational schemes).

Potential applications of OEF studies performed in compliance with an existing OEFSR for the organisation in scope, in addition to the ones listed above, are:

- Identification of significant environmental impacts common to a sector,
- Comparisons and comparative assertions (i.e. claims of overall superiority or equivalence of the environmental performance of one organisation compared to another) based on OEF studies, when the performance of the product portfolio is normalized against a reference system (e.g. yearly turnover of the product portfolio),
- Participation in 3<sup>rd</sup> party schemes related to the environmental performance of organisations (e.g. ratings, reputational schemes).
- Green procurement (public and corporate).

## **2 General considerations for Organisation Environmental Footprint (OEF) studies**

### **2.1 How to use this method**

This method provides the rules necessary to conduct a OEF study and is presented in a sequential manner, in the order of the methodological steps that shall be completed when calculating an OEF.

Where appropriate, sections begin with a general description of the methodological step, along with an overview of necessary considerations and supporting examples.

When additional requirements for creating OEF SRs are specified, these are available in Annex A.

### **2.2 Principles for Organisation Environmental Footprint studies**

To produce reliable, reproducible, and verifiable OEF studies, a core suite of analytical principles shall be adhered to. These principles provide overarching guidance in the application of the OEF method. They shall be considered with respect to each phase of OEF studies, from the definition of goal and the scope, through data collection, impact assessment, reporting and verification of study outcomes.

Users of this method shall observe the following principles in conducting a OEF study:

(1) Relevance

All methods used and data collected for the purpose of quantifying the OEF shall be as relevant to the study as possible.

(2) Completeness

Quantification of the OEF shall include all environmentally relevant material/ energy flows and other environmental interventions as required for adherence to the defined system boundary, the data requirements, and the impact assessment methods employed.

(3) Consistency

Strict conformity to this method shall be observed in all steps of the OEF study to ensure internal consistency and comparability.

(4) Accuracy

All reasonable effort shall be taken to reduce uncertainties in product portfolio modelling and the reporting of results.

(5) Transparency

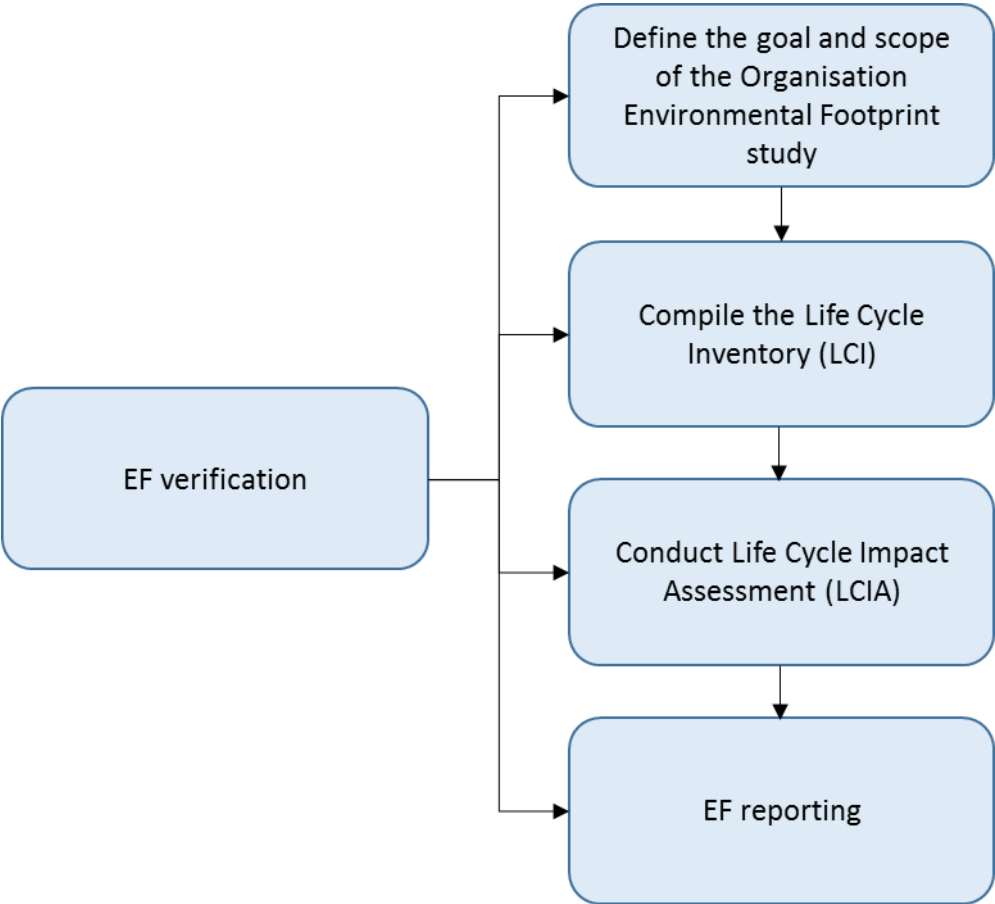
OEF information shall be disclosed in such a way as to provide intended users with the necessary basis for decision-making, and for stakeholders to assess its robustness and reliability.

### **2.3 Phases of a Product Environmental Footprint study**

A number of phases shall be completed in carrying out a OEF study in line with this method - i.e. goal definition, scope definition, life cycle inventory, life cycle impact assessment, interpretation of OEF results and OEF reporting – see Figure 2.



**Figure 2** Phases of an Organisation Environmental Footprint study



In the goal step, the aims of the study are defined, namely the intended application, the reasons for carrying out the study and the intended audience. Main methodological choices are made in scope phase, for example the exact definition of the reporting unit, the identification of the system boundary, the selection of additional environmental and technical information, main assumptions and limitations.

The life cycle inventory (LCI) step involves the data collection and the calculation procedure for the quantification of inputs and outputs of the studied system. Inputs and outputs concern energy, raw material and other physical inputs, products and co-products and waste, emissions to air/water/soil. Data collected concern foreground processes and background processes. Data are put in relationship to the process units and reporting unit. The LCI is an iterative process. In fact, as data are collected and more is learned about the system, new data requirements or limitations may be identified that require a change in the data collection procedures so that the goals of the study will still be met.

In the impact assessment step, LCI results are associated to environmental impact categories and indicators. This is done through LCIA methods, which first classify emissions into impact categories and then characterize them to common units (e.g. CO<sub>2</sub> and CH<sub>4</sub> emissions are both expressed in CO<sub>2</sub> equivalent emissions by using their global warming potential). Examples of impact categories are climate change, acidification or resource use.

Finally, in the interpretation step, results from LCI and LCIA are interpreted in accordance to the stated goal and scope. In this phase, most relevant impact categories, life cycle stages, processes and elementary flows are identified. Conclusions and recommendations can be drawn, based on the analytical results.

### 3 Defining the goal(s) and scope of the Organisation Environmental Footprint study

#### 3.1 Goal definition

Goal definition is the first step of an OEF study, and sets the overall context for the study. The purpose of clearly defining goals is to ensure that the aims, methods, results and intended applications are aligned, and that a shared vision is in place to guide participants in the study. The decision to use the OEF method implies that some aspects of the goal definition will be decided a priori, due to the specific requirements provided by the OEF method.

In defining goals, it is important to identify the intended applications and the degree of analytical depth and rigour of the study. This should be reflected in the defined study limitations (scope definition phase).

Goal definition for an OEF study shall include:

- Intended application(s);
- Reasons for carrying out the study and decision context;
- Target audience;
- Commissioner of the study;
- Identity of the verifier.

**Table 1** Example of goal definition - Organisation Environmental Footprint of a company producing jeans and T-shirts

| Aspects   | Detail   |
|---|--|
| Intended application(s):  | Corporate sustainability reporting   |
| Reasons for carrying out the study:   | Demonstrate commitment to and practice of continuous improvement   |
| Target audience:  | Customers  |
| Comparisons or comparative assertions <sup>20</sup> intended to be disclosed to the public: | No, it will be publically available but it is not intended to be used for comparisons or comparative assertions. |
| Commissioner of the study:  | G Company Ltd.   |
| Verification procedure:   | Independent external verifier, Mr Y  |

<sup>20</sup> Only applicable if the study was conducted in compliance with the relevant OEFSR.

## 3.2 Scope Definition

The scope of the OEF study describes in detail the system to be evaluated and the technical specifications.

The scope definition shall be in line with the defined goals of the study and shall include (see subsequent sections for a more detailed description):

- Definition of the reporting unit (RU): description of the organisation and the product portfolio (suite and amount of goods/services provided over the reporting interval);
- System boundary (OEF boundary and organisational boundary);
- EF impact categories<sup>21</sup>;
- Additional information to be included;
- Assumptions/Limitations.

### 3.2.1 Reporting unit: organisation and product portfolio

The organisation is the reference unit for the analysis and, along with the product portfolio, the basis for defining the reporting unit (RU). It is parallel to the concept of “functional unit” in a traditional Life Cycle Assessment (LCA)<sup>22</sup>.

In the most general sense, the overarching function of the organisation, for the purpose of calculating the OEF, is the provision of goods and services over a specified reporting interval. The reporting interval should be one year. Deviations from this reporting interval shall be justified.

The PP refers to the amount and nature of goods and services provided by the organisation over the reporting interval. The OEF may be limited to a clearly defined subset of the product portfolio of the organisation: a typical example is an organisation that is operating in various sectors and decides to restrict its analysis to one sector. The OEF study shall justify and report whether it is limited to a subset of its product portfolio.

The reporting unit for an OEF study shall be defined according to the following aspects:

- Definition of the organisation:
  - Name of the organisation;
  - The kinds of good/services the organisation produces (i.e. the sector);
  - Locations of operation (e.g. countries, cities);
- Definition of the product portfolio:
  - The good(s)/service(s) provided: “**what**”;
  - The extent of the good or service: “**how much**”;
  - The expected level of quality: “**how well**”;
  - The duration/ lifetime of the good(s)/ service(s): “**how long**”;
- The reference year;
- The reporting interval.

### Example

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<sup>21</sup> The term “EF impact category” will be used throughout this method in place of the term “impact category” used in ISO 14044.

<sup>22</sup> Life cycle assessment – compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle (ISO 14040:2006)

### Definition of the organisation:

- Organisation: Y Company Ltd.
- Goods/services sector: garment manufacturer
- Location(s): Paris, Berlin, Milan
- NACE code(s): 14

### Definition of the Product Portfolio:

**What:** T-shirts and trousers<sup>23</sup>

**How much:** 40,000 T-shirts, 20,000 trousers

**How well:** Wear once per week and use washing machine at 30 degrees for cleaning once weekly; the energy use of the washing machine equals 0.72 MJ/kg clothing and the water use 10 litres/kg clothing for one wash cycle. One T-shirt weighs 0.16 kg and one pair of trousers weighs 0.53 kg. This results in an energy use of 0.4968 MJ/week and a water consumption of 6.9 litres/week.

**How long:** use stage of 5 years for both the T-shirts and the trousers.

**Reference year:** 2017

**Reporting interval:** one year.

If the product portfolio is constituted by intermediate products, some aspects of the PP (i.e. how well and how long) are more difficult to define: if justification is provided, they may be omitted.

### **3.2.2 System boundary**

The system boundary defines which parts of the product life cycle and which associated

The system boundary defines which parts of the PP and which associated life cycle stages and processes belong to the analysed system, except for those processes excluded based on the cut-off rule (see section 4.6.4). The reason for and potential significance of any exclusion shall be justified and documented.

The system boundary shall be defined following a general supply-chain logic, with reference to the products/ services included in the PP, including all stages from raw material acquisition and pre-processing, production, distribution and storage, use stage and end of life. The co-products, by-products and waste streams of at least the foreground system shall be clearly identified.

Two levels of system boundary definition are necessary for the OEF study:

- organisational boundary (in relation to the defined organisation);
- OEF boundary (that specify upstream and downstream processes are included in the analysis).

#### **3.2.2.1 Organisational boundary**

The organisational boundary is defined so as to encompass all facilities and associated processes that are fully or partially owned and/or operated by the organisation and that directly contribute to the provision of the PP. The activities and impacts linked to processes within the defined organisational boundary are considered "direct" activities and impacts.

For example, in the case of retailers, products produced by other organisations are not included in the organisational boundary of the retailer. The retailers' boundary are then

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<sup>23</sup> In OEF studies wider grouping of products is also possible (e.g. shoes, outer garment, etc), if that fits with the PP of the organisation.

limited to their capital goods and all processes/activities related to the retailing service. However, products produced or transformed by the retailer shall be included in the organisational boundary.

All activities and processes which occur within the organisational boundary but which are not necessary for the functioning of the organisation shall be included in the analysis. Examples of such processes/ activities are gardening activities, food served by the company in the canteen, etc.

As some jointly owned/ operated facilities may contribute to the provision both of the defined PP of the organisation as well as of the product portfolio(s) of other organisations, it may be necessary to allocate inputs and outputs accordingly.

### **3.2.2.2 OEF boundary**

The OEF boundary is broader than the organisational boundary and includes all indirect activities and associated impacts. Indirect activities are those that occur upstream or downstream along the supply chains linked to organisational activities (see section 4.2.1).

The OEF boundary shall be defined following a general supply chain logic. The OEF boundary shall by default include all stages from raw material acquisition through manufacturing, distribution, storage, use and end of life treatment of the PP (i.e. cradle-to-grave).

All processes within the defined OEF boundary shall be considered (except for the ones fulfilling the cut-off criteria). Explicit justification shall be provided if downstream (indirect) activities are excluded (e.g. use stage and end of life stage of intermediate products or products with an undeterminable fate): in this case the OEF boundary shall include, at a minimum, site-level (direct) and upstream (indirect) activities associated with the organisation's PP.

In some cases the same process may belong either to the organisational boundary or to the OEF boundary: for example, employee transport occurs i) within the organisational boundary when employees commute using cars owned or operated by the employer, or use public transport paid for by the employer; or ii) it is regarded as an indirect process, when employees commute by private cars or public transport paid for by the employee.

### **3.2.2.3 System boundary diagram**

A system boundary diagram (or flow diagram) is a schematic representation of the analysed system. It shall clearly indicate the activities or processes that are included and those that are excluded from the analysis.

The organisational boundary and the OEF boundary shall be indicated. Furthermore, the user of the OEF method shall highlight where company-specific data were used.

The activity and/or process names in the system diagram and in the OEF report shall be aligned. The system diagram shall be included in the scope definition and included in the OEF report.

## **3.2.3 Environmental Footprint impact categories**

The purpose of life cycle impact assessment is to group and aggregate the collected LCI data according to the respective contributions to each EF impact category. The selection of EF impact categories is comprehensive in the sense that they cover a broad range of relevant environmental issues related to the supply chain of interest, following the general requirements of completeness of OEF studies.

EF impact categories<sup>24</sup> refer to specific categories of impacts considered in an OEF study and they constitute the EF impact assessment method. Characterization models are used to quantify the environmental mechanism between the LCI (i.e. inputs (e.g. resources) and emissions associated with the PP life cycle) and the category indicator of each EF impact category. Each impact category hence refers to a certain stand-alone characterization model.

Table 2 provides a default list of EF impact categories and related assessment methods. For an OEF study, all EF impact categories shall be applied, without exclusion. The full list of CFs to be used is available at <http://eplca.jrc.ec.europa.eu/LCDN/developer.xhtml>. Users of the OEF method shall report in the OEF report the version of the EF reference package used in the OEF study.

More details on how the CFs were calculated is available at: <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml> (see also Fazio et al., 2018a, Fazio et al. 2018b). For the EF impact categories 'human toxicity, cancer', 'human toxicity, non-cancer' and 'ecotoxicity, freshwater', all CFs have been calculated with the USEtox 2.1 model using new input data for physicochemical properties, aquatic ecotoxicity and human toxicity (see Saouter et al. (2018)<sup>25</sup>).

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<sup>24</sup> The term "EF impact category" is used throughout the OEF method in place of the term "impact category" used in ISO 14044.

<sup>25</sup> CFs calculated according to the technical report shall not be mixed with existing USEtox 2.1 CF database as the methodology to calculate some of the input parameters has changed. The report is available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

**Table 2** EF impact categories with respective impact category indicators and characterization models. The CFs that shall be used are available at: <http://epca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

| EF Impact category                         | Impact category Indicator                              | Unit                    | Characterization model   | Robustness |
|--|--|-------------------------|--|------------|
| <b>Climate change, total</b> <sup>26</sup> | Radiative forcing as global warming potential (GWP100) | kg CO <sub>2</sub> eq   | Baseline model of 100 years of the IPCC (based on IPCC 2013)                             | I          |
| <b>Ozone depletion</b>                     | Ozone Depletion Potential (ODP)                        | kg CFC-11 eq            | Steady-state ODPs as in (WMO 2014 + integrations)  | I          |
| <b>Human toxicity, cancer</b>              | Comparative Toxic Unit for humans (CTU <sub>h</sub> )  | CTUh                    | USEtox model 2.1 (Fankte et al, 2017)  | III        |
| <b>Human toxicity, non-cancer</b>          | Comparative Toxic Unit for humans (CTU <sub>h</sub> )  | CTUh                    | USEtox model 2.1 (Fankte et al, 2017)  | III        |
| <b>Particulate matter</b>                  | Impact on human health                                 | disease incidence       | PM method recommended by UNEP (UNEP 2016)  | I          |
| <b>Ionising radiation, human health</b>    | Human exposure efficiency relative to U <sup>235</sup> | kBq U <sup>235</sup> eq | Human health effect model as developed by Dreicer et al. 1995 (Frischknecht et al, 2000) | II         |
| <b>Photochemical ozone</b>                 | Tropospheric ozone concentration increase              | kg NMVOC eq             | LOTOS-EUROS model (Van   | II         |

<sup>26</sup> The indicator "Climate Change, total" is constituted by three sub-indicators: Climate Change, fossil; Climate Change, biogenic; Climate Change, land use and land use change. The sub-indicators are further described in section 4.4.10. The sub-categories 'Climate change -fossil', 'Climate change - biogenic' and 'Climate change - land use and land use change', shall be reported separately if they show a contribution of more than 5% each to the total score of climate change.

|                                    |  |   |  |     |
|------------------------------------|--|---|--|-----|
| <b>formation, human health</b>     |  |   | Zelm et al, 2008) as implemented in ReCiPe 2008                          |     |
| <b>Acidification</b>               | Accumulated Exceedance (AE)  | mol H <sup>+</sup> eq   | Accumulated Exceedance (Seppälä et al. 2006, Posch et al, 2008)          | II  |
| <b>Eutrophication, terrestrial</b> | Accumulated Exceedance (AE)  | mol N eq  | Accumulated Exceedance (Seppälä et al. 2006, Posch et al, 2008)          | II  |
| <b>Eutrophication, freshwater</b>  | Fraction of nutrients reaching freshwater end compartment (P)  | kg P eq   | EUTREND model (Struijs et al, 2009) as implemented in ReCiPe             | II  |
| <b>Eutrophication, marine</b>      | Fraction of nutrients reaching marine end compartment (N)  | kg N eq   | EUTREND model (Struijs et al, 2009) as implemented in ReCiPe             | II  |
| <b>Ecotoxicity, freshwater</b>     | Comparative Toxic Unit for ecosystems (CTU <sub>e</sub> )  | CTU <sub>e</sub>  | USEtox model 2.1 (Fankte et al, 2017)                                    | III |
| <b>Land use</b>                    | <ul style="list-style-type: none"> <li>• Soil quality index<sup>27</sup></li> <li>• Biotic production</li> <li>• Erosion resistance</li> <li>• Mechanical filtration</li> <li>• Groundwater replenishment</li> </ul> | <ul style="list-style-type: none"> <li>• Dimensionless (pt)</li> <li>• kg biotic production</li> <li>• kg soil</li> <li>• m<sup>3</sup> water</li> <li>• m<sup>3</sup> groundwater</li> </ul> | Soil quality index based on LANCA (Beck et al. 2010 and Bos et al. 2016) | III |

<sup>27</sup> This index is the result of the aggregation, performed by JRC, of the 4 indicators provided by LANCA model as indicators for land use.



|   |  |                                    |  |     |
|---|--|------------------------------------|--|-----|
| <b>Water use</b>                                      | User deprivation potential (deprivation-weighted water consumption)  | m <sup>3</sup> world <sub>eq</sub> | Available WATER REMAINING (AWARE) as recommended by UNEP, 2016 | III |
| <b>Resource use<sup>28</sup>, minerals and metals</b> | Abiotic resource depletion (ADP ultimate reserves)                   | kg Sb <sub>eq</sub>                | CML 2002 (Guinée et al., 2002) and van Oers et al. 2002.       | III |
| <b>Resource use, fossils</b>                          | Abiotic resource depletion – fossil fuels (ADP-fossil) <sup>29</sup> | MJ                                 | CML 2002 (Guinée et al., 2002) and van Oers et al. 2002        | III |

Further information on impact assessment calculations is provided in Chapter 5.

### 3.2.4 Additional information to be included in the OEF

Relevant potential environmental impacts of an organisation may go beyond the EF impact categories. It is important to consider and report them, whenever feasible, as additional environmental information.

Similarly, relevant technical aspects and/or physical properties of the organisation may need to be considered. These aspects shall be reported as additional technical information.

#### 3.2.4.1 Additional environmental information

Additional environmental information shall be:

- Based on information that is substantiated and has been reviewed or verified in accordance with ISO 14020 and Clause 5 of ISO 14021:2016;
- Specific, accurate and not misleading;
- Relevant to the specific sector;
- Life cycle based information additional to the EF impact categories.
- Additional environmental information shall only be related to environmental aspects.

Additional environmental information shall not reflect the same or similar EF impact categories, shall not substitute the characterization models of the EF impact categories and shall not report results of new CFs added to EF impact categories. The supporting models of this additional information shall be clearly referenced and documented together with the corresponding indicators.

For example, biodiversity impacts due to land use changes may occur in association with a specific site or activity. This may require the application of additional impact categories

<sup>28</sup> The results of this impact category shall be interpreted with caution, because the results of ADP after normalization may be overestimated. The European Commission intends to develop a new method moving from depletion to dissipation model to better quantify the potential for conservation of resources

<sup>29</sup> In the EF flow list, and for the current recommendation, Uranium is included in the list of energy carriers, and it is measured in MJ.

that are not included among the EF impact categories, or even additional qualitative descriptions where impacts may not be linked to the product supply chain in a quantitative manner. Such additional methods should be viewed as complementary to the EF impact categories.

Additional environmental information may include:

- (a) Information on local/site-specific impacts;
- (b) Offsets;
- (c) Environmental indicators or product responsibility indicators (as per the Global Reporting Initiative (GRI));
- (d) For gate-to-gate assessments, number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk;
- (e) Description of significant impacts of activities, products, and services on biodiversity in protected areas and in areas of high biodiversity value outside protected areas;
- (f) Noise impacts;

Other environmental information considered relevant within the scope of the OEF study.

## **Biodiversity**

The OEF method does not include any impact category named "biodiversity", as currently there is no international consensus on a life cycle impact assessment method capturing that impact. However, the OEF method includes at least eight impact categories that have an effect on biodiversity (i.e., climate change, eutrophication aquatic freshwater, eutrophication aquatic marine, eutrophication terrestrial, acidification, water use, land use, ecotoxicity freshwater).

Considering the high relevance of biodiversity for many sectors, however, biodiversity should be addressed separately (in addition to the EF impact categories). Each study shall explain whether biodiversity is relevant for the organisation in scope. If that is the case, the user of the OEF method shall include biodiversity indicators under additional environmental information.

The following suggestions may be taken into account to cover biodiversity:

- To express the (avoided) impact on biodiversity as the percentage of material that comes from ecosystems that have been managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity levels and gains or losses (e.g. less than 15% loss of species richness due to disturbance, but OEF studies may set their own level provided this is well justified and not in contradiction to a relevant existing OEFSR). The assessment should refer to materials that end up in the PP and to materials that have been used during the production process. For example, charcoal that is used in steel production processes, or soy that is used to feed cows that produce dairy etc.
- To report additionally the percentage of such materials for which no chain of custody or traceability information can be found.
- To use a certification system as a proxy. The user of the OEF method should determine which certification schemes provide sufficient evidence for ensuring biodiversity maintenance and describe the criteria used. A useful overview of standards is available on <http://www.standardsmap.org/>.

### **3.2.4.2 Additional technical information**

Additional technical information may include (non-exhaustive list):

- (a) Information on the use of hazardous substances;
- (b) Information on the disposal of hazardous/non-hazardous waste;
- (c) Information on energy consumption;
- (d) Technical parameters, such as the use of renewable versus non-renewable energy, the use of renewable versus non-renewable fuels, the use of secondary materials, the use of fresh water resources;
- (e) Total weight of waste by type and disposal method;
- (f) Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annexes I, II, III, and VIII, and percentage of transported waste shipped internationally.

### **3.2.5 Assumptions/ limitations**

In OEF studies, several limitations to carrying out the analysis may arise and therefore assumptions need to be made. All limitations (e.g. data gaps) and assumptions shall be transparently reported.

## 4 Life Cycle Inventory

An inventory of all material, energy and waste inputs and outputs and emissions into air, water and soil for the product supply chain shall be compiled as a basis for modelling the OEF. This is called the life cycle inventory.

Detailed data requirements and quality requirements are described in section 4.6.

The life cycle inventory shall adopt the following classification of flows<sup>30</sup> included:

- **Elementary flows**, which are “*material or energy entering the system being studied that has been drawn from the environment without previous human transformation, or material or energy leaving the system being studied that is released into the environment without subsequent human transformation.*” (ISO 14040:2006, 3.12). Elementary flows are, for example, resources extracted from nature or emissions into air, water, soil that are directly linked to the characterisation factors of the EF impact categories;
- **Non-elementary (or complex) flows**, which are all the remaining inputs (e.g. electricity, materials, transport processes) and outputs (e.g. waste, by-products) in a system that require further modelling efforts to be transformed into elementary flows.

Within the OEF study, all non-elementary flows in the life cycle inventory shall be modelled up to the level of elementary flows, apart from the product flow of the products belonging to the PP in scope. For example, waste flows shall not only be included in the study as kg of household waste or hazardous waste, but shall be modelled until the emissions into water, air and soil due to the treatment of the solid waste. The LCI modelling is therefore only completed when all non-elementary flows are expressed as elementary flows. Therefore, the LCI dataset of the OEF study shall only contain elementary flows, apart from the product flow of the product(s) in scope.

### 4.1 Screening step

An initial screening of the LCI, referred to as the screening step, is highly recommended because it helps focussing data collection activities and data quality priorities. A screening step shall include the LCIA phase and allow to further refine the life cycle model of the organisation in scope in an iterative way, as more information becomes available. Within a screening step no cut-off is allowed and readily available primary or secondary data may be used, fulfilling the data quality requirements to the extent possible (as defined in section 4.6). Once the screening is performed, the initial scope settings may be refined.

### 4.2 Direct activities, indirect activities and life cycle stages

Users of the OEF method shall identify direct and indirect activities (see section 4.2.1) and report separately their impact.

If the product portfolio of the organisation is made of products, the user of the OEF method shall also identify the life cycle stages of the products belonging to the PP and describe them in the OEF report (section 4.2.2).

If the product portfolio includes services, the user of the OEF method may identify the life cycle stages if applicable.

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<sup>30</sup> Classification is defined as assigning the material/energy/waste inputs and outputs tabulated in the LCI to EF impact categories according to each substance’s potential to contribute to each of the EF impact categories considered.

### 4.2.1 Direct and indirect activities

Direct activities are the ones occurring within the organisational boundary and therefore are owned and/or operated by the organisation (i.e. site-level activities). Indirect activities refer to the use of materials, energy and emissions associated with goods/services sourced from upstream, or occurring downstream, of the organisational boundary in support of producing the Product Portfolio.

Examples of direct activities are:

- Generation of energy resulting from combustion of fuels in stationary sources (e.g. boilers, furnaces, turbines);
- Physical or chemical processing (e.g. from manufacturing, processing, cleaning, etc.);
- Transportation of materials, products and waste (resources and emissions from the combustion of fuels) in company-owned and/or operated vehicles, described in terms of mode of transport, vehicle type and distance;
- Employees commuting (resources and emissions from the combustion of fuels) using vehicles owned and/or operated by the organisation, described in terms of mode of transport, vehicle type and distance;
- Business travel (resources and emissions from the combustion of fuels) in vehicles owned and/or operated by the organisation, described in terms of mode of transport, vehicle type, and distance;
- Client and visitor transportation (resources and emissions from the combustion of fuels) in vehicles owned and/or operated by the organisation, described in terms of mode of transport, vehicle type and distance;
- Transportation from suppliers (resources and emissions from the combustion of fuels) in vehicles owned and/or operated by the organisation, described in terms of mode of transport, vehicle type, distance and load;
- Disposal and treatment of waste (composition, volume) when processed in facilities owned and/or operated by the organisation;
- Emissions from intentional or unintentional releases<sup>31</sup> (e.g. Hydrofluorocarbon (HFC) emissions during the use of air-conditioning equipment);
- Other site-specific activities.

Examples of indirect activities are:

- Extraction of raw materials needed for the production of the PP;
- Extraction, production and transportation of purchased electricity, steam and heating/cooling energy;
- Extraction, production and transportation of purchased materials, fuels and other products;
- Generation of electricity consumed by upstream activities;
- Disposal and treatment of waste generated by upstream activities;
- Disposal and treatment of waste generated on site when processed in facilities not owned and/or operated by the organisation;

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<sup>31</sup> Releases are emissions to air and discharges to water and soil. (ISO 14040:2006)

- Transportation of materials and products between suppliers and from suppliers in vehicles not owned and/or operated by the organisation (mode of transport, vehicle type, distance);
- Employees commuting using vehicles not owned or operated by the organisation (mode of transport, vehicle type, distance);
- Business travel (resources and emissions from the combustion of fuels) in vehicles not owned and/or operated by the organisation (mode of transport, vehicle type, distance);
- Client and visitor transportation (resources and emissions from the combustion of fuels) in vehicles not owned and/or operated by the organisation (mode of transport, vehicle type, distance);
- Processing of goods/ services provided;
- Use of goods/ services provided (see section 4.4.7 for more detailed specifications);
- EoL treatment of goods/services provided (see section 4.4.8 for more detailed specifications);
- Any other upstream and downstream process/activity.

#### **4.2.2 Life cycle stages**

When the PP is covering products, life cycle stages shall be identified and described in the OEF report.

The default life cycle stages included in an OEF study shall be as a minimum:

- Raw material acquisition and pre-processing (including production of parts and unspecific components);
- Manufacturing (production of the product(s) in the PP);
- Distribution (product distribution and storage);
- Use stage;
- End of life (including product recovery or recycling).

In case the naming of the default life cycle stages is changed, the user shall specify which default life cycle stage it corresponds to.

If justified, the user of the OEF method may decide to split or add life cycle stages. The justification shall be included in the OEF report. For example, the life cycle stage 'Raw material acquisition and pre-processing' may be split into 'Raw material acquisition', 'pre-processing', and 'raw materials supplier transport'.

For OEF studies where the product portfolio is made up of intermediate products, the following life cycle stages shall be excluded:

- Use stage;
- End of life (including product, recovery / recycling).

If the PP is covering services, life cycle stages shall be identified and reported on, if applicable.

### 4.2.3 Raw material acquisition and pre-processing

This life cycle stage starts when resources are extracted from nature and ends when product components enter (through the gate of) the product's production facility. Examples for processes that may occur in this stage include (non-exhaustive list):

- Mining and extraction of resources;
- Pre-processing of all material inputs to the studied product, including recyclable materials;
- Agricultural and forestry activities;
- Transportation within and between extraction and pre-processing facilities, and to the production facility.

Packaging production shall be modelled as part of the "Raw material acquisition and pre-processing" life cycle stage.

### 4.2.4 Manufacturing

The production stage begins when the product components enter the production site and ends when the finished product leaves the production facility. Examples of production-related activities include (non-exhaustive list):

- Chemical processing;
- Manufacturing;
- Transport of semi-finished products between manufacturing processes;
- Assembly of material components.

The waste of products used during the manufacturing shall be included in the modelling of the manufacturing stage. The Circular Footprint Formula (section 4.4.8.1) shall be applied to such waste.

### 4.2.5 Distribution stage

Products are distributed to users and may be stored at various points along the supply chain. The distribution stage includes the transport from factory gate to warehouse /retail, storage at warehouse/ retail, and transport from warehouse/ retail to consumer home.

Examples of processes to include (non-exhaustive list):

- Energy inputs for warehouse lighting and heating;
- Use of refrigerants in warehouses and transport vehicles;
- Fuel use by vehicles;
- Roads and trucks.

The waste of products used during distribution and storage shall be included in the modelling. The Circular Footprint Formula (section 4.4.8.1) shall be applied to such waste. Default loss rates per type of product during distribution and at consumer are provided in Annex F and shall be used in case no specific information are available. Allocation rules on energy consumption at storage are presented in section 4.4.5 **Error! Reference source not found.** while for transport see section 4.4.3.

### 4.2.6 Use stage

The use stage describes how the product is expected to be used by the end user (e.g. the consumer). The use stage starts at the moment the end user uses the product till it leaves

its place of use and enters the end of life (EoL) life cycle stage (e.g., recycling or final treatment). The use stage includes all activities and products that are needed for a proper use of the product (i.e. the provision of the original function is kept throughout its lifetime).

The waste of products used during the use stage shall be included in the modelling of the use stage. The Circular Footprint Formula (section 4.4.8.1) shall be applied to such waste. The waste of the product in use, as well as its transport to EoL facilities, such as food waste and its primary packaging or the product left at its end of use, is excluded from the use stage and shall be part of the EoL stage of the product. Furthermore, if a product is reused (see also section 4.4.9.2), the processes needed to collect the product and make it ready for the new use cycle are excluded (e.g. the impacts from collection and cleaning reusable bottles). These processes are included in the EoL stage if the product is reused into a product with different specifications (see section 4.4.9 for further details). If the product lifetime is extended in a product with original product specifications (providing the same function) these processes shall be included in the RU. Transport from retail to consumer home shall be excluded from the use stage and shall be included in the distribution stage.

For example, the provision of tap water when cooking pasta; the manufacturing, distribution and waste of materials needed for maintenance, repair or refurbishment (e.g. spare parts needed to repair the product, the coolant production and waste management due to losses); the EoL of paper filter for coffee making, belong to the use stage. The EoL of coffee capsules, residues for coffee making and packaging of ground coffee belong to the end of life stage.

In some cases, some products are needed for a proper use of the product in scope and they are used in a way that they become physically integrated: in this case, the waste treatment of these products belongs to the EoL of the product in scope. For example, when the product in scope is a detergent, the wastewater treatment of the water, used to fulfil the function of the detergent, belongs to the end of life stage.

The following sources of technical information on the use scenario should be taken into account (non-exhaustive list):

- Market surveys or other market data;
- Published international standards that specify guidance and requirements for the development of scenarios for the use stage and scenarios for (i.e. estimation of) the service life of the product;
- Published national guidelines for the development of scenarios for the use stage and scenarios for (i.e. estimation of) the service life of the product;
- Published industry guidelines for the development of scenarios for the use stage and scenarios for (i.e. estimation of) the service life of the product.
- The manufacturer's recommended method to be applied in the use stage (e.g. cooking in an oven at a specified temperature for a specified time) should be used to provide a basis for determining the use stage of a product. The actual usage pattern may, however, differ from those recommended and should be used if this information is available and documented.

Default loss rates per type of product during distribution and at consumer are provided in Annex F and shall be used in case no specific information are available.

Documentation of methods and assumptions shall be provided. All relevant assumptions for the use stage shall be documented.

Technical specifications to model the use stage are available in section 4.4.7.



### 4.2.7 End of life (including product recovery and recycling)

The end of life stage begins when the products in the PP in scope and its packaging is discarded by the user and ends when the product is returned to nature as a waste product or enters another product's life cycle (i.e. as a recycled input). In general it includes the waste of the product(s) in scope, such as food waste, and primary packaging.

Other waste (different from the product(s) in scope) generated during the manufacturing, distribution, retail, use stage or after use shall be included in the life cycle of the product and modelled at the life cycle stage where it occurs.

The end of life stage shall be modelled using the Circular Footprint Formula and requirements provided in section 4.4.8.1. The user of the OEF method shall include all EoL processes applicable to the PP in scope. Examples of processes to include in this life cycle stage are (non-exhaustive list):

- Collection and transport of product in scope and its packaging to end of life treatment facilities;
- Dismantling of components;
- Shredding and sorting;
- Wastewater of products used dissolved in or with water (e.g. detergents, shower gels, etc.);
- Conversion into recycled material;
- Composting or other organic-waste-treatment methods;
- Incineration and disposal of bottom ash;
- Landfilling and landfill operation and maintenance.

For intermediate products, the EoL of the product in scope shall be excluded.

### 4.3 Nomenclature for the life cycle inventory

LCI data shall be compliant with EF requirements:

- For the elementary flows, the nomenclature shall be aligned with the most recent version of the EF reference package available on the EF developer's page at the following link <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>. Details to fulfil this aspect are available at <http://eplca.jrc.ec.europa.eu/uploads/MANPROJ-PR-ILCD-Handbook-Nomenclature-and-other-conventions-first-edition-ISBN-fin-v1.0-E.pdf>.
- For the process datasets and product flow, the nomenclature shall be compliant with the "ILCD Handbook – Nomenclature and other conventions" (available at: <http://eplca.jrc.ec.europa.eu/repository/EF>).

### 4.4 Modelling requirements

This section provides detailed guidance and requirements on how to model specific life cycle stages, processes and other aspects of the product(s) life cycle, in order to compile the life cycle inventory. Covered aspects include:

- Agricultural production;
- Electricity use;
- Transport and logistics;
- Capital goods (infrastructure and equipment);
- Storage at distribution center or retail;

- Sampling procedure;
- Use stage;
- End of life modelling;
- Extended product lifetime;
- Packaging;
- Greenhouse gas emissions and removals;
- Offsets;
- Handling multi-functional processes;
- Data collection requirements and quality requirements;
- Cut-off.

#### **4.4.1 Agricultural production**

##### **4.4.1.1 Handling multi-functional processes**

The rules described in the LEAP Guideline shall be followed: Environmental performance of animal feeds supply chains (pages 36-43), FAO 2016, available at <http://www.fao.org/partnerships/leap/publications/en/>.

##### **4.4.1.2 Crop type specific and country, region or climate specific data**

Crop type specific and country-region-or-climate specific data for yield, water and land use, land use change, fertiliser (artificial and organic) amount (N, P amount) and pesticide amount (per active ingredient), per hectare per year, should be used.

##### **4.4.1.3 Averaging data**

Cultivation data shall be collected over a period of time sufficient to provide an average assessment of the life cycle inventory associated with the inputs and outputs of cultivation that will offset fluctuations due to seasonal differences. This shall be undertaken as described in the LEAP guidelines<sup>32</sup>, set out below:

- For annual crops, an assessment period of at least three years shall be used (to level out differences in crop yields related to fluctuations in growing conditions over the years such as climate, pests and diseases, et cetera). Where data covering a three-year period is not available i.e. due to starting up a new production system (e.g. new greenhouse, newly cleared land, shift to other crop), the assessment may be conducted over a shorter period, but shall be not less than 1 year. Crops or plants grown in greenhouses shall be considered as annual crops/ plants, unless the cultivation cycle is significantly shorter than a year and another crop is cultivated consecutively within that year. Tomatoes, peppers and other crops, which are cultivated and harvested over a longer period through the year are considered as annual crops.
- For perennial plants (including entire plants and edible portions of perennial plants) a steady state situation (i.e. where all development stages are proportionally represented in the studied time period) shall be assumed and a three-year period shall be used to estimate the inputs and outputs<sup>33</sup>.

<sup>32</sup> Environmental performance of animal feeds supply chains, FAO 2016, available at <http://www.fao.org/partnerships/leap/publications/en/>.

<sup>33</sup> The underlying assumption in the cradle to gate life cycle inventory assessment of horticultural products is that the inputs and outputs of the cultivation are in a 'steady state', which means that all development stages of perennial crops (with different quantities of inputs and outputs) shall be proportionally represented in the time period of cultivation that is studied. This approach gives the advantage that inputs and outputs of a

- Where the different stages in the cultivation cycle are known to be disproportional, a correction shall be made by adjusting the crop areas allocated to different development stages in proportion to the crop areas expected in a theoretical steady state. The application of such correction shall be justified and recorded. The LCI of perennial plants and crops shall not be undertaken until the production system actually yields output.
- For crops that are grown and harvested in less than one year (e.g. lettuce produced in 2 to 4 months) data shall be gathered in relation to the specific time period for production of a single crop, from at least three recent consecutive cycles. Averaging over three years may best be done by first gathering annual data and calculating the LCI per year and then determining the three years average.

#### **4.4.1.4 Pesticides**

Pesticide emissions shall be modelled as specific active ingredients. The USEtox life cycle impact assessment method has a built-in multimedia fate model which simulates the fate of the pesticides starting from the different emission compartments. Therefore, default emission fractions to environmental emission compartments are needed in the LCI modelling (Rosenbaum et al., 2015). The pesticides applied on the field shall be modelled as 90% emitted to the agricultural soil compartment, 9% emitted to air and 1% emitted to water (based on expert judgement due to current limitations<sup>34</sup>). More specific data may be used if available.

#### **4.4.1.5 Fertilisers**

Fertiliser (and manure) emissions shall be differentiated per fertiliser type and cover as a minimum:

- NH<sub>3</sub>, to air (from N-fertiliser application);
- N<sub>2</sub>O, to air (direct and indirect) (from N-fertiliser application);
- CO<sub>2</sub>, to air (from lime, urea and urea-compounds application);
- NO<sub>3</sub>, to water unspecified (leaching from N-fertiliser application);
- PO<sub>4</sub>, to water unspecified or freshwater (leaching and run-off of soluble phosphate from P-fertiliser application);
- P, to water unspecified or freshwater (soil particles containing phosphorous, from P-fertiliser application).

The impact assessment model for freshwater eutrophication starts (i) when P leaves the agricultural field (run off) or (ii) from manure or fertiliser application on agricultural field. Within LCI modelling, the agricultural field (soil) is often seen as belonging to the technosphere and thus included in the LCI model. This aligns with approach (i), where the impact assessment model starts after run-off, i.e. when P leaves the agricultural field. Therefore, within the EF context, the LCI should be modelled as the amount of P emitted to water after run-off and the emission compartment 'water' shall be used. When this amount is not available, the LCI may be modelled as the amount of P applied on the agricultural field (through manure or fertilisers) and the emission compartment 'soil' shall

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relatively short period can be used for the calculation of the cradle-to-gate life cycle inventory from the perennial crop product. Studying all development stages of a horticultural perennial crop can have a lifespan of 30 years and more (e.g. in case of fruit and nut trees).

<sup>34</sup> Several databases consider a 100% emitted to soil out of simplification (e.g. Agribalyse and Ecoinvent). It is recognized that emissions to freshwater and air do occur. However, emission fractions vary significantly depending on the type of pesticide, the geographical location, time of application and application technique (ranging from 0% to 100%). Especially the % emitted to water can be strongly debated, however, overall it seems that 1% indicates a reasonable average (e.g. WUR-Alterra 2016: Emissies landbouwbestrijdingsmiddelen).

be used. In this case, the run-off from soil to water is part of the impact assessment method and included in the CF for soil.

The impact assessment marine eutrophication starts after N leaves the field (soil). Therefore, N emissions to soil shall not be modelled. The amount of emissions ending up in the different air and water compartments per amount of fertilisers applied on the field shall be modelled within the LCI. Nitrogen emissions shall be calculated from nitrogen applications of the farmer on the field and excluding external sources (e.g. rain deposition). To avoid strong inconsistencies among different OEFSRs, the number of emissions factors is fixed in the EF context by following a simplified approach. For nitrogen-based fertilisers, the Tier 1 emissions factors of Table 2-4 of IPCC 2006 shall be used, as reproduced in **Table 3**, except when better data is available. In case better data is available, a more comprehensive nitrogen field model may be used in the OEF study, provided (i) it covers at least the emissions requested above, (ii) nitrogen shall be balanced in inputs and outputs and (iii) it shall be described in a transparent way.

**Table 3** Tier 1 emissions factors of IPCC 2006 (modified). Note that these values shall not be used to compare different types of synthetic fertilizers.

| <b>Emission</b>   | <b>Compartment</b> | <b>Value to be applied</b>   |
|---|--------------------|--|
| N <sub>2</sub> O (synthetic fertiliser and manure; direct and indirect) | Air                | <b>0.022 kg N<sub>2</sub>O/ kg N fertilizer applied</b>  |
| NH <sub>3</sub> (synthetic fertiliser)                                  | Air                | kg NH <sub>3</sub> = kg N * FracGASF= 1*0.1*(17/14)= <b>0.12 kg NH<sub>3</sub>/ kg N fertilizer applied</b>                |
| NH <sub>3</sub> (manure)  | Air                | kg NH <sub>3</sub> = kg N*FracGASF= 1*0.2*(17/14)= <b>0.24 kg NH<sub>3</sub>/ kg N manure applied</b>                      |
| NO <sub>3</sub> <sup>-</sup> (synthetic fertiliser and manure)          | Water              | kg NO <sub>3</sub> <sup>-</sup> = kg N*FracLEACH = 1*0.3*(62/14) = <b>1.33 kg NO<sub>3</sub><sup>-</sup>/ kg N applied</b> |

FracGASF: fraction of synthetic fertiliser N applied to soils that volatilises as NH<sub>3</sub> and NO<sub>x</sub>.  
 FracLEACH: fraction of synthetic fertiliser and manure lost to leaching and runoff as NO<sub>3</sub>-

The above nitrogen field model has limitations, therefore, an OEF study which has agricultural modelling in scope may test the following alternative approach and report the results in an Annex of the OEF report:

The N-balance is calculated using the parameters in Table 4 and the formula below. The total NO<sub>3</sub>-N emission to water is considered a variable and its total inventory shall be calculated as:

"Total NO<sub>3</sub>-N emission to water" = "NO<sub>3</sub><sup>-</sup> base loss" + "additional NO<sub>3</sub>-N emissions to water", with

"Additional NO<sub>3</sub>-N emissions to water" = "N input with all fertilisers" + "N<sub>2</sub> fixation by crop" - "N-removal with the harvest" - "NH<sub>3</sub> emissions to air" - "N<sub>2</sub>O emissions to air" - "N<sub>2</sub> emissions to air" - "NO<sub>3</sub><sup>-</sup> base loss".

If in certain low-input schemes the value for “additional NO<sub>3</sub>-N emissions to water” becomes negative, the value is to be set to “0”. Moreover, in such cases the absolute value of the calculated “additional NO<sub>3</sub>-N emissions to water” is to be inventoried as additional N-fertiliser input into the system, using the same combination of N-fertilisers as employed to the analysed crop. This last step serves to avoid fertility-depletion schemes by capturing the N-depletion by the analysed crop that is assumed to lead to the need for additional fertiliser later on and to keep the same soil fertility level.

**Table 4** Alternative approach to nitrogen modelling

| <b>Emission</b>  | <b>Compartment</b> | <b>Value to be applied</b>  |
|--|--------------------|---|
| NO <sub>3</sub> <sup>-</sup> base loss (synthetic fertiliser and manure) | Water              | kg NO <sub>3</sub> <sup>-</sup> = kg N * FracLEACH = 1*0.1*(62/14) = 0.44 kg NO <sub>3</sub> <sup>-</sup> / kg N applied              |
| N <sub>2</sub> O (synthetic fertiliser and manure; direct and indirect)  | Air                | 0.022 kg N <sub>2</sub> O/ kg N fertilizer applied  |
| NH <sub>3</sub> - Urea (synthetic fertiliser)                            | Air                | kg NH <sub>3</sub> = kg N * FracGASF = 1*0.15* (17/14) = 0.18 kg NH <sub>3</sub> / kg N fertilizer applied                            |
| NH <sub>3</sub> - Ammonium nitrate (synthetic fertiliser)                | Air                | kg NH <sub>3</sub> = kg N * FracGASF = 1*0.1* (17/14) = 0.12 kg NH <sub>3</sub> / kg N fertilizer applied                             |
| NH <sub>3</sub> - others (synthetic fertiliser)                          | Air                | kg NH <sub>3</sub> = kg N * FracGASF = 1*0.02* (17/14) = 0.024 kg NH <sub>3</sub> / kg N fertilizer applied                           |
| NH <sub>3</sub> (manure)   | Air                | kg NH <sub>3</sub> = kg N * FracGASF = 1*0.2* (17/14) = 0.24 kg NH <sub>3</sub> / kg N manure applied                                 |
| N <sub>2</sub> -fixation by crop   |                    | For crops with symbiotic N <sub>2</sub> -fixation: the fixed amount is assumed to be identical to the N-content in the harvested crop |
| N <sub>2</sub>   | Air                | 0.09 kg N <sub>2</sub> / kg N applied   |

#### **4.4.1.6 Heavy metal emissions**

Heavy metal emissions from field inputs shall be modelled as emission to soil and/or leaching or erosion to water. The inventory to water shall specify the oxidation state of the metal (e.g., Cr<sup>+3</sup>, Cr<sup>+6</sup>). As crops assimilate part of the heavy metal emissions during their cultivation clarification is needed on how to model crops that act as a sink. Two different modelling approaches are allowed:

- The final fate of the heavy metals elementary flows are not further considered within the system boundary: the inventory does not account for the final emissions of the heavy metals and therefore shall not account for the uptake of heavy metals by the crop. For example, heavy metals in agricultural crops cultivated for human consumption end up in the plant. Within the EF context human consumption is not modelled, the final fate is not further modelled and the plant acts as a heavy metal sink. Therefore, the uptake of heavy metals by the crop shall not be modelled.
- The final fate (emission compartment) of the heavy metal elementary flows is considered within the system boundary: the inventory does account for the final emissions (release) of the heavy metals in the environment and therefore shall also account for the uptake of heavy metals by the crop. For example, heavy metals in agricultural crops cultivated for feed will mainly end up in the animal digestion and used as manure back on the field where the metals are released in the environment and their impacts are captured by the impact assessment methods. Therefore, the inventory of the agricultural stage shall account for the uptake of heavy metals by the crop. A limited amount ends up in the animal, which may be neglected for simplification.

#### **4.4.1.7 Rice cultivation**

Methane emissions from rice cultivation shall be included based on the calculation rules of IPCC (2006) (Volume 4, Chapter 5.5, page 44-53).

#### **4.4.1.8 Peat soils**

Drained peat soils shall include carbon dioxide emissions on the basis of a model that relates the drainage levels to annual carbon oxidation.

#### **4.4.1.9 Other activities**

If applicable, the following activities shall be included in agricultural modelling, unless its exclusion is allowed based on the cut-off criteria:

- Input of seed material (kg/ha),
- Input of peat to soil (kg/ha + C/N ratio),
- Input of lime (kg CaCO<sub>3</sub>/ha, type),
- Machine use (hours, type) (to be included if there is high level of mechanisation),
- Input N from crop residues that stay on the field or are burned (kg residue + N content/ha). Including emissions from residues burning, drying and storage of products.

Unless it is clearly documented that operations are carried out manually, field operations shall be accounted for through total fuel consumption or through inputs of specific machinery, transports to/ from the field, energy for irrigation, etc.

### **4.4.2 Electricity use**

Electricity from the grid shall be modelled as precisely as possible giving preference to supplier-specific data. If (part of) the electricity is renewable it is important that no double counting occurs. Therefore, the supplier shall guarantee that the electricity supplied to the organisation to produce the product(s) is effectively generated using renewable sources and is not available anymore for other consumers.

#### **4.4.2.1 General guidelines**

The following chapter introduces two types of electricity mixes: (i) the consumption grid mix which reflects the total electricity mix transferred over a defined grid including green

claimed or tracked electricity, and (ii) the residual grid mix, consumption mix (also named residual consumption mix), which characterizes the unclaimed, untracked or publicly shared electricity only.

In OEF studies the following electricity mix shall be used, in hierarchical order:

- (a) Supplier-specific electricity product<sup>35</sup> shall be used if for a country there is a 100% tracking system in place, or if :
  - (i) available, and
  - (ii) the set of minimum criteria to ensure the contractual instruments are reliable is met.
- (b) The supplier-specific total electricity mix shall be used if:
  - (i) available, and
  - (ii) the set of minimum criteria to ensure the contractual instruments are reliable is met.
- (c) The 'country-specific residual grid mix, consumption mix' shall be used. Country-specific means the country in which the life cycle stage or activity occurs. This may be an EU country or non-EU country. The residual grid mix prevents double counting with the use of supplier-specific electricity mixes in (a) and (b).
- (d) As a last option, the average EU residual grid mix, consumption mix (EU-28 +EFTA), or region representative residual grid mix, consumption mix, shall be used.

The environmental integrity of the use of supplier-specific electricity mix depends on ensuring that contractual instruments (for tracking) **reliably and uniquely convey claims to consumers**. Without this, the OEF lacks the accuracy and consistency necessary to drive product/corporate electricity procurement decisions and accurate consumer (buyer of electricity) claims. Therefore, a set of **minimum criteria** that relate to the integrity of the contractual instruments as reliable conveyers of environmental footprint information has been identified. They represent the minimum features necessary to use supplier-specific mix within OEF studies.

#### **4.4.2.2 Set of minimum criteria to ensure contractual instruments from suppliers**

A supplier-specific electricity product/ mix may only be used if the user of the OEF method ensures that the contractual instrument meets the criteria specified below. If contractual instruments do not meet the criteria, then country-specific residual electricity consumption-mix shall be used in the modelling.

The list of criteria below is based on the criteria of the GHG Protocol Scope 2 Guidance – An amendment to the GHG Protocol Corporate Standard (Mary Sotos, World Resource Institute). A contractual instrument used for electricity modelling shall:

##### **Criterion 1 – Convey attributes**

- Convey the energy type mix associated with the unit of electricity produced.
- The energy type mix shall be calculated based on delivered electricity, incorporating certificates sourced and retired (obtained or acquired or withdrawn) on behalf of its customers. Electricity from facilities for which the attributes have been sold off (via

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<sup>35</sup> See ISO 14067

contracts or certificates) shall be characterized as having the environmental attributes of the country residual consumption mix where the facility is located.

**Criterion 2 – Be a unique claim**

- Be the only instruments that carry the environmental attribute claim associated with that quantity of electricity generated.
- Be tracked and redeemed, retired, or cancelled by or on behalf of the company (e.g. by an audit of contracts, third party certification, or may be handled automatically through other disclosure registries, systems, or mechanisms).

**Criterion 3 – Be as close as possible to the period to which the contractual instrument is applied**



**Table 5** Minimum criteria to ensure contractual instruments from suppliers – guidance to fulfil criteria

|  |  |
|--|--|
| <b>Criterion 1</b>                             | <b>CONVEY ENVIRONMENTAL ATTRIBUTES AND GIVE EXPLANATION ABOUT THE CALCULATION METHOD</b> <ul style="list-style-type: none"> <li>• Convey the energy type mix (or other related environmental attributes) associated with the unit of electricity produced.</li> <li>• Give explanation about the calculation method used to determine this mix</li> </ul>  |
| <b>Context</b>                                 | Each programme or policy will establish their own eligibility criteria and the attributes to be conveyed. These criteria specify energy resource type and certain energy generation facility characteristics, such as type of technologies, facility ages, or facility locations (but differ from one programme/ policy to another). These attributes specify the energy resource type and sometimes some energy generation facility characteristics.  |
| <b>Conditions for satisfying the criterion</b> | 1. Convey the energy mix: If there is no energy type mix specified in the contractual instruments, ask your supplier to receive this information or other environmental attributes (e.g. GHG emission rate). If the supplier does not answer, use the 'country-specific residual grid mix, consumption mix'. If the supplier answers, go to step 2).   |
|  | 2. Give explanation about the calculation method used: Ask your supplier to provide calculation method details to ensure that they follow the above principle. If the supplier does not provide the information, apply the supplier-specific electricity mix, include the information received and document that it was not possible to check for double counting.   |
| <b>Criterion 2</b>                             | <b>UNIQUE CLAIMS</b> <ul style="list-style-type: none"> <li>• Be the only instrument that carries the environmental attribute claim associated with that quantity of electricity generation.</li> <li>• Be tracked and redeemed, retired, or cancelled by or on behalf of the company (e.g. by an audit of contracts, third party certification, or may be handled automatically through other disclosure registries, systems, or mechanisms).</li> </ul>  |
| <b>Context</b>                                 | Certificates generally serve four main purposes, including (i) supplier disclosure, (ii) supplier quotas for the delivery or sales of specific energy sources, (iii) tax exemption, (iv) voluntary consumer programmes.<br><br>Each programme or policy will establish their own eligibility criteria. These criteria specify certain energy generation facility characteristics, such as type of technologies, facility ages, or facility locations (but differ from one program/policy to another one). Certificates shall come from facilities meeting these criteria to be eligible for use in that programme. In addition, individual country markets or policy-making bodies may |

|  |   |
|--|---|
|  | accomplish these different functions using a single certificate system or a multi-certificate system.   |
| <b>Conditions for satisfying the criterion</b> | <p>1. Is the plant located in a country with no tracking system?<br/>Consult the following report – Table 2: <a href="https://www.aib-net.org/documents/103816/176792/AIB_2016_Residual_Mix_Results.pdf/6b49295b-ad99-a189-579e-877449778f62">https://www.aib-net.org/documents/103816/176792/AIB_2016_Residual_Mix_Results.pdf/6b49295b-ad99-a189-579e-877449778f62</a><br/>If yes, use the 'country-specific residual grid mix, consumption mix';<br/>If no, go to the second question.</p> <p>2. Is the plant located in a country with a part of untracked consumption (&gt; 95%)?<br/>If yes, use the 'country-specific residual grid mix, consumption mix' as the best data available to approximate the residual consumption mix;<br/>If no, go to the 3<sup>rd</sup> question.</p> <p>3. Is the plant located in a country with a single certificate system or a multi-certificate system? Consult the following report: <a href="https://ec.europa.eu/energy/intelligent/projects/sites/iee-projects/files/projects/documents/e-track_ii_guarantees_of_origin_in_europe.pdf">https://ec.europa.eu/energy/intelligent/projects/sites/iee-projects/files/projects/documents/e-track_ii_guarantees_of_origin_in_europe.pdf</a>. Then :<br/>If the plant is located in a region/country with a single certificate system the unique claim criteria is met. Use energy type mix mentioned on the contractual instrument.<br/>If the plant is located in a region/country with a multi-certificate system, the unique claim is not ensured. Contact the country-specific issuing body (The European organisation which governs the European Energy Certificate System, <a href="http://www.aib-net.org">http://www.aib-net.org</a>) to identify if there is a need to ask for more than one contractual instrument(s) to be sure there is no risk of double counting.<br/>If more than one contractual instrument is needed, request all contractual instruments at the supplier to avoid double counting;<br/>If it is not possible to avoid double counting, report this risk of double counting in the OEF study and use the 'country-specific residual grid mix, consumption mix'.</p> |
| <b>Criteria 3</b>                              | <b>Be issued and redeemed as close as possible to the period of electricity consumption to which the contractual instrument is applied.</b>   |

#### **4.4.2.3 How to model 'country-specific residual grid mix, consumption mix'**

Datasets for residual grid mix, consumption mix, per energy type, per country and per voltage are made available by data providers.

If no suitable dataset is available, the following approach should be used:

Determine the country consumption mix (e.g. X% of MWh produced with hydro energy, Y% of MWh produced with coal power plant) and combine them with LCI datasets per energy type and country/region (e.g. LCI dataset for the production of 1MWh hydro energy in Switzerland):

- Activity data related to non-EU country consumption mix per detailed energy type shall be determined based on:
  - Domestic production mix per production technologies;
  - Import quantity and from which neighbouring countries;
  - Transmission losses;
  - Distribution losses;
  - Type of fuel supply (share of resources used, by import and / or domestic supply).

These data may be found in the publications of the International Energy Agency (IEA ([www.iea.org](http://www.iea.org))).

- Available LCI datasets per fuel technologies. The LCI datasets available are generally specific to a country or a region in terms of:
  - fuel supply (share of resources used, by import and/ or domestic supply);
  - energy carrier properties (e.g. element and energy contents);
  - technology standards of power plants regarding efficiency, firing technology, flue-gas desulphurisation, NOx removal and de-dusting.

#### **4.4.2.4 A single location with multiple products and more than one electricity mix**

This chapter describes how to proceed if only a part of the electricity use is covered by a supplier-specific mix or on-site electricity generation and how to attribute the electricity mix among products produced at the same location. In general, the subdivision of electricity supply used among multiple products is based on a physical relationship (e.g. number of pieces or kg of product). If the consumed electricity comes from more than one electricity mix, each mix source shall be used in terms of its proportion in the total kWh consumed. For example, if a fraction of this total kWh consumed is coming from a specific supplier, a supplier-specific electricity mix shall be used for this part. See section 4.4.2.7 for on-site electricity use.

A specific electricity type may be allocated to one specific product in the following conditions:

- (a) If the production (and related electricity consumption) of a product occurs in a separate site (building), the energy type that is physically related to this separated site may be used.
- (b) If the production (and related electricity consumption) of a product occurs in a shared space with specific energy metering or purchase records or electricity bills, the product-specific information (measure, record, bill) may be used.
- (c) If all the products produced in the specific plant are supplied with a publically available OEF study, the company wanting to make the claim shall make all OEF studies available. The allocation rule applied shall be described in the OEF study, consistently applied in all OEF studies connected to the site and verified. An example is the 100% allocation of a greener electricity mix to a specific product.

#### **4.4.2.5 For multiple locations producing one product**

In case a product is produced in different locations or sold in different countries, the electricity mix shall reflect the ratios of production or ratios of sales between EU countries/

regions. To determine the ratio, a physical unit shall be used (e.g. number of pieces or kg of product). For OEF studies where such data are not available, the average EU residual consumption mix (EU-28 +EFTA), or region-representative residual mix, shall be used. The same general guidelines mentioned above shall be applied.

#### **4.4.2.6 Electricity use at the use stage**

For the use stage the consumption grid mix shall be used. The electricity mix shall reflect the ratios of sales between EU countries/ regions. To determine the ratio, a physical unit shall be used (e.g. number of pieces or kg of product). Where such data are not available, the average EU consumption mix (EU-28 +EFTA), or region-representative consumption mix, shall be used.

#### **4.4.2.7 How to deal with on-site electricity generation?**

If on-site electricity production is equal to the site own consumption, two situations apply:

- No contractual instruments have been sold to a third party: the user of the OEF method shall model its own electricity mix (combined with LCI datasets).
- Contractual instruments have been sold to a third party: the user of the OEF method shall use 'country-specific residual grid mix, consumption mix' (combined with LCI datasets).

If electricity is produced in excess of the amount consumed on-site within the defined system boundary and is sold to, for example, the electricity grid, this system may be seen as a multifunctional situation. The system will provide two functions (e.g. product(s) + electricity) and the following rules shall be followed:

- If possible, apply subdivision. Subdivision applies both to separate electricity productions or to a common electricity production where you may allocate based on electricity amounts the upstream and direct emissions to your own consumption and to the share you sell out of your company (e.g. if a company has a windmill on its production site and exports 30% of the produced electricity, emissions related to 70% of produced electricity should be accounted in the OEF study).
- If not possible, direct substitution shall be used. The country-specific residual consumption electricity mix shall be used as substitution<sup>36</sup>.
- Subdivision is considered as not possible when upstream impacts or direct emissions are closely related to the product itself.

### **4.4.3 Transport and logistics**

Important parameters that shall be taken into account when modelling transport include:

- (1) **Transport type:** The type of transport, e.g. by land (truck, rail, pipe), by water (boat, ferry, barge), or air (airplane);
- (2) **Vehicle type & fuel consumption:** The type of vehicle by transport type, as well as the fuel consumption when fully loaded and empty. An adjustment shall be applied to the consumption of a fully-loaded vehicle according to loading rate<sup>37</sup>;

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<sup>36</sup> For some countries, this option is a best case rather than a worst case.

<sup>37</sup> The loading rate is the ratio of actual load to the full load or capacity (e.g. mass or volume) that a vehicle carries per trip.

- (3) **Loading rate (=utilisation ratio):** Environmental impacts are directly linked to the actual loading rate, which shall therefore be considered;
- (4) **Number of empty returns:** the number of empty returns (i.e. the ratio of the distance travelled to collect the next load after unloading the product to the distance travelled to transport the product), when applicable and relevant, shall be taken into account. The kilometres travelled by the empty vehicle shall be allocated to the product. In default transport datasets this is often already taken into account in the default utilisation ratio;
- (5) **Transport distance:** Transport distances shall be documented, applying average transport distances specific to the context being considered;
- (6) **Fuel production:** Fuel production shall be taken into account;
- (7) **Infrastructure:** the transport infrastructure, that of road, rail and water, unless they may be excluded based on section 4.4.4 or the cut-off criteria;
- (8) **Resources and tools:** the amount and type of additional resources and tools needed for logistic operations such as cranes and transporters, unless they may be excluded based on the cut-off criteria.

#### **4.4.3.1 Allocation of impacts from transport – truck transport**

EF compliant datasets for truck transport are per tkm (tonne\*km) expressing the environmental impact for 1 tonne of product that is transported for 1km in a truck with certain load. The transport payload (=maximum mass allowed) is indicated in the dataset. For example, a truck of 28-32t has a payload of 22t; the LCA dataset for 1 tkm (fully loaded) expresses the environmental impact for 1 ton of product that is transported for 1km within a 22t loaded truck. The transport emissions are allocated based on the mass of the product transported and you get only 1/22 share of the full emissions of the truck. When the mass of a full freight is lower than the load capacity of the truck (e.g., 10t), the transport of the product may be considered volume limited. In this case, the truck has less fuel consumption per total load transported and the environmental impact for the full load is 10/22 of the total emissions of the volume limited truck. Therefore, the allocation of truck impact shall be based on mass.

In EF compliant datasets the transport payload is modelled in a parameterised way through the utilisation ratio. The utilisation ratio is calculated as the kg real load divided by the kg payload and shall be adjusted upon the use of the dataset. In case the real load is 0 kg, a real load of 1 kg shall be used to allow the calculation. Empty return trips may be included in the utilisation ratio by considering the % of empty km driven. E.g., if the truck is fully loaded for delivery but half empty at its return, the utilisation ratio is  $(22t \text{ real load} / 22t \text{ payload} * 50\% \text{ km} + 11t \text{ real load} / 22t \text{ payload} * 50\% \text{ km}) = 75\%$

OEF studies shall specify the utilisation ratio to be used for each truck transport modelled and clearly indicate whether the utilisation ratio includes empty return trips.

- If the load is mass-limited: a default utilisation ratio of 64%<sup>38</sup> shall be used, unless specific data is available. This default utilisation ratio includes empty return trips and thus shall not be modelled separately.
- Bulk transport (e.g., gravel transport from mining pit to concrete plant) shall be modelled with a default utilisation ratio of 50% (100% loaded outbound and 0% loaded inbound), unless specific data is available.

<sup>38</sup> Eurostat 2015 indicates that 21% of the km truck transport are driven with empty load and 79% are driven loaded (with an unknown load). In Germany only, the average truck load is 64%.

#### **4.4.3.2 Allocation of impacts from transport – van transport**

Vans are often used for home delivery products like books and clothes or home delivery from retailers. For vans volume is the limiting factor, rather than mass. Often the van is half empty. If no specific information is available to perform the OEF study, a lorry of <1.2t with a default utilisation ratio of 50% shall be used. In case no dataset of a lorry of <1.2t is available, a lorry of <7.5t shall be used as approximation, with an utilisation ratio of 20%. A lorry of <7.5t with a payload of 3.3t and an utilisation ratio of 20% comes to the same load as a van with payload of 1.2t and utilisation ratio of 50%.

#### **4.4.3.3 Allocation of impacts from transport – consumer transport**

Allocation of the car impact shall be based on volume. The maximum volume to be considered for consumer transport is 0.2 m<sup>3</sup> (around 1/3 of a trunk of 0.6 m<sup>3</sup>). For products larger than 0.2 m<sup>3</sup> the full car transport impact shall be considered. For products sold through supermarkets or shopping malls, the product volume (including packaging and empty spaces such as between fruits or bottles) shall be used to allocate the transport burdens between the products transported. The allocation factor shall be calculated as the volume of the product transported divided by 0.2 m<sup>3</sup>. To simplify the modelling, all other types of consumer transport (like buying in specialised shops or using combined trips) shall be modelled as if sold through a supermarket.

#### **4.4.3.4 Default scenarios – from supplier to factory**

If no specific data are available to perform the OEF study, then the default data provided below shall be used:

*For suppliers located within Europe*

For packaging materials from manufacturing plants to filler plants (beside glass; values based on Eurostat 2015<sup>39</sup>), the following scenario shall be used:

- 230 km by truck (>32 t, EURO 4); and
- 280 km by train (average freight train); and
- 360 km by ship (barge).

For transport of empty bottles, the following scenario shall be used:

- 350 km by truck (>32 t, EURO 4); and
- 39 km by train (average freight train); and
- 87 km by ship (barge).

For all other products from supplier to factory (values based on Eurostat 2015<sup>40</sup>), the following scenario shall be used:

- 130 km by truck (>32 t, EURO 4); and
- 240 km by train (average freight train); and
- 270 km by ship (barge).

*For suppliers located outside of Europe*

- 1000 km by truck (>32 t, EURO 4), for the sum of distances from harbour/ airport to factory outside and inside Europe; and
- 18,000 km by ship (transoceanic container) or 10,000 km by plane (cargo).

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<sup>39</sup> Calculated as the mass weighted average of the goods categories 06, 08 and 10 using the Ramon goods classification for transport statistics after 2007. The category 'non-metallic mineral products' are excluded as they can double count with glass.

<sup>40</sup> Calculated as the mass weighted average of the goods of all categories.

- If producers' country (origin) is known: the adequate distance for ship and airplane should be determined using <https://www.searates.com/services/distances-time/> or [https://co2.myclimate.org/en/flight\\_calculators/new](https://co2.myclimate.org/en/flight_calculators/new)

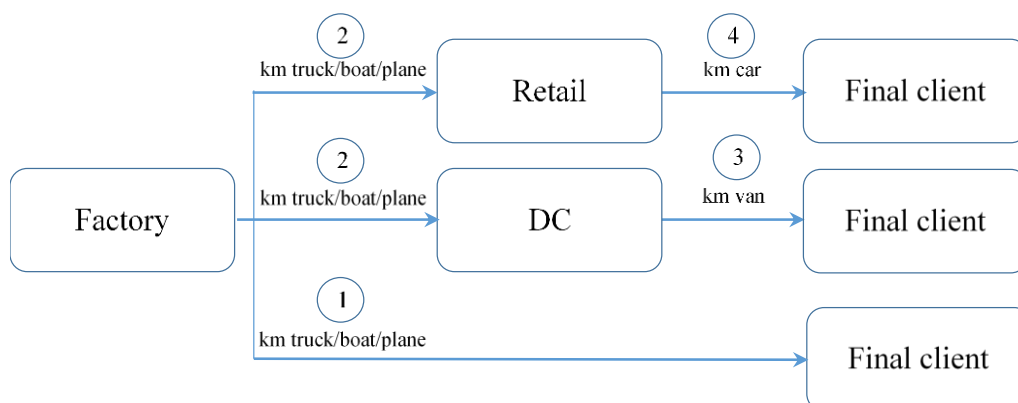
In case it is not known whether the supplier is located within or outside of Europe, transport shall be modelled as if the supplier was located outside of Europe.

#### 4.4.3.5 Default scenarios – from factory to final client

The transport from factory to final client (including consumer transport) shall be included in the distribution stage of the OEF study. In case no specific information is available, the default scenario outlined below shall be used as a basis (see Figure 3). The following values shall be determined by the user of the OEF method (specific information shall be used, unless it is not available):

- Ratio between products sold through retail, distribution centre (DC) and directly to the final client;
- For factory to final client: Ratio between local, intracontinental and international supply chains;
- For factory to retail: distribution between intracontinental and international supply chains.

**Figure 3** Default transport scenario



(1) X% from factory to final client:

- X% local supply chain: 1,200 km by truck (>32 t, EURO 4)
- X% intracontinental supply chain: 3,500 km by truck (>32 t, EURO 4)
- X% international supply chain: 1,000 km by truck (>32 t, EURO 4) and 18'000 km by ship (transoceanic container). Note that for specific cases, plane or train may be used instead of ship.

(2) X% from factory to retail/ distribution centre (DC):

- X% local supply chain: 1,200 km by truck (>32 t, EURO 4).
- X% intracontinental supply chain: 3,500 km by truck (>32 t, EURO 4).
- X% international supply chain: 1,000 km truck (>32 t, EURO 4), and 18'000 km by ship (transoceanic container). Note that for specific cases, plane or train may be used instead of ship.

- (3) X% from DC to final client:
  - 100% Local: 250 km round trip by van (lorry <7.5t, EURO 3, utilisation ratio of 20%).

- (4) X% from retail to final client:
  - 62%: 5 km, by passenger car (average)
  - 5%: 5 km round trip, by van (lorry <7.5t, EURO 3 with utilisation ratio of 20%)
  - 33%: no impact modelled

For reusable products the return transport from retail/ DC to factory shall be modelled in addition to the transport needed to go to retail/ DC. The same transport distances as from product factory to final client shall be used (see above), however the truck utilisation ratio might be volume limited depending on the type of product.

Products frozen or cooled shall be transported in freezers or coolers.

#### **4.4.3.6 Default scenarios – from EoL collection to EoL treatment**

The transport from collection place to EoL treatment may already be included in the landfill, incineration and recycling LCA datasets.

However, there are some cases where additional default data may be needed in the OEF study. The following values shall be used in case no better data is available:

- Consumer transport from home to sorting place: 1 km by passenger car;
- Transport from collection place to methanisation: 100 km by truck (>32 t, EURO 4);
- Transport from collection place to composting: 30 km by truck (lorry <7.5t, EURO).

#### **4.4.4 Capital goods – infrastructure and equipment**

Capital goods (including infrastructures) and their end of life should be excluded, unless there is evidence from previous studies that they are relevant. If capital goods are included, the OEF report shall include a clear and extensive explanation, reporting all assumptions made.

#### **4.4.5 Storage at distribution centre or retail**

Storage activities consume energy and refrigerant gases. The following default data shall be used, unless better data is available:

- Energy consumption at distribution centre: the storage energy consumption is 30 kWh/m<sup>2</sup>·year and 360 MJ bought (= burnt in boiler) or 10 Nm<sup>3</sup> natural gas/m<sup>2</sup>·year (if using the value per Nm<sup>3</sup>, do not forget to consider emissions from combustion and not only production of natural gas). For centres that contain cooling systems, the additional energy use for the chilled or frozen storage is 40 kWh/m<sup>3</sup>·year (with an assumption of 2m high for the fridges and freezers). For centres with both ambient and cooled storage: 20% of the area of the DC is chilled or frozen. Note: the energy for chilled or frozen storage is only the energy to maintain the temperature.
- Energy consumption at retail: A general energy consumption of 300 kWh/m<sup>2</sup>·year for the entire building surface shall be considered as default. For retail specialized in non-food/ non-beverage products a 150 kWh/m<sup>2</sup>·year for the entire building surface shall be considered. For retail specialized in food/ beverage products a 400



kWh/m<sup>2</sup>·year for the entire building surface plus energy consumption for chilled and frozen storage of 1,900 kWh/m<sup>2</sup>·year and 2700 kWh/m<sup>2</sup>·year respectively is to be considered (PERIFEM and ADEME, 2014).

- Refrigerant gases consumption and leakages at DCs with cooling systems: gas content in fridges and freezers is 0.29 kg R404A per m<sup>2</sup> (retail OEFSR<sup>41</sup>). A 10% annual leakage is considered (Palandre 2003). For the portion of refrigerant gases remaining in the equipment at end of life, 5% is emitted at end of life and the remaining fraction is treated as hazardous waste.

Only part of the emissions and resources emitted or used at storage systems shall be allocated to the product stored. This allocation shall be based on the space (in m<sup>3</sup>) and time (in weeks) occupied by the product stored. For this the total storage capacity of the system shall be known, and the product specific volume and storage time shall be used to calculate the allocation factor (as the ratio between product-specific volume\*time and storage capacity volume\*time).

- An average DC is assumed to store 60,000 m<sup>3</sup> of product, out of which 48,000 m<sup>3</sup> for ambient storage and 12,000 m<sup>3</sup> for chilled or frozen storage. For a storage time of 52 weeks, a default total storage capacity of 3,120,000 m<sup>3</sup>\*weeks/year shall be assumed.
- An average retail place is assumed to store 2000 m<sup>3</sup> of products (assuming 50% of the 2000 m<sup>2</sup> building is covered by shelves of 2 m high) during 52 weeks, i.e. 104,000 m<sup>3</sup> \* weeks/year.

#### 4.4.6 Sampling procedure

In some cases, a sampling procedure is needed by the user of the OEF method to limit the data collection only to a representative sample of plants, farms etc. The user of the OEF method shall (i) specify in the OEF report if sampling was applied, (ii) follow the requirements described in this section and (iii) indicate which approach was chosen.

Examples of cases when the sampling procedure may be needed are in case multiple production sites are involved in the production of the same product. E.g., in case the same raw material/input material comes from multiple sites or in case the same process is outsourced to more than one subcontractor/ supplier.

The representative sample shall be derived via a stratified sample, i.e. one that ensures that sub-populations (strata) of a given population are each adequately represented within the whole sample of a research study.

Using a stratified sample allows to achieve greater precision than a simple random sample, provided that the sub-populations have been chosen so that the items of the same sub-population are as similar as possible in terms of the characteristics of interest. In addition, a stratified sample guarantees better coverage of the population<sup>42</sup>.

The following procedure shall be applied in order to select a representative sample as a stratified sample:

- (1) define the population;
- (2) define homogeneous sub-populations (stratification);

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<sup>41</sup> The OEFSR of the retail sector (v 1.0) is available at [http://ec.europa.eu/environment/eussd/smgp/pdf/OEFSR-Retail\\_15052018.pdf](http://ec.europa.eu/environment/eussd/smgp/pdf/OEFSR-Retail_15052018.pdf).

<sup>42</sup> The researcher has control over the sub-populations that are included in the sample, whereas simple random sampling does not guarantee that sub-populations (strata) of a given population are each adequately represented within the final sample. However, one main disadvantage of stratified sampling is that it may be difficult to identify appropriate sub-populations for a population.

- (3) define the sub-samples at sub-population level;
- (4) define the sample for the population starting from the definition of sub-samples at sub-population level.

#### **4.4.6.1 How to define homogeneous sub-populations (stratification)**

Stratification is the process of dividing members of the population into homogeneous subgroups (sub-populations) before sampling. The sub-populations should be mutually exclusive: every element in the population shall be assigned to only one sub-population.

Aspects at least to be taken into consideration in the identification of the sub-populations:

- Geographical distribution of sites;
- Technologies/ farming practices involved;
- Production capacity of the companies/ sites taken into consideration.

Additional aspects to be taken into consideration may be added.

The number of sub-populations shall be identified as:

$$N_{sp} = g * t * c \quad [\text{Equation 1}]$$

- $N_{sp}$ : number of sub-populations
- $g$  : number of countries in which the sites/plants/farms are located
- $t$  : number of technologies/farming practices
- $c$  : number of classes of capacity of companies

In case additional aspects are taken into account, the number of sub-populations is calculated using the formula just provided and multiplying the result with the numbers of classes identified for each additional aspect (e.g., those sites which have an environmental management or reporting systems in place).

#### **Example 1**

Identify the number of sub-populations for the following population:

350 farmers located in the same region in Spain, all the farmers have more or less the same annual production and are characterized by the same harvestings techniques.

In this case:

$g=1$  : all the farmers are located in the same country

$t=1$  : all the framers are using the same harvesting techniques

$c=1$  : the capacity of the companies is almost the same (i.e. the have the same annual production)

$$N_{sp} = g * t * c = 1 * 1 * 1 = 1$$

Only one sub-population may be identified that coincides with the population.

#### **Example 2**

350 farmers are distributed in three different countries (100 in Spain, 200 in France and 50 in Germany). There are two different harvesting techniques that are used that differ in a relevant way (Spain: 70 technique A, 30 technique B; France: 100 technique A, 100 technique B; Germany: 50 technique A). The capacity of the farmers in term of annual production varies between 10,000t and 100,000t. According to expert judgement/ relevant literature, it has been estimated that farmers with an annual production lower than 50,000t

are completely different in terms of efficiency compared to the farmers with an annual production higher than 50,000t. Two classes of companies are defined based on the annual production: class 1, if production is lower than 50000 and class 2, if production is higher than 50,000. (Spain: 80 class 1, 20 class 2; France: 50 class 1, 150 class 2; Germany: 50 class 1). Table 6 includes the details about the population.

**Table 6** Identification of the sub-population for Example 2

| Sub-population | Country |     | Technology  |     | Capacity |         |
|----------------|---------|-----|-------------|-----|----------|---------|
|                |         |     |             |     | Class 1  | Class 2 |
| 1              | Spain   | 100 | Technique A | 70  | Class 1  | 50      |
| 2              | Spain   |     | Technique A |     | Class 2  | 20      |
| 3              | Spain   |     | Technique B | 30  | Class 1  | 30      |
| 4              | Spain   |     | Technique B |     | Class 2  | 0       |
| 5              | France  | 200 | Technique A | 100 | Class 1  | 20      |
| 6              | France  |     | Technique A |     | Class 2  | 80      |
| 7              | France  |     | Technique B | 100 | Class 1  | 30      |
| 8              | France  |     | Technique B |     | Class 2  | 70      |
| 9              | Germany | 50  | Technique A | 50  | Class 1  | 50      |
| 10             | Germany |     | Technique A |     | Class 2  | 0       |
| 11             | Germany |     | Technique B | 0   | Class 1  | 0       |
| 12             | Germany |     | Technique B |     | Class 2  | 0       |

In this case:

$g=3$  : three countries

$t=2$  : two different harvesting techniques are identified

$c=2$  : two classes of production are identified

$$N_{sp} = g * t * c = 3 * 2 * 2 = 12$$

It is possible to identify maximum 12 sub-populations that are summarized in **Table 7**:

**Table 7** Summary of the sub-population for example 2

| Sub-population | Country | Technology  | Capacity | Number of companies in the sub-population |
|----------------|---------|-------------|----------|---|
| 1              | Spain   | Technique A | Class 1  | 50  |
| 2              | Spain   | Technique A | Class 2  | 20  |
| 3              | Spain   | Technique B | Class 1  | 30  |
| 4              | Spain   | Technique B | Class 2  | 0   |
| 5              | France  | Technique A | Class 1  | 20  |
| 6              | France  | Technique A | Class 2  | 80  |
| 7              | France  | Technique B | Class 1  | 30  |
| 8              | France  | Technique B | Class 2  | 70  |
| 9              | Germany | Technique A | Class 1  | 50  |
| 10             | Germany | Technique A | Class 2  | 0   |
| 11             | Germany | Technique B | Class 1  | 0   |
| 12             | Germany | Technique B | Class 2  | 0   |

#### 4.4.6.2 How to define sub-sample size at sub-population level

Once the sub-populations have been identified, for each sub-population the size of sample shall be calculated (the sub-sample size). Two approaches are possible:

- (1) Based on the total production of the sub-population:

The user of the OEF method shall identify the percentage of production to be covered by each sub-population. The percentage of production to be covered by each sub-population shall not be lower than 50%, expressed in the relevant unit. This percentage determines the sample size within the sub-population.

- (2) Based on the number of sites/farms/plants involved in the sub-population:

The required sub-sample size shall be calculated using the square root of the sub-population size.

$$n_{SS} = \sqrt{n_{SP}} \quad \text{[Equation 2]}$$

- $n_{SS}$ : required sub-sample size
- $n_{SP}$ : sub-population size

The chosen approach shall be specified in the OEF report. The same approach shall be used for all the sub-populations selected.

#### **Example**

**Table 8** Example: how to calculate the number of companies in each sub-sample

| Sub-population | Country | Technology  | Capacity | Number of companies in the sub-population | Number of companies in the sample (sub-sample size, [nss]) |
|----------------|---------|-------------|----------|---|--|
| 1              | Spain   | Technique A | Class 1  | 50  | 7  |
| 2              | Spain   | Technique A | Class 2  | 20  | 5  |
| 3              | Spain   | Technique B | Class 1  | 30  | 6  |
| 4              | Spain   | Technique B | Class 2  | 0   | 0  |
| 5              | France  | Technique A | Class 1  | 20  | 5  |
| 6              | France  | Technique A | Class 2  | 80  | 9  |
| 7              | France  | Technique B | Class 1  | 30  | 6  |
| 8              | France  | Technique B | Class 2  | 70  | 8  |
| 9              | Germany | Technique A | Class 1  | 50  | 7  |
| 10             | Germany | Technique A | Class 2  | 0   | 0  |
| 11             | Germany | Technique B | Class 1  | 0   | 0  |
| 12             | Germany | Technique B | Class 2  | 0   | 0  |

#### **4.4.6.3 How to define the sample for the population**

The representative sample of the population corresponds to the sum of the sub-samples at sub-population level.

#### **4.4.6.4 What to do in case rounding is necessary**

In case rounding is necessary, the general rule used in mathematics shall be applied:

- If the number you are rounding is followed by 5, 6, 7, 8, or 9, round the number up.
- If the number you are rounding is followed by 0, 1, 2, 3, or 4, round the number down.

#### **4.4.7 Use stage**

The use stage often involves multiple processes. A distinction shall be made between (i) product independent and (ii) product dependent processes.

(i) **Product independent processes** have no relationship with the way the product is designed or distributed. The use stage process impacts will remain the same for all products

in this product (sub-)category even if the producer changes the product's characteristics. Therefore, they do not contribute to any form of differentiation between two products or might even hide the difference. Examples are the use of a glass for drinking wine (considering that the product doesn't determine a difference in glass use); frying time when using olive oil; energy use for boiling one litre of water to be used for preparing coffee made from bulk instant coffee; the washing machine used for heavy laundry detergents (capital good).

(ii) **Product dependent processes** are directly or indirectly determined or influenced by the product design or are related to instructions for use of the product. These processes depend on the product characteristics and therefore contribute to differentiation between two products. All instructions provided by the producer and directed towards the consumer (through labels, websites or other media) shall be considered as product dependent. Examples of instructions are indications on how long the food must be cooked, how much water must be used, or in the case of drinks the recommended serving temperature and storage conditions. An example of a direct dependent process is the energy use of electric equipment when used in normal conditions.

Product dependent processes shall be included in the system boundary of the OEF study. Product independent processes shall be excluded from the system boundary and qualitative information may be provided.

#### **4.4.7.1 Main function approach or delta approach**

Modelling of the use stage may be done in different ways. Very often the related impacts and activities are modelled fully. For example, the total electricity consumption when using a coffee machine, or the total cooking time and related gas consumption when boiling pasta. In these cases, the use stage processes for drinking coffee or eating pasta are related to the main function of the product (referred to as "main function approach").

In some cases, the use of one product may influence the environmental impact of another product. Some examples:

- A toner cartridge is not "responsible" for the paper it prints on. But if a remanufactured toner cartridge works less efficiently and causes more paper loss compared to an original cartridge, the additional paper loss should be considered. In that case, the paper loss is a product-dependent process of the use stage of a remanufactured cartridge.
- The energy consumption during the use stage of the battery/ charger system is not related to the amount of energy stored and released from the battery. It only refers to the energy loss in each loading cycle. That energy loss may be caused by the loading system or the internal losses in the battery.

In these cases, only the additional activities and processes should be allocated to the product (e.g. paper and energy of remanufactured toner cartridge and battery). The allocation method consists in taking all associated products in the system (here paper and energy), and allocating the excess consumption of these associated products to the product which is considered responsible for this excess. This requires a reference consumption to be defined for each associated product (e.g. of energy and materials), which refers to the minimum consumption that is essential for providing the function. The consumption above this reference (the delta) will then be allocated to the product (referred to as "Delta approach")<sup>43</sup>.

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<sup>43</sup> Specifications for drafting and revising product category rules (10.12.2014), ADEME.

This approach should only be used for increasing impacts and to account for additional consumptions above the reference. To define the reference situation, the following shall be considered, if available:

- Regulations applicable to the PP in scope;
- Standards or harmonised standards;
- Recommendations from manufacturers or manufacturers' organisations;
- Use agreements established by consensus in sector-specific working groups.

The user of the OEF method decides which approach is taken and shall describe the one applied in the OEF report (main function approach or delta approach).

#### 4.4.7.2 Modelling the use stage

Annex D provides default data to be used to model use stage activities. If available, better data should be used, and shall be made transparent and justified in the OEF report.

#### 4.4.8 End of life modelling

The end of life stage shall be modelled using the Circular Footprint Formula (CFF). The following sections describe the formula and parameters to be used and how the formula and parameters shall be applied to final products and to intermediate products in the PP (section 4.4.8.12).

##### 4.4.8.1 The Circular Footprint Formula (CFF)

The Circular Footprint Formula is a combination of "material + energy + disposal", i.e.:

#### Material

$$(1 - R_1)E_V + R_1 \times \left( AE_{recycled} + (1 - A)E_V \times \frac{Q_{Sin}}{Q_p} \right) + (1 - A)R_2 \times \left( E_{recyclingEoL} - E_V^* \times \frac{Q_{Sout}}{Q_p} \right)$$

#### Energy

$$(1 - B)R_3 \times (E_{ER} - LHV \times X_{ER,heat} \times E_{SE,heat} - LHV \times X_{ER,elec} \times E_{SE,elec})$$

#### Disposal

$$(1 - R_2 - R_3) \times E_D$$

#### Equation 3– The Circular Footprint Formula (CFF)

##### Parameters of the CFF

**A:** allocation factor of burdens and credits between supplier and user of recycled materials.

**B:** allocation factor of energy recovery processes. It applies both to burdens and credits.

**Q<sub>Sin</sub>:** quality of the ingoing secondary material, i.e. the quality of the recycled material at the point of substitution.

**Q<sub>Sout</sub>:** quality of the outgoing secondary material, i.e. the quality of the recyclable material at the point of substitution.

**Q<sub>p</sub>:** quality of the primary material, i.e. quality of the virgin material.

**R<sub>1</sub>:** it is the proportion of material in the input to the production that has been recycled from a previous system.

**R<sub>2</sub>**: it is the proportion of the material in the product that will be recycled (or reused) in a subsequent system. R<sub>2</sub> shall therefore take into account the inefficiencies in the collection and recycling (or reuse) processes. R<sub>2</sub> shall be measured at the output of the recycling plant.

**R<sub>3</sub>**: it is the proportion of the material in the product that is used for energy recovery at EoL.

**E<sub>recycled</sub> (E<sub>rec</sub>)**: specific emissions and resources consumed (per functional unit) arising from the recycling process of the recycled (reused) material, including collection, sorting and transportation process.

**E<sub>recyclingEoL</sub> (E<sub>recEoL</sub>)**: specific emissions and resources consumed (per functional unit) arising from the recycling process at EoL, including collection, sorting and transportation process.

**E<sub>v</sub>**: specific emissions and resources consumed (per functional unit) arising from the acquisition and pre-processing of virgin material.

**E\*<sub>v</sub>**: specific emissions and resources consumed (per functional unit) arising from the acquisition and pre-processing of virgin material assumed to be substituted by recyclable materials.

**E<sub>ER</sub>**: specific emissions and resources consumed (per functional unit) arising from the energy recovery process (e.g. incineration with energy recovery, landfill with energy recovery, etc.).

**E<sub>SE,heat</sub> and E<sub>SE,elec</sub>**: specific emissions and resources consumed (per functional unit) that would have arisen from the specific substituted energy source, heat and electricity respectively.

**ED**: specific emissions and resources consumed (per functional unit) arising from disposal of waste material at the EoL of the analysed product, without energy recovery.

**X<sub>ER,heat</sub> and X<sub>ER,elec</sub>**: the efficiency of the energy recovery process for both heat and electricity.

**LHV**: lower heating value of the material in the product that is used for energy recovery.

Users of the OEF method shall report all the parameters used. Default values for some parameters (A, R<sub>1</sub>, R<sub>2</sub>, R<sub>3</sub> and Q<sub>s</sub>/Q<sub>p</sub> for packaging) are available in Annex C<sup>44</sup> (see following sections for further details): users of the OEF method shall refer to the version of Annex C they are using. Annex C is available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

If a default value for R<sub>1</sub> and R<sub>2</sub> is not included in Annex C, users of the OEF method may provide new values to the Commission. Such values shall be part of a study that has been reviewed by an external independent third party reviewer. The Commission will take the decision if the new values are acceptable and can be implemented in an updated version of Annex C.

#### **4.4.8.2 The A factor**

The A factor allocates burdens and credits from recycling and virgin material production between two life cycles (i.e. the one supplying and the one using recycled material) and it aims to reflect market realities.

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<sup>44</sup> The list of values in the Annex C is periodically reviewed and updated by the European Commission; users of the OEF method are invited to check and use the most updated values provided in the Annex.



An A factor equal to 1 would reflect a 100:0 approach (i.e. credits are given to the recycled content), an A factor equal to 0 would reflect a 0:100 approach (i.e. credits are given to the recyclable materials at the end of life).

In OEF studies the A factor values shall be in the range  $0.2 \leq A \leq 0.8$ , to always capture both aspects of recycling (recycled content and recyclability at end of life).

The driver to determine the values of the A factor is the analysis of the market situation. This means:

- **A=0.2.** Low offer of recyclable materials and high demand: the formula focuses on recyclability at end of life.
- **A=0.8.** High offer of recyclable materials and low demand: the formula focuses on recycled content.
- **A=0.5.** Equilibrium between offer and demand: the formula focuses both on recyclability at end of life and recycled content.

Default application-specific and material-specific A values are available in Annex C. The following procedure shall be applied (in hierarchical order) to select the value of A to be used in an OEF study:

- Check in Annex C the availability of an application-specific A value which fits the OEF study,
- If an application-specific A value is not available, the material-specific A value in Annex C shall be used,
- If a material-specific A value is not available, the A value shall be set equal to 0.5.

#### **4.4.8.3 The B factor**

The B factor is used as an allocation factor of energy recovery processes. It applies both to burdens and credits. Credits refer to the amount of heat and electricity sold, not to the total produced, taking into account relevant variations over a 12-months period, e.g. for heat.

In OEF studies the B value shall be equal to 0 as default.

To avoid double counting between the current and the subsequent system in case of energy recovery, the subsequent system shall model its own energy use as primary energy.

#### **4.4.8.4 The point of substitution**

It is necessary to determine the point of substitution to apply the "material" part of the formula. The point of substitution corresponds to the point in the value chain where secondary materials substitute primary materials.

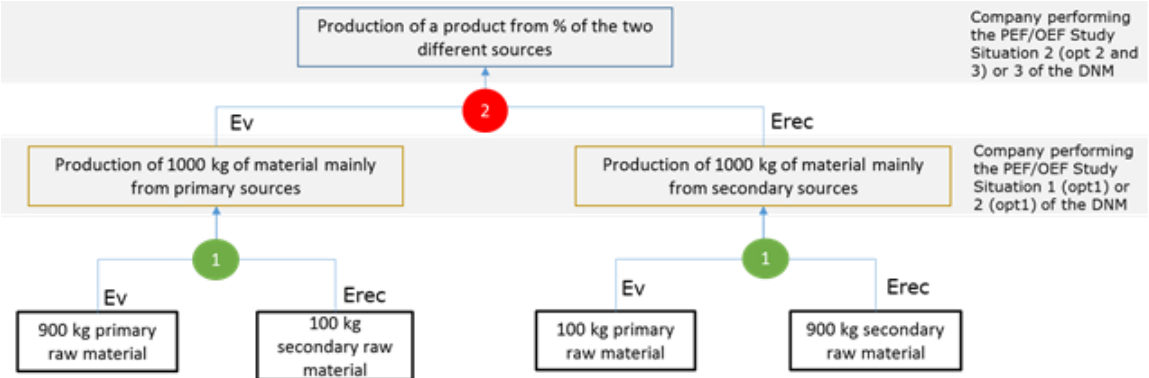
The point of substitution shall be identified in correspondence to the process where input flows are coming from 100% primary sources and 100% secondary sources (level 1 in Figure 4). In some cases, the point of substitution may be identified after some mixing of primary and secondary material flows has occurred (level 2 in Figure 4).

- **Point of substitution at level 1:** this point of substitution corresponds to e.g. metal scrap, glass cullet and pulp input to the process.
- **Point of substitution at level 2:** this point of substitution corresponds to e.g. metal ingots, glass and paper.

The point of substitution at this level may be applied only if the datasets used to model e.g.  $E_{rec}$  and  $E_v$  take into account the real (average) flows regarding primary and secondary material. For example, if  $E_{rec}$  corresponds to the "production of 1 t of secondary material" (see Figure 4) and it has an average input of 10% from primary raw materials, the amount

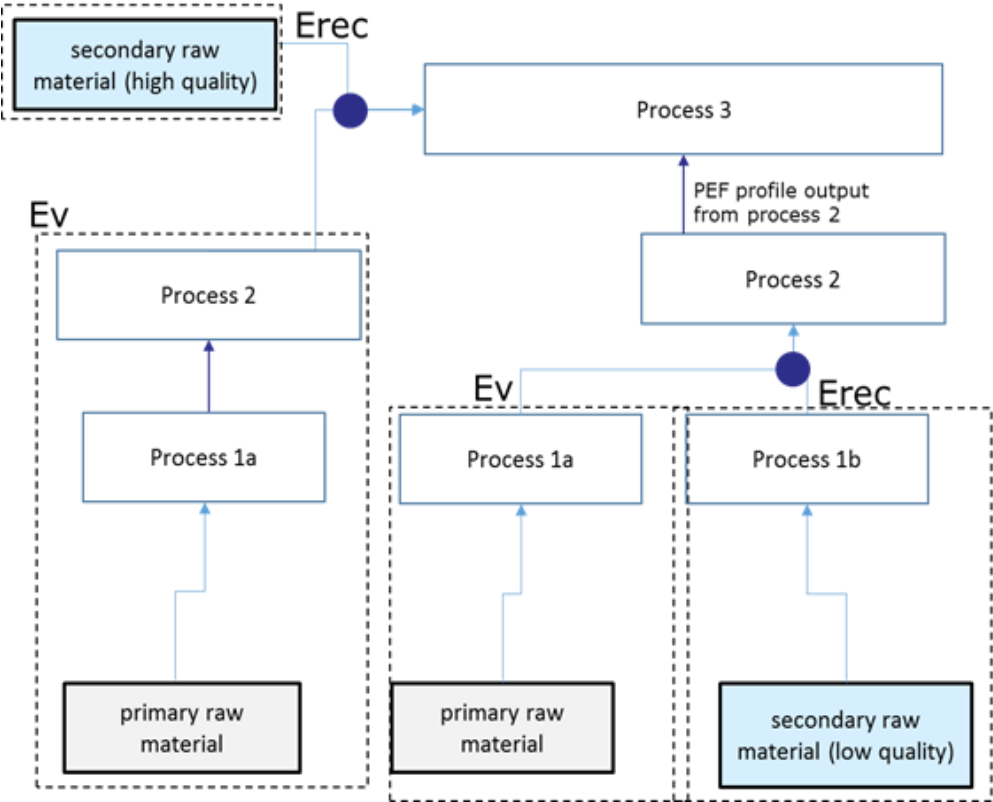
of primary materials, together with their environmental burdens, shall be included in the  $E_{rec}$  dataset.

**Figure 4** Point of substitution at level 1 and at level 2



**Figure 4** is a schematic representation of a generic situation (flows are 100% primary and 100% secondary). In practice in some situations, more than one point of substitution may be identified at different steps in the value chain, as represented in Figure 5, where e.g. scrap of two different qualities is processed at different steps.

**Figure 5** Example of point of substitutions at different steps in the value chain.



#### **4.4.8.5 The quality ratios: $Q_{S_{in}}/Q_p$ and $Q_{S_{out}}/Q_p$**

Two quality ratios are used in the CFF, to take into account the quality of both the ingoing and the outgoing recycled materials.

Two further cases are distinguished:

- (a) **If  $E_v = E^*v$** , the two quality ratios are needed:  $Q_{S_{in}}/Q_p$  associated to the recycled content, and  $Q_{S_{out}}/Q_p$  associated to recyclability at EoL. The quality factors are there to capture the downcycling of a material compared to the original primary material and, in some cases, may capture the effect of multiple recycling loops.
- (b) **If  $E_v \neq E^*v$** , one quality ratio is needed:  $Q_{S_{in}}/Q_p$  associated to the recycled content. In this case  $E^*v$  refers to the functional unit of the material substituted in a specific application. For example, plastic recycled to produce a bench modelled via substitution of cement shall take into account also the "how much", "how long" and "how well". Therefore, the  $E^*v$  parameter indirectly integrates the  $Q_{S_{out}}/Q_p$  parameter, and therefore the  $Q_{S_{out}}$  and  $Q_p$  parameters are not part of the CFF.

The quality ratios shall be determined at the point of substitution and per application or material.

The quantification of the quality ratios shall be based on:

- Economic aspects: i.e. price ratio of secondary compared to primary materials at the point of substitution. In case the price of secondary materials is higher than that of the primary ones, the quality ratios shall be set equal to 1.
- When economic aspects are less relevant than physical aspects, the latter may be used.

Packaging materials used by industry are often the same within different sectors and product groups: Annex C provides one worksheet with  $Q_{S_{in}}/Q_p$  and  $Q_{S_{out}}/Q_p$  values applicable to packaging materials. The company performing a OEF study may use different values and they shall be made transparent and justified in the OEF report.

#### **4.4.8.6 Recycled content ( $R_1$ )**

The  $R_1$  values applied shall be supply-chain or application-specific, depending on the information accessible by the company performing the OEF study. Default application specific  $R_1$  values are available in Annex C. The following procedure shall be applied (in hierarchical order) to select the value of  $R_1$  to be used in an OEF study:

- Supply-chain specific values shall be used when the process is run by the company performing the OEF study or when the process is not run by the company performing the OEF study but the company has access to (company-)specific information. (Situation 1 and Situation 2/ Option 1 of the Data Needs Matrix, see section 4.6.5.4).
- In all other cases, the default secondary  $R_1$  values of Annex C (application-specific) shall be applied.  $R_1$  shall be set to 0% when no application-specific value is available.
- Material-specific values based on supply market statistics are not accepted as a proxy and therefore shall not be used.

The applied  $R_1$  values shall be subject to OEF study verification.

#### **4.4.8.7 Guidelines when using supply chain specific $R_1$ values**

When using supply-chain specific  $R_1$  values other than 0, traceability throughout the supply chain is mandatory. The following general guidelines shall be followed:

- The supplier information (through e.g., statement of conformity or delivery note) shall be maintained during all stages of production and delivery at the converter;
- Once the material is delivered to the converter for production of the end products, the converter shall handle information through their regular administrative procedures;
- The converter for production of the end products claiming recycled content shall demonstrate through its management system the [%] of recycled input material into the respective end product(s).
- The latter demonstration shall be transferred upon request to the user of the end product. In case a OEF profile is calculated and reported, this shall be stated as additional technical information of the OEF profile.
- Industry- or company-owned traceability systems may be applied as long as they cover the general guidelines outlined above. If not, they shall be supplemented with the general guidelines above.

For the packaging industry, the following industry-specific guidelines are recommended:

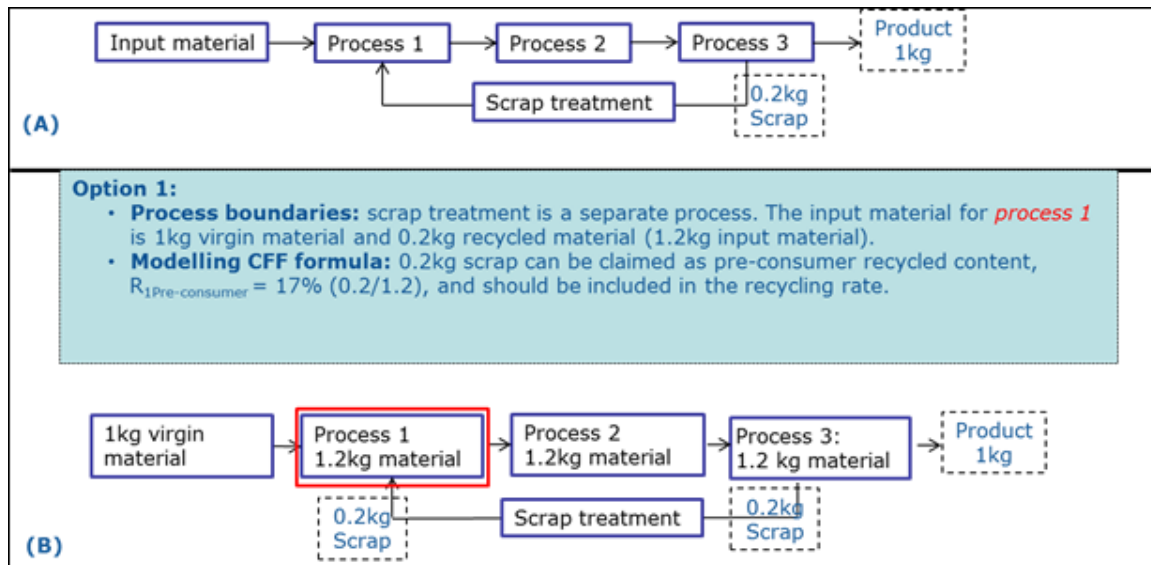
- For the container glass industry (FEVE - The European Container Glass Federation): the European Commission regulation no 1179/2012. This regulation requests a statement of conformity delivered by the cullet producer.
- For the paper industry: European Recovered Paper Identification System (CEPI – Confederation of European Paper Industries, 2008). This document prescribes rules and guidance on necessary information and steps, with a delivery note that shall be received at the reception of the mill.
- For beverage cartons no recycled content is used so far and thus sector specific rules are redundant for the moment. However, if needed, the same guidelines as for paper shall be used as being most suitable (beverage cartons are covered by a recovered paper grade category under EN643).
- For the plastics industry: EN standard 15343:2007. This standard prescribes rules and guidelines on traceability. The supplier of the recycle is requested to provide specific information.

#### **4.4.8.8 Guidelines on how to deal with pre-consumer scrap**

When dealing with pre-consumer scrap, two options may be applied:

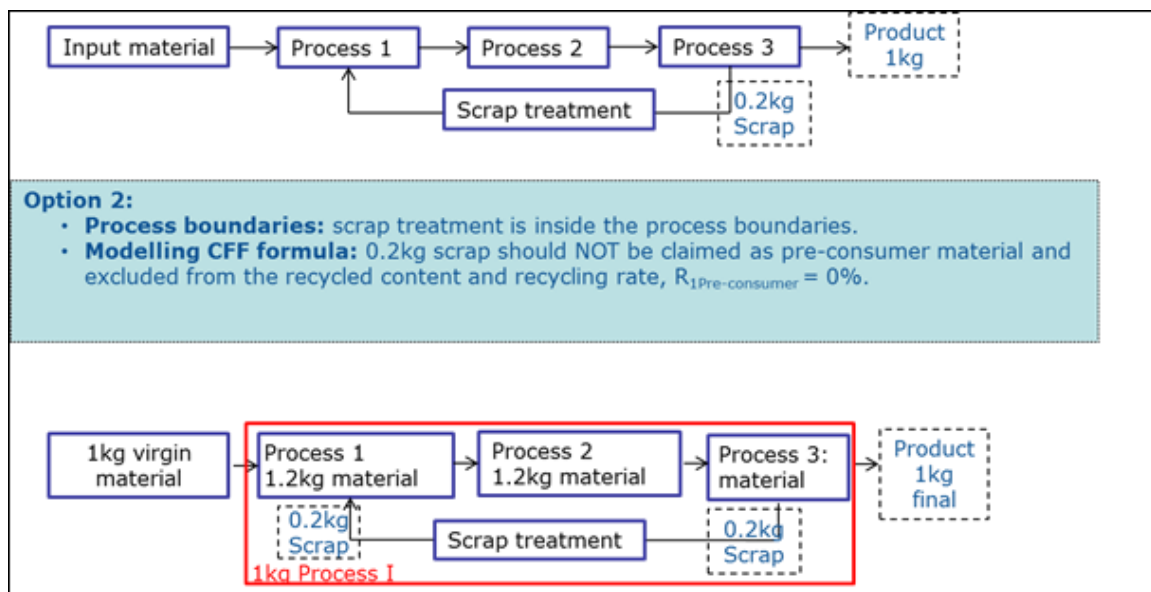
**Option 1:** the impacts to produce the input material that leads to the pre-consumer scrap in question shall be allocated to the product system that generated this scrap. Scrap is claimed as pre-consumer recycled content. Process boundaries and modelling requirements applying the CFF are shown in Figure 6.

**Figure 6** Modelling option when pre-consumer scrap is claimed as pre-consumer recycled content



**Option 2:** Any material that circulates within a process chain or pool of process chains is excluded from being defined as recycled content and it is not included in  $R_1$ . Scrap is not claimed as pre-consumer recycled content. Process boundaries and modelling requirements applying the CFF are shown in **Figure 7**.

**Figure 7** Modelling option when pre-consumer scrap is not claimed as pre-consumer recycled content



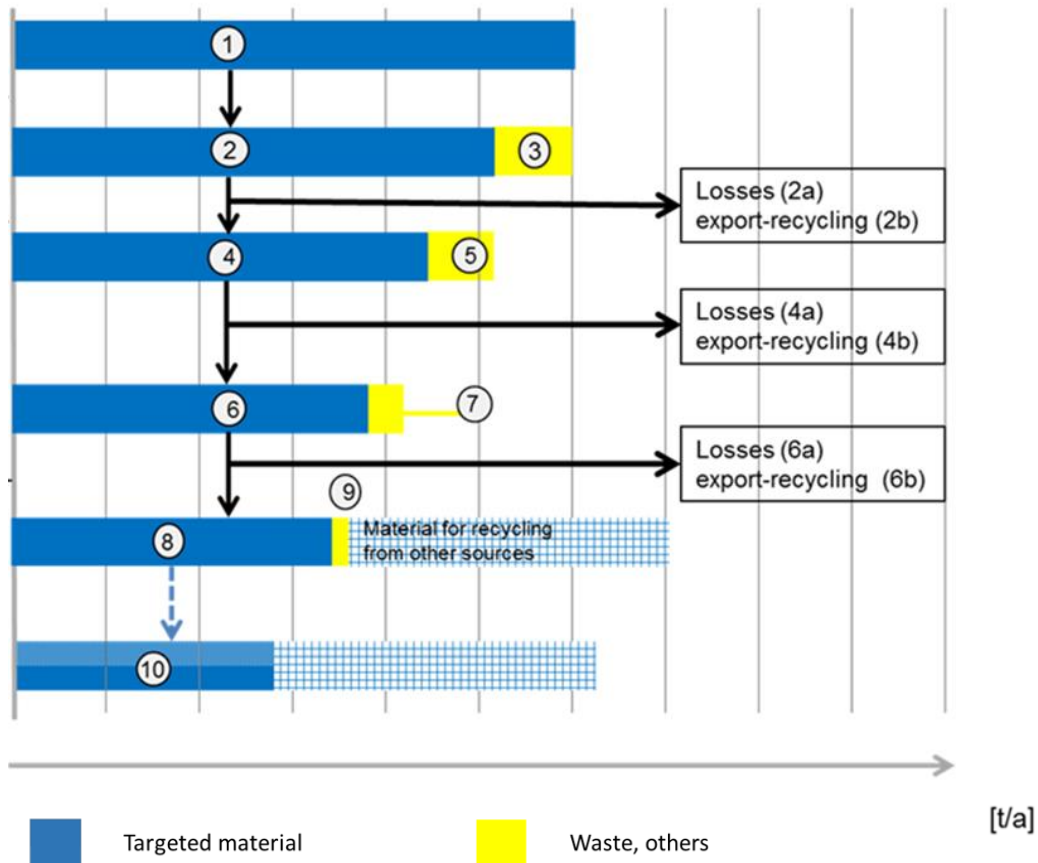
#### 4.4.8.9 Recycling output rate ( $R_2$ )

The  $R_2$  parameter refers to the “recycling output rate”: Figure 8 provides a visual representation. Often, values are available for point 8<sup>45</sup> in Figure 8, therefore such values

<sup>45</sup> Statistical data gathered in correspondence of point 8 in Figure 8 may be used to inform the calculation of the recycling output rate. Point 8 corresponds to recycling targets calculated according to the general rule provided in [Directive \(EU\) 2018/851 of 30 May 2018](#). In some cases, under strict conditions and by way of derogation from the general rule, data may be available at point 6 in Figure 8 and may be used to inform the calculation of the recycling output rate.

shall be corrected to the actual output recycling rate (point 10) taking into account possible process losses. In Figure 8 the output recycling rate ( $R_2$ ) is in correspondence of point 10.

**Figure 8** Simplified collection recycling scheme of a material



The product design and composition will determine if the material in the specific product is actually suitable for recycling. Therefore, before selecting the appropriate  $R_2$  value, an evaluation of the recyclability of the material shall be made and the OEF study shall include a statement on the recyclability of the materials/ products:

The statement on recyclability shall be provided together with an evaluation for recyclability that includes evidence for the following three criteria (as described by ISO 14021:2016, section 7.7.4 'Evaluation methodology'):

- (1) The collection, sorting and delivery systems to transfer the materials from the source to the recycling facility are conveniently available to a reasonable proportion of the purchasers, potential purchasers and users of the product;
- (2) The recycling facilities are available to accommodate the collected materials;
- (3) Evidence is available that the product for which recyclability is claimed is being collected and recycled. For PET bottles the EPBP guidelines should be used (<https://www.epbp.org/design-guidelines>), while for generic plastics the recyclability by design should be used ([www.recoup.org](http://www.recoup.org)).

If one criterion is not fulfilled, or the sector-specific recyclability guidelines indicate limited recyclability, an  $R_2$  value of 0% shall be applied. Point 1 and 3 may be proven by recycling

statistics (country specific) derived from industry associations or national bodies. Approximation to evidence at point 3 may be provided by applying for example the design for recyclability evaluation outlined in EN 13430 Material recycling (Annexes A and B) or other sector-specific recyclability guidelines if available.

Default application-specific  $R_2$  values are available in Annex C. The following procedure shall be followed to select the  $R_2$  value to be used in an OEF study:

- Company-specific values shall be used when available and following the evaluation of recyclability.
- If no company-specific values are available and the criteria for the evaluation of recyclability are fulfilled (see above), application-specific  $R_2$  values shall be used selecting the appropriate value available in Annex C:
  - If an  $R_2$  value is not available for a specific country, then the European average shall be used;
  - If an  $R_2$  value is not available for a specific application, the  $R_2$  values of the material shall be used (e.g. materials' average);
  - In case no  $R_2$  values are available,  $R_2$  shall be set equal to 0 or new statistics may be generated in order to assign an  $R_2$  value in the specific situation.

The applied  $R_2$  values shall be subject to the OEF study verification.

Background information to calculate the  $R_2$  values for packaging materials is available in Annex C.

#### **4.4.8.10 $E_{recycled}$ ( $E_{rec}$ ) and $E_{recyclingEoL}$ ( $E_{recEoL}$ )**

The system boundary of  $E_{rec}$  and  $E_{recEoL}$  shall consider all the emissions and resources consumed starting from collection up to the defined point of substitution.

If the point of substitution is identified at "level 2"  $E_{rec}$  and  $E_{recEoL}$  shall be modelled using the real input flows. Therefore, if a portion of the input flows are from primary raw materials, they shall be included in the datasets used to model  $E_{rec}$  and  $E_{recEoL}$ .

In some cases  $E_{rec}$  may correspond to  $E_{recEoL}$ , for example in cases where close loops occur.

#### **4.4.8.11 $E^*v$**

When default  $E^*v$  equals  $E_v$ , the user shall assume that a recyclable material at end of life is replacing the same virgin material which was used at the input side to produce the recyclable material.

In some cases  $E^*v$  will be different from  $E_v$ . In this case, the user shall provide evidence that a recyclable material is substituting a different virgin material than the one producing the recyclable material.

If  $E^*v \neq E_v$ ,  $E^*v$  represents the actual amount of virgin material substituted by the recyclable material. In such cases  $E^*v$  is not multiplied by  $Q_{sout}/Q_p$ , because this parameter is indirectly taken into account when calculating the "actual amount" of virgin material substituted: such amount shall be calculated taking into account that the virgin material substituted and the recyclable material fulfil the same function in terms of "how long" and "how well".  $E^*v$  shall be determined based on evidence of actual substitution of the selected virgin material.

#### **4.4.8.12 *How to apply the formula when intermediate products are included in the PP***

The parameters related to the end of life of the intermediate products belonging to the PP (i.e. recyclability at end of life, energy recovery, disposal) shall not be accounted for.

If the formula is applied in OEF studies for intermediate products (cradle-to-gate studies), the user of the OEF study shall:

- Use of Equation 3 (CFF), and
- Exclude the end of life by setting the parameters  $R_2$ ,  $R_3$ , and  $E_d$  equal to 0, for the products in scope;
- Set  $A = 1$  for the intermediate products in the PP, to be used as default in the OEF profile calculation. The purpose of this setting is to allow to focus the hotspot analysis on the actual system.
- The user of the OEF method may in addition calculate the OEF profile using  $A =$  the application- or material-specific default values (provided in Annex C): these results, if calculated, shall be reported as 'additional technical information'.

Table 9 provides a summary on how to apply the CFF, depending on a study focusing on final products, or intermediate products.

**Table 9** Summary table on how to apply the CFF in different situations

| A value     | <i>Final products</i> | <i>Intermediates</i>  |
|-------------|-----------------------|---|
| A = 1       | -                     | shall (hotspot and OEF profile)                             |
| A = default | shall                 | shall (additional technical info. And EF compliant dataset) |

#### **4.4.8.13 How to deal with specific aspects**

##### *Recovery of bottom ashes or slag from incineration*

Recovery of bottom ashes/ slag shall be included in the  $R_2$  value (recycling output rate) of the original product/ material. Their treatment is within the  $E_{recEoL}$ .

##### *Landfill and incineration with energy recovery*

Whenever a process, such as landfill with energy recovery or municipal solid waste incineration with energy recovery is leading to an energy recovery, it shall be modelled under the "energy" part in Equation 3 (CFF). The credit is calculated based on the amount of output energy that is used outside the process.

##### *Municipal solid waste*

Annex C contains default values per country that shall be used to quantify the share to landfill and the share to incineration, unless supply-chain specific values are available.



### *Compost and anaerobic digestion/ sewage treatment*

Compost, including digestate coming out of the anaerobic digestion, shall be treated in the "material" part (Equation 3) like a recycling with  $A = 0.5$ . The energy part of the anaerobic digestion shall be treated as a normal process of energy recovery under the "energy" part of

**Equation 3** (CFF).

### *Waste materials used as fuel*

When a waste material is used as a fuel (e.g. waste plastic used as fuel in cement kilns), it shall be treated as an energy recovery process under the "energy" part of

Equation **3** (CFF).

### *Modelling complex products*

When considering complex products (e.g. printed wiring boards) with complex end of life management, the default datasets for end of life treatment processes may already implement the CFF. The default values of the parameters shall refer to the ones in Annex C and shall be available as metadata information in the dataset. The Bill of Material (BoM) should be taken as a starting point for calculations if no default data is available.

### *Reuse and refurbishment*

If the reuse/ refurbishment of a product results in a product with different product specifications (providing another function), this shall be considered as part of the CFF, as a form of recycling. Old parts that were changed during refurbishment shall be modelled under the CFF.

In this case, reuse/ refurbishment activities are part of the  $E_{recEoL}$  parameter, while the alternative function provided (or the avoided production of parts or components) falls under the  $E^*v$  parameter.

## **4.4.9 Extended product lifetime**

Extending a product lifetime due to reuse or refurbishment of a product may result into two situations:

1. Resulting in a product with the original product specifications (providing the same function)

In this situation, the product lifetime is extended to a product with the original product specifications (providing the same function) and shall be included in the RU and PP<sup>46</sup>. The user of the OEF method shall describe how reuse or refurbishment is included in the calculations of the reference flow and the full life cycle model, taking into account the "how long" of the FU.

2. Resulting in a product with different product specifications (providing another function).

This shall be considered as part of the CFF, as a form of recycling (see section 4.4.8.13). Also, old parts that have been changed during refurbishment shall be modelled under the CFF.

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<sup>46</sup> In some cases, it may be appropriate to include it in the functional unit and reference flow of the product.

#### **4.4.9.1 Reuse rates (situation 1)**

The reuse rate is the number of times a material is used at the factory. This is often also called trip rates, reuse time or number of rotations. This may be expressed as the absolute number of reuse or as % of reuse rate.

For example: a reuse rate of 80% equals 5 reuses. Equation 4 describes the conversion:

$$\text{Number of reuse} = \frac{1}{100\% - \% \text{ reuse rate}} \quad [\text{Equation 4}]$$

The number of reuse applied here refers to the total number of uses during the life of the material. It includes both the first use and all the following reuses.

#### **4.4.9.2 How to apply and model the 'reuse rate' (situation 1)**

The number of times a material is reused affects the environmental profile of the product at different life cycle stages. The following five steps explain how the user shall model the different life cycle stages with reusable materials, using packaging as an example:

1. Raw material acquisition: The reuse rate determines the quantity of packaging material consumed per product sold. The raw material consumption shall be calculated by dividing the actual weight of the packaging by the number of times this packaging is reused. For example, a 1l glass bottle weights 600 grams and is reused 10 times (reuse rate of 90%). The raw material use per litre is 60 gram (= 600 gram per bottle / 10 reuses).
2. Transport from packaging manufacturer to the product factory (where the products are packed): The reuse rate determines the quantity of transport that is needed per product sold. The transport impact shall be calculated by dividing the one-way trip impact by the number of times the packaging is reused.
3. Transport from product factory to final client and back: additionally to the transport needed to go to the client, the return transport shall also be taken into account. To model the total transport, section 4.4.3 on modelling transport shall be followed.
4. At product factory: once the empty packaging is returned to the product factory, energy and resource use shall be accounted for cleaning, repairing or refilling (if applicable).

Packaging end of life: the reuse rate determines the quantity of packaging material (per product sold) to be treated at the end of life. The amount of packaging treated at the end of life shall be calculated by dividing the actual weight of the packaging by the number of times this packaging was reused.

#### **4.4.9.3 Packaging reuse rates**

A packaging return system is organized by:

1. The company owning the packaging material (company-owned pools), or
2. A third party e.g., the government or a pooler (third party operated pools).

This may have an influence on the lifetime of the material as well as the data source to be used. Therefore, it is important to separate these two return systems.

**For company owned packaging pools** the reuse rate shall be calculated using supply chain specific data. Depending on the data available within the company, two different calculation approaches may be used (see Option a and b presented below). Returnable

glass bottles are used as example but the calculations also apply for other company-owned reusable packaging.

**Option a:** use supply-chain-specific data, based on accumulated experience over the lifetime of the previous glass bottle pool. This is the most accurate way to calculate the reuse rate of bottles for the previous bottle pool and is a proper estimate for the current bottle pool. The following supply chain-specific data is collected:

- Number of bottles filled during the lifetime of the bottle pool (#F<sub>i</sub>)
- Number of bottles at initial stock plus purchased over the lifetime of the bottle pool (#B)

$$\text{Reuse rate of the bottle pool} = \frac{\#F_i}{\#B} \quad [\text{Equation 5}]$$

$$\text{The net glass use (kg glass/l beverage)} = \frac{\#B \times (\text{kg glass/bottle})}{\#F_i} \quad [\text{Equation 6}]$$

This calculation option shall be used:

- (i) With data of the previous bottle pool when the previous and current bottle pool are comparable. Meaning, the same product category, similar bottle characteristics (e.g., size), comparable return systems (e.g., way of collection, same consumer group and outlet channels), etc.
- (ii) With data of the current bottle pool when future estimations/ extrapolations are available on (i) the bottle purchases, (ii) the volumes sold, and (iii) the lifetime of the bottle pool.

The data shall be supply-chain-specific and shall be verified through external verification, including the reasoning for the method choice.

**Option b:** If no real data is tracked, the calculation shall be done partly based on assumptions. This option is less accurate due to the assumptions made and therefore conservative/ safe estimates shall be used. The following data is needed:

Average number of rotations of a single bottle, during one calendar year (if not broken). One loop consists of filling, delivery, use and back to brewer for washing (#Rot);

Estimated lifetime of the bottle pool (LT, in years);

Average percentage of loss per rotation. This refers to the sum of losses at consumer and the bottles scrapped at filling sites (%Los).

$$\text{Reuse rate of the bottle pool} = \frac{LT}{(LT \times \%Los) + \left(\frac{1}{\#Rot}\right)} \quad [\text{Equation 7}]$$

This calculation option shall be used when option "a" is not applicable (e.g., the previous pool is not usable as reference). The data used shall be verified by an external verification, including the reasoning of the choice between option "a" and "b".

#### **4.4.9.4 Average reuse rates for company-owned pools**

OEF studies that have company owned reusable packaging pools in scope shall use company specific reuse rates, calculated following rules outlined in section 4.4.9.3.

#### **4.4.9.5 Average reuse rates for third party operated pools**

The following reuse rates shall be used in those OEF studies that have third party operated reusable packaging pools in scope, unless data of better quality is available:

- Glass bottles: 30 trips for beer and water, 5 trips for wine<sup>47</sup>;
- Plastic crates for bottles: 30 trips<sup>48</sup>;
- Plastic pallets: 50 trips (Nederlands Instituut voor Bouwbiologie en Ecologie, 2014)<sup>49</sup>;
- Wooden pallets: 25 trips (Nederlands Instituut voor Bouwbiologie en Ecologie, 2014)<sup>50</sup>.

The user of the OEF method may use other values if they are justified and data sources are provided.

The user of the OEF method shall indicate if company owned or third party operated pools were in scope and which calculation method or default reuse rates were used.

#### **4.4.10 Greenhouse gas emissions and removals**

Three main categories of greenhouse (GHG) emissions and removals shall be distinguished, each contributing to a specific sub-category of the impact category 'climate change':

1. Fossil GHG emissions and removals (contributing to the sub-category 'Climate change – fossil');
2. Biogenic carbon emissions and removals (contributing to the sub-category 'Climate change – biogenic');
3. Carbon emissions from land use and land use change (contributing to the sub-category 'Climate change – land use and land use change').

Credits associated with temporary and permanent carbon storage and/or delayed emissions shall not be considered in the calculation of the climate change indicator. This means that all emissions and removals shall be accounted for as emitted "now" and there is no discounting of emissions over time (in line with ISO 14067:2018).

The sub-categories 'climate change – fossil', 'climate change – biogenic' and 'climate change – land use and land use change', shall be reported separately if they show a contribution of more than 5%<sup>51</sup> each to the total score of climate change.

##### **4.4.10.1 Sub-category 1: Climate change – fossil**

This category covers greenhouse gas (GHG) emissions to any media originating from the oxidation and/or reduction of fossil fuels by means of their transformation or degradation (e.g. combustion, digestion, landfilling, etc.). This impact category includes emissions from peat and calcination, and uptakes due to carbonation.

Fossil CO<sub>2</sub> uptake and corresponding emissions (e.g. due to carbonation) shall be modelled in a simplified way when calculating the OEF profile (meaning, no emissions or uptakes shall be modelled). When the amount of fossil CO<sub>2</sub> uptake is required for additional environmental information, the CO<sub>2</sub> uptake may be modelled with the flow "CO<sub>2</sub> (fossil), uptake from air".

<sup>47</sup> Assumption based on the monopoly system of Finland.

<http://ec.europa.eu/environment/waste/studies/packaging/finland.pdf>

<sup>48</sup> Technical approximation as no data source could be found. Technical specifications guarantee a lifetime of 10 years. A return of 3 times per year (between 2 to 4) is taken as a first approximation.

<sup>49</sup> The less conservative number is used.

<sup>50</sup> Half of plastic pallets is used as approximation.

<sup>51</sup> For example: Let us assume that 'Climate change – biogenic' contributes with 7% (using absolute values) to the total climate change impact and 'Climate change – land use and land use change' contributes with 3% to the total climate change impact. In this case, the total climate change impact and the 'Climate change – biogenic' shall be reported.

The flows falling under this definition shall be modelled consistently with the elementary flows in the most updated EF reference package and using the names ending with '(fossil)', if available (e.g., 'carbon dioxide (fossil)' and 'methane (fossil)').

#### **4.4.10.2 Sub-category 2: Climate change – biogenic**

This sub-category covers carbon emissions to air (CO<sub>2</sub>, CO and CH<sub>4</sub>) originating from the oxidation and/or reduction of aboveground biomass by means of its transformation or degradation (e.g. combustion, digestion, composting, landfilling) and CO<sub>2</sub> uptake from the atmosphere through photosynthesis during biomass growth – i.e. corresponding to the carbon content of products, biofuels or above ground plant residues such as litter and dead wood. Carbon exchanges from native forests<sup>52</sup> shall be modelled under sub-category 3 (including connected soil emissions, derived products or residues).

*Modelling requirements:* the flows falling under this definition shall be modelled consistently with the elementary flows in the most recent version of the EF package and using the flow names ending with '(biogenic)'. Mass allocation shall be applied to model the biogenic carbon flows.

A simplified modelling approach should be used if only the flows influencing climate change impact results (namely biogenic methane emissions) are modelled. This option may apply for example to food OEF studies as it avoids modelling human digestion while arriving eventually at a zero balance. In this case, the following rules apply:

- (i) Only the emission 'methane (biogenic)' is modelled;
- (ii) No further biogenic emissions and uptakes from atmosphere are modelled;
- (iii) If methane emissions are both fossil or biogenic, the release of biogenic methane shall be modelled first and then the remaining fossil methane.

#### **4.4.10.3 Sub-category 3: Climate change – land use and land use change (LULUC)**

This sub-category accounts for carbon uptakes and emissions (CO<sub>2</sub>, CO and CH<sub>4</sub>) originating from carbon stock changes caused by land use change and land use. This sub-category includes biogenic carbon exchanges from deforestation, road construction or other soil activities (including soil carbon emissions). For native forests, all related CO<sub>2</sub> emissions are included and modelled under this sub-category (including connected soil emissions, products derived from native forest<sup>53</sup> and residues), while their CO<sub>2</sub> uptake is excluded.

A distinction is made between direct and indirect land use change. Direct land use change occurs as the result of a transformation from one land use type into another, which takes place in a unique land cover, possibly incurring changes in the carbon stock of that specific land, but not leading to a change in other systems. Examples of direct land use change are the conversion of land used for growing crops to industrial use or conversion from forestland to cropland.

Indirect land use change occurs when a certain change in land use, or in the use of the feedstock grown on a given piece of land, induces changes in land use outside the system boundary, i.e. in other land use types. The OEF method only considers direct land use change, while indirect land use change, due to the lack of an agreed methodology, shall not be taken into account in OEF studies, unless reported under additional environmental information.

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<sup>52</sup> Native forests – represents native or long-term, non-degraded forests. Definition adapted from table 8 in Annex V C(2010)3751 to Directive 2009/28/EC. In principle, this definition excludes short term forests, degraded forests, managed forest, and forests with short-term or long-term rotations.

<sup>53</sup> Following the instantaneous oxidation approach in IPCC 2013 (Chapter 2).

*Modelling requirements:* the flows falling under this definition shall be modelled consistently with the elementary flows in the most recent version of the EF reference package and using the flow names ending with '(land use change)'. Biogenic carbon uptakes and emissions shall be inventoried separately for each elementary flow.

For **land use change:** all carbon emissions and removals shall be modelled following the modelling guidelines of PAS 2050:2011 (BSI 2011) and the supplementary document PAS2050-1:2012 (BSI 2012) for horticultural products.

Quoting PAS 2050:2011 (BSI 2011):

"Large emissions of GHGs can result as a consequence of land use change. Removals as a direct result of land use change (and not as a result of long-term management practices) do not usually occur, although it is recognized that this could happen in specific circumstances. Examples of direct land use change are the conversion of land used for growing crops to industrial use or conversion from forestland to cropland. All forms of land use change that result in emissions or removals are to be included. Indirect land use change refers to such conversions of land use as a consequence of changes in land use elsewhere. While GHG emissions also arise from indirect land use change, the methods and data requirements for calculating these emissions are not fully developed. Therefore, the assessment of emissions arising from indirect land use change is not included.

The GHG emissions and removals arising from direct land use change shall be assessed for any input to the life cycle of a product originating from that land and shall be included in the assessment of GHG emissions. The emissions arising from the product shall be assessed on the basis of the default land use change values provided in PAS 2050:2011 Annex C, unless better data is available. For countries and land use changes not included in this annex, the emissions arising from the product shall be assessed using the included GHG emissions and removals occurring as a result of direct land use change in accordance with the relevant sections of the IPCC (2006). The assessment of the impact of land use change shall include all direct land use change occurring not more than 20 years, or a single harvest period, prior to undertaking the assessment (whichever is the longer). The total GHG emissions and removals arising from direct land use change over the period shall be included in the quantification of GHG emissions of products arising from this land on the basis of equal allocation to each year of the period<sup>54</sup>.

1. Where it can be demonstrated that the land use change occurred more than 20 years prior to the assessment being carried out, no emissions from land use change should be included in the assessment.
2. Where the timing of land use change cannot be demonstrated to be more than 20 years, or a single harvest period, prior to making the assessment (whichever is the longer), it shall be assumed that the land use change occurred on 1 January of either:
  - the earliest year in which it can be demonstrated that the land use change had occurred; or
  - on 1 January of the year in which the assessment of GHG emissions and removals is being carried out.

The following hierarchy shall apply when determining the GHG emissions and removals arising from land use change occurring not more than 20 years or a single harvest period, prior to making the assessment (whichever is the longer):

1. where the country of production is known and the previous land use is known, the GHG emissions and removals arising from land use change shall be those resulting from the change in land use from the previous land use to the current

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<sup>54</sup> In case of variability of production over the years, a mass allocation should be applied.

land use in that country (additional guidelines on the calculations can be found in PAS 2050-1:2012);

2. where the country of production is known, but the former land use is not known, the GHG emissions arising from land use change shall be the estimate of average emissions from the land use change for that crop in that country (additional guidelines on the calculations can be found in PAS 2050-1:2012);
3. where neither the country of production nor the former land use is known, the GHG emissions arising from land use change shall be the weighted average of the average land use change emissions of that commodity in the countries in which it is grown.

Knowledge of the prior land use can be demonstrated using a number of sources of information, such as satellite imagery and land survey data. Where records are not available, local knowledge of prior land use can be used. Countries in which a crop is grown can be determined from import statistics, and a cut-off threshold of not less than 90% of the weight of imports may be applied. Data sources, location and timing of land use change associated with inputs to products shall be reported.” (end of quote from PAS 2050:2011 (BSI 2011))

For **soil carbon stock**: soil carbon emissions shall be included and modelled under this sub-category (e.g. from rice fields). Soil carbon emissions derived from aboveground residues (except from native forest) shall be modelled under sub-category 2, such as the application of non-native forest residues or straw. Soil carbon uptake (accumulation) shall be excluded from the results, e.g. from grasslands or improved land management through tilling techniques or other management actions taken in relation to agricultural land. Soil carbon storage may only be included in the OEF study as additional environmental information and if proof is provided. If legislation has different modelling requirements for the sector, such as the EU Decision on greenhouse gas accounting from 2013 ([Decision 529/2013/EU](#)), which indicates carbon stock accounting, it shall be modelled according to the relevant legislation and provided under additional environmental information.

#### **4.4.11 Offsets**

The term “offset” is frequently used with reference to third-party greenhouse gas mitigation activities, e.g. regulated schemes in the framework of the Kyoto Protocol (CDM – Clean Development Mechanism, JI – Joint Implementation, ETS - Emissions Trading Schemes), or voluntary schemes. Offsets are discrete greenhouse gas (GHG) reductions used to compensate for (i.e., offset) GHG emissions elsewhere, for example to meet a voluntary or mandatory GHG target or cap. Offsets are calculated relative to a baseline that represents a hypothetical scenario for what emissions would have been in the absence of the mitigation project that generates the offsets. Examples are carbon offsetting by the Clean Development Mechanism, carbon credits, and other system-external offsets.

Offsets shall not be included in the impact assessment of an OEF study, but may be reported separately as additional environmental information.

### **4.5 Handling multi-functional processes**

If a process or facility provides more than one function, i.e. it delivers several goods and/or services (“co-products”), it is “multifunctional”. In these situations, if the co-products are not part of the PP, all inputs and emissions linked to the process shall be partitioned between the product(s) of interest and the other co-products in a principled manner.

Systems involving multi-functionality of processes shall be modelled in accordance with the following decision hierarchy.

Specific allocation requirements in other sections of this method always prevail over the ones available in this section (e.g., section 4.4.2 on electricity, 4.4.3 on transport, 4.4.10 on greenhouse gas emissions, or 4.5.1 on slaughterhouse activities).

### **Decision hierarchy**

#### 1) Subdivision or system expansion

As per ISO 14044, wherever possible, subdivision or system expansion should be used to avoid allocation. Subdivision refers to disaggregating multifunctional processes or facilities to isolate the input flows directly associated with each process or facility output. System expansion refers to expanding the system by including additional functions related to the co-products. It shall be investigated first whether it is possible to subdivide or expand the analysed process. Where subdivision is possible, inventory data should be collected only for those unit processes<sup>55</sup> directly attributable<sup>56</sup> to the goods/services of concern. Or, if the system may be expanded, the additional functions shall be included in the analysis with results communicated for the expanded system as a whole rather than on an individual co-product level.

#### 2) Allocation based on a relevant underlying physical relationship

Where it is not possible to apply subdivision or system expansion, allocation should be applied: the inputs and outputs of the system should be partitioned between its different products or functions in a way that reflects relevant underlying physical relationships between them (ISO 14044:2006, 14).

Allocation based on a relevant underlying physical relationship refers to partitioning the input and output flows of a multi-functional process or facility in accordance with a relevant, quantifiable physical relationship between the process inputs and co-product outputs (for example, a physical property of the inputs and outputs that is relevant to the function provided by the co-product of interest). Allocation based on a physical relationship may be modelled using direct substitution, if it is possible to identify a product that is directly substituted<sup>57</sup>.

To demonstrate whether the direct substitution effect is robust, the user of the OEF method shall prove that (1) there is a direct, empirically demonstrable substitution effect, AND (2) it is possible to model the substituted product and to subtract the life cycle inventory in a directly representative manner: If both conditions are fulfilled, model the substitution effect.

Or

To allocate input/output based on some other relevant underlying physical relationship that relates the inputs and outputs to the function provided by the system, the user of the OEF method shall demonstrate that it is possible to define a relevant physical relationship by which to allocate the flows attributable to the provision of the defined function of the product system<sup>58</sup>: If this condition is fulfilled, the user of the OEF method may allocate based on this physical relationship.

#### 3) Allocation based on some other relationship

Allocation based on some other relationship may be possible. For example, economic allocation refers to allocating inputs and outputs associated with multi-functional processes to the co-product outputs in proportion to their relative market values. The market price of the co-functions should refer to the specific condition and point at which the co-products are produced. In any case, a clear justification for having discarded 1) and 2) and for

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<sup>55</sup> A unit process is the smallest element considered in the LCI for which input and output data are quantified (based on ISO 14040:2006).

<sup>56</sup> Directly attributable refers to a process, activity or impact occurring within the defined system boundary.

<sup>57</sup> See below for an example of direct substitution.

<sup>58</sup> A product system is the collection of unit processes with elementary and product flows, performing one or more defined functions, and which models the life cycle of a product (ISO 14040:2006)



having selected a certain allocation rule in step 3) shall be provided, to ensure the physical representativeness of the OEF results as far as possible.

Allocation based on some other relationship may be approached in one of the following alternative ways:

- (i) Is it possible to identify an indirect substitution<sup>59</sup> effect and may the substituted product be modelled and the inventory subtracted in a reasonably representative manner? If yes (i.e. both conditions are verified), model the indirect substitution effect.

Or

- (ii) Is it possible to allocate the input/output flows between the products and functions on the basis of some other relationship (e.g. the relative economic value of the co-products)? If yes, allocate products and functions on the basis of the identified relationship.

Dealing with multi-functionality of products is particularly challenging when recycling or energy recovery of one (or more) of these products is involved as the systems tend to get rather complex. The Circular Footprint Formula (see section 4.4.8.1) provides the approach that shall be used to estimate the overall emissions associated to a certain process involving recycling and/or energy recovery. These moreover also relate to waste flows generated within the system boundary.

#### **4.5.1 Animal husbandry**

This section provides instructions on how to address specific issues related to the modelling of farm, slaughterhouse and rendering for cattle, pig, sheep and goat. In particular, instructions are provided on:

1. Allocation of upstream burdens at farm level among outputs leaving the farm;
2. Allocation of upstream burdens (linked to live animals) at slaughterhouse among outputs leaving the slaughterhouse.

##### **4.5.1.1 Allocation within the farm module**

At farm module, subdivision shall be used for processes that are directly attributed to certain outputs (e.g. energy use and emissions related to milking processes). If the processes cannot be subdivided due to the lack of separate data or because it is technically impossible, the upstream burden, e.g. feed production, shall be allocated to farm outputs using a biophysical allocation method. Default values to perform allocation are provided in the following sections for each type of animal. These default values shall be used by OEF studies unless company-specific data are collected. The change of allocation factors is allowed only if company-specific data are collected and used for the farm module. In case secondary data are used for the farm module, no change of allocation factors is allowed.

##### **4.5.1.2 Allocation within the farm module for cattle**

The IDF (2015) allocation method between milk, cull cows and surplus calves shall be used. Dead animals and all products coming from dead animals shall be regarded as waste and the Circular Footprint Formula shall be applied. In this case, however, the traceability of the products coming from dead animals shall be guaranteed to enable OEF studies to take this aspect into consideration.

Manure exported to another farm shall be considered as:

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<sup>59</sup> Indirect substitution occurs when a product is substituted but you do not know by which products exactly.

- **Residual (default option):** if manure does not have an economic value at the farm gate, it is regarded as residual without allocation of an upstream burden. The emissions related to manure management up to farm gate are allocated to the other outputs of the farm where manure is produced.
- **Co-product:** when exported manure has an economic value at farm gate, an economic allocation of the upstream burden shall be used for manure by using the relative economic value of manure compared to milk and live animals at the farm gate. Biophysical allocation based on IDF rules shall nevertheless be applied to allocate the remaining emissions between milk and live animals.
- **Manure as waste:** when manure is treated as waste (e.g. landfilled), the Circular Footprint Formula shall be applied.

The allocation factor (AF) for milk shall be calculated using the following equation:

$$AF = 1 - 6.04 * \frac{M_{meat}}{M_{milk}} \quad \text{[Equation 8]}$$

Where  $M_{meat}$  is the mass of live weight of all animals sold including bull calves and culled mature animals per year and  $M_{milk}$  is the mass of fat and protein corrected milk (FPCM) sold per year (corrected to 4% fat and 3.3% protein). The constant 6.04 describes the causal relationship between the energy content in feed in relation to the milk and live weight of animals produced. The constant is determined based on a study that collected data from 536 US dairy farms (Thoma et al., 2013). Although based on US farms, IDF considers that the approach is applicable to the European farming systems.

The FPCM (corrected to 4% fat and 3.3% protein) shall be calculated by using the following formula:

[Equation 9]

$$FPCM \left( \frac{kg}{yr} \right) = Production \left( \frac{kg}{yr} \right) * (0.1226 * True Fat \% + 0.0776 * True Protein \% + 0.2534)$$

In cases where a default value of 0.02  $kg_{meat}/kg_{milk}$  for the ratio of live weight of animals and milk produced in Equation 9 is used, the equation yields default allocation factors of 12% to live weight of animals and 88% to milk (Table 10). These values shall be used as default values for allocating the upstream burdens to milk and live weight of animals for cattle when secondary datasets are used. If company-specific data are collected for the farming stage, the allocation factors shall be changed using the equations included in this section.

**Table 10** Default allocation factors for cattle at farming

| Co-product           | Allocation factor |
|----------------------|-------------------|
| Animals, live weight | 12%               |
| Milk                 | 88%               |

#### 4.5.1.3 Allocation within the farm module for sheep and goat

A biophysical approach shall be used for the allocation of upstream burdens to the different co-products for sheep and goat. The 2006 IPCC guidelines for national greenhouse gas inventories (IPCC, 2006) contain a model to calculate energy requirements that shall be used for sheep and, as a proxy, for goats. This model is applied in the present document.

Dead animals and all the products coming from dead animals shall be regarded as waste and the Circular Footprint Formula (CFF, Section 4.4.8.1) shall be applied. In this case, however, the traceability of the products coming from dead animals shall be granted in order for this aspect to be taken into consideration in OEF studies.

The use of the default allocation factors included in this document is mandatory whenever secondary datasets are used for the life cycle stage of farming for sheep and goat. If company-specific data are used for this life cycle stage, the calculation of the allocation factors with the company-specific data shall be performed using the equations provided.

The allocation factors shall be calculated as follows<sup>60</sup>:

$$\% \text{ wool} = \frac{[\text{Energy for wool } (NE_{\text{wool}})]}{[(\text{Energy for wool } (NE_{\text{wool}}) + \text{Energy for milk } (NE_{\text{l}}) + \text{Energy for meat } (NE_{\text{g}})]} \quad [\text{Equation 10}]$$

$$\% \text{ milk} = \frac{[\text{Energy for milk } (NE_{\text{l}})]}{[(\text{Energy for wool } (NE_{\text{wool}}) + \text{Energy for milk } (NE_{\text{l}}) + \text{Energy for meat } (NE_{\text{g}})]} \quad [\text{Equation 11}]$$

$$\% \text{ meat} = \frac{[\text{Energy for meat } (NE_{\text{g}})]}{[(\text{Energy for wool } (NE_{\text{wool}}) + \text{Energy for milk } (NE_{\text{l}}) + \text{Energy for meat } (NE_{\text{g}})]} \quad [\text{Equation 12}]$$

For the calculation of energy for wool ( $NE_{\text{wool}}$ ), energy for milk ( $NE_{\text{l}}$ ) and energy for meat ( $NE_{\text{g}}$ ) with company specific data, the equations included in IPCC (2006) and reported below shall be used. In case secondary data are used instead, the default values for the allocation factors provided in this document shall be used.

#### Energy for wool, $NE_{\text{wool}}$

$$NE_{\text{wool}} = \frac{(EV_{\text{wool}} \cdot \text{Production}_{\text{wool}})}{365} \quad [\text{Equation 13}]$$

$NE_{\text{wool}}$  = net energy required to produce wool, MJ day<sup>-1</sup>

$EV_{\text{wool}}$  = the energy value of each kg of wool produced (weighed after drying but before scouring), MJ

kg<sup>-1</sup>. A default value of 157 MJ kg<sup>-1</sup> (NRC, 2007) shall be used for this estimate<sup>61</sup>.

$\text{Production}_{\text{wool}}$  = annual wool production per sheep, kg yr<sup>-1</sup>

Default values to be used for the calculation of  $NE_{\text{wool}}$  and the resulting net energy required are reported in Table 11.

**Table 11** Default values to be used for the calculation of  $NE_{\text{wool}}$  for sheep and goat

| Parameter                                 | Value                   | Source   |
|---|-------------------------|--|
| $EV_{\text{wool}}$ - sheep                | 157 MJ kg <sup>-1</sup> | NRC, 2007  |
| $\text{Production}_{\text{wool}}$ - sheep | 7.121 kg                | Average of the four values provided in Table 1 of "Application of LCA to sheep production systems: investigating co-production of wool and meat using case studies from major producers", Wiedemann et al, Int J. of LCA 2015. |

<sup>60</sup> The same naming as used in IPCC (2006) is used.

<sup>61</sup> The default value of 24 MJ kg<sup>-1</sup> originally included in the IPCC document was modified into 157 MJ kg<sup>-1</sup> following the indication of FAO - Greenhouse gas emissions and fossil energy demand from small ruminant supply chains Guidelines for assessment (2016).

| Parameter           | Value      | Source   |
|---------------------|------------|--|
| $NE_{wool}$ - sheep | 3.063 MJ/d | Calculated using Eq. 14                          |
| $NE_{wool}$ - goat  | 2.784 MJ/d | Calculated from $NE_{wool}$ - sheep using Eq. 17 |

### Energy for milk, $NE_l$

$$NE_l = Milk \cdot EV_{milk} \quad [Equation 14]$$

$NE_l$  = net energy for lactation, MJ day<sup>-1</sup>

Milk = amount of milk produced, kg of milk day<sup>-1</sup>

$EV_{milk}$  = the net energy required to produce 1 kg of milk. A default value of 4.6 MJ/kg (AFRC, 1993) shall be used which corresponds to a milk fat content of 7% by weight.

Default values to be used for the calculation of  $NE_l$  and the resulting net energy required are provided in Table 12.

**Table 12** Default values to be used for the calculation of  $NE_l$  for sheep and goat

| Parameter           | Value                   | Source  |
|---------------------|-------------------------|---|
| $EV_{milk}$ - sheep | 4.6 MJ kg <sup>-1</sup> | AFRC, 1993  |
| <i>Milk</i> - sheep | 2.08 kg/d               | Estimated milk production 550 lbs of sheep milk per year (average value), milk production estimated for 120 days in one year. |
| $NE_l$ - sheep      | 9.568 MJ/d              | Calculated using Eq. 15   |
| $NE_l$ - goat       | 8.697 MJ/d              | Calculated from $NE_l$ - sheep using Eq. 17   |

### Energy for meat, $NE_g$

$$NE_g = WG_{lamb} \cdot \frac{a+0.5b(BW_i+BW_f)}{365} \quad [Equation 15]$$

$NE_g$  = net energy needed for growth, MJ day<sup>-1</sup>

$WG_{lamb}$  = the weight gain ( $BW_f - BW_i$ ), kg yr<sup>-1</sup>

$BW_i$  = the live bodyweight at weaning, kg

$BW_f$  = the live bodyweight at 1-year old or at slaughter (live-weight) if slaughtered prior to 1 year of age, kg

a, b = constants as described in Table 13.

Note that lambs will be weaned over a period of weeks as they supplement a milk diet with pasture feed or supplied feed. The time of weaning should be taken as the time at which

they are dependent on milk for half their energy supply. The NE<sub>g</sub> equation used for sheep includes two empirical constants (a and b) that vary by animal species/category (Table 13).

**Table 13** Constants for use in calculating NE<sub>g</sub> for sheep<sup>62</sup>

| <b>Animal species/category</b> | <b>a (MJ kg<sup>-1</sup>)</b> | <b>b (MJ kg<sup>-2</sup>)</b> |
|--------------------------------|-------------------------------|-------------------------------|
| Intact males                   | 2.5                           | 0.35                          |
| Castrates                      | 4.4                           | 0.32                          |
| Females                        | 2.1                           | 0.45                          |

In case company-specific data are used for the farming stage, the allocation factors shall be recalculated. In this case, the parameter "a" and "b" shall be calculated as weighted average if more than one animal category is present.

Default values to be used for the calculation of NE<sub>g</sub> are reported in Table 14.

**Table 14** Default values to be used for the calculation of NE<sub>g</sub> for sheep and goat

| <b>Parameter</b>           | <b>Value</b>    | <b>Source</b>   |
|----------------------------|-----------------|---|
| WG <sub>lamb</sub> - sheep | 26.2-15=11.2 kg | Calculated  |
| BW <sub>i</sub> - sheep    | 15 kg           | It is assumed that the weaning happens at six weeks. Weight at six weeks read from Figure 1 in "A generic model of growth, energy metabolism and body composition for cattle and sheep", Johnson et al, 2015 – Journal of Animal Science. |
| BW <sub>f</sub> - sheep    | 26.2 kg         | Average of the values for weight at slaughter, sheep as provided in Appendix 5, Greenhouse gas emissions and fossil energy demand from small ruminant supply chains, FAO 2016.  |
| a - sheep                  | 3               | Average of the three values provided in Table 13.   |
| b - sheep                  | 0.37            | Average of the three values provided in Table 13  |
| NE <sub>g</sub> - sheep    | 0.326 MJ/d      | Calculated using Eq. 16   |

<sup>62</sup> This table corresponds to Table 10.6 in IPCC (2006).

| Parameter  | Value      | Source                                   |
|------------|------------|--|
| NEg - goat | 0.296 MJ/d | Calculated from NEg – sheep using Eq. 17 |

The default allocation factors to be used OEF studies for sheep and goat are provided in Table 14 together with the calculations. The same equations<sup>63</sup> and default values used for the calculation of the energy requirements for sheep are used for the calculation of the energy requirements for goats after application of a correction factor.

$$Net\ energy\ requirement,\ goat = \left[ \frac{goat\ weight}{sheep\ weight} \right]^{0.75} \times Net\ energy\ requirement\ sheep$$

[Equation 16]

**Sheep weight:** 64.8 kg, average of male and female sheep for different regions in the world, data from Appendix 5, Greenhouse gas emissions and fossil energy demand from small ruminant supply chains, FAO 2016.

**Goat weight:** 57.05 kg, average of male and female goats for different regions in the world, data from Appendix 5, Greenhouse gas emissions and fossil energy demand from small ruminant supply chains, FAO 2016.

Net energy requirement, goat = [(57.05) / (64.8)]<sup>0.75</sup> • Net energy requirement, sheep  
[Equation 17]

**Table 15** Default allocation factors to be used OEF studies for sheep at farming stage

|                                | Sheep   | Goat <sup>64</sup> |
|--------------------------------|---|--------------------|
| <b>Allocation factor, meat</b> | $\% \text{ meat} = \frac{[(NE_g)]}{[(NE_{wool}) + (NE_l) + (NE_g)]} = 2.52\%$       | 2.51 %             |
| <b>Allocation factor, milk</b> | $\% \text{ milk} = \frac{[(NE_l)]}{[(NE_{wool}) + (NE_l) + (NE_g)]} = 73.84\%$      | 73.85%             |
| <b>Allocation factor, wool</b> | $\% \text{ wool} = \frac{[(NE_{wool})]}{[(NE_{wool}) + (NE_l) + (NE_g)]} = 23.64\%$ | 23.64%             |

#### 4.5.1.4 Allocation within the farm module for pig

Allocation at farming stage between piglets and sows shall be made applying economic allocation. The default allocation factors to be used are reported in Table 16.

**Table 16** Allocation at farming stage between piglets and sows

<sup>63</sup> Page 10.24 of IPCC (2006).

<sup>64</sup> Allocation factors for goat are calculated starting from the net energy requirements for goat estimated from the net energy requirements for sheep and considering: sheep weight= 64.8 kg and goat weight= 57.05 kg.

|                         | <b>Unit</b> | <b>Price</b>          | <b>Allocation factors</b> |
|-------------------------|-------------|-----------------------|---------------------------|
| <b>Piglets</b>          | 24.8 p      | 0.95 €/kg live weight | 92.63%                    |
| <b>Sow to slaughter</b> | 84.8 kg     | 40.80 €/pig           | 7.37%                     |

#### **4.5.1.5 Allocation within the slaughterhouse**

Slaughterhouse and rendering processes produce multiple outputs going to the food and feed chain or to other non-food or feed value chains as the leather industry or chemical or energy recovery chains.

At the slaughterhouse and rendering module, subdivision shall be used for those process flows that are directly attributable to certain outputs. If it is not possible to subdivide the processes, the remaining flows (e.g. excluding those already allocated to milk for milk producing systems or to wool for wool producing systems) shall be allocated to the slaughterhouse and rendering outputs using economic allocation. Default allocation factors are provided in the following sections for cattle, pigs and small ruminants (sheep, goat). These default values shall be used in OEF studies. No change of allocation factors is allowed.

#### **4.5.1.6 Allocation within the slaughterhouse for cattle**

At the slaughterhouse, the allocation factors are established for the five product categories described in

Table **17**. If allocation factors to subdivide the impact of the carcass among the different cuts are desired, they shall be defined and justified in the OEF study.

The by-products from slaughterhouse and rendering are classified in three categories:

- **Category 1:** Risk materials, e.g. infected/ contaminated animals or animal by-products
  - Disposal and use: incineration, co-incineration, landfill, used as biofuel for combustion, manufacture of derived products.
- **Category 2:** Manure and digestive tract content, products of animal origin unfit for human consumption:
  - Disposal and use: incineration, co-incineration, landfill, fertilisers, compost, biofuels, combustion, manufacture of derived products.
- **Category 3:** Carcasses and parts of animals slaughtered and which are fit for human consumption but are not intended for human consumption for commercial reasons, including skins and hides going to the leather industry (note that hides and skins may also belong to other categories depending on the condition and nature that is determined by the accompanying sanitary documentation):
  - Disposal and use: incineration, co-incineration, landfill, feed, pet food, fertilisers, compost, biofuels, combustion, manufacture of derived products (e.g. leather), oleo-chemicals and chemicals.

The upstream burdens to slaughterhouse and rendering outputs shall be allocated as follows:

- **Food grade materials:** product with allocation of upstream burdens.
- **Cat 1 material:** per default no allocation of upstream burdens is performed, as it is seen as animal by-product treated as waste according to the CFF.

- **Cat 2 material:** per default no allocation of upstream burdens is performed as it is seen as animal by-product treated as waste according to the CFF.
- **Cat 3 material having the same fate of cat 1 and cat 2** (for fat – to be burned, or bone and meat meal) **and does not have an economic value at the slaughterhouse gate:** per default no allocation of upstream burdens is performed, as it is treated as waste according to the CFF.
- **Cat 3 skins and hides** (unless they are classified as waste and/or following the same way as cat 1 and cat 2): product with allocation of upstream burdens.
- **Cat 3 materials, not included in previous categories:** product with allocation of upstream burdens.

The default values in

Table **17** shall be used in OEF studies. The change of allocation factors is not allowed.

**Table 17** Economic allocation ratios for beef <sup>65</sup>

|  | <b>Mass fraction (F)</b> | <b>Price (P)</b> | <b>Economic allocation (EA)</b> | <b>Allocation ratio* (AR)</b> |
|--|--------------------------|------------------|---------------------------------|-------------------------------|
|  | %                        | €/kg             | %                               |                               |
| <b>a) Fresh meat and edible offal</b>  | 49.0                     | 3.00             | 92.9 <sup>66</sup>              | 1.90                          |
| <b>b) Food grade bones</b>             | 8.0                      | 0.19             | 1.0                             | 0.12                          |
| <b>c) Food grade fat</b>               | 7.0                      | 0.40             | 1.8                             | 0.25                          |
| <b>d) Cat. 3 slaughter by-products</b> | 7.0                      | 0.18             | 0.8                             | 0.11                          |
| <b>e) Hides and skins</b>              | 7.0                      | 0.80             | 3.5                             | 0.51                          |
| <b>f) Cat 1/2 material and waste</b>   | 22.0                     | 0.00             | 0.0                             | 0.00                          |

\*Allocation ratios (AR) have been calculated as 'Economic allocation' divided by 'Mass fraction'

<sup>65</sup> Based on the PEF screening study (v 1.0, November 2015) of the meat pilot, available at <https://webgate.ec.europa.eu/fpfis/wikis/pages/viewpage.action?pageId=81474527>



Allocation ratios (AR) shall be used to calculate the environmental impact of a unit of product by using the equation below:

$$EI_i = EI_w * AR_i \text{ [Equation 18]}$$

Where,  $EI_i$  is the environmental impact per mass unit of product  $i$ , ( $i$  = a slaughterhouse output listed in Table 17),  $EI_w$  is the environmental impact of the whole animal divided by live weight mass of the animal and  $AR_i$  is the allocation ratio for product  $i$  (calculated as economic value of  $i$  divided by mass fraction of  $i$ ).

$EI_w$  shall include upstream impacts, slaughterhouse impacts that are not directly attributable to any specific product and impact from the management of slaughterhouse waste (cat. 1 and 2 material and waste in

Table 17). The default values for  $AR_i$  as shown in

Table 17 shall be used for the EF studies to represent the European average situation.

#### 4.5.1.7 Allocation within the slaughterhouse for pigs

The default values in Table 18 shall be used in OEF studies dealing with allocation within the slaughterhouse for pigs. The change of allocation factors based on company-specific data is not allowed.

**Table 18** Economic allocation ratios for pigs<sup>67</sup>

|   | <b>Mass fraction (F)</b> | <b>Price (P)</b> | <b>Economic allocation (EA)</b> | <b>Allocation ratio* (AR)</b> |
|---|--------------------------|------------------|---------------------------------|-------------------------------|
|   | %                        | €/kg             | %                               |                               |
| <b>a) Fresh meat and edible offal</b>                     | 67.0                     | 1.08             | 98.67                           | 1.54                          |
| <b>b) Food grade bones</b>                                | 11.0                     | 0.03             | 0.47                            | 0.04                          |
| <b>c) Food grade fat</b>                                  | 3.0                      | 0.02             | 0.09                            | 0.03                          |
| <b>d) Cat. 3 slaughter by-products</b>                    | 19.0                     | 0.03             | 0.77                            | 0.04                          |
| <b>e) Hides and skins (categorized in cat.3 products)</b> | 0.0                      | 0.00             | 0                               | 0                             |
| <b>Total</b>  | 100.0                    |                  | 100.0                           |                               |

<sup>67</sup> Based on the PEF screening study (v 1.0, November 2015) of the meat pilot, available at <https://webgate.ec.europa.eu/fpfis/wikis/pages/viewpage.action?pageId=81474527>

#### 4.5.1.8 Allocation within the slaughterhouse for sheep and goat

The default values in Table 19 shall be used in OEF studies dealing with allocation within the slaughterhouse for sheep and goat. The change of allocation factors based on company-specific data is not allowed. The same allocation factors as for sheep shall be used also for goat.

**Table 19** Economic allocation ratios for sheep<sup>68</sup>.

|   | <b>Mass fraction (F)</b> | <b>Price (P)</b> | <b>Economic allocation (EA)</b> | <b>Allocation ratio* (AR)</b> |
|---|--------------------------|------------------|---------------------------------|-------------------------------|
|   | %                        | €/kg             | %                               |                               |
| <b>a) Fresh meat and edible offal</b>                     | 44.0                     | 7                | 97.8 <sup>69</sup>              | 2.22                          |
| <b>b) Food grade bones</b>                                | 4.0                      | 0.01             | 0.0127                          | 0.0032                        |
| <b>c) Food grade fat</b>                                  | 6.0                      | 0.01             | 0.0190                          | 0.0032                        |
| <b>d) Cat. 3 slaughter by-products</b>                    | 13.0                     | 0.15             | 0.618                           | 0.05                          |
| <b>e) Hides and skins (categorized in cat.3 products)</b> | 14.0                     | 0.35             | 1.6                             | 0.11                          |
| <b>f) cat 1/2 material and waste</b>                      | 19                       | 0                | 0                               | 0                             |
| <b>Total</b>  | 100                      |                  | 100                             |                               |

<sup>68</sup> Based on the PEF screening study (v 1.0, November 2015) of the meat pilot, available at <https://webgate.ec.europa.eu/fpfis/wikis/pages/viewpage.action?pageId=81474527>

## 4.6 Data collection requirements and quality requirements

### 4.6.1 Company-specific data

This section describes company-specific Life Cycle Inventory data, which are data directly measured or collected at a specific facility or set of facilities, and representative of one or more activities or processes in the system boundary. The data shall include all known inputs and outputs for the processes. Examples for inputs are use of energy, water, land, materials, etc. Outputs are the products, co-products, emissions and waste generated. Emissions are divided into three compartments (emissions to air, to water and to soil).

Company-specific emission data may be collected, measured or calculated using company-specific activity data and related emission factors (e.g. litre of fuel consumption and emission factors for combustion in a vehicle or boiler).

The most representative sources of data for specific processes are measurements directly performed on the process, or obtained from operators via interviews or questionnaires. The data may need scaling, aggregation or other forms of mathematical treatment to bring them in line with the functional unit and reference flow of the process.

Typical specific sources of company-specific data are:

- Process- or plant-level consumption data;
- Bills and stock/ inventory changes of consumables;
- Emission measurements (amounts and concentrations of emissions from flue gas and wastewater);
- Composition of products and waste;
- Procurement and sale department(s)/ unit(s).

All new datasets created when conducting a OEF study shall be EF compliant (see <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml> for further details).

All company-specific data shall be modelled in company-specific datasets.

### 4.6.2 Secondary data

Secondary data refer to data that are not based on direct measurements or calculation of the respective processes in the system boundary. Secondary data is either sector-specific, i.e. specific to the sector being considered for the OEF study, or multi-sector. Examples of secondary data include:

- Data from literature or scientific papers;
- Industry average life cycle data from LCI databases, industry association reports, government statistics, etc.

All secondary data shall be modelled in secondary datasets that shall fulfil the data quality requirements specified in section 4.6.5. The sources of the data used shall be clearly documented and reported in the OEF report.

### 4.6.3 Which datasets to use?

OEF studies shall use secondary datasets that are EF compliant, unless a suitable dataset is available for the process. In case an EF compliant secondary dataset does not exist, the selection of the datasets to be used shall be done according to the following rules, provided below in hierarchical order:

- Use an EF-compliant proxy (if available); the use of proxy datasets shall be reported in the limitations section of the OEF report.

- Use an ILCD entry level (EL) compliant proxy<sup>70</sup>. A maximum of 10% of the total environmental impact may be derived from ILCD-EL compliant datasets (calculated cumulatively from lowest to largest contribution to the total EF profile). If no EF-compliant or ILCD- EL compliant proxy is available, then that process shall be excluded from the model. This shall be clearly stated in the OEF report as data gap and validated by the verifier.
- If no EF-compliant or ILCD-EL compliant proxy is available, then the process shall be excluded from the model. This shall be clearly stated in the in the “limitations” section of the OEF report as a data gap and validated by the verifier.

#### 4.6.4 Cut-off

Any cut-off shall be avoided, unless under the following rules:

Processes and elementary flows may be excluded up to 3.0%, based on material and energy flows and the level of environmental significance (single overall score). The processes subject to cut-off shall be made explicit and justified in the OEF report, in particular with reference to the environmental significance of the cut-off applied.

This cut-off has to be considered additionally to the cut-off already included in the background datasets. This rule is valid for both intermediate and final products.

The processes that in total account less than 3.0% of the material and energy flow and environmental impact for each impact category may be excluded from OEF studies (starting from the less relevant).

A screening study is recommended to identify processes that may be subject to cut-off.

#### 4.6.5 Data quality requirements

This section describes how the data quality of EF compliant datasets shall be assessed. The data quality requirements are presented in Table 20.

- Two minimum requirements: (i) completeness, and (ii) methodological appropriateness and consistency (i.e. full compliance with the OEF method). Once the processes and products are chosen which represent the system analysed, and the LCI of these processes and products are inventoried, the completeness criterion evaluates to what degree the LCI covers all the emissions and resources of the processes and products that are required to calculate all EF impact categories. The completeness criterion is a pre-requisite for EF compliant datasets and thus shall not be rated. Full compliance with the OEF method is required for EF compliant datasets, therefore the criterion methodological appropriateness and consistency is also a pre-requisite and shall not be rated.
- Four quality criteria: technological, geographical, time-related representativeness, and precision. These criteria shall be subject to a scoring procedure.
- Three quality aspects: documentation, nomenclature and review. These criteria are not included within the semi-quantitative assessment of the data quality.

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<sup>70</sup> In case an ILCD-EL compliant proxy is used, for the elementary flows, the nomenclature shall be aligned with the most recent version of the EF reference package available on the EF developer’s page at the following link <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>. Details to fulfil this aspect are available at <http://eplca.jrc.ec.europa.eu/uploads/MANPROJ-PR-ILCD-Handbook-Nomenclature-and-other-conventions-first-edition-ISBN-fin-v1.0-E.pdf>. Furthermore, the EF reference package used for the ILCD-EL proxy, shall be the same one of the EF-compliant datasets used in the OEF study.

**Table 20** Data quality criteria, documentation, nomenclature and review<sup>71</sup>

|                                       |   |
|---------------------------------------|---|
| <b>Minimum requirements</b>           | <ul style="list-style-type: none"> <li>• Completeness</li> <li>• Methodological appropriateness and consistency<sup>72</sup></li> </ul>   |
| <b>Data quality criteria (scored)</b> | <ul style="list-style-type: none"> <li>• Technological representativeness<sup>73</sup> (TeR)</li> <li>• Geographical representativeness<sup>74</sup> (GeR)</li> <li>• Time-related representativeness<sup>75</sup> (TiR)</li> <li>• Precision<sup>76</sup> (P)</li> </ul> |
| <b>Documentation</b>                  | <ul style="list-style-type: none"> <li>• Compliant with the ILCD format</li> </ul>  |
| <b>Nomenclature</b>                   | <ul style="list-style-type: none"> <li>• Compliant with the ILCD nomenclature structure (use of EF reference elementary flows for IT compatible inventories; see detailed requirements at section 4.3)</li> </ul>   |
| <b>Review</b>                         | <ul style="list-style-type: none"> <li>• Review by "Qualified reviewer"</li> <li>• Separate review report</li> </ul>  |

Each data quality criterion to be scored (TeR, GeR, TiR and P) is rated according to the five levels listed in Table 21.

**Table 21** Data Quality Rating (DQR) and data quality levels of each data quality criterion

| <b>Data Quality Rating of Data Quality Criteria (TeR, GeR, TiR, P)</b> | <b>Data Quality Level</b> |
|--|---------------------------|
| 1  | Excellent                 |
| 2  | Very Good                 |
| 3  | Good                      |
| 4  | Fair                      |
| 5  | Poor                      |

<sup>71</sup> Detailed requirements regarding documentation and review are provided <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

<sup>72</sup> The term "methodological appropriateness and consistency" used throughout this method is equivalent to "consistency" used in ISO14044.

<sup>73</sup> The term "technological representativeness" used throughout this method is equivalent to "technological coverage" used in ISO14044.

<sup>74</sup> The term "geographical representativeness" used throughout this method is equivalent to "geographical coverage" used in ISO14044.

<sup>75</sup> The term "time-related representativeness" used throughout this method is equivalent to "time-related coverage" used in ISO14044.

<sup>76</sup> The term "parameter uncertainty" used throughout this method is equivalent to "precision" used in ISO14044.

#### 4.6.5.1 DQR formula

Within the EF context, the data quality of each new EF compliant dataset and of the total OEF study shall be calculated and reported. The calculation of the DQR shall be based on four data quality criteria:

$$DQR = \frac{TeR+GeR+TiR+P}{4} \quad [Equation 19]$$

where TeR is the Technological-Representativeness, GeR is the Geographical-Representativeness, TiR is the Time-Representativeness, and P is Precision. The representativeness (technological, geographical and time-related) characterises to what degree the processes and products selected are depicting the system analysed, while the precision indicates the way the data is derived and related level of uncertainty.

Five quality levels (from excellent to poor) can be achieved according to the Data Quality Rating (DQR). They are summarized in Table 22.

**Table 22** Overall data quality level of EF-compliant datasets, according to the achieved data quality rating

| Overall data quality rating (DQR) | Overall data quality level |
|-----------------------------------|----------------------------|
| $DQR \leq 1.5$                    | "Excellent quality"        |
| $1.5 < DQR \leq 2.0$              | "Very good quality"        |
| $2.0 < DQR \leq 3.0$              | "Good quality"             |
| $3 < DQR \leq 4.0$                | "Fair quality"             |
| $DQR > 4$                         | "Poor quality"             |

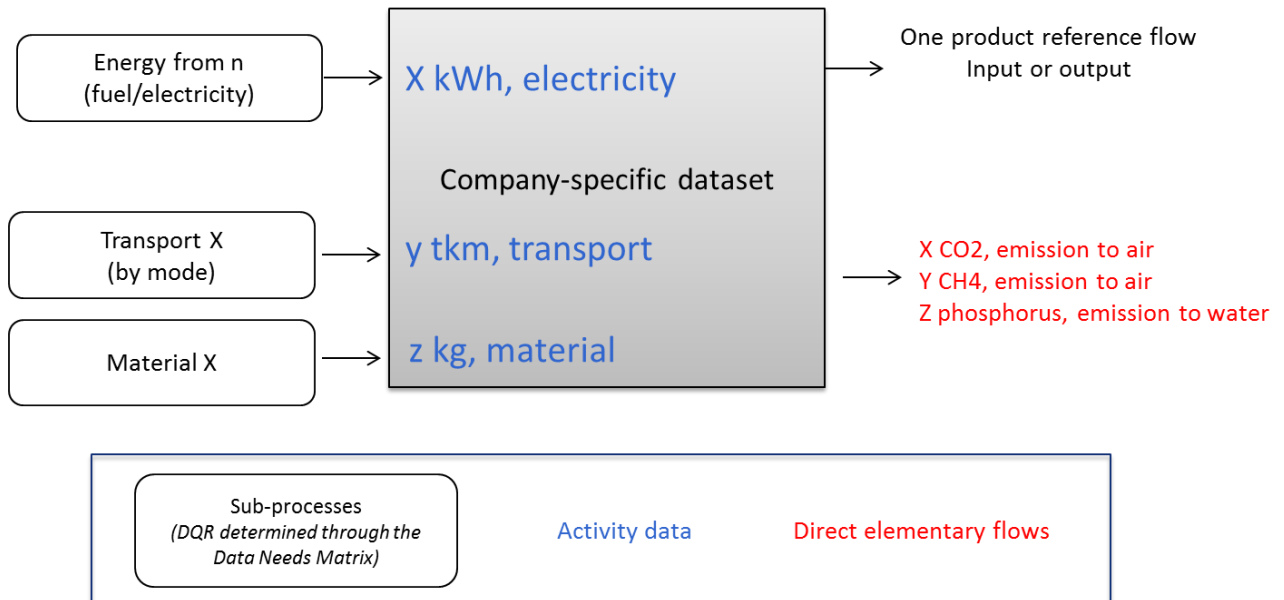
The DQR formula is applicable to:

1. Company-specific datasets: section 4.6.5.2 describes the procedure to calculate the DQR of company-specific datasets;
2. Secondary datasets: when using a secondary EF compliant dataset in an OEF study (procedure described in section 4.6.5.3);
3. OEF study (procedure described in section 4.6.5.8).

#### 4.6.5.2 DQR of company-specific datasets

When creating a company-specific dataset, the data quality of i) the company-specific activity data and ii) the company-specific direct elementary flows (i.e. emission data) shall be assessed separately. The DQR of the sub-processes linked to the activity data (see Figure 9) are evaluated through the requirements provided in the Data Needs Matrix (section 4.6.5.4).

**Figure 9** Graphical representation of a company-specific dataset. A company-specific dataset is a partially disaggregated one: the DQR of the activity data and direct elementary flows shall be assessed. The DQR of the sub-processes shall be assessed through the Data Needs Matrix.



The DQR of the newly developed dataset shall be calculated as follows:

- 1) Select the most relevant activity data and direct elementary flows: most relevant activity data are the ones linked to sub-processes (i.e. secondary datasets) that account for at least 80% of the total environmental impact of the company-specific dataset, listing them from the most contributing to the least contributing one. Most relevant direct elementary flows are defined as those direct elementary flows contributing cumulatively at least with 80% to the total impact of the direct elementary flows.
- 2) Calculate the DQR criteria  $Te_R$ ,  $Ti_R$ ,  $Ge_R$  and  $P$  for each most relevant activity data and each most relevant direct elementary flow using Table 23.
  - a. Each most relevant direct elementary flow consists of the amount and elementary flow naming (e.g. 40 g CO<sub>2</sub>). For each most relevant elementary flow, the 4 DQR criteria named  $Te_{R-EF}$ ,  $Ti_{R-EF}$ ,  $Gr_{R-EF}$ ,  $Pe_F$  shall be evaluated (e.g. the timing of the flow measured, for which technology the flow was measured and in which geographical area).
  - b. For each most relevant activity data, the 4 DQR criteria shall be evaluated (named  $Ti_{R-AD}$ ,  $P_{AD}$ ,  $Gr_{AD}$ ,  $Te_{R-AD}$ ).
  - c. Considering that both activity data and direct elementary flows shall be company specific, the score of  $P$  cannot be higher than 3 while the score for  $Ti_R$ ,  $Te_R$ , and  $Ge_R$  cannot be higher than 2 (the DQR score shall be  $\leq 1.5$ ).
- 3) Calculate the environmental contribution of each most-relevant activity data (through linking to the appropriate sub-process) and direct elementary flow to the total sum of the environmental impact of all most relevant activity data and direct elementary flows, in % (weighted, using all EF impact categories). For example, the newly developed dataset has

only two most relevant activity data, contributing in total to 80% of the total environmental impact of the dataset:

- Activity data 1 carries 30% of the total dataset environmental impact. The contribution of this process to the total of 80% is 37.5% (the latter is the weight to be used).
  - Activity data 2 carries 50% of the total dataset environmental impact. The contribution of this process to the total of 80% is 62.5% (the latter is the weight to be used).
- 4) Calculate the TeR, TiR, GeR and P criteria of the newly developed dataset as the weighted average of each criteria of the most relevant activity data and direct elementary flows. The weight is the relative contribution (in %) of each most relevant activity data and direct elementary flow calculated in step 3.
  - 5) The user of the OEF method shall calculate the total DQR of the newly developed dataset using Equation 20, where  $\overline{Te}_R, \overline{Ge}_R, \overline{Ti}_R, \overline{P}$  are the weighted average calculated as specified in point (4).

$$DQR = \frac{\overline{Te}_R + \overline{Ge}_R + \overline{Ti}_R + \overline{P}}{4} \quad [Equation 20]$$



**Table 23** How to assign the values to DQR criteria when using company-specific information. No criteria shall be modified.

| Rating | P <sub>EF</sub> and P <sub>AD</sub>  | T <sub>iR-EF</sub> and T <sub>iR-AD</sub>  | T <sub>eR-EF</sub> and T <sub>eR-AD</sub>  | G <sub>R-EF</sub> and G <sub>R-AD</sub>   |
|--------|--|--|--|---|
| 1      | Measured/calculated and externally verified  | The data refers to the most recent annual administration period with respect to the EF report publication date | The elementary flows and the activity data exactly the technology of the newly developed dataset       | The activity data and elementary flows reflects the exact geography where the process modelled in the newly created dataset takes place   |
| 2      | Measured/calculated and internally verified, plausibility checked by reviewer  | The data refers to maximum 2 annual administration periods with respect to the EF report publication date      | The elementary flows and the activity data is a proxy of the technology of the newly developed dataset | The activity data and elementary flows) partly reflects the geography where the process modelled in the newly created dataset takes place |
| 3      | Measured/calculated/literature and plausibility not checked by reviewer OR Qualified estimate based on calculations plausibility checked by reviewer | The data refers to maximum three annual administration periods with respect to the EF report publication date  | Not applicable   | Not applicable  |
| 4-5    | Not applicable   | Not applicable   | Not applicable   | Not applicable  |

**P<sub>EF</sub>**: Precision for elementary flows; **P<sub>AD</sub>**: Precision for activity data; **T<sub>iR-EF</sub>**: Time Representativeness for elementary flows; **T<sub>iR-AD</sub>**: Time representativeness for activity data;; **T<sub>eR-EF</sub>**: Technology representativeness for elementary flows; **T<sub>eR-AD</sub>**: Technology representativeness for activity data; **G<sub>R-EF</sub>**: Geographical representativeness for elementary flows; **G<sub>R-AD</sub>**: Geographical representativeness for activity data.

#### 4.6.5.3 DQR of secondary datasets used in OEF studies

This section describes the procedure to calculate the DQR of secondary datasets used in a OEF study. This means that the DQR of the EF compliant secondary dataset (calculated by the data provider) shall be re-calculated, when they are used in the modelling of most relevant processes (see 4.6.5.4), to allow the user of the OEF method to assess the context-specific DQR criteria (i.e. TeR, TiR and GeR of most relevant processes). The TeR, TiR and GeR criteria shall be re-evaluated based on Table 24. It is not allowed to modify any criteria. The total DQR of the dataset shall be recalculated using equation 19.

**Table 24** How to assign the values to DQR criteria when using secondary datasets.

| Rating   | Ti <sub>R</sub>   | Te <sub>R</sub>  | Ge <sub>R</sub>   |
|----------|---|--|---|
| <b>1</b> | The EF report publication date happens within the time validity of the dataset  | The technology used in the EF study is exactly the same as the one in scope of the dataset           | The process modelled in the EF study takes place in the country the dataset is valid for  |
| <b>2</b> | The EF report publication date happens not later than 2 years beyond the time validity of the dataset                                   | The technologies used in the EF study is included in the mix of technologies in scope of the dataset | The process modelled in the EF study takes place in the geographical region (e.g. Europe) the dataset is valid for  |
| <b>3</b> | The EF report publication date happens not later than 4 years beyond the time validity of the dataset                                   | The technologies used in the EF study are only partly included in the scope of the dataset           | The process modelled in the EF study takes place in one of the geographical regions the dataset is valid for  |
| <b>4</b> | The EF report publication date happens not later than 6 years beyond the time validity of the dataset                                   | The technologies used in the EF study are similar to those included in the scope of the dataset      | The process modelled in the EF study takes place in a country that is not included in the geographical region(s) the dataset is valid for, but sufficient similarities are estimated based on expert judgement. |
| <b>5</b> | The EF report publication date happens later than 6 years after the time validity of the dataset, or the time validity is not specified | The technologies used in the EF study are different from those included in the scope of the dataset  | The process modelled in the EF study takes place in a different country than the one the dataset is valid for   |

**T<sub>ir</sub>**: Time representativeness; **T<sub>er</sub>**: Technology representativeness; **G<sub>er</sub>**: Geographic representativeness.

#### **4.6.5.4 The data needs matrix (DNM)**

The Data Needs Matrix shall be used to evaluate all processes required to model the products (belonging to the product portfolio in scope) on their data requirements (see Table 25). It indicates for which processes company-specific data or secondary data shall or may be used, depending on the level of influence the company has on the process. The following three cases are found in the DNM and explained below:

1. **Situation 1**: the process is run by organisation in scope of the OEF study.
2. **Situation 2**: the process is not run by the organisation in scope of the OEF study, but the organisation has access to (company-)specific information.
3. **Situation 3**: the process is not run by organisation in scope of the OEF study and this organisation does not have access to (company-)specific information.

The user of the OEF method shall:

1. Determine the level of influence (Situation 1, 2 or 3) the organisation has for each process in its supply chain. This decision determines which of the options in Table 25 is pertinent for each process;
2. Provide a table in OEF report listing all processes and their situation according to the DNM;
3. Follow the data requirements indicated in Table 25;
4. Calculate/ re-evaluate the DQR values (for each criterion + total) for the datasets of most relevant processes and the new ones created, as indicated in sections 4.6.5.6 – 4.6.5.8.

**Table 25** Data Needs Matrix (DNM) – Requirements for a company performing a OEF study. The options indicated for each situation are not listed in hierarchical order.

|  |                 | <b>Data requirements</b>   |
|--|-----------------|--|
| <b>Situation 1:</b> process run by the organisation in scope of the OEF study  | <b>Option 1</b> | Provide company-specific data (both activity data and direct emissions) and create a company-specific dataset (DQR≤1.5). Calculate DQR of the dataset following the rules at section 4.6.5.2.  |
| <b>Situation 2:</b> process not run by the organisation in scope of the OEF study but with access to company-specific information    | <b>Option 1</b> | Provide company-specific data and create a company-specific dataset (DQR≤1.5). Calculate DQR of the dataset following the rules at section 4.6.5.2.  |
|  | <b>Option 2</b> | Use an EF-compliant secondary dataset and apply company-specific activity data for transport (distance), and substitute the sub-processes used for electricity mix and transport with supply-chain specific EF compliant datasets (DQR≤3.0). Recalculate DQR of the dataset used (see section 4.6.5.6) |
| <b>Situation 3:</b> process not run by the organisation in scope of the OEF study and without access to company-specific information | <b>Option 1</b> | Use an EF-compliant secondary data set in aggregated form (DQR≤3.0). Recalculate DQR of the dataset if the process is most relevant (see section 4.6.5.7)  |

#### **4.6.5.5 DNM, situation 1**

For all processes run by the organisation in scope and where the user of the OEF method uses company-specific data, the DQR of the newly developed EF compliant dataset shall be evaluated as described in section 4.6.5.2.

#### **4.6.5.6 DNM, situation 2**

When a process is in situation 2 (i.e. the organisation in scope of the OEF study is not running the process but has access to company-specific data) there are two possible options:

- The organisation in scope of the OEF study has access to extensive supplier-specific information and wants to create a new EF-compliant dataset (Option 1);
- The organisation in scope of the OEF study has some supplier-specific information and wants to make some minimum changes (Option 2).

#### **Situation 2/Option 1**

For all processes not run by the organisation in scope and where the user of the OEF study applies company-specific data, the DQR of the newly developed EF compliant dataset shall be evaluated as described in section 4.6.5.2.

## **Situation 2/Option 2**

A disaggregated secondary EF compliant dataset is used for processes in Situation 2/Option 2. The user of the OEF method shall:

- Use company-specific activity data for transport;
- Substitute the sub-processes for the electricity mix and transport used in the disaggregated secondary EF compliant dataset with supply chain specific EF compliant datasets.

Supply-chain specific  $R_1$  values may be used. The user of the OEF method shall recalculate the DQR criteria for the processes in Situation 2, Option 2. It shall make the DQR context-specific by re-evaluating TeR and TiR using the table(s) provided in Table 24. The criterion GeR shall be lowered by 30% and the criterion P shall keep the original value.

### **4.6.5.7 DNM, situation 3**

If a process is in situation 3 (i.e. the organisation in scope of the OEF study is not running the process and this organisation does not have access to company-specific data), the user of the OEF method shall use EF compliant secondary datasets.

If the process is a most relevant one, following the procedure described in section 6.3, the user of the OEF method shall make the DQR criteria context-specific by re-evaluating TeR, TiR and GeR using Table 24. The parameter P shall keep the original value.

For the non-most relevant processes, following the procedure described in section 6.3, the user of the OEF method shall take the DQR values from the original dataset.

### **4.6.5.8 DQR of an OEF study**

To calculate the DQR of the OEF study, the user of the OEF method shall calculate separately the TeR, TiR, GeR and P. They shall be calculated as the weighted average of the DQR scores of all most relevant processes, based on their relative environmental contribution to the single overall score, using equation 20.

## 5 Environmental Footprint impact assessment

Once the Life Cycle Inventory (LCI) has been compiled, the EF impact assessment<sup>77</sup> shall be undertaken to calculate the environmental performance of the product, using all the EF impact categories and models. EF impact assessment includes four steps: classification, characterisation, normalisation and weighting. Results of an OEF study shall be calculated and reported in the OEF report as characterised, normalised and weighted results for each EF impact category and as a single overall score based on the weighting factors provided in section 5.2.2.

### 5.1 Classification and characterisation

#### 5.1.1 Classification

Classification requires assigning the material/ energy inputs and outputs inventoried in the LCI to the relevant EF impact category. For example, during the classification phase, all inputs/ outputs that result in greenhouse gas emissions are assigned to the climate change category. Similarly, those that result in emissions of ozone-depleting substances are classified accordingly to the ozone depletion category. In some cases, an input or output may contribute to more than one EF impact category (for example, chlorofluorocarbons (CFCs) contribute to both climate change and ozone depletion).

It is important to express the data in terms of the constituent substances for which characterisation factors (see next section) are available. For example, data for a composite NPK fertiliser shall be disaggregated and classified according to its N, P, and K fractions, because each constituent element will contribute to different EF impact categories. In practice, much of the LCI data may be drawn from existing public or commercial LCI databases, where classification has already been implemented. In such cases, it must be assured, for example by the provider, that the classification and linked EF impact assessment pathways correspond to the requirements of the OEF method.

All inputs and outputs inventoried during the compilation of the LCI shall be assigned to the EF impact categories to which they contribute ("classification") using the classification data available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

As part of the classification of the Life Cycle Inventory, data should be expressed in terms of constituent substances for which characterisation factors are available, as far as possible.

#### 5.1.2 Characterisation

Characterisation refers to the calculation of the magnitude of the contribution of each classified input and output to their respective EF impact categories, and aggregation of the contributions within each category. This is carried out by multiplying the values in the LCI by the relevant characterisation factor for each EF impact category.

The characterisation factors are substance- or resource-specific. They represent the impact intensity of a substance relative to a common reference substance for an EF impact category (impact category indicator). For example, in the case of calculating climate change impacts, all greenhouse gas emissions inventoried in the LCI are weighted in terms of their impact intensity relative to carbon dioxide, which is the reference substance for

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<sup>77</sup> The EF Impact Assessment does not intend to replace other (regulatory) tools that have a different scope and objective such as (Environmental) Risk Assessment ((E)RA), site specific Environmental Impact Assessment (EIA) or Health and Safety regulations at product level or related to safety at the workplace. Especially, the EF Impact Assessment has not the objective to predict if at any specific location at any specific time thresholds are exceeded and actual impacts occur. In contrast, it describes the existing pressures on the environment. Thus, the EF Impact Assessment is complementary to other well-proven tools, adding the life cycle perspective.

this category. This allows for the aggregation of impact potentials and expression in terms of a single equivalent substance (in this case, CO<sub>2</sub> equivalents) for each EF impact category.

All classified inputs and outputs in each EF impact category shall be assigned characterisation factors representing the contribution per unit of input or output to the category, using the provided characterisation factors available online at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>. EF impact assessment results shall subsequently be calculated for each EF impact category by multiplying the amount of each input/ output by its characterisation factor and summing the contributions of all inputs/ outputs within each category to obtain a single measure expressed in the appropriate reference units.

## **5.2 Normalisation and weighting**

Following the steps of classification and characterisation, the EF impact assessment shall be complemented with normalisation and weighting.

### **5.2.1 Normalisation of Environmental Footprint impact assessment results**

Normalisation is the step in which the life cycle impact assessment results are multiplied by normalisation factors to calculate and compare the magnitude of their contributions to the EF impact categories relative to a reference unit. As a result, dimensionless, normalised results are obtained. These reflect the burdens attributable to a product relative to the reference unit. Within the OEF method the normalisation factors are expressed per capita based on a global value. The EF normalisation factors to be used are available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

Normalised environmental footprint results do not, however, indicate the severity or relevance of the respective impacts.

In OEF studies, normalised results shall not be aggregated as this implicitly applies weighting. Characterised results shall be reported alongside the normalised results.

### **5.2.2 Weighting of Environmental Footprint impact assessment results**

Weighting is a mandatory step in OEF studies and it supports the interpretation and communication of the results of the analysis. In this step, normalised results are multiplied by a set of weighting factors (in %) which reflect the perceived relative importance of the life cycle impact categories considered. Weighted results of different impact categories may then be compared to assess their relative importance. They may also be aggregated across life cycle impact categories to obtain a single overall score.

To develop weighting factors, value judgements are required as to the respective importance of the life cycle impact categories considered. The weighting factors<sup>78</sup> that shall be used in OEF studies are provided at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

The results of the EF impact assessment prior to weighting (i.e. characterised and normalised) shall be reported alongside weighted results in the OEF report.

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<sup>78</sup> For more information on existing weighting approaches in PEF and OEF, please refer to the reports developed by the JRC available online at [http://ec.europa.eu/environment/eussd/smgp/documents/2018\\_JRC\\_Weighting\\_EF.pdf](http://ec.europa.eu/environment/eussd/smgp/documents/2018_JRC_Weighting_EF.pdf)

## 6 Interpretation of Organisation Environmental Footprint results

### 6.1 Introduction

Interpretation of the results of the OEF study serves two purposes:

- the first is to ensure that the performance of the OEF model corresponds to the goals and quality requirements of the study. In this sense, life cycle interpretation may inform iterative improvements of the OEF model until all goals and requirements are met;
- the second purpose is to derive robust conclusions and recommendations from the analysis, for example in support of environmental improvements.

To meet these objectives, the interpretation phase shall include the steps outlined in this chapter.

### 6.2 Assessment of the robustness of the Organisation Environmental Footprint model

The assessment of the robustness of the OEF model evaluates the extent to which methodological choices such as the system boundary, data sources, and allocation choices influence the analytical outcomes.

Tools that should be used to assess the robustness of the OEF model include:

- **Completeness checks:** assess the Life Cycle Inventory data to ensure that it is complete relative to the defined goals, scope, system boundary and quality criteria. This includes completeness of process coverage (i.e. all processes at each supply chain stage considered have been included) and input/ output coverage (i.e. all material or energy inputs and emissions associated with each process have been included).
- **Sensitivity checks:** assess the extent to which the results are determined by specific methodological choices, and the impact of implementing alternative choices where these are identifiable. It is useful to structure sensitivity checks for each phase of the OEF study, including goal and scope definition, the Life Cycle Inventory, and the EF impact assessment.
- **Consistency checks:** assess the extent to which assumptions, methods, and data quality considerations have been applied consistently throughout the OEF study.

Any issues flagged in this evaluation may be used to inform iterative improvements to the OEF study.

### 6.3 Identification of hotspots: most relevant impact categories, life cycle stages, processes and elementary flows

Once the user of the OEF method ensures that the OEF model is robust and conforms to all aspects defined in the goal and scope definition phases, the main contributing elements to the OEF results shall be identified. This step may also be referred to as “hotspot” analysis. The user of the OEF method shall identify and list in the OEF report (together with the %) the most relevant:

1. Impact categories,
2. Life cycle stages (mandatory if the PP is made of products. Optional if the PP includes services),
3. Processes,



#### 4. Elementary flows.

There is an important operational difference between most relevant impact categories, and life cycle stages on one hand and most relevant processes, and elementary flows on the other. In particular, most relevant impact categories and life cycle stages may be mainly relevant in the context of the “communication” of an OEF study. They might serve the purpose of “warning” an organisation about the area where they should focus their attention.

The identification of the most relevant processes and elementary flows is more important for the engineers and designers to identify actions for improving the overall footprint e.g. by-pass or change a process, further optimise a process, apply anti-pollution technology etc. This is particularly relevant for internal studies, to look deeper on how to improve the environmental performance of the product.

The procedure that shall be followed to identify the most relevant impact categories, life cycle stages, processes and elementary flows is described in the following sections.

##### **6.3.1 Procedure to identify the most relevant impact categories**

The identification of the most relevant impact categories shall be based on the normalised and weighted results. The most relevant impact categories shall be identified as all impact categories that cumulatively contribute to at least **80%** to the total environmental impact. This shall start from the largest to the smallest contributions.

At least three relevant impact categories shall be identified as most relevant ones. The user of the OEF method may add more impact categories to the list of the most relevant ones but none shall be deleted.

##### **6.3.2 Procedure to identify the most relevant life cycle stages**

The most relevant life cycle stages are the ones that together contribute to at least **80%** to any of the most relevant impact categories identified. This shall start from the largest to the smallest contributions. The user of the OEF method may add more life cycle stages to the list of the most relevant ones but none shall be deleted. As a minimum, the life cycle stages described at section 4.2.2 shall be considered.

If the use stage accounts for more than 50% of the total impact, the procedure shall be re-run with the exclusion of the use stage. In this case, the list of most relevant life cycle stages shall be those selected through the latter procedure plus the use stage.

##### **6.3.3 Procedure to identify the most relevant processes**

Each most relevant impact category shall be further investigated by identifying the most relevant processes used to model the organisation in scope. The most relevant processes are those that collectively contribute to at least **80%** to any of the most relevant impact categories identified. Identical processes<sup>79</sup> taking place in different life cycle stages (e.g. transportation, electricity use) shall be accounted for separately. Identical processes taking place within the same life cycle stage shall be accounted for together. The list of most relevant processes shall be reported in the OEF report together with the respective life cycle stage (or multiple life cycle stages if relevant) and the contribution in %. The identification of the most relevant processes shall be done according to Table 26.

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<sup>79</sup> Two processes are identical when they have the same UUID.

**Table 26** Criteria to select at which life cycle stage level to identify the most relevant processes

| — <b>Contribution of the use stage to the total impact</b> | — <b>Most relevant processes identified at the level of</b> |
|--|---|
| — $\geq 50\%$  | — Whole life cycle excluding use stage, and<br>— Use stage  |
| — $< 50\%$   | — Whole life cycle  |

This analysis shall be reported separately for each most relevant impact category. The user of the OEF method may add more processes to the list of the most relevant ones but none shall be deleted.

### 6.3.4 Procedure to identify the most relevant elementary flows

The most relevant elementary flows are defined as those elementary flows contributing cumulatively at least with **80%** to the total impact for each most relevant processes, starting from the most contributing to the less contributing ones. This analysis shall be reported separately for each most relevant impact category.

Elementary flows belonging to the background system of a most relevant process may dominate the total impact, therefore, if disaggregated datasets are available, the user of the OEF method should in addition identify the most relevant direct elementary flows for each most relevant process.

Most relevant direct elementary flows are defined as those direct elementary flows contributing cumulatively at least with **80%** to the total impact of the direct elementary flows of the process, for each most relevant impact category. The analysis shall be limited to the direct emissions of the level-1 disaggregated datasets (see <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>) for description of level-1 disaggregated datasets). This means that the 80% cumulative contribution shall be calculated against the impact caused by the direct emissions only, and not against the total impact of the process.

The user of the OEF method may add more elementary flows to the list of the most relevant ones but none shall be deleted. The list of most relevant elementary flows (or, if applicable, direct elementary flows) per most relevant process shall be reported in the OEF report.

### 6.3.5 Dealing with negative numbers

When identifying the percentage impact contribution for any process or elementary flow, it is important that absolute values be used. This allows to identify the relevance of any credits (e.g., from recycling). In case of processes or flows with a negative impact score, the following procedure shall be applied:

- consider the absolute values (i.e. impacts of processes or flows to have a plus sign, namely a positive score),
- the total impact score needs to be recalculated including the converted negative scores,
- the total impact score is set to 100%,

- the percentage impact contribution for any process or elementary flow is assessed to this new total.

This procedure does not apply to identify the most relevant life cycle stages.

### 6.3.6 Summary of requirements

Table 27 summarises the requirements to define most relevant contributions.

**Table 27** Summary of requirements to define most relevant contributions

| Item                                   | At what level does relevance need to be identified?                | Threshold  |
|--|--|--|
| <b>Most relevant impact categories</b> | Normalised and weighted results                                    | Impact categories cumulatively contributing at least <b>80%</b> of the total environmental impact  |
| <b>Most relevant life cycle stages</b> | For each most relevant impact category                             | All life cycle stages contributing cumulatively more than <b>80%</b> to that impact category   |
| <b>Most relevant processes</b>         | For each most relevant impact category                             | All processes contributing cumulatively (along the entire life cycle) more than <b>80%</b> to that impact category, considering absolute values.   |
| <b>Most relevant elementary flows</b>  | For each most relevant process and most relevant impact categories | All elementary flows contributing cumulatively at least to 80% to the total impact for each most relevant processes.<br><br>If disaggregated data are available: for each most relevant process, all direct elementary flows contributing cumulatively at least to <b>80%</b> to that impact category (caused by the direct elementary flows only) |

### 6.3.7 Example

Fictitious examples are provided below, which are not based on any specific OEF study results.

#### Most relevant impact categories

**Table 28** Contribution of different impact categories based on normalised and weighted results - example

| <b>Impact category</b>                       | <b>Contribution to the total impact (%)</b> |
|--|---|
| Climate change                               | 21.5  |
| Ozone depletion                              | 3.0   |
| Human toxicity, cancer                       | 6.0   |
| Human toxicity, non-cancer                   | 0.1   |
| Particulate matter                           | 14.9  |
| Ionizing radiation, human health             | 0.5   |
| Photochemical ozone formation, human health  | 2.4   |
| Acidification                                | 1.5   |
| Eutrophication, terrestrial                  | 1.0   |
| Eutrophication, freshwater                   | 1.0   |
| Eutrophication, marine                       | 0.1   |
| Ecotoxicity, freshwater                      | 0.1   |
| Land use                                     | 14.3  |
| Water use                                    | 18.6  |
| Resource use, minerals and metals            | 6.7   |
| Resource use, fossils                        | 8.3   |
| <b>Total most relevant impact categories</b> | <b>84.3</b>                                 |

Based on the normalised and weighted results, the most relevant impact categories are: climate change, particulate matter, water use, land use, and resource use (minerals and metals and fossils) for a cumulative contribution of 84.3% of the total impact.

### Most relevant life cycle stages

**Table 29** Contribution of different life cycle stages to the climate change impact category (based on the characterised inventory results) – example

| Life cycle stage (LCS)                      | Contribution (%) |
|---|------------------|
| Raw material acquisition and pre-processing | 46.3             |
| Production of the main product              | 21.2             |
| Product distribution and storage            | 16.5             |
| Use stage                                   | 5.9              |
| End of life                                 | 10.1             |
| <b>Total most relevant LCS</b>              | <b>88.0</b>      |

The three life cycle stages in yellow will be the ones identified as “most relevant” for climate change as they are contributing to more than 80%. Ranking shall start from the highest contributors.

This procedure shall be repeated for all the selected most relevant EF impact categories.

### Most relevant processes

**Table 30** Contribution of different processes to the climate change impact category (based on the characterised inventory results) - example

| Life cycle stage                            | Unit process | Contribution (%) |
|---|--------------|------------------|
| Raw material acquisition and pre-processing | Process A    | 4.9              |
|   | Process B    | 41.4             |
| Production of the main product              | Process C    | 18.4             |
|   | Process D    | 2.8              |
| Product distribution and storage            | Process E    | 16.5             |
| Use stage                                   | Process F    | 5.9              |
| End of life                                 | Process G    | 10.1             |

| Life cycle stage                     | Unit process | Contribution (%) |
|--------------------------------------|--------------|------------------|
| <b>Total most relevant processes</b> |              | <b>86.4</b>      |

According to the proposed procedure the processes B, C, E and G shall be selected as “most relevant”.

This procedure shall be repeated for all the selected most relevant impact categories.

### Dealing with negative numbers and identical processes in different life cycle stages

**Table 31** Example on how to deal with negative numbers and identical process in different life cycle stages

Impact Category 1 (Characterised results)

#### 1. Characterised results of a most relevant EF Impact Category

|                    | LC stage 1 | LC stage 2 | LC stage 3 | LC stage 4 | LC stage 5 | total per process | % per process |
|--------------------|------------|------------|------------|------------|------------|-------------------|---------------|
| Process A          | 18         | 23         |            |            |            | 41                | 44%           |
| Process B          |            |            | 13         |            |            | 13                | 14%           |
| Process C          | 17         |            |            |            | -9         | 8                 | 9%            |
| Process D          | 5          |            |            | 6          |            | 11                | 12%           |
| Process E          | 4          | 4          | 4          | 4          | 4          | 20                | 22%           |
| <b>Total of LC</b> |            |            |            |            |            | 93                | 100%          |

#### 2. Convert everything to absolute values

|                    | LC stage 1 | LC stage 2 | LC stage 3 | LC stage 4 | LC stage 5 | total per process | % per process |
|--------------------|------------|------------|------------|------------|------------|-------------------|---------------|
| Process A          | 18         | 23         |            |            |            | 41                | 38%           |
| Process B          |            |            | 10         |            |            | 10                | 9%            |
| Process C          | 17         |            |            |            | 9          | 26                | 24%           |
| Process D          | 5          |            |            | 6          |            | 11                | 10%           |
| Process E          | 4          | 4          | 4          | 4          | 4          | 20                | 19%           |
| <b>Total of LC</b> |            |            |            |            |            | 108               | 100%          |

Most relevant processes

#### 3. Calculate the % per process and life cycle stage

|                    | LC stage 1 | LC stage 2 | LC stage 3 | LC stage 4 | LC stage 5 | total per process (absolute values) | % per process |
|--------------------|------------|------------|------------|------------|------------|-------------------------------------|---------------|
| Process A          | 17%        | 21%        |            |            |            | 41                                  | 38%           |
| Process B          |            |            | 9%         |            |            | 10                                  | 9%            |
| Process C          | 16%        |            |            |            | 8%         | 26                                  | 24%           |
| Process D          | 5%         |            |            | 6%         |            | 11                                  | 10%           |
| Process E          | 4%         | 4%         | 4%         | 4%         | 4%         | 20                                  | 19%           |
| <b>Total of LC</b> |            |            |            |            |            | 108                                 | 100%          |

## 6.4 Conclusions and recommendations

The final aspect of the EF interpretation phase is to draw conclusions based on the analytical results, answer the questions posed at the outset of the OEF study, and advance recommendations appropriate to the intended audience and context whilst explicitly taking

into account any limitations to the robustness and applicability of the results. The OEF needs to be seen as complementary to other assessments and instruments such as site-specific environmental impact assessments or chemical risk assessments.

Potential improvements should be identified, for example using cleaner technology or production techniques, changes in product design, applying environmental management systems (e.g. Eco-Management and Audit Scheme (EMAS) or ISO 14001), or other systematic approaches.

Conclusions, recommendations and limitations shall be described in accordance with the defined goals and scope of the OEF study. The conclusions should include a summary of identified supply chain "hotspots" and the potential improvements associated with management interventions.

## **7 Organisation Environmental Footprint reports**

### **7.1 Introduction**

An OEF report complements the OEF study and it provides a relevant, comprehensive, consistent, accurate, and transparent summary of the OEF study. It reflects the best possible information in such a way as to maximise its usefulness to intended current and future users, whilst transparently communicating the limitations. Effective OEF reporting requires that several criteria, both procedural (report quality) and substantive (report content), are met. An OEF report template is available in Annex E. The template includes the minimum information to be reported in a OEF report.

An OEF report consists of at least: a summary, main report and an annex. Confidential and proprietary information may be documented in a fourth element - a complementary confidential report. Review reports are annexed.

#### **7.1.1 Summary**

The summary shall be able to stand alone without compromising the results and conclusions/ recommendations (if included). The summary shall fulfil the same criteria about transparency, consistency, etc. as the detailed report. To the extent possible, the summary should be written targeting a non-technical audience.

#### **7.1.2 Main report**

The main report<sup>80</sup> shall, as a minimum, include the following components:

- General information,
- Goal of the study,
- Scope of the study,
- Life cycle inventory analysis,
- Life cycle impact assessment results,
- Interpreting OEF results.

#### **7.1.3 Validation statement**

See section 8.5.3.

#### **7.1.4 Annexes**

The annexes serve to document supporting elements to the main report which are of a more technical nature (e.g detailed calculations for data quality assessment, alternative approach for nitrogen field model when a OEF study has agricultural modelling in scope, results of sensitivity analysis, assessment of the robustness of the OEF model, bibliographic references).

#### **7.1.5 Confidential report**

The confidential report is an optional reporting element that shall contain all data (including raw data) and information that are confidential or proprietary and may not be made externally available. The confidential report shall be made available for the verification and validation procedure of the OEF study (see section 8.4.3).

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<sup>80</sup> The main report, as defined here, is insofar as possible in line with ISO 14044 requirements on reporting for studies which do not contain comparative assertions to be disclosed to the public.



## 8 Verification and validation of OEF studies, reports, and communication vehicles

In case policies implementing the OEF method define specific requirements regarding verification and validation of OEF studies, reports and communication vehicles, the requirements in said policies shall prevail.

### 8.1 Defining the scope of the verification

The verification and validation of the OEF study is mandatory whenever the OEF study, or part of the information therein, is used for any type of external communication (i.e. communication to any interested party other than the commissioner or the user of the OEF method of the study).

**Verification** means the conformity assessment process carried out by an environmental footprint verifier to check whether the OEF study has been carried out in compliance with the most updated version of the Commission OEF method.

**Validation** means the confirmation by the environmental footprint verifier who carried out the verification, that the information and data included in the OEF study OEF report and the communication vehicles are reliable, credible and correct.

The verification and validation shall cover the following three areas:

1. the OEF study (including, but not limited to the data collected, calculated, and estimated and the underlying model);
2. the OEF report;
3. the technical content of the communication vehicles, if applicable.

The verification of the **OEF study** shall ensure that the OEF study is conducted in compliance with the most recent version of the OEF method or OEFSR.

The validation of information in the OEF study shall ensure that:

- the data and information used for the OEF study are consistent, reliable and traceable;
- the calculations performed do not include significant<sup>81</sup> mistakes.

The verification and validation of the **OEF report** shall ensure that:

- the OEF report is complete, consistent, and compliant with the OEF report template provided in the most recent version of the OEF method;
- the information and data included are consistent, reliable and traceable;
- the mandatory information and sections are included and appropriately filled in;
- all the technical information that could be used for communication purposes, independently from the communication vehicle to be used, are included in the report.

**Note:** confidential information shall be subject to validation, whilst they may be excluded from the OEF report.

The validation of the technical content of the **communication vehicle** content shall ensure that:

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<sup>81</sup> Mistakes are significant if they change the final result by more than 5% for any of the impact categories, or the identified most relevant impact categories, life cycle stages and processes.

- The technical information and data included are reliable and consistent with the information included in the OEF study and in the OEF report;
- That the communication vehicle fulfils the principles of transparency, availability and accessibility, reliability, completeness, comparability and clarity, as described in the Commission Communication on Building the Single Market for Green Products<sup>82</sup>.

## 8.2 Verification procedure

The verification procedure covers the following steps:

1. The commissioner shall select the verifier or verification team following the rules outlined in section 8.3.1;
2. The verification shall be performed following the verification process described in section 8.4;
3. The verifier shall communicate to the commissioner any misstatements, non-conformities and need for clarifications (section 8.3.2), and draft the validation statement (section 8.5.2);
4. The commissioner shall respond to the verifier's comments and introduce necessary corrections and changes (if needed) to ensure the final compliance of the OEF study, OEF report and technical content of OEF communication vehicles. If, in the verifier's judgement, the commissioner does not respond appropriately within a reasonable time period, the verifier shall issue a modified validation statement;
5. The final validation statement is provided, considering (if needed) the corrections and changes introduced by the commissioner;
6. Surveillance that the OEF report is available during the validity of the validation statement (as defined in 8.5.3).

If a matter comes to the verifier's attention that causes the verifier to believe in the existence of fraud or noncompliance with laws or regulations, the verifier shall communicate this immediately to the commissioner of the study.

## 8.3 Verifier(s)

The verification/ validation may be performed by a single verifier or by a verification team. The independent verifier(s) shall be external to the organisation that conducted the OEF study.

In all cases the independence of the verifiers shall be guaranteed, i.e. they shall fulfil the intentions in the requirements of ISO/IEC 17020:2012 regarding a 3<sup>rd</sup> party verifier, they shall not have conflicts of interests on concerned products.

In case the OEF study is done based on an OEFSR, verifiers shall not include members of the Technical Secretariat or of the consultants involved in previous parts of the work - screening studies, supporting studies, OEFSR review, etc.

The minimum requirements and score for the verifier(s) as specified below shall be fulfilled. If the verification/ validation is performed by a single verifier, he or she shall satisfy all the minimum requirements and the minimum score (see chapter 8.3.1); if the verification/validation is performed by a team, the team as a whole shall satisfy all the minimum requirements and the minimum score. The documents proving the qualifications of the verifier(s) shall be provided as annex to the verification report or they shall be made available electronically.

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<sup>82</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013DC0196>

In case a verification team is established, one of the members of the verification team shall be appointed as lead verifier.

### 8.3.1 Minimum requirements for verifier(s)

The assessment of the competences of verifier or verification team is based on a scoring system that takes into account (i) verification and validation experience, (ii) EF/LCA methodology and practice, and (iii) knowledge of relevant technologies, processes or other activities included in the product(s)/organisation(s) in scope of the study. Table 32 presents the scoring system for each relevant competence and experience topic.

Unless otherwise specified in the context of the intended application, the verifier's self-declaration on the scoring system constitutes the minimum requirement. Verifier(s) shall provide a self-declaration of their qualifications (e.g. university diploma, working experience, certifications, etc), stating how many points they achieved for each criterion and the total points achieved. This self-declaration shall form part of the OEF verification report.

A verification of a OEF study shall be conducted as per the requirements of the intended application. Unless otherwise specified, the minimum necessary score to qualify as a verifier or a verification team is six points, including at least one point for each of the three mandatory criteria (i.e. verification and validation practice, OEF/LCA methodology and practice, and knowledge of technologies or other activities relevant to the OEF study).

**Table 32** Scoring system for each relevant competence and experience topic for the assessment of the competences of verifier(s)

|                            |  |   | Score (points)  |                 |                     |                     |           |
|----------------------------|--|---|---|-----------------|---------------------|---------------------|-----------|
|                            | Topic                                    | Criteria  | 0   | 1               | 2                   | 3                   | 4         |
| <b>Mandatory criteria</b>  | Verification and validation practice     | Years of experience (1)                             | <2  | $2 \leq x < 4$  | $4 \leq x < 8$      | $8 \leq x < 14$     | $\geq 14$ |
|                            |  | Number of verifications (2)                         | $\leq 5$  | $5 < x \leq 10$ | $11 \leq x \leq 20$ | $21 \leq x \leq 30$ | $> 30$    |
|                            | LCA methodology and practice             | Years of experience (3)                             | <2  | $2 \leq x < 4$  | $4 \leq x < 8$      | $8 \leq x < 14$     | $\geq 14$ |
|                            |  | Number of LCA studies or reviews (4)                | $\leq 5$  | $5 < x \leq 10$ | $11 \leq x \leq 20$ | $21 \leq x \leq 30$ | $> 30$    |
|                            | Knowledge of the specific sector         | Years of experience (5)                             | <1  | $1 \leq x < 3$  | $3 \leq x < 6$      | $6 \leq x < 10$     | $\geq 10$ |
| <b>Additional criteria</b> | Review, verification/validation practice | Optional scores relating to verification/validation | – 2 points: Accreditation as third party verifier for EMAS<br>– 1 point: Accreditation as third party reviewer for at least one EPD Scheme, ISO 14001, or other EMS |                 |                     |                     |           |

(1) Years of experience in the field of environmental verifications and/or review of LCA/PEF/EPD studies.

(2) Number of verifications for EMAS, ISO 14001, International EPD scheme or other EMS.

(3) Years of experience in the field of LCA modelling. Work done during master and bachelor degrees shall be excluded. Work done during a relevant Ph.D./Doctorate course shall be accounted for. Experience in LCA modelling includes, among others:

- LCA modelling in commercial and non-commercial software
- Datasets and database development

(4) Studies compliant with one of the following standards/methods: PEF, OEF, ISO 14040-44, ISO 14067, ISO 14025

(5) Years of experience in a sector related to the studied product(s). The experience in the sector may be gained through LCA studies or through other types of activities. The LCA studies shall be done on behalf of and with access to primary data of the producing/operating industry. The qualification of knowledge about technologies or other activities is assigned according to the classification of NACE codes (*Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities - NACE Revision 2*). Equivalent classifications of other international organisations may also be used. Experience gained with technologies or processes in a whole sector are considered valid for any of its sub-sectors.

### **8.3.2 Role of the lead verifier in the verification team**

The lead verifier is a team member with additional tasks. The lead verifier shall:

- distribute the tasks to be fulfilled between the team members according to the specific competencies of the team members, to get the full coverage of the tasks to be done and to use in the best manner the specific competencies of the team members;
- coordinate the whole verification/validation process and ensure that all team members have a common understanding of the tasks they need to fulfil;
- assemble all comments and ensure they are communicated to the commissioner of the OEF study in a clear and comprehensible way;
- resolve any conflicting statements between team members;
- ensure that the verification report and validation statement are generated and are signed by each member of the verification team.

### **8.4 Verification / validation requirements**

The verifier(s) shall describe all the outcomes related to the verification of the OEF study, OEF report and OEF communication vehicles and give the commissioner of the OEF study the opportunity to improve the work, if necessary. Depending on the nature of the outcomes, additional iterations of comments and responses may be necessary. Any changes made in response to the verification outcomes shall be documented in the verification report.

The verification/validation shall be done by combining documental review and model validation.

- the documental review includes the OEF report, the technical content of any communication vehicle, and the data used in the calculations through requested underlying documents. Verifier(s) may organise the documental review either as an "at desk" or "on site" exercise, or as a mix of the two. The verification of the company-specific data shall always be organised through a visit of the production site(s) the data refer to.
- the validation of the model may take place at the production site of the commissioner of the study or be organised remotely. The verifier(s) shall access the model to verify its structure, the data used, and its consistency with the OEF report. The details about how the verifier(s) accesses the model shall be agreed by the commissioner of the OEF study and the verifier(s).

The verification may take place at the end of the OEF study or in parallel (concurrent) to the study.

The verifier(s) shall ensure that data verification/validation includes:

- (a) coverage, precision, completeness, representativeness, consistency, reproducibility, sources and uncertainty;
- (b) plausibility, quality and accuracy of the LCA-based data;
- (c) quality and accuracy of additional environmental and technical information;
- (d) quality and accuracy of the supporting information.

The validation of the OEF report shall be carried out by checking enough information to provide reasonable assurance that the OEF report fulfils all the conditions listed in section 8.4.1.

The verification and validation of the OEF study shall be carried out by following the minimum requirements listed below.

#### **8.4.1 Minimum requirements for the verification and validation of the OEF study**

The verifier(s) shall validate the accuracy and reliability of the quantitative information used in the calculation of the study. As this may be highly resource intensive, the following requirements shall be followed:

- the verifier shall check if the correct version of all impact assessment methods was used. For each of the most relevant EF impact categories (ICs), at least 50% of the characterisation factors shall be verified, while all normalisation and weighting factors of all ICs shall be verified. In particular, the verifier shall check that the characterisation factors correspond to those included in the EF impact assessment method the study declares compliance with<sup>83</sup>;
- cut-off applied (if any) fulfils the requirements at section 4.6.4;
- all the newly created datasets shall be checked on their EF compliance (for the meaning of EF compliant datasets refer to <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>). All their underlying data (elementary flows, activity data and sub processes) shall be validated;
- for at least 70% of the most relevant processes (by number) in situation 2 option 2 of the DNM, 70% of the underlying numbers shall be validated. The 70% data shall include all energy and transport sub-processes for processes in situation 2 option 2;
- for at least 60% of the most relevant processes (by number) in situation 3 of the DNM, 60% of the underlying data shall be validated;
- for at least 50% of the other processes (by number) in situation 1, 2 and 3 of the DNM, 50% of the underlying data shall be validated.

The verifier shall put together in a single list all the most relevant processes coming from all the most relevant impact categories, together with their situation in the DNM.

For all processes to be validated, it shall be checked if the DQR satisfies the minimum DQR as specified in the OEF method (see section 4.6.5.4).

These data checks shall include, but should not be limited to, the activity data used, the selection of secondary sub-processes, the selection of the direct elementary flows and the CFF parameters. For example, if there are 5 processes and each one of them includes 5 activity data, 5 secondary datasets and 10 CFF parameters, then the verifier(s) has to check at least 4 out of 5 processes (70%) and, for each process, (s)he shall check at least 4 activity data (70% of the total amount of activity data), 4 secondary datasets (70% of

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<sup>83</sup> Available at: <http://eplca.jrc.ec.europa.eu/LCDN/developer.xhtml>

the total amount of secondary datasets), and 7 CFF parameters (70% of the total amount of CFF parameters), i.e. the 70% of each of data that could be possible subject of check.

#### **8.4.2 Verification and validation techniques**

The verifier shall assess and confirm whether the calculation methodologies applied are of acceptable accuracy, reliable, are appropriate and performed in accordance to the OEF method. The verifier shall confirm the correct application of conversion of measurement units.

The verifier shall check if applied sampling procedures are in accordance with the sampling procedure defined in the OEF method. The data reported shall be checked against the source documentation in order to check their consistency.

The verifiers shall evaluate whether the methods for making estimates are appropriate and have been applied consistently.

The verifier may assess alternatives to estimations or choices made, in the assertion to determine whether a conservative choice has been selected.

The verifier may identify uncertainties that are greater than expected and assess the effect of the identified uncertainty on the final OEF results.

#### **8.4.3 Data confidentiality**

Data for validation shall be presented in a systematic and comprehensive way, all the project documentation supporting the validation of a OEF study shall be provided to the verifier(s), including the EF model, the confidential information and data. This data and information shall be treated as confidential and shall be used only during the verification process.

Confidential information may be excluded from the report, provided that:

- the request for non-disclosure only cover input information, not any output information;
- the commissioner of the OEF study provides the verifier with sufficient information of the nature of the data and information, and the reason for the request of excluding the data or information from the study report;
- the verifier accept the non-disclosure and include in the verification report the reasons for doing so;
- the commissioner of the OEF study keep a file of the non-disclosed information for possible future re-evaluation of the decision of non-disclosure.

Business data could be of confidential nature because of competition aspects, intellectual property rights or similar legal restrictions. Therefore, business data identified as confidential and provided during validation process shall be kept confidential. Hence, verifiers shall not disseminate or otherwise retain for use, without the permission of the organisation, any information disclosed to them during the course of the review work. The commissioner of the OEF study may ask to the verifier(s) to sign a non-disclosure agreement (NDA).

## **8.5 Outputs of the verification/ validation process**

### **8.5.1 Content of the verification and validation report**

The verification and validation report<sup>84</sup> shall include all findings of the verification/ validation process, the actions taken by the commissioner to answer the comments of the verifier(s), and the final conclusion. The report is mandatory, but it may be confidential.

The final conclusion may be of different nature:

- “compliant” if the documental or on-site information proves that the requirements of this chapter are fulfilled.
- “not compliant” if the documental or on-site information proves that the requirements of this chapter are not fulfilled.
- “complementary information needed” if the documental or on-site information cannot allow the verifier to conclude on compliance. This may happen if the information is not transparently or sufficiently documented or registered.

### **8.5.2 Content of the validation statement**

The validation statement is mandatory and shall always be provided as an annex to the OEF report. Therefore, from each communication vehicle it shall be possible to have access to the complete public OEF report, including the validation statement.

The following elements and aspects shall be included in the validation statement, as a minimum:

- title of the OEF study under verification/validation, together with the exact version of the report to which the validation statement belongs;
- the commissioner of the OEF study;
- the user of the OEF method;
- the verifier(s) or, in the case of a verification team, the team members with the identification of the lead verifier;
- absence of conflicts of interest of the verifier(s) with respect to concerned products and any involvement in previous work (where relevant, OEFSR development, Technical Secretariat membership, consultancy work carried out for the user of the OEF method during the last three years);
- a description of the objective of the verification/ validation;
- a statement of the result of the verification /validation;
- any limitations of the verification/ validation outcomes;
- date in which the validation statement has been issued;
- signature by the verifier(s).

### **8.5.3 Validity of the verification and validation report and the validation statement**

A verification/ validation report and a validation statement shall refer only to one specific OEF report. The verification and validation report and a validation statement shall unambiguously identify the specific OEF study under verification (e.g. by including the title, the commissioner of the OEF study, the user of the OEF method, etc.), together with the

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<sup>84</sup> The two aspects, validation and verification, are included in one report.

explicit version of the final OEF report to which the verification and validation report and a validation statement apply (e.g. by including the report date, the version number, etc.).

Both the verification and validation report and the validation statement shall be completed on the basis of the final OEF report, after the implementation of all the corrective actions requested by the verifier(s). They shall carry the handwritten or electronic signature of the verifier(s).

The maximum validity of the verification and validation report and of the validation statement should not exceed three years starting from their first issue date.

During the validity period of the verification, surveillance (follow-up) shall be agreed between the commissioner of the OEF study and the verifier(s) to evaluate if the content is still consistent with the current situation (the suggested periodicity for this follow up is once per year).

The periodic checks shall focus on the parameters that according to the verifiers might lead to relevant changes in the results of the OEF study. A non-exhaustive list of such parameters is:

- bill of material/ bill of components;
- energy mix used for processes in situation 1 of the Data Needs Matrix;
- change of packaging;
- changes in the suppliers (materials/ geography);
- changes in the logistics;
- relevant technological changes in the processes in situation 1 of the Data Needs Matrix.

At the time of the periodic check the reasons for non-disclosure of information should also be reconsidered. The surveillance verification may be organised as a documental check and/or through on-site inspections.

Regardless of the validity, the OEF study (and consequently the OEF report) shall be updated during the surveillance period if the results of one of the impact categories communicated has worsened by more than 10.0% compared to the verified data, or if the total aggregated score has worsened by more than 5.0% compared to the verified data.

If these changes affect also the communication content, it shall be updated accordingly.



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**List of figures**

**Figure 1** Example of dataset partially disaggregated at Level-1 .....18

**Figure 2** Phases of an Organisation Environmental Footprint study .....31

**Figure 3** Default transport scenario.....61

**Figure 4** Point of substitution at level 1 and at level 2 .....72

**Figure 5** Example of point of substitutions at different steps in the value chain. ....72

**Figure 6** Modelling option when pre-consumer scrap is claimed as pre-consumer recycled content .....75

**Figure 7** Modelling option when pre-consumer scrap is not claimed as pre-consumer recycled content.....75

**Figure 8** Simplified collection recycling scheme of a material.....76

**Figure 9** Graphical representation of a company-specific dataset. A company-specific dataset is a partially disaggregated one: the DQR of the activity data and direct elementary flows shall be assessed. The DQR of the sub-processes shall be assessed through the Data Needs Matrix.....101

**Figure A-1** – Process flow to create/revise an OEFSR. OEF-RO: OEF study of the representative organisation. ....143

**Figure A-2** – Example of an OEFSR structure with sector-specific horizontal rules, various sub-sectors, and sub-sector specific vertical rules.....152



## List of tables

|   |     |
|---|-----|
| <b>Table 1</b> Example of goal definition - Organisation Environmental Footprint of a company producing jeans and T-shirts.....   | 32  |
| <b>Table 2</b> EF impact categories with respective impact category indicators and characterization models. The CFs that shall be used are available at: <a href="http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml">http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml</a> . .... | 37  |
| <b>Table 3</b> Tier 1 emissions factors of IPCC 2006 (modified). Note that these values shall not be used to compare different types of synthetic fertilizers. ....   | 50  |
| <b>Table 4</b> Alternative approach to nitrogen modelling.....  | 51  |
| <b>Table 5</b> Minimum criteria to ensure contractual instruments from suppliers – guidance to fulfil criteria .....  | 55  |
| <b>Table 6</b> Identification of the sub-population for Example 2 .....   | 65  |
| <b>Table 7</b> Summary of the sub-population for example 2.....   | 66  |
| <b>Table 8</b> Example: how to calculate the number of companies in each sub-sample.....  | 67  |
| <b>Table 9</b> Summary table on how to apply the CFF in different situations .....  | 78  |
| <b>Table 10</b> Default allocation factors for cattle at farming.....   | 88  |
| <b>Table 11</b> Default values to be used for the calculation of NE <sub>wool</sub> for sheep and goat.....   | 89  |
| <b>Table 12</b> Default values to be used for the calculation of NE <sub>i</sub> for sheep and goat .....   | 90  |
| <b>Table 13</b> Constants for use in calculating NE <sub>g</sub> for sheep .....  | 91  |
| <b>Table 14</b> Default values to be used for the calculation of NE <sub>g</sub> for sheep and goat .....   | 91  |
| <b>Table 15</b> Default allocation factors to be used OEF studies for sheep at farming stage..  | 92  |
| <b>Table 16</b> Allocation at farming stage between piglets and sows .....  | 92  |
| <b>Table 17</b> Economic allocation ratios for beef .....   | 94  |
| <b>Table 18</b> Economic allocation ratios for pigs.....  | 95  |
| <b>Table 19</b> Economic allocation ratios for sheep. ....  | 96  |
| <b>Table 20</b> Data quality criteria, documentation, nomenclature and review.....  | 99  |
| <b>Table 21</b> Data Quality Rating (DQR) and data quality levels of each data quality criterion .....  | 99  |
| <b>Table 22</b> Overall data quality level of EF-compliant datasets, according to the achieved data quality rating .....  | 100 |
| <b>Table 23</b> How to assign the values to DQR criteria when using company-specific information. No criteria shall be modified.....  | 103 |
| <b>Table 24</b> How to assign the values to DQR criteria when using secondary datasets. ...   | 104 |
| <b>Table 25</b> Data Needs Matrix (DNM) – Requirements for a company performing a OEF study. The options indicated for each situation are not listed in hierarchical order.....   | 106 |
| <b>Table 26</b> Criteria to select at which life cycle stage level to identify the most relevant processes .....  | 112 |
| <b>Table 27</b> Summary of requirements to define most relevant contributions .....   | 113 |
| <b>Table 28</b> Contribution of different impact categories based on normalised and weighted results - example .....  | 113 |
| <b>Table 29</b> Contribution of different life cycle stages to the climate change impact category (based on the characterised inventory results) – example .....  | 115 |



|   |     |
|---|-----|
| <b>Table 30</b> Contribution of different processes to the climate change impact category (based on the characterised inventory results) - example .....  | 115 |
| <b>Table 31</b> Example on how to deal with negative numbers and identical process in different life cycle stages .....   | 116 |
| <b>Table 32</b> Scoring system for each relevant competence and experience topic for the assessment of the competences of verifier(s) .....   | 121 |
| <b>Table A-1</b> Summary of requirements for OEFSRs covering one single sector and for OEFSRs covering sub-sectors. ....  | 153 |
| <b>Table A-2</b> Four aspects of the product portfolio .....  | 154 |
| <b>Table A-3</b> Alternative approach to nitrogen modelling .....   | 157 |
| <b>Table A-4</b> OEFSR guidelines for the use stage .....   | 162 |
| <b>Table A-5</b> Example activity data and secondary datasets used .....  | 163 |
| <b>Table A-6</b> Processes of the use stage of dry pasta (adapted from the final PEFCR for dry pasta). The most relevant processes are indicated in the green box .....   | 164 |
| <b>Table A-7</b> Requirements regarding $R_1$ values in relation with the DNM .....   | 165 |
| <b>Table A-8</b> Data Needs Matrix (DNM) – Requirements for the user of the OEFSR. The options indicated for each situation are not listed in hierarchical order. See Table A-7 to determine the $R_1$ value to be used. .... | 176 |

## **Annexes**

## **ANNEX A REQUIREMENTS TO DEVELOP OEFSRS AND PERFORM OEF STUDIES IN COMPLIANCE WITH AN EXISTING OEFSR**

Organisation Environmental Footprint Sector Rules (OEFSRs) provide specific requirements for calculating the products' life cycle potential environmental impacts. This Annex contains all additional requirements for developing OEFSRs and performing OEF studies in compliance with an existing OEFSR.

An OEFSR shall be in line with all requirements of this document, shall include (as text) all requirements of this Annex and shall refer (without copying the corresponding text) to the requirements in the OEF method where relevant. It shall further specify those requirements where the OEF method leaves a choice, and may add new requirements, if relevant and in line with the OEF method. Further specified requirements in a OEFSR always prevail over those included in the OEF method.

The objective is to ensure that OEFSRs (developed according to the OEF method) provide the specifications needed to achieve the increased reproducibility, consistency, relevance, focus, efficiency and comparability of OEF studies for organisations within the same specific sector.

# TABLE OF CONTENTS

|             |  |            |
|-------------|--|------------|
| <b>A.1.</b> | <b>INTRODUCTION.....</b>   | <b>141</b> |
| A.1.1.      | Relationship between OEFSRs and PEFCRs .....                                 | 141        |
| A.1.2.      | How to manage modularity .....   | 142        |
| <b>A.2.</b> | <b>THE PROCESS OF DEVELOPING AN OEFSR.....</b>                               | <b>142</b> |
| A.2.1.      | Who can develop an OEFSR .....   | 143        |
| A.2.2.      | Role of the Technical Secretariat.....                                       | 143        |
| A.2.3.      | Definition of the representative organisation(s) .....                       | 144        |
| A.2.4.      | First OEF study of the representative organisation(s) .....                  | 144        |
| A.2.5.      | First draft OEFSR.....   | 145        |
| A.2.6.      | Supporting studies .....   | 145        |
| A.2.7.      | Second OEF study of the representative organisation .....                    | 146        |
| A.2.8.      | The second draft OEFSR.....  | 146        |
| A.2.9.      | The OEFSR review.....  | 147        |
| A.2.9.1.    | Review panel .....   | 147        |
| A.2.9.2.    | Review procedure .....   | 148        |
| A.2.9.3.    | Review criteria of the OEFSR document.....                                   | 148        |
| A.2.9.4.    | Review report/ statement .....   | 149        |
| A.2.10.     | Final draft OEFSR .....  | 149        |
| A.2.10.1.   | Excel model(s) of the representative organisation(s) .....                   | 150        |
| A.2.10.2.   | EF compliant datasets listed in the OEFSR.....                               | 150        |
| A.2.10.3.   | EF compliant datasets representing the representative organisations(s) ..... | 151        |
| <b>A.3.</b> | <b>DEFINING THE SCOPE OF THE OEFSRS .....</b>                                | <b>151</b> |
| A.3.1.      | Sectors and sub-sectors.....   | 151        |
| A.3.2.      | Scope of the OEFSR.....  | 153        |
| A.3.2.1.    | General description of the scope of the OEFSR .....                          | 153        |
| A.3.2.2.    | Use of NACE codes.....   | 154        |
| A.3.2.3.    | Definition of the representative organisation (RO).....                      | 154        |
| A.3.2.4.    | Reporting unit (RU).....   | 154        |
| A.3.2.5.    | System boundary .....  | 155        |
| A.3.2.6.    | List of EF impact categories .....   | 155        |
| A.3.2.7.    | Additional information .....   | 155        |
| A.3.2.8.    | Assumptions and limitations.....   | 156        |
| <b>A.4.</b> | <b>LIFE CYCLE INVENTORY .....</b>  | <b>156</b> |
| A.4.1.      | Direct and indirect activities and life cycle stages.....                    | 156        |
| A.4.2.      | Modelling requirements.....  | 157        |

|   |            |
|---|------------|
| A.4.2.1. Agricultural production.....   | 157        |
| A.4.2.2. Electricity use .....  | 158        |
| A.4.2.3. Transport and logistics.....   | 159        |
| A.4.2.4. Capital goods – infrastructure and equipment .....   | 160        |
| A.4.2.5. Sampling procedure .....   | 160        |
| A.4.2.6. Use stage.....   | 161        |
| A.4.2.7. End of life modelling .....  | 164        |
| A.4.2.8. Extended product lifetime.....   | 167        |
| A.4.2.9. Greenhouse gas emissions and removals.....   | 168        |
| A.4.2.10. Packaging .....   | 169        |
| A.4.3. Handling multi-functional processes .....  | 169        |
| A.4.3.1. Animal husbandry.....  | 170        |
| A.4.4. Data collection requirements and quality requirements.....   | 170        |
| A.4.4.1. List of mandatory company-specific data.....   | 170        |
| A.4.4.2. Which datasets to use?.....  | 171        |
| A.4.4.3. Cut-off .....  | 172        |
| A.4.4.4. Data quality requirements .....  | 173        |
| <b>A.5. OEF RESULTS .....</b>   | <b>179</b> |
| <b>A.6. INTERPRETATION OF ORGANISATION ENVIRONMENTAL FOOTPRINT RESULTS</b>  | <b>179</b> |
| A.6.1. Identification of hotspots .....   | 179        |
| A.6.1.1. Procedure to identify the most relevant impact categories .....  | 179        |
| A.6.1.2. Procedure to identify the most relevant life cycle stages .....  | 179        |
| A.6.1.3. Procedure to identify the most relevant processes .....  | 179        |
| A.6.1.4. Procedure to identify the most relevant direct elementary flows .....  | 179        |
| <b>A.7. ORGANISATION ENVIRONMENTAL FOOTPRINT REPORTS.....</b>   | <b>180</b> |
| <b>A.8. VERIFICATION AND VALIDATION OF OEF STUDIES, REPORTS, AND COMMUNICATION VEHICLES .....</b>                         | <b>180</b> |
| A.8.1. Defining the scope of the verification.....  | 180        |
| A.8.2. Verifier(s) .....  | 180        |
| A.8.3. Verification/Validation requirements: requirements for the verification/validation when a OEF SR is available..... | 180        |
| A.8.3.1. Minimum requirements for the verification and validation of the OEF study .....                                  | 180        |
| A.8.3.2. Verification and validation techniques .....   | 181        |
| A.8.3.3. Content of the validation statement .....  | 181        |

## **Terminology: shall, should may**

This Annex uses precise terminology to indicate the requirements, the recommendations and options that could be chosen when developing an OEFSR.

The term “shall” is used to indicate what is required in order for an OEFSR to be in conformance with the OEF method, including all its annexes.

The term “should” is used to indicate a recommendation rather than a requirement. Any deviation from a “should” requirement has to be justified when developing the OEFSR.

The term “may” is used to indicate an option that is permissible. Whenever options are available, the OEFSR shall include adequate argumentation to justify the chosen option.

## A.1. INTRODUCTION

An OEFSR is a sector-specific guidance document with the primary objective to fix a consistent set of rules to calculate the potential environmental impacts of an organisation in a given sector. Sector-specific rules analogous to OEFSRs exist in standards for calculating GHG emissions, such as the GHG Protocol.

Based on an analysis carried out by JRC in 2010<sup>85</sup>, the Commission came to the conclusion that existing life cycle based standards do not provide sufficient specificity to ensure that the same assumptions, measurements and calculations are made to comply with a harmonised approach across organisations within the same sector. To address this limitation, the use of OEFSRs will play an important role in increasing the reproducibility, relevance, focus, efficiency and consistency of OEF studies (and therefore comparability between OEF calculations over time and, if possibly, within the sector).

An OEFSR shall be developed according to the latest available version of the OEF method. It should be developed and written in a format that persons with technical knowledge (in LCA as well as with regard to the considered product category) can understand and can use to conduct an OEF study.

Each OEFSR shall implement the materiality principle, meaning that an OEF study shall focus on those aspects and parameters that are the most relevant for the environmental performance of a given sector. By doing this the time, effort and cost of carrying out the analysis is reduced.

Each OEFSR shall specify the minimum list of processes (mandatory processes) that shall always be modelled with company-specific data. The purpose is to avoid that users of the OEFSR are able to perform an OEF study and communicate its results without having access to the relevant company-specific (primary) data and by using only default data. The OEFSR shall define this mandatory list of processes based on their relevance and the possibility to have access to company-specific data.

### A.1.1. Relationship between OEFSRs and PEFCRs

Typically, OEFSRs tend to be wider in scope than PEFCRs (e.g. relationship between retail sector and one specific food product). Furthermore, OEFSRs are considering some aspects that are normally out of the boundaries of a PEF study compliant with a PEFCR (e.g. impacts related to company services, such as marketing).

At the same time, there is a need to ensure consistency between the methodological choices made in correlated OEFSRs and PEFCRs. In theory, the sum of the PEFs of the products provided by an organisation over a certain reporting interval (e.g. 1 year) should be close to its OEF for the same reporting interval.

The development of an OEFSR shall take into account existing PEFCRs: in case there is an existing PEFCR covering a product, material or component belonging to the Product Portfolio (PP), all the rules and assumptions used in the PEFCR, including the related EF-compliant dataset, shall be used for modelling that element in the PP. Exceptions to this rule shall be agreed with the EC.

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<sup>85</sup> [Analysis of Existing Environmental Footprint Methodologies for Products and Organizations: Recommendations, Rationale, and Alignment](http://ec.europa.eu/environment/eussd/smgp/dev_methods.htm) (2010), available at: [http://ec.europa.eu/environment/eussd/smgp/dev\\_methods.htm](http://ec.europa.eu/environment/eussd/smgp/dev_methods.htm)

### **A.1.2. How to manage modularity**

In case the PP contains intermediate products, the PEFCR may become a “module” to be used when developing OEFSRs which include in their PP products further down the supply chain. This is equally applicable if the intermediate product can be used in different supply chains (e.g. metal sheets). The development of “modules” allows for a higher level of consistency among different supply chains that are using the same modules as part of their LCA.

The possibility to build such modules should always be considered also for final products belonging to the PP, especially for those products that share part of the production chain and then differentiate due to different functions (e.g. detergents).

There are different scenarios that require a modular approach:

- (a) The PP includes a final product using in its BoM an intermediate product for which there is already an existing PEFCR (e.g. car production with leather upholstery) or a final product that becomes part of the life cycle of another product (e.g. detergent used to wash a T-shirt);
- (b) The PP includes a final product using a component or product that is already used as a component by another PEFCR/ OEFSR (e.g. fittings to be used in piping systems, fertilisers).

For scenario (a), the new OEFSR shall define how to manage the product information based on the environmental relevance of the product and the Data Needs Matrix (see section A.4.4.4.4). This means that if the product is “most relevant” and it is under the control of the organisation in scope, company-specific data shall be requested, following the rules of the PEFCR having the module in its scope<sup>86</sup>. If it is not under the operational control of the organisation in scope, or amongst the “most relevant” processes, the user of the OEFSR may choose either to provide company-specific data, or to use the EF compliant secondary dataset<sup>87</sup> provided with the PEFCR that has the module in its scope.

In scenario (b), the TS shall assess the feasibility of implementing the same modelling assumptions and secondary datasets listed in the existing PEFCR/ OEFSR. If feasible, the TS shall implement the same modelling assumptions and dataset to be used in its own OEFSR. If not feasible, the TS shall agree on a solution with the Commission.

## **A.2. THE PROCESS OF DEVELOPING AN OEFSR**

This section includes the process for developing an OEFSR. The following situations might occur:

- (a) Development of a new OEFSR;
- (b) Full revision of an existing OEFSR;
- (c) Partial revision of an existing OEFSR.

For cases (a) and (b) the procedure described in this section (see figure A-1) shall be followed.

Case (c) is only allowed if the model of the representative organisation (RO, see section A.2.3) is updated with corrected/ new data or datasets, and the results of the RO change with a certain maximum:

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<sup>86</sup> In case the already existing PEFCR used as a module is updated during the validity of the OEFSR relying on it, the old version prevails and stays valid for the duration of the validity of the newly developed OEFSR.

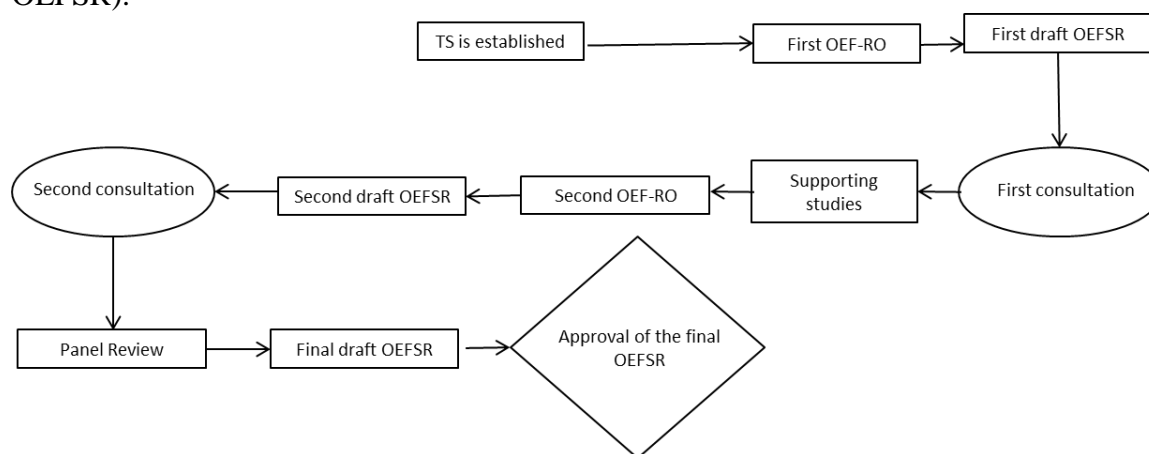
<sup>87</sup> This is a mandatory deliverable for any representative product developed in a PEFCR.



- (i) LCIA results change <10% per impact category (characterized results), and
- (ii) LCIA results change <5% on the total impact (weighted single overall score), and
- (iii) the list of most relevant impact categories, life cycle stages, processes, and direct elementary flows don't change.

If results of the RO change > 10% for at least one impact category (characterized results) or > 5% on the total impact (weighted single overall score), case (c) is not applicable and a full revision of the OEFSR is needed.

In case (c) the TS shall provide an updated OEFSR to the panel review and the last three steps of Figure A-1 shall be followed (i.e. panel review, final draft OEFSR, final approval of the OEFSR).



**Figure A-1** – Process flow to create/revise an OEFSR. OEF-RO: OEF study of the representative organisation.

### A.2.1. Who can develop an OEFSR

A Technical Secretariat (TS) shall be set up to develop an OEFSR. The TS shall represent at least 51% of the EU market in terms of turnover in the EU. The TS shall achieve this market coverage directly by companies participating in it and/or indirectly, through the EU market coverage of members represented by a business association. Proof of market coverage shall be provided in the form of a confidential report.

### A.2.2. Role of the Technical Secretariat

The Technical Secretariat is responsible for the following activities:

- (a) Drafting the OEFSR in compliance with the rules included in the most updated version of the OEF method and this Annex;
- (b) Harmonisation with existing sectoral rules or PEFCRs;
- (c) Organising public consultations on draft versions of the documents, analysis of comments, and providing written feedback;
- (d) Co-ordinating the supporting studies;
- (e) Managing the public online platform for the respective OEFSR. This activity includes tasks such as the drafting of publicly available explanatory materials

related to the OEFSR, online consultations on drafts and publishing of feedback on stakeholder comments;

- (f) Ensuring the selection and appointment of competent independent OEFSR review panel members.

### **A.2.3. Definition of the representative organisation(s)**

The TS shall develop a “model” of the representative organisation (RO) present on the EU market and belonging to the sector. The RO shall reflect the current situation, at the time of developing the OEFSR. This means, for example, that future technologies, future transport scenarios or future end of life treatments shall be excluded.

The RO may be a real or a virtual (non-existing) organisation. The virtual organisation should be calculated based on average European market sales-weighted characteristics of all existing technologies/ production processes/ organisation types covered by the sector or sub-sector. Other weighting sets may be used, if justified.

When identifying the RO there is the risk that different technologies with very different market shares get mixed up and the ones with a relatively small market share might be overlooked. In such cases the TS shall include the missing technologies/ production routes/ organisation types (if in scope) in the definition of the RO or provide written justification if this is not technically possible.

The RO is the basis for the OEF study of the representative organisation (OEF-RO). Section A.3.1 explains when a RO shall be developed for sectors and sub-sectors.

The TS shall provide information about all the steps taken to define the “model” of the RO and report the information gathered in an Annex to the OEFSR. The TS shall take the most appropriate measures to preserve the confidentiality of data, if applicable.

### **A.2.4. First OEF study of the representative organisation(s)**

A first OEF study shall be carried out on each representative product (first OEF-RO). The first OEF-RO aims at:

- (1) Identifying the most relevant impact categories;
- (2) Identifying the most relevant life cycle stages, processes and elementary flows;
- (3) Identifying data needs, data collection activities and data quality requirements.

The TS carries out the first OEF-RO on the “model” of the RO(s). Lack of available data and low market shares shall not be an argument for exclusions of technologies or production processes.

The TS shall use EF compliant datasets for the OEF-RO, if available. If an EF compliant dataset does not exist, the following procedure shall be followed in hierarchical order:

- If an EF compliant proxy can be found it shall be used;
- If an ILCD entry level compliant proxy can be found: it shall be used but shall not be included in the list of default datasets of the first draft OEFSR. The proxy shall be listed in the limitations of the first draft OEFSR with the following text: “This dataset is used as a proxy during the first OEF-RO only. However, the company performing the supporting study to test the first draft OEFSR shall

apply an EF compliant dataset, if available (following the rules laid out in section A.4.4.2 on which dataset to use). If this is not available, the company shall use the same proxy as used for the calculation of the first OEF-RO.”

- If no EF compliant or ILCD entry level compliant proxy can be found, another dataset may be used. The TS should obtain or develop an EF compliant dataset to carry out the second OEF-RO.

In the first OEF-RO no cut-off of processes, emissions to the environment and resources from the environment is allowed. All the life cycle stages and processes shall be included (incl. capital goods). In addition, activities like staff commuting, canteens at production sites, consumables not strictly related to production processes, marketing, business trips and R&D activities shall be included. Cut-offs may only be included in the final OEFSR based on the rules included in the OEF method and this Annex.

A first OEF-RO report shall be provided (following template in Annex E) and shall include the characterised, normalised and weighted results. Being based on secondary data, there should be no confidentiality issues.

The first OEF-RO and its report shall be reviewed by the review panel and a public review report shall be provided as its annex.

#### **A.2.5. First draft OEFSR**

Based on the results of the first OEF-RO the TS shall produce a first draft OEFSR, used to carry out the OEFSR supporting studies. It shall be drafted according to the requirements included in this Annex and the template provided in Annex B. It shall include all the requirements needed for the supporting studies, with particular reference to company-specific data collection tables and procedures.

#### **A.2.6. Supporting studies**

The goal of the supporting studies is to test the implementability of the first draft OEFSR and, to a lesser extent, provide indications about the suitability of the identified most relevant impact categories, life cycle stages, processes and direct elementary flows.

For each RO at least three OEF supporting studies shall be carried out.

The supporting studies shall be in compliance with all requirements included in the first draft OEFSR and the version of the OEF method it refers to. The following additional rules shall be followed:

- No cut-off is allowed;
- Each study shall implement the hotspot analysis described in section 6.3 of the OEF method and A.6.1 of this Annex. Each study shall be carried out on real organisations as currently present in the European market;
- To better analyse the applicability of the first draft OEFSR, the studies shall be carried out on (i) organisations of different sizes, including at least one SME if present in the sector; (ii) organisations characterized by different production processes/ technologies; and (iii) organisations with the main production processes (i.e. the ones for which company-specific data are collected) located in different countries.

Each supporting study shall be carried out by a company/consultant neither involved in the drafting of the OEFSR nor part of the review panel. In case one company/consultancy carries out more than one supporting study, then it shall be ensured that each study is carried out by a different person.

The supporting studies shall be reviewed by the review panel. The results of the supporting studies are confidential and shall only be shared with the Commission, together with the review statement. The organisation performing the supporting study may decide to grant access to other stakeholders.

### **A.2.7. Second OEF study of the representative organisation**

Conducting the OEF study of the representative organisation is an iterative process. Based on the information gathered through the first consultation and the supporting studies, the TS shall carry out a second OEF-RO. This second OEF-RO shall include new EF compliant datasets, updated default activity data and all assumptions that are at the basis of the requirements in the second draft OEFSR. Based on the second OEF-RO, the TS shall draft a second OEF-RO report.

The TS shall use EF compliant datasets if available for free<sup>88</sup>. In case EF compliant datasets are not available, the following rules shall be followed in hierarchical order:

- An EF compliant proxy is available for free: it shall be included in the list of default processes of the OEFSR and stated within the limitations chapter of the second draft OEFSR.
- An ILCD-entry level (EL) compliant proxy is available for free: these may be used up to a maximum of 10% of the total environmental impact of the OEF-RO (calculated cumulatively from lowest to largest contribution to the total EF profile).
- If no EF compliant or ILCD-EL compliant proxy is available for free: it shall be excluded from the model. This shall be clearly stated in the second draft OEFSR as a data gap and validated by the OEFSR verifiers.

The second OEF-RO shall determine all the requirements of the final OEFSR including, but not limited to, the final list of most relevant impact categories, life cycle stages, processes, direct elementary flows, cut-offs, etc.

A second OEF-RO report shall be provided (following the template in Annex E) and shall include the characterised, normalised and weighted results. Being based on secondary data, no confidentiality issues are expected.

The second OEF-RO and its report shall be reviewed by the review panel and a public review report shall be provided as its annex.

### **A.2.8. The second draft OEFSR**

The TS shall draft the second draft OEFSR taking into consideration the results of the supporting studies and of the second OEF-RO. All the sections in the OEFSR template (see annex B to the OEF method) shall be filled in.

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<sup>88</sup> All EF compliant datasets used for modeling the RP shall be made available at the same terms and conditions as provided in the "Guide on EF data" (available at <http://epi.ca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>).

The OEFSR shall clarify that all the data gaps included in the OEFSR will remain data gaps for its entire validity as they have a direct impact on the reproducibility and comparability of results. Therefore, data gaps are indirectly part of the system boundary of the OEFSR to allow a fair comparison among the organisations (if applicable).

## **A.2.9. The OEFSR review**

### **A.2.9.1. Review panel**

The TS shall set up an external independent third-party review panel for the OEFSR review. The review panel will be responsible for the independent review of the following documents:

- First and second OEF-RO, including the RO model and OEF-RO reports (public review report for each);
- Supporting studies (review statement to be provided to the Commission);
- Second draft OEFSR (confidential and public review report).

If the second consultation or the OEFSR review affects the results of the second OEF-RO, the second OEF-RO shall be updated and the results shall be implemented in the final OEFSR. No further consultation is needed, but the review shall take into account the updated results.

The panel shall be composed of minimum three members (a chair and two members). The panel shall include one LCA expert (with a background on the sector under consideration and sector-related environmental aspects), one industry expert and, if possible, one representative from NGOs. One member shall be selected as the chair.

The panel shall not have conflict of interests with the company or products involved, and shall not include members from companies that are members of the TS<sup>89</sup> or of the consultants involved in the work of the TS (OEF-RO studies, supporting studies, OEFSR drafting).

The assessment of the competences of the panel review is based on a scoring system that takes into account their experience, EF/LCA methodology and practice, and knowledge of relevant technologies, processes or other activities included in the sector/ product(s) in scope of the OEFSR. The assessment of the competences of verifier or verification team is based on a scoring system that takes into account (i) verification and validation experience, (ii) EF/LCA methodology and practice, and (iii) knowledge of relevant technologies, processes or other activities included in the product(s)/organisation(s) in scope of the study. Table 32 presents the scoring system for each relevant competence and experience topic.

Unless otherwise specified in the context of the intended application, the verifier's self-declaration on the scoring system constitutes the minimum requirement. Verifier(s) shall provide a self-declaration of their qualifications (e.g. university diploma, working experience, certifications, etc), stating how many points they achieved for each criterion and the total points achieved. This self-declaration shall form part of the OEF verification report.

A verification of a OEF study shall be conducted as per the requirements of the intended application. Unless otherwise specified, the minimum necessary score to qualify as a verifier or a verification team is six points, including at least one point for each of the three

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<sup>89</sup> If an industry association is member of a Technical Secretariat, an industry expert of one company belonging to that industry association can be in the review panel. On the contrary, experts on the payroll of the association shall not be members of the review panel.

mandatory criteria (i.e. verification and validation practice, OEF/LCA methodology and practice, and knowledge of technologies or other activities relevant to the OEF study).

**Table 32** of the OEF method presents the scoring system for each relevant competence and experience topic.

The review panel members shall provide a self-declaration of their qualifications, stating how many points they achieved for each criterion and the total points achieved. This self-declaration shall be included in the OEFSR review report.

The minimum necessary score to qualify as a reviewer is six points, including at least one point for each of the three mandatory criteria (i.e. review practice, EF/LCA methodology and practice, and knowledge of technologies or other activities relevant to the EF study).

#### **A.2.9.2. Review procedure**

The TS shall agree on the review procedure with the review panel when signing the review contract. In particular, the TS shall agree the period available to the review panel for producing comments after each document is released by the TS and how to manage the comments received.

The panel shall send the review of each document to the TS for their analysis and discussion. The TS shall review the panel's comments and proposals, and it shall develop a response for each.

For the OEF-ROs and OEFSR documents only, the TS shall generate written responses in a review report that may include:

- Acceptance of the proposal: change the document to reflect proposal,
- Acceptance of the proposal: change the document with modification to the original proposal,
- Supporting comments on why the TS did not agree with the proposal,
- Return to the review panel with further questions on the comments/proposals.

#### **A.2.9.3. Review criteria of the OEFSR document**

The reviewers shall investigate whether the OEFSR (i) is developed in accordance with the requirements provided in the OEF method and this Annex, and (ii) supports the creation of credible, relevant, and consistent OEF profiles. In addition, the following criteria shall also apply:

- The OEFSR scope and the representative organisation(s) are adequately defined;
- The reporting unit, allocation and calculation rules are adequate for the sector and sub-sectors under consideration;
- Datasets used in the OEF-ROs and the supporting studies are relevant, representative, reliable, and in compliance with data quality requirements;
- The model of the RO represent correctly the sector or sub-sectors;
- The RO model(s), disaggregated in line with the OEFSR and aggregated in ILCD format, are EF compliant following the rules available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>;

- The RO model in its corresponding excel version is compliant with the rules outlined in section A.2.10.1;
- The Data Needs Matrix is correctly implemented;
- The selected additional environmental information is appropriate for the sector and sub-sectors under consideration.

#### **A.2.9.4. Review report/ statement**

The review panel shall produce:

- A public review report for each OEF-RO;
- A (public) review statement for each supporting study;
- A confidential and public review report for the final OEFSR.

The public review report shall include a review statement (as provided in the OEFSR template), all relevant information concerning the review process, the comments raised by the reviewers with the replies provided by the TS, and the outcome. The public review reports (i.e. for each OEF-RO and for the final OEFSR) shall be an annex to the final OEFSR.

The **confidential** review report of the OEFSR shall include the comments on all documents produced by the TS during the development of the OEFSR (OEF-RO, supporting studies, and the OEFSR). This report shall include all the comments made by the review panel and the replies provided by the TS. Any other relevant information concerning the review process and outcomes shall also be included.

#### **A.2.10. Final draft OEFSR**

Once the drafting work is finalised the Technical Secretariat shall send to the Commission the following documents:

- the final draft OEFSR (including all annexes);
- confidential review report of the OEFSR;
- public review report of the OEFSR;
- second OEF-RO report (including its public review report);
- review statements on the supporting studies;
- all EF compliant datasets used for the modelling (both aggregated and disaggregated at level-1; see details in section A.2.10.2);
- the model(s) of the RO(s) in excel format (see details in section A.2.10.1);
- an EF compliant dataset of each RO (aggregated and disaggregated, see details in section A.2.10.3).

The TS shall release to the Commission the non-exclusive intellectual property rights for all these documents, according to the template that is available at the link [http://ec.europa.eu/environment/eussd/smgp/pdf/IPR\\_PEFCE OEFSR.pdf](http://ec.europa.eu/environment/eussd/smgp/pdf/IPR_PEFCE OEFSR.pdf).

### **A.2.10.1. Excel model(s) of the representative organisation(s)**

The “model” of the RO shall be made available in MS Excel format. In case the model of the RO is built on multiple sub-models (e.g. very different technologies), for each of these sub-models a separate excel file shall be provided in addition to the one of the overall model. The excel file shall contain at least the following information:

- Name and scope of the OEFSR and sector or sub-sector, a graphical representation of the detailed system boundary of the life cycle model and list of the life cycle stages included.
- For each life cycle stage and for the full life cycle: (i) all direct elementary flows (using the EF reference package available on the EF developer’s page at the following link <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>) with the amount, and (ii) the life cycle inventory datasets used (in aggregated form) together with the corresponding activity data.

For each dataset the following information shall be provided: the exact full name of the dataset as available in the life cycle data network node (LCDN), the Universal Unique Identifier (UUID) of the aggregated dataset, and a web link to the LCDN where the dataset can be found. The modelling approach for the activity data or elementary flows shall be provided and, if relevant, should be computed by using formulas.

- For each RO: list of all life cycle elementary flows of the aggregated life cycle model (using the EF reference package, including flow name with compartment, unit and amount). This is also called “aggregated dataset” or “LCI results dataset”.

### **A.2.10.2. EF compliant datasets listed in the OEFSR**

All EF compliant datasets used in the OEFSR shall be available on a node of the Life Cycle Data Network <sup>90</sup>.

The following rights shall be granted to the Commission:

- (a) use for its own purposes:
  - making available to the staff of the contracting authority;
  - making available to the persons and entities working for the contracting authority or cooperating with it, including contractors, subcontractors whether legal or natural persons, Union institutions, agencies and bodies, Member States' institutions;
  - installing, uploading, processing;
  - arranging, compiling, combining, retrieving;
- (b) modifications:
  - shortening;
  - summarizing;

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<sup>90</sup> All EF compliant datasets used for modeling the RP shall be made available at the same terms and conditions as provided in the “Guide on EF data” (available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>).



- changing and creating variants of any isolated component or part in any other form, colour or proportion;
- modifying of the content;
- assemble and incorporate, any isolated component or part thereof, in any other work or document, by any means and using any technical or artistic process;
- making technical changes to the content:
  - necessary correction of technical errors;
  - adding new parts or functionalities;
  - changing functionalities;
  - providing third parties with additional information concerning the result with a view of making modifications;
- addition of metadata, for text and data-mining purposes; addition of right-management information; addition of technological protection measures;
- reformatting, extracting or incorporating a part or dividing into parts;
- preparation of a derivate work;
- digitise, modulate, compress, decompress or use all other technical processes of the same type for the purpose of the storage, transfer, IT processing, adaptation and/or use thereof;
- reformat;
- modifying dimensions;
- translating, inserting subtitles, dubbing in all official EU languages.

### **A.2.10.3. EF compliant datasets representing the representative organisations(s)**

The EF compliant dataset(s) representing the RO(s) shall be provided in aggregated and disaggregated form. The latter shall be disaggregated at the level coherent with the respective OEFSR. Data may be aggregated to protect confidential information.

The list of technical requirements to be fulfilled by the dataset to be EF compliant are available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

The user rights listed in section A.2.10.2 apply.

## **A.3. DEFINING THE SCOPE OF THE OEFSRS**

### **A.3.1. Sectors and sub-sectors**

The primary objective of an OEFSR is to fix a consistent set of rules to calculate the Environmental Footprint profile of organisations belonging to a sector or sub-sector.

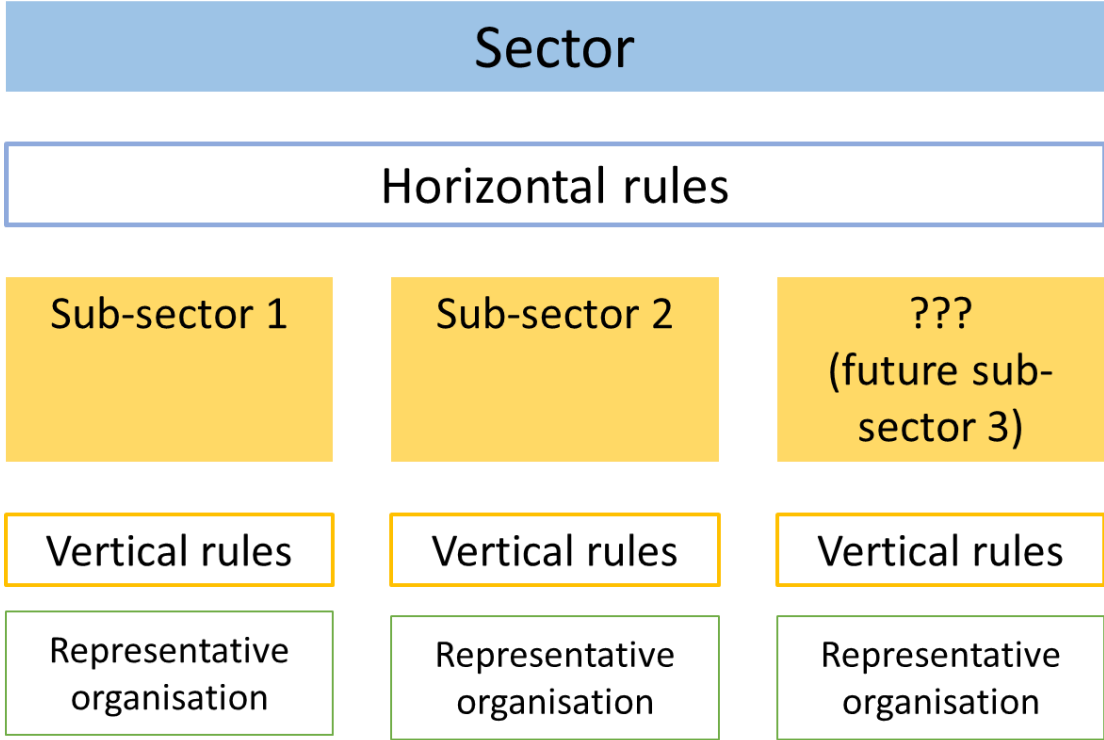
Organisations having similar product portfolios (PPs) should be grouped within the same OEFSR. The scope of the OEFSR shall be selected in a way that it is sufficiently wide to cover different applications and/or technologies. In some cases, to fulfil this requirement, a sector

may be split into multiple sub-sectors. The TS shall decide if sub-sectors are necessary to achieve the primary objective of the OEFSR and therefore to avoid the risk that the hotspot results from different technologies get mixed up or the results of the ones with a small market share are overlooked<sup>91</sup>. It is important to be as specific as possible when defining the sector and sub-sectors to ensure the reproducibility and comparability (if applicable) of results.

The OEFSR shall be structured with a section including the “horizontal” rules that are common to all organisations in scope of the OEFSR, and then a section for each sub-sector including the specific “vertical” rules applicable only to that sub-category (Figure A-2).

As a general principle, the horizontal rules prevail over the vertical ones; however, specific derogations from this principle may be allowed if properly justified. This structure will make it easier to widen the scope of an existing OEFSR by adding more product sub-sectors.

Each sub-sector shall be clearly described in the scope definition of the OEFSR, each sub-sector shall have its own RO together with its selection of most relevant processes, life cycle stages and impact categories.



**Figure A-2** – Example of an OEFSR structure with sector-specific horizontal rules, various sub-sectors, and sub-sector specific vertical rules.

Comparisons shall be allowed if there is a single sector in the OEFSR or within the sub-sectors. The TS shall specify under which conditions the OEFSR enables comparisons of organisations belonging to the same sector and/or sub-sector. The TS shall specify if cross-comparison of organisations belonging to two or more different sub-sectors is allowed.

<sup>91</sup> This to ensure that the hotspot analysis reflects all different technologies.

*Table A-1 Summary of requirements for OEFSRs covering one single sector and for OEFSRs covering sub-sectors.*

|   | <b>Single sector in OEFSR</b> | <b>Sector and sub-sectors in OEFSR</b>  |                              |
|---|-------------------------------|---|------------------------------|
|   |                               | <i>Within the sector</i>  | <i>Within the sub-sector</i> |
| <b>Definition of a RO</b>   | Shall                         | May   | Shall                        |
| <b>Provision of rules in the OEFSR to enable comparisons and comparative assertions among organisations</b> | Shall                         | May<br>The TS decides if and in which cases comparison among organisations in different sub-sectors is allowed. | Shall                        |

All requirements in Annex A apply to sectors and sub-sectors (if applicable).

### **A.3.2. Scope of the OEFSR**

The scope section of the OEFSR shall contain a description of the Product Portfolio and provide the NACE codes applicable to the sector in scope. The OEFSR shall specify the processes to be included in the organisational boundaries (direct activities). It shall also specify the OEF boundary, including specification of the supply chain stages to be included and all the indirect (upstream and downstream) activities, and give justification if downstream (indirect) activities are excluded (e.g. use stage of intermediate products or products with an undeterminable fate included in the product portfolio).

The OEFSR shall define the time span to be considered for the assessment.

The scope section of the OEFCR shall contain, as a minimum, the following information:

- General description of the scope of the OEFSR:
  - Description of the sector;
  - List and description of sub-sectors included in the OEFSR (if any);
  - Description of the products/ services included in the product portfolio (PP);
- NACE codes;
- Description of the representative organisation(s) and how it has been derived;
- Reporting unit and definition of the product portfolio;
- System boundary description and diagram, including organisational and OEF boundaries;
- List of EF impact categories;
- Additional environmental information and additional technical information;
- Limitations.

#### **A.3.2.1. General description of the scope of the OEFSR**

The OEFSR scope definition shall include a general description of the sector, including the granularity of scope, the sub-sectors included (if any), a description of the product/ services

belonging to the PP and their technical performance. If products are excluded from the PP, this omission shall be justified (e.g. they do not belong to the typical PP of an organisation in the sector.)

**A.3.2.2. Use of NACE codes**

The NACE codes applicable to the sector in scope shall be listed in the OEFSR.

**A.3.2.3. Definition of the representative organisation (RO)**

The OEFSR shall include in the scope a short description of the RO(s).

Furthermore, the TS shall provide in an Annex to the OEFSR information about all the steps taken to define the “model” of the RO and report the information gathered. The TS shall take the most appropriate measures to preserve the confidentiality of data, if applicable.

**A.3.2.4. Reporting unit (RU)**

The section of the reporting unit (RU) of an OEFSR shall require to define the organisation specifying i) the name of the organisation, ii) the kind of goods/ services the organisation produces, iii) locations of operation (e.g. country cities).

Furthermore, the OEFSR shall provide a description of the product portfolio according to the four aspects provided in Table A-2 and the reporting interval (justification shall be provided if the reporting interval differs from one year). The OEFSR shall require the user of the OEFSR to define its own PP, including the reference year and the reporting interval.

In case applicable standards exist, they shall be used and cited in the OEFSR.

The OEFSR shall explain and document any exclusion of products/ services from the PP.

*Table A-2 Four aspects of the product portfolio*

| <b>Elements of the FU</b>                            | <b>Non-food products</b>   |
|--|--|
| 1. The function(s)/service(s) provided: “what”       | OEFSR specific   |
| 2. The extent of the function or service: “how much” | OEFSR specific   |
| 3. The expected level of quality: “how well”         | OEFSR specific, where possible.  |
| 4. The duration/life time of the product: “how long” | Shall be quantified if technical standards or agreed procedures at sectoral level exist or can be developed. |

In case calculation parameters are needed, the OEFSR mandatory company-specific information. The OEFSR shall provide a calculation example.

### **A.3.2.5. System boundary**

The OEFSR shall identify and provide a short description of the processes and life cycle stages (if applicable, see section A.4.2 of the OEF method) and direct/ indirect activities that are included in the system boundary.

The OEFSR shall identify the processes that shall be excluded based on the cut-off rule (see section A.4.4.3), or specify that no cut-off is applicable.

The OEFSR shall provide a system diagram indicating the processes for which mandatory company-specific data are required and the processes excluded from the system boundary.

The OEFSR shall identify in the system diagram the organisational boundaries and the OEF boundaries.

### **A.3.2.6. List of EF impact categories**

The OEFSR shall list the 16 EF impact categories to be used to calculate the OEF profile, as listed in Table 2 of the OEF method. Out of the 16 impact categories, the OEFSR shall list those that are most relevant for the sector or sub-sector(s) in scope (see section A.6.1.1 of this Annex).

The OEFSR shall specify if the user of the OEFSR shall calculate and report separately the sub-indicators for climate change (see section A.4.2.9).

The OEFSR shall specify the version of the EF reference package to be used, available at <http://eplca.jrc.ec.europa.eu/LCDN/developer.xhtm>.

### **A.3.2.7. Additional information**

#### **A.3.2.7.1. Additional environmental information**

The OEFSR shall specify which additional environmental information to report, and whether these are mandatory or recommended additional environmental information. The use of “should” requirements should be avoided. Additional environmental information may be included only if the OEFSR specifies the method that shall be used for its calculation.

#### ***Biodiversity***

When developing an OEFSR, biodiversity shall be addressed under additional environmental information through the procedure below:

- (1) When performing the first and second OEF-RO study, the TS shall make an assessment about the relevance of biodiversity for the sector/ sub-sector(s) in scope of the OEFSR. This assessment may be based on expert judgement, be LCA-based, or be derived through other means already put in place within the sector. The assessment shall be clearly explained in a dedicated section of the first and second OEF-RO report.
- (2) Based on the above, the OEFSR shall clearly explain whether biodiversity is considered relevant or not. If the TS determines that there are significant impacts on biodiversity, then they shall describe how the user of the OEFSR shall assess and report biodiversity impacts, as additional environmental information.

While the TS may determine how biodiversity shall be assessed and reported in the OEFSR (if relevant), the following suggestions are offered:

- To express the (avoided) impact on biodiversity as the percentage of material that comes from ecosystems that have been managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity levels and gains or losses (e.g. less than 15% loss of species richness due to disturbance, but the TS may set their own level provided this is well justified). The assessment should refer to materials that end up in the final products and to materials that have been used during the production process. For example, charcoal that is used in steel production processes, or soy that is used to feed cows that produce dairy etc.
- To report additionally the percentage of such materials for which no chain of custody or traceability information can be found.
- To use a certification system as a proxy. The TS shall determine which certification schemes provide sufficient evidence for ensuring biodiversity maintenance and describe the criteria used. A useful overview of standards can be found on <http://www.standardsmap.org/>.

#### **A.3.2.7.2. Additional technical information**

The OEFSR shall list the additional technical information that shall/ should/ may be reported.

If the products belonging to the PP in scope are intermediate products, the OEFSR shall request to report the recycled content ( $R_1$ ) as additional technical information.

#### **A.3.2.8. Assumptions and limitations**

The OEFSR shall include the list of limitations an OEF study is subject to, even if carried out in accordance with the OEFSR.

The TS shall specify under which conditions the OEFSR enables comparisons of organisations belonging to the same sector and/or sub-sector (e.g. through normalisation of the OEF profile against the yearly turnover of the organisation).

Furthermore, the OEFSR shall list the ILCD-EL compliant proxy datasets used when modelling the representative organisation(s) and the data gaps.

### **A.4. LIFE CYCLE INVENTORY**

#### **A.4.1. Direct and indirect activities and life cycle stages**

The OEFSR shall identify the processes expected to belong to direct activities and the ones expected to belong to indirect activities.

If the PP includes mainly products, the OEFSR shall list all processes for each life cycle stage. This step is optional if the PP includes mainly services, in this case it is up to the TS to evaluate the applicability of life cycle stages to the sector in scope (see section 4.2 of the OEF method, which describes the applicability of life cycle stages to OEF studies).

The default life cycle stages are listed in section 4.2 of the OEF method and further detailed in sections 4.2.1-4.2.5 of the OEF method.

For each process, the OEFSR shall include the default secondary datasets that the user of the OEFSR shall apply, unless the process is covered by mandatory company-specific data.

## A.4.2. Modelling requirements

### A.4.2.1. Agricultural production

For agricultural activities, the modelling guidelines of chapter 4.4.1 of the OEF method shall be followed for the ROs and included in the OEFSRs. Any exception shall be agreed upon with the Commission before being implemented.

#### A.4.2.1.1. Fertilisers

For nitrogen-based fertilisers, the Tier 1 emissions factors of table 2-4 of IPCC 2006 should be used, as presented in Table 3 of the OEF method.

The nitrogen field model presented in Table 3 of the OEF method has some limitations and should be improved in the future. Therefore, OEFSRs which have agricultural modelling in scope shall test (as minimum) the following alternative approach within the OEF-ROs:

The N-balance is calculated using the parameters in Table A-3 and the formula below. The total NO<sub>3</sub>-N emission to water is considered a variable and its total inventory shall be calculated as:

“Total NO<sub>3</sub>-N emission to water” = “NO<sub>3</sub><sup>-</sup> base loss” + “additional NO<sub>3</sub>-N emissions to water”, with

“Additional NO<sub>3</sub>-N emissions to water” = “N input with all fertilisers” + “N<sub>2</sub> fixation by crop” – “N-removal with the harvest” – “NH<sub>3</sub> emissions to air” – “N<sub>2</sub>O emissions to air” – “N<sub>2</sub> emissions to air” – “NO<sub>3</sub>- base loss”.

If in certain low-input schemes the value for “additional NO<sub>3</sub>-N emissions to water” is negative, the value is to be set to “0”. Moreover, in such cases the absolute value of the calculated “additional NO<sub>3</sub>-N emissions to water” is to be inventoried as additional N-fertiliser input into the system, using the same combination of N-fertilisers as employed to the analysed crop. This serves to avoid regarding fertility-depleting schemes by capturing the N-depletion by the analysed crop that is assumed to lead to the need for additional fertiliser later on to keep the same soil fertility level.

*Table A-3 Alternative approach to nitrogen modelling*

| Emission   | Compartment | Value to be applied  |
|--|-------------|--|
| NO <sub>3</sub> <sup>-</sup> base loss (synthetic fertiliser and manure) | Water       | kg NO <sub>3</sub> <sup>-</sup> = kg N * FracLEACH = 1*0.1*(62/14) = 0.44 kg NO <sub>3</sub> <sup>-</sup> / kg N applied |
| N <sub>2</sub> O (synthetic fertiliser and manure; direct and indirect)  | Air         | 0.022 kg N <sub>2</sub> O/ kg N fertilizer applied   |
| NH <sub>3</sub> - Urea (synthetic fertiliser)                            | Air         | kg NH <sub>3</sub> = kg N * FracGASF = 1*0.15* (17/14) = 0.18 kg NH <sub>3</sub> / kg N fertilizer applied               |
| NH <sub>3</sub> - Ammonium nitrate (synthetic fertiliser)                | Air         | kg NH <sub>3</sub> = kg N * FracGASF = 1*0.1* (17/14) = 0.12 kg NH <sub>3</sub> / kg N fertilizer applied                |

| Emission  | Compartment | Value to be applied   |
|---|-------------|---|
| NH <sub>3</sub> - others (synthetic fertiliser) | Air         | kg NH <sub>3</sub> = kg N * FracGASF= 1*0.02* (17/14)= 0.024 kg NH <sub>3</sub> / kg N fertilizer applied                             |
| NH <sub>3</sub> (manure)                        | Air         | kg NH <sub>3</sub> = kg N*FracGASF= 1*0.2* (17/14)= 0.24 kg NH <sub>3</sub> / kg N manure applied                                     |
| N <sub>2</sub> -fixation by crop                |             | For crops with symbiotic N <sub>2</sub> -fixation: the fixed amount is assumed to be identical to the N-content in the harvested crop |
| N <sub>2</sub>                                  | Air         | 0.09 kg N <sub>2</sub> / kg N applied   |

The TS may decide to include the above approach for N-based modelling in their OEFSR, instead of the one provided in the OEF method. Both approaches shall be tested in the supporting studies, and based on the evidences gathered, the TS shall decide which of the two to apply.

As a second alternative, in case better data is available, a more comprehensive nitrogen field model may be used in the OEFSR, provided (i) it covers at least the emissions requested in Table 3 of the OEF method, (ii) N shall be balanced in inputs and outputs and (iii) it shall be described in a transparent way.

#### **A.4.2.2. Electricity use**

The requirements in section 4.4.2 of the OEF method shall be applied.

##### **A.4.2.2.1. Electricity modelling for the representative organisation**

When modelling the RO, the following electricity mix shall be used in hierarchical order:

- (i) Sector specific information on the use of green electricity shall be used if:
  - (a) available, and
  - (b) the set of minimum criteria to ensure the contractual instruments are reliable is met.

This may be combined with the remaining electricity to be modelled with the residual grid mix.
- (ii) In case no sector specific information is available, the consumption grid mix shall be used.

In case the RO is situated in different locations and/or the products in the PP are sold in different countries, the electricity mix shall reflect the ratios of production or ratios of sales between EU countries/regions. To determine the ratio, a physical unit shall be used (e.g. number of pieces or kg of product). Where such data are not available, the average EU consumption mix (EU-28 +EFTA), or region representative consumption mix, shall be used.



### **A.4.2.3. Transport and logistics**

The OEFSR shall provide default transport scenarios to be used, in case these data are not listed as mandatory company-specific information (see section A.4.4.1) and supply-chain specific information is not available. The default transport scenarios shall reflect the European average transport, including all different transport options within the current sector (e.g. including home delivery, if applicable).

In case no OEFSR-specific data<sup>92</sup> is available, the default scenarios and values outlined in section 4.4.3 of the OEF method shall be used. Replacement of the default values provided in section 4.4.3 with OEFSR -specific values shall be clearly mentioned and justified in the OEFSR.

The (final and intermediate) client of the products belonging to the PP shall be defined in the OEFSR<sup>93</sup>. The final client may be a consumer (i.e. a person who purchases goods and services for personal use) or a company that uses the products for final use, such as restaurants, professional painters, or a construction site. Re-sellers and importers are intermediate clients and not final clients.

#### **A.4.2.3.1. Allocation of impacts from transport – truck transport**

The OEFSR shall specify the utilisation ratio to be used for each truck transport modelled, and it shall clearly indicate whether the utilisation ratio includes empty return trips.

- If the load is mass-limited: a default utilisation ratio of 64%<sup>94</sup> shall be used. This utilisation ratio includes empty return trips. Therefore, empty returns shall not be modelled separately. The OEFSR shall list the truck dataset to be used, together with the utilisation factor to be used (64%). The OEFSR shall clearly indicate that the user shall check and adapt the utilisation ratio to the default value provided in the OEFSR.
- If the load is volume-limited and the full volume is used: the OEFSR shall indicate the company-specific utilisation ratio calculated as the kg real load/kg payload of the dataset and indicate how empty returns shall be modelled.
- If the load is delicate (e.g. flowers): it is likely that the full truck volume cannot be used. The OEFSR shall evaluate the most appropriate utilisation ratio to be applied.
- Bulk transport (e.g., gravel transport from mining pit to concrete plant) shall be modelled with a default utilisation ratio of 50% (100% loaded outbound and 0% loaded inbound).
- Reusable products and packaging shall be modelled with OEFSR-specific utilisation ratios. The default value of 64% (including empty return) cannot be used because the return transport is modelled separately for reusable products.

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<sup>92</sup> Sector-specific data, defined by the TS and representing the European average for the sector in scope.

<sup>93</sup> A clear definition of the final client facilitates a correct interpretation of the OEFSR by practitioners which will enhance the comparability of results.

<sup>94</sup> Eurostat 2015 indicates that 21% of the kms truck transport are driven with empty load and 79% are driven loaded (with an unknown load). In Germany only, the average truck load is 64%.

#### **A.4.2.3.2. Allocation of impacts from transport – consumer transport**

The OEFSR shall prescribe the default allocation value to be used for consumer transport, if applicable.

#### **A.4.2.3.3. Default scenarios – from supplier to factory**

The OEFSR shall specify default transport distances, transport modes (specific dataset) and truck load factors to be used for the transport of products from supplier to factory. If no OEFSR-specific data are available, then the default data provided in section 4.4.3.4 of the OEF method shall be prescribed in the OEFSR.

#### **A.4.2.3.4. Default scenarios – from factory to final client**

The transport from factory to final client (including consumer transport) shall be described in the distribution stage of the OEFSR. This helps fair comparisons between organisations delivering through traditional shops as well as delivering at home.

In case no OEFSR -specific transport scenario is available, the default scenario outlined in section 4.4.3.5 of the OEF method shall be used as a basis, together with a number of OEFSR-specific values:

- Ratio between products sold through retail, distribution centre (DC) and directly to the final client;
- For factory to final client: Ratio between local, intracontinental and international supply chains;
- For factory to retail: distribution between intracontinental and international supply chains.

Note that for reusable products the return transport from retail/DC to factory shall be modelled in addition to the transport needed to go to retail/DC. The same transport distances as from product factory to final client shall be used (see section 4.4.3.5 of the OEF method), however the truck utilisation ratio might be volume-limited depending on the type of product. The OEFSR shall indicate the utilisation ratio that shall be used for the return transport.

#### **A.4.2.4. Capital goods – infrastructure and equipment**

During the execution of the OEF-RO studies all processes shall be included in the modelling without applying any cut-off, the modelling assumptions and secondary datasets used shall be clearly documented.

The OEFSR shall identify if, based on the results of the OEF-RO study, capital goods are subject to cut-off or not. If capital goods are included in the OEFSR, clear rules for their calculation shall be provided.

#### **A.4.2.5. Sampling procedure**

In some cases, a sampling procedure is needed by the user of an OEFSR to limit the data collection only to a representative sample of plants/ farms etc. Examples of cases when the sampling procedure may be needed are in case multiple production sites are involved in the production of the same product; e.g., in case the same raw material/ input material comes from multiple sites or in case the same process is outsourced to more than one subcontractor/ supplier.

There are different procedures to derive a representative sample. For OEFSRs a stratified sample shall be used, i.e. one that ensures that sub-populations (strata) of a given population are each adequately represented within the whole sample of a research study. With this type of sampling, it is guaranteed that subjects from each sub-population are included in the final sample, whereas simple random sampling does not ensure that sub-populations are represented equally or proportionately within the sample.

The TS shall decide if sampling is allowed or not allowed in its OEFSR. The TS may explicitly prohibit the use of sampling procedures in the OEFSR. In this case sampling will not be allowed in OEF studies and the user of the OEFSR shall collect data from all plants or farms. If the TS allows sampling, the OEFSR shall contain the following sentence: “In case sampling is needed, it shall be conducted as specified in this OEFSR. However, sampling is not mandatory and any user of this OEFSR may decide to collect the data from all the plants or farms, without performing any sampling.”

In case the OEFSR allows the use of sampling, the OEFSR shall define the requirements for reporting by the user of the OEFSR. The population and the selected sample used for the OEF study shall be clearly described in the OEF report (e.g., the % of the total production or % of number of sites, following the requirements stated in the OEFSR).

#### **A.4.2.5.1. How to define homogeneous sub-populations (stratification)**

The OEF method requires aspects to be taken into consideration in the identification of the sub-populations (see section 4.4.6.1 of the OEF method):

- Geographical distribution of sites;
- Technologies/ farming practices involved;
- Production capacity of the companies/ sites taken into consideration.

The OEFSR may list additional aspects to be taken into consideration within a specific sector.

In case additional aspects are taken into account, the number of sub-populations is calculated using the formula (equation 1) provided in section 4.4.6.1 of the OEF method and multiplying the result with the numbers of classes identified for each additional aspect (e.g., those sites which have an environmental management or reporting systems in place).

#### **A.4.2.5.2. How to define sub-sample size at sub-population level**

The OEFSR shall specify the approach chosen among the two available in section 4.4.6.2 of the OEF method. The same approach shall be used for all the sub-populations selected.

In case the first approach is chosen the OEFSR shall establish the unit of measure for the production, (if t, m<sup>3</sup>, m<sup>2</sup>, value). The OEFSR shall identify the percentage of production to be covered by each sub-population, which shall not be lower than 50%, expressed in the relevant unit. This percentage determines the sample size within the sub-population.

#### **A.4.2.6. Use stage**

##### **A.4.2.6.1. Main function approach or delta approach**

The OEFSR shall describe which approach shall be applied (main function approach or delta approach, section 4.4.7.1 of the OEF method).

In case the delta approach is used, the OEFSR shall specify a reference consumption to be defined for each associated product (e.g. of energy and materials). The reference consumption refers to the minimum consumption that is essential for providing the function. The consumption above this reference (the delta) will then be allocated to the product. To define the reference situation, the following shall be considered, if available:

- Regulations applicable to the products in the PP;
- Standards or harmonised standards;
- Recommendations from manufacturers or manufacturers' organisations;
- Use agreements established by consensus in sector-specific working groups.

#### A.4.2.6.2. Modelling the use stage

For all processes belonging to the use stage (both most relevant and the others):

- (i) The OEFSR shall indicate which use stage processes are product dependent and product independent (as described in the OEF method, section 4.4.7). In case of large product portfolios, this information may be provided as an Annex to the OEFSR.
- (ii) The OEFSR shall identify for which processes default data shall be provided by following the modelling guidelines in Table A-4. In case modelling is optional, the TS shall decide whether this is included in the system boundary of the OEFSR calculation model.
- (iii) Per process to be modelled, the TS shall decide and describe in the OEFSR whether the main function approach or delta approach shall be applied:
  - (c) Main function approach: The default datasets presented in the OEFSR shall reflect as much as possible the reality of market situations.
  - (d) In case of the delta approach, the OEFSR shall provide the reference consumption to be used.
- (iv) The OEFSR shall follow the modelling and reporting guidelines in Table A-4. This table shall be filled in by the TS and included in the first and second OEF-RO reports.

*Table A-4 OEFSR guidelines for the use stage*

| Is the use stage process... |                | Actions to be taken by the TS  |                       |
|-----------------------------|----------------|--|-----------------------|
| Product dependent?          | Most relevant? | Modelling guidelines   | Where to report       |
| Yes                         | Yes            | To be included in the OEFSR system boundary. Provide default data                  | Mandatory: OEF report |
|                             | No             | Optional: May be included in the OEFSR system boundary when the uncertainty can be | Optional: OEF report  |

| Is the use stage process... |                | Actions to be taken by the TS           |                                   |
|-----------------------------|----------------|---|-----------------------------------|
| Product dependent?          | Most relevant? | Modelling guidelines                    | Where to report                   |
|                             |                | quantified (provide default data)       |                                   |
| No                          | Yes/No         | Excluded from the OEFSR system boundary | Optional: qualitative information |

Annex D provides default data to be used by the TS to model use stage activities that might be cross-cutting for several product groups. It shall be used to fill in the data gaps and ensure consistency among OEFSRs. Better data may be used but shall be justified in the OEFSR.

### *Example: pasta*

This is a simplified example on how the environmental footprint of the use stage can be modelled and reported for the product ‘1 kg dry pasta’ (adapted from the final PEFCR for dry pasta<sup>95</sup>. The process of modelling the use stage in case of products belonging to an OEF PP would be similar).

Table A-6 presents the processes used for modelling the use stage of 1kg dry pasta (boiling time according to instructions, for instance 10 minutes; amount of water, according to the instructions, for instance 10 litres). Among the four processes, electricity and heat use are the most relevant ones. Within this example, all four processes are product dependent. The amount of water use and cooking time is in general indicated on the packaging. The manufacturer can change the recipe in order to increase or reduce the cooking time, and therefore the energy use. Within the PEFCR, default data is provided on all four processes, as indicated in Table A-6 (activity data + LCI dataset to be used). Following the reporting guidelines, the EF of the total of all four processes is reported as separate information.

*Table A-5 Example activity data and secondary datasets used*

| Materials/fuels  | Value | Unit |
|--|-------|------|
| Tap water; technology mix; at user; per kg water   | 10    | kg   |
| Electricity mix, AC, consumption mix, at consumer, <1kV EU-28+3  | 0.5   | kWh  |
| Heat, from resid. Heating systems from NG, consumption mix, at consumer, temperature of 55C EU-28+3                                    | 2.3   | kWh  |
| Waste to treatment   | Value | Unit |
| Waste water treatment, domestic waste water according to the Directive 91/271/EEC concerning urban waste water treatment plant EU-28+3 | 10    | kg   |

<sup>95</sup> Available at [http://ec.europa.eu/environment/eussd/smqp/PEFCR\\_OEFSR\\_en.htm](http://ec.europa.eu/environment/eussd/smqp/PEFCR_OEFSR_en.htm)

**Table A-6** Processes of the use stage of dry pasta (adapted from the final PEFCR for dry pasta). The most relevant processes are indicated in the green box

| Is the use stage process ...? |                      | Pasta processes          | Actions taken by the TS:   |  |
|-------------------------------|----------------------|--------------------------|--|--|
| (ii) Product dependent?       | (iii) Most relevant? |                          | Modelling  | Reporting                              |
| Yes                           | Yes                  | Electricity and Heat     | Modelled as main function approach.<br>Default data provided (total energy use). | In the PEF report, reported separately |
|                               | No                   | Tap water<br>Waste water | Modelled as main function approach.<br>Default data provided (total water use).  | In the PEF report, reported separately |
| No                            | Yes/No               |                          | Excluded from the EF calculation (impact categories)                             | Optional: qualitative information      |

#### A.4.2.7. End of life modelling

The OEFSR shall prescribe the use of the CFF formula and provide all the values for the parameters to be used.

##### A.4.2.7.1. The A factor

The A values to be used shall be clearly listed in the OEFSR, with reference to Annex C. When developing an OEFSR the following procedure shall be applied to select the value of A to be included in the OEFSR:

- Check in Annex C the availability of an application-specific A value which fits the OEFSR,
- If an application specific A value is not available, the material-specific A value in Annex C shall be used,
- If a material-specific A value is not available, the A value shall be set equal to 0.5.

If the OEFSR cannot determine specific A values, it shall prescribe the same procedure to be applied by the user of the OEFSR.

##### A.4.2.7.2. The B factor

When modelling the RO, the B value shall be equal to 0 as default.

#### A.4.2.7.3. The quality ratios: $Q_{\text{sin}}/Q_{\text{p}}$ and $Q_{\text{sout}}/Q_{\text{p}}$

The quality ratios shall be determined at the point of substitution and per application or material. The quality ratios are OEFSR-specific, except for packaging materials (see section 4.4.8.5 of the OEF method).

The quantification of the quality ratios shall be based on:

- Economic aspects: i.e. price ratio of secondary compared to primary materials at the point of substitution. In case the price of secondary materials is higher than that of the primary ones, the quality ratios shall be equal to 1.
- If economic aspects are less relevant than physical aspects, the latter may be used.

For packaging, each OEFSR should use the default values provided in Annex C. The TS may decide to change the default values in the OEFSR to product- or sector-specific ones. In this case, the justification for the change shall be included in the OEFSR.

#### A.4.2.7.4. Recycled content ( $R_1$ )

The OEFSR shall (i) prescribe the list of  $R_1$  values which shall be used by the user in case no company-specific values are available and (ii) shall make a reference to Annex C. The applied  $R_1$  values shall be subject to the OEFSR review (if applicable) or OEF study verification (if applicable).

The choice for ‘default  $R_1$  values’ or ‘company-specific  $R_1$  values’ shall be based on the rules of the DNM (see Table A-7).

This means that supply-chain specific values shall be used when:

- the process is identified in the OEFSR as being most relevant and is run by the organisation in scope, or the organisation is not running the process but has access to company-specific information,
- or
- the process is listed by the OEFSR as mandatory company-specific data.

In all other cases ‘default secondary  $R_1$  values’ shall be used for example, when  $R_1$  is in situation 2, option 2 of the DNM. In this case, company-specific data is not mandatory and default secondary data should be used by the company using the OEFSR. The TS shall provide in the OEFSR default application-specific  $R_1$  values and set the  $R_1$  to 0% when no application-specific data is available. Material-specific values based on supply market statistics shall not be used as a proxy.

*Table A-7 Requirements regarding  $R_1$  values in relation with the DNM*

|  |                 | Most relevant process             | Other process                              |
|--|-----------------|-----------------------------------|--|
| <b>Situation 1:</b><br>process run by the organisation in scope of | <b>Option 1</b> | Supply-chain specific $R_1$ value |  |
|  | <b>Option 2</b> |                                   | Default (application-specific) $R_1$ value |

|   |                 |  |  |
|---|-----------------|--|--|
| the OEF study   |                 |  |  |
| <b>Situation 2:</b> process <u>not</u> run by the organisation in scope of the OEF study, but with access to (company-)specific information       | <b>Option 1</b> | Supply-chain specific R <sub>1</sub> value                                   |  |
|   | <b>Option 2</b> | Default (application-specific) or supply-chain specific R <sub>1</sub> value |  |
|   | <b>Option 3</b> |  | Default (application-specific) or supply-chain specific R <sub>1</sub> value |
| <b>Situation 3:</b> process <u>not</u> run by organisation in scope of the OEF study, and <u>without</u> access to (company)-specific information | <b>Option 1</b> | Default (application-specific) R <sub>1</sub> value                          |  |
|   | <b>Option 2</b> |  | Default (application-specific) R <sub>1</sub> value                          |

#### A.4.2.7.5. Guidelines on how to deal with pre-consumer scrap

Two options are described in the OEF method (section 4.4.8.8): the OEFSR shall specify which option shall be used when modelling pre-consumer scrap.

#### A.4.2.7.6. Recycling output rate (R<sub>2</sub>)

The OEFSR shall list the default R<sub>2</sub> values (with reference to Annex C) to be used by the user of the OEFSR in case no company-specific values are available. If an R<sub>2</sub> value is not available for a specific application in Annex C, the OEFSR shall list the R<sub>2</sub> values of the material (e.g. materials average).

In case no R<sub>2</sub> values are available in Annex C, the TS has two options: either R<sub>2</sub> shall be equal to 0 or the TS generates new statistics to assign an R<sub>2</sub> value.

The OEFSR shall list the default R<sub>2</sub> values (taken from Annex C) to be applied by the user in case no company-specific values are available. All possible geographic regions shall be provided.

To select the right R<sub>2</sub> value the following procedure shall be followed by the user of the OEFSR and described in the OEFSR:

- Company-specific values shall be used if available.



- If no company-specific values are available and the criteria for evaluation of recyclability are fulfilled (see section 4.4.8.9 of the OEF method), application-specific  $R_2$  values shall be used as listed in the OEFSR,
  - If an  $R_2$  value is not available for a specific country, then the European average shall be used.
  - If an  $R_2$  value is not available for a specific application, the  $R_2$  values of the material shall be used (e.g. material's average).
  - In case no  $R_2$  values are available,  $R_2$  shall be 0 or new statistics may be generated to assign an  $R_2$  value in the specific situation.
- The applied  $R_2$  values shall be subject to the OEF study verification.

#### **A.4.2.7.7. $E_{\text{recycled}}$ and $E_{\text{recyclingEoL}}$**

The OEFSR shall list the default datasets that the user of the OEFSR shall apply to model  $E_{\text{rec}}$  and  $E_{\text{recEoL}}$ .

#### **A.4.2.7.8. The $E^*v$**

The OEFSR shall list the default datasets that the user of the OEFSR shall apply to model  $E^*v$ .

#### **A.4.2.7.9. How to apply the formula when the product portfolio includes intermediate products**

In this case, the parameters related to the end-of-life of the specific product in the PP (i.e. recyclability at end-of-life, energy recovery and disposal) shall not be accounted for, unless the OEFSR requires to calculate additional information for the EoL stage.

If the formula is applied in OEF studies when the PP includes intermediate products, the OEFSR shall prescribe for such products:

- The use of the CFF;
- To exclude the end of life by setting the parameters  $R_2$ ,  $R_3$ , and  $E_d$  to 0 for the products in the PP;
- Use  $A=1$  for the intermediate products in the PP;

When developing the OEFSR, the  $A$  value for the products in the PP shall be set to 1 for the hotspot analysis in the OEF-RO study to allow to focus the analysis on the actual system. This shall be documented in the OEFSR.

#### **A.4.2.8. Extended product lifetime**

In situation 1 described at section 4.4.9 of the OEF method, the OEFSR shall describe how reuse or refurbishment is included in the calculations, taking into account the “how long” of the PP. Default values for extended lifetime shall be provided in the OEFSR or shall be listed as mandatory company-specific information.

#### **A.4.2.8.1. How to apply “reuse rate” (situation 1)**

At point 2) of section 4.4.9.2 of the OEF method, the OEFSR shall further specify and provide one-way transport distances.

#### **A.4.2.8.2. Average reuse rates for company owned pools**

The average reuse rates available in section 4.4.9.4 of the OEF method shall be used within the OEF-RO studies, unless data of better quality is available.

If the TS decides to use other values within their OEF-RO study, it shall provide a justification and provide the data source. In case a specific packaging type is not present in the list above, sector-specific data shall be used. New values shall be subject to the OEFSR review.

The OEFSR shall prescribe the use of mandatory company-specific reuse rates for company owned packaging pools.

#### **A.4.2.8.3. Average reuse rates for third party operated pools**

The average reuse rates available in section 4.4.9.5 of the OEF method shall be used by those OEFSRs that have third party operated reusable packaging pools in scope, unless data of better quality is available.

If the TS decides to use other values within their final OEFSR, it shall clearly justify why and provide the data source. In case a specific packaging type is not present in the list of section 4.4.9.5, sector-specific data shall be collected and included in the OEFSR. New values shall be subject to the OEFSR review.

#### **A.4.2.9. Greenhouse gas emissions and removals**

To provide all necessary information for developing the OEFSR, the OEF-RO study shall always calculate the three climate change sub-categories separately. If climate change is identified as a most-relevant impact category, the OEFSR shall (i) always request to report the total climate change as the sum of the three sub-categories, and (ii) shall request the reporting of the sub-categories ‘climate change -fossil’, ‘climate change – biogenic’ and ‘climate change - land use and land use change’, separately if the OEF-RO study shows a contribution of more than 5%<sup>96</sup> each to the total score.

##### **A.4.2.9.1. Sub-category 2: Climate change – biogenic**

The OEFSR shall specify if a simplified modelling approach shall be used when modelling the foreground emissions.

In the case a simplified modelling approach is chosen, the OEFSR shall include the following text: “Only the emission ‘methane (biogenic)’ is modelled, while no further biogenic emissions and uptakes from the atmosphere are included. When methane emissions can be both fossil or biogenic, the release of biogenic methane shall be modelled first and then the remaining fossil methane.”

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<sup>96</sup> For example, if 'Climate change - biogenic' contributes with 7% (using absolute values) to the total climate change impact and 'Climate change – land use and land use change' contributes with 3% to the total climate change impact. In that case, the total climate change impact and the 'Climate change – biogenic' shall be reported. It is up to the TS to decide where and how to report the latter ('Climate change – biogenic').

In the case a simplified modelling approach is not chosen, the OEFSR shall include the following text: “All biogenic carbon emissions and removals shall be modelled separately. However, note that the corresponding characterisation factors for biogenic CO<sub>2</sub> uptakes and emissions within the EF impact assessment method are set to zero”.

#### **A.4.2.9.2. Sub-category 3: Climate change – land use and land use change (LULUC)**

The TS may decide to include soil carbon storage in the OEFSR as additional environmental information. In case of inclusion, the OEFSR shall specify how this shall be modeled and calculated, and which proof shall be provided. If legislation provides specific modelling requirements for the sector, it shall be modelled according to this legislation.

#### **A.4.2.10. Packaging**

European average packaging datasets shall be used in case the OEFSR does not request the use of company-specific data, no supplier-specific information is available or the packaging is not relevant. Although the default secondary datasets shall be listed in the OEFSR, for some multi-material packaging the OEFSR shall provide additional information to allow the user to perform a correct modelling. This is for example the case for beverage cartons and bag-in-box packaging:

- Beverage cartons are made out of LDPE granulates and liquid packaging board, with or without aluminium foil. The amount of LDPE granulates, board and foil (also called the bill of material of beverage cartons) depends on the application of the beverage carton and shall be defined in the OEFSR if applicable (e.g. wine cartons, milk cartons). Beverage cartons shall be modelled by combining the OEFSR prescribed amounts of material datasets with the beverage carton conversion dataset.
- Bag in box is made out of corrugated board and packaging film. If applicable, the OEFSR should define the amount of corrugated board, as well as the amount and type of packaging film. If this is not prescribed by the OEFSR, the user of the OEFSR shall use the default dataset for bag-in-box.

#### **A.4.3. Handling multi-functional processes**

Systems involving multi-functionality of processes shall be modelled in accordance with the decision hierarchy provided in the OEF method (section 4.5).

The OEFSR shall further specify multi-functionality solutions within the defined system boundary and, where appropriate, for upstream and downstream stages. If applicable, the OEFSR shall further provide specific factors to be used in the case of allocation solutions. All such multi-functionality solutions specified in the OEFSR shall be clearly justified with reference to the OEF multi-functionality solution hierarchy:

- Where subdivision is applied, the OEFSR shall specify which processes are to be sub-divided and the principles that such subdivision should adhere to.
- Where allocation by physical relationship is applied, the OEFSR shall specify the relevant underlying physical relationships that shall be considered and list the specific allocation values that shall be fixed for all studies using the OEFSR.

- Where allocation by some other relationship is applied, the OEFSR shall specify this relationship and list the specific allocation values that shall be fixed for all studies using the OEFSR.

#### **A.4.3.1. Animal husbandry**

##### **A.4.3.1.1. Allocation within the farm module**

Default values for each type of animal shall be provided in the OEFSR and used by OEF studies. The default values available in sections 4.5.1.2-4.5.1.4 of the OEF method should be used, unless more sector-specific data are available.

##### **A.4.3.1.2. Allocation within the slaughterhouse**

Default values for prices and mass fractions are provided in the OEF method for cattle, pigs and small ruminants (sheep, goat) and these default values shall be included in relevant OEFSRs and used by OEF studies, OEF supporting studies and OEF-RO studies. No change of allocation factors is allowed in OEF studies.

##### **A.4.3.1.3. Allocation within the slaughterhouse for cattle**

If allocation factors to subdivide the impact of the carcass among the different cuts are desired, they shall be defined in the relevant OEFSR.

#### **A.4.4. Data collection requirements and quality requirements**

##### **The materiality principle**

One of the main features of the OEF method is the “materiality” approach, i.e. focusing where it really matters. In the OEF context, the materiality approach is developed around two main areas:

- **Impact categories, life cycle stages, processes and direct elementary flows:** the OEFSR shall identify the most relevant ones. These are the environmental contributions on which companies, stakeholders, consumers, and policy makers should focus (see section 6.3 of the OEF method);
- **Data requirements:** as the most relevant processes are those driving the environmental profile of an organisation, these shall be assessed by using data of higher quality compared to the less relevant processes, independently from where these processes happen within the OEF boundaries.

Once the model(s) for the representative organisation(s) is developed, the TS shall address the following two questions with the OEF-RO studies:

- (1) Which are the processes for which company-specific information is mandatory?
- (2) Which are the processes that are driving the environmental profile of the organisation (most relevant processes)?

##### **A.4.4.1. List of mandatory company-specific data**

The list of mandatory company-specific data refers to the activity data, direct elementary flows and (unit) processes for which company-specific data shall be collected. This list defines the

minimum data requirements to be fulfilled by the users of the OEFSR. The purpose is to avoid that a user without access to the relevant company-specific data is able to perform an OEF study and communicate its results by only applying default data and datasets. The OEFSR shall define the list of mandatory company-specific data.

For the selection of the mandatory company-specific data, the TS shall consider its relevance within the EF profile, the level of effort needed to collect these data (especially for SMEs) and the overall quantity of data / time required to collect all mandatory company-specific data. This decision is very important and has two consequences: (i) companies may perform a OEF study by only searching for these data and using default data for everything outside this list, while (ii) companies that don't have company-specific data for any of the listed data cannot calculate a OEFSR-compliant OEF profile for an organisation on the sector concerned.

For each process for which company-specific data is mandatory the OEFSR shall provide the following information:

- (1) the list of the company-specific activity data to be declared by the user of the OEFSR together with the default secondary datasets to be used. The list of activity data shall be as specific as possible in terms of units of measure and any other characteristics that could help the user in implementing the OEFSR;
- (2) the list of direct (i.e. foreground) elementary flows to be declared by the user of the OEFSR. This is the list of most relevant direct emissions and resources. For each emission and resource, the OEFSR shall specify the frequency of measurements, the measurement methods and any other technical information necessary to ensure that OEF profiles are comparable.

Considering that the data for these processes shall be company-specific, the score of P cannot be higher than 3, the score for TiR, TeR, and GeR cannot be higher than 2, and the DQR score shall be lower than 1.6. To assess the DQR, follow the requirements of Table 23 of the OEF method. The developed datasets shall be EF compliant.

For processes selected to be modelled mandatorily with company-specific data, the OEFSR shall follow the requirements set out in this section. For all other processes, the user of the OEFSR shall apply the Data Needs Matrix as explained in section A.4.4.4.4 of this Annex.

#### **A.4.4.2. Which datasets to use?**

When developing the final OEFSR, EF compliant datasets shall be used when available for free<sup>97</sup>. In case EF compliant datasets are not available, the following rules shall be followed in hierarchical order:

- An EF compliant proxy is available for free: it shall be included in the list of default processes of the OEFSR and stated within the limitations chapter of the OEFSR.
- An ILCD entry level (EL) compliant proxy is available for free: These may be used up to a maximum of 10% of the total environmental impact of the final OEF-RO (calculated cumulatively from lowest to largest contribution to the total EF profile).

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<sup>97</sup> The dataset shall be made available at the same terms and conditions as provided on the node where the dataset is available (available at <http://eplca.jrc.ec.europa.eu/LCDN/contactListEF.xhtml>).

- If no EF compliant or ILCD-EL compliant proxy is available for free: it shall be excluded from the model. This shall be clearly stated in the OEFSR as a data gap and validated by the OEFSR reviewers.

For the user of the OEFSR, the secondary datasets listed in the OEFSR shall be used. Whenever a dataset needed to calculate the OEF profile is not among those listed, the following rules shall be followed in hierarchical order:

- Use an EF compliant dataset available on one of the nodes of the Life Cycle Data Network <http://eplca.jrc.ec.europa.eu/LCDN/>;
- Use an EF compliant dataset available in a free or commercial source;
- Use another EF compliant dataset considered to be a good proxy. In this case, this information shall be included in the “limitations” section of the OEF report.
- Use an ILCD-EL compliant dataset. In such cases, these datasets shall be included in the “limitations” section of the OEF report. A maximum of 10% of the total environmental impact may be derived from ILCD-EL compliant datasets (calculated cumulatively from lowest to largest contribution to the total EF profile).
- If no EF compliant or ILCD-EL compliant proxy is available: it shall be excluded from the OEF study. This shall be clearly stated in the OEF report as a data gap and validated by the OEF study and OEF report verifiers.

#### **A.4.4.3. Cut-off**

Any cut-off shall be avoided in the first OEF-RO study and supporting studies.

Based on the results of the first OEF-RO study and if confirmed by the supporting study results, the second OEF-RO study and OEFSR may exclude processes from the RO system boundaries by applying the following rule:

- In case processes are excluded from the model, this shall be done based on a 3% cut-off for all impact categories based on environmental significance, additionally to the cut-off already included in the background datasets. To calculate a 3% cut-off, the TS shall order the processes of the first OEF-RO study starting from the least relevant to the most relevant one. The processes that in total account less than 3% of the environmental impact for each impact category may be excluded from the RO (starting from the least relevant). In case the TS decides to apply the cut-off rule, second OEF-RO shall exclude the processes and the OEFSR shall list the processes that shall be excluded based on the cut-off.
- In case the processes identified for cut-off from the first OEF-RO study are not confirmed by the supporting studies, the decision about their exclusion or inclusion shall be left to the review panel and reported explicitly in the review report to be annexed to the OEFSR.

The OEFSR shall list the processes that shall be excluded from the modelling based on the cut-off rule and indicate that no additional cut-offs are allowed by the user of the OEFSR. In case the TS decides that no cut-off is allowed, this requirement shall be explicitly mentioned in the OEFSR.

#### **A.4.4.4. Data quality requirements**

##### **A.4.4.4.1. The DQR formula**

The OEFSR shall provide tables with the criteria to be used for the semi-quantitative assessment of each data quality criteria. The OEFSR may specify more stringent or specify additional data quality requirements if appropriate for the sector in question.

##### **A.4.4.4.2. The DQR of company-specific datasets**

When creating a company-specific dataset, the data quality of i) the company-specific activity data and ii) the company-specific direct elementary flows (i.e. emission data) shall be assessed separately by the user of the OEFSR. To allow the evaluation of the DQR of data sets with company-specific data, the OEFSR shall include at least one table on how to assess the value of the DQR criteria for these processes. The table(s) to be included in the OEFSR shall be based on Table 23 of the OEF method: only the reference years criteria ( $T_{iR-EF}$ ,  $T_{iR-AD}$ ) may be adapted by the Technical Secretariat.

The DQR of the sub-processes linked to the activity data (see Figure 9 of the OEF method) are evaluated through the requirements provided in the Data Needs Matrix (section A.4.4.4.4).

The DQR of the newly developed dataset shall be calculated as follows:

- (1) Select the most relevant activity data and direct elementary flows: most relevant activity data are the ones linked to sub-processes (i.e. secondary datasets) that account for at least 80% of the total environmental impact of the company-specific dataset, listing them from the most contributing to the least contributing one. Most relevant direct elementary flows are defined as those direct elementary flows contributing cumulatively at least with 80% to the total impact of the direct elementary flows.
- (2) Calculate the DQR criteria  $T_{eR}$ ,  $T_{iR}$ ,  $G_{eR}$  and  $P$  for each most relevant activity data and each most relevant direct elementary flow. The values of each criteria shall be assigned based on the table on how to assess the value of the DQR criteria provided in the OEFSR.
  - (a) Each most relevant direct elementary flow consists of the amount and elementary flow naming (e.g. 40 g carbon dioxide). For each most relevant elementary flow, the user of the OEFSR shall evaluate the 4 DQR criteria named  $T_{eR-EF}$ ,  $T_{iR-EF}$ ,  $G_{eR-EF}$ ,  $P_{EF}$ . Examples of elements to be evaluated include the timing of the flow measured, the technology for which the flow was measured and in which geographical area the measurement was made.
  - (b) For each most relevant activity data, the 4 DQR criteria shall be evaluated (named  $T_{iR-AD}$ ,  $P_{AD}$ ,  $G_{eR-AD}$ ,  $T_{eR-AD}$ ) by the user of the OEFSR.
  - (c) Considering that the data for the mandatory processes shall be company-specific, the score of  $P$  cannot be higher than 3 while the score for  $T_{iR}$ ,  $T_{eR}$ , and  $G_{eR}$  cannot be higher than 2 (The DQR score shall be  $\leq 1.5$ ).
- (3) Calculate the environmental contribution of each most-relevant activity data (through linking to the appropriate sub-process) and direct elementary flow to

the total sum of the environmental impact of all most-relevant activity data and direct elementary flows, in % (weighted, using all EF impact categories). For example, the newly developed dataset has only two most relevant activity data, contributing in total to 80% of the total environmental impact of the dataset:

- Activity data 1 carries 30% of the total dataset environmental impact. The contribution of this process to the total of 80% is 37.5% (the latter is the weight to be used).
  - Activity data 2 carries 50% of the total dataset environmental impact. The contribution of this process to the total of 80% is 62.5% (the latter is the weight to be used).
- (4) Calculate the TeR, TiR, GeR and P criteria of the newly developed dataset as the weighted average of each criterion of the most relevant activity data and direct elementary flows. The weight is the relative contribution (in %) of each most relevant activity data and direct elementary flow calculated in step (3).
  - (5) The user of the OEFSR shall calculate the total DQR of the newly developed dataset using Equation 20 of the OEF method, where  $\overline{Te}_R, \overline{Ge}_R, \overline{Ti}_R, \overline{P}$  are the weighted averages calculated as specified in point (4).

#### **A.4.4.4.3. The DQR of secondary datasets used in a OEF study**

To allow the user to assess the context-specific DQR criteria TeR, TiR and GeR of most relevant processes, the OEFSR shall include at least one table on how to assess the criteria. The assessment of the TeR, TiR and GeR criteria shall be based on Table 24 of the OEF method. The TS may only adapt the reference years for the criterion TiR. It is not allowed to modify the text for the other criteria.

#### **A.4.4.4.4. The Data Needs Matrix**

All processes required to model the product and that are not on the list of mandatory company-specific data shall be evaluated using the Data Needs Matrix (see Table A-8). The next section includes the rules to be followed when developing a OEFSR, while the following section includes the rules for the user of the OEFSR.

##### ***Rules to be followed when developing an OEFSR***

The OEFSR shall include the following information for all processes that are not on the list of mandatory company-specific data:

- (1) provide the list of default secondary datasets to be used within the scope of the OEFSR (dataset name, together with the UUID of the aggregated version<sup>98</sup>, the web address of the node, and the data stocks);
- (2) report the default DQR values (for each criterion) as provided in their meta data, for all default EF datasets listed;
- (3) indicate the most relevant processes;

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<sup>98</sup> Each EF compliant dataset tendered by the Commission is available in both an aggregated and disaggregated (at level-1) form.



- (4) provide one or more DQR table(s) for the most relevant processes;
- (5) indicate the processes expected to be in situation 1;
- (6) for those processes expected to be in situation 1, provide the list of activity data and elementary flows to be declared by the user of the OEFSR. This list shall be as specific as possible in terms of unit of measurement, averaging data and any other characteristics that could help the user in implementing the OEFSR.

***Rules for the user of the OEFSR***

The user of the OEFSR shall apply the DNM to evaluate which data is needed. It shall be used within the modelling of its OEF study, depending on the level of influence the user (company) has on the specific process. The following three cases are found in the DNM:

- (1) **Situation 1:** the process is run by the organisation in scope of OEF study;
- (2) **Situation 2:** the process is not run by the organisation in scope of the OEF study, but the company has access to company-specific information;
- (3) **Situation 3:** the process is not run by the organisation in scope of the OEF study and the organisation does not have access to company-specific information.

The user of the OEFSR shall:

- (1) determine the level of influence (Situation 1, 2 or 3 described below) the organisation has over each process in its supply chain. This decision determines which of the options in Table A-8 is pertinent for each process;
- (2) follow the rules of Table A-8 for the most relevant processes and for the other processes. The DQR value mentioned in brackets is the maximum DQR value allowed.
- (3) Calculate or re-evaluate the DQR values (for each criterion + total) for all the datasets used for the most relevant processes and the new ones created. For all remaining 'other processes' the DQR values provided in the OEFSR shall be used.
- (4) If one or more processes are not included in the list of default processes in the OEFSR, the user shall identify a suitable dataset according to requirements provided in section A.4.4.2 of this Annex.

**Table A-8 Data Needs Matrix (DNM) – Requirements for the user of the OEFSR.** The options indicated for each situation are not listed in hierarchical order. See Table A-7 to determine the  $R_1$  value to be used.

|   |                 | Most relevant process   | Other process  |
|---|-----------------|---|--|
| <b>Situation 1:</b> process run by the organisation in scope of the OEF study   | <b>Option 1</b> | Provide company-specific data (as requested in the OEFSR) and create a company-specific dataset, in aggregated form (DQR≤1.5) <sup>99</sup><br><br>Calculate the DQR values (for each criterion + total)  |  |
|   | <b>Option 2</b> |   | Use default secondary dataset in OEFSR, in aggregated form (DQR≤3.0)<br><br>Use the default DQR values   |
| <b>Situation 2:</b> process <u>not</u> run by organisation in scope of the OEF study, but with access to company-specific information   | <b>Option 1</b> | Provide company-specific data (as requested in the OEFSR) and create a company-specific dataset, in aggregated form (DQR≤1.5)<br><br>Calculate the DQR values (for each criterion + total)  |  |
|   | <b>Option 2</b> | Use company-specific activity data for transport (distance), and substitute the sub-processes used for electricity mix and transport with supply-chain specific EF compliant datasets (DQR≤3.0)<br><br>Re-evaluate the DQR criteria within the product specific context |  |
|   | <b>Option 3</b> |   | Use company-specific activity data for transport (distance), and substitute the sub-processes used for electricity mix and transport with supply-chain specific EF compliant datasets (DQR≤4.0)<br><br>Use the default DQR values. |
| <b>Situation 3:</b> process <u>not</u> run by organisation in scope of the OEF study and without access to company-specific information | <b>Option 1</b> | Use default secondary data set in aggregated form (DQR≤3.0)<br><br>Re-evaluate the DQR criteria within the product specific context   |  |
|   | <b>Option 2</b> |   | Use default secondary data set in aggregated form (DQR≤4.0)<br><br>Use the default DQR values  |

<sup>99</sup> Company-specific datasets shall be made available to the Commission.

#### **A.4.4.4.5. DNM situation 1**

For each process in situation 1 there are two possible options:

- The process is in the list of most relevant processes as specified in the OEFSR or is not in the list of most relevant processes, but still the organisation wants to provide company-specific data (option 1);
- The process is not in the list of most relevant processes and the organisation prefers to use a secondary dataset (option 2).

##### **Situation 1/ Option 1**

For all processes run by the organization in scope of the OEF study and where the user of the OEFSR applies company-specific data, the DQR of the newly developed dataset shall be evaluated as described in A.4.4.4.2 while using the OEFSR -specific DQR tables.

##### **Situation 1/ Option 2**

For the non-most relevant processes only, if the user of the OEFSR decides to model the process without collecting company-specific data, then the user shall apply the secondary dataset listed in the OEFSR together with its default DQR values listed in the OEFSR.

If the default dataset to be used for the process is not listed in the OEFSR, the user of the OEFSR shall take the DQR values from the metadata of the original dataset.

#### **A.4.4.4.6. DNM situation 2**

If a process is in situation 2 (i.e. the organisation in scope of the OEF study is not running the process but has access to company-specific data) there are three possible options:

- The user of the OEFSR has access to extensive supplier-specific information and wants to create a new EF compliant dataset (Option 1);
- The user of the OEFSR has some supplier-specific information and wants to make some minimum changes (Option 2);
- The process is not in the list of most relevant processes, still the organisation wants to make some minimum changes (Option 3).

##### **Situation 2/ Option 1**

For all processes not run by the organisation in scope of the OEF study and where the user of the OEFSR applies company-specific data. The DQR of the newly developed dataset shall be evaluated as described in section 4.6.5.2 of the OEF method while using the OEFSR -specific DQR tables.

### **Situation 2/ Option 2**

The user of the OEFSR applies company-specific activity data for transport and substitutes the sub-processes used for the electricity mix and transport with supply chain specific EF compliant datasets starting from the default secondary dataset provided in the OEFSR.

Please note that the OEFSR lists all dataset names together with the UUID of their aggregated dataset. For this situation, the disaggregated version of the dataset is required.

For the most relevant processes, the user of the OEFSR shall make the DQR context-specific by re-evaluating TeR and TiR using the table(s) provided in the OEFSR (adapted from Table 24 of the OEF method). The criteria GeR shall be lowered by 30%<sup>100</sup> and the criteria P shall keep the original value.

### **Situation 2/ Option 3**

The user of the OEFSR applies company-specific activity data for transport and substitutes the sub-processes used for the electricity mix and transport with supply chain specific EF compliant datasets starting from the default secondary dataset provided in the OEFSR.

Please note that the OEFSR lists all dataset names together with the UUID of their aggregated dataset. For this situation, the disaggregated version of the dataset is required

In this case, the user of the OEFSR shall apply the default DQR values. If the default dataset to be used for the process is not listed in the OEFSR, the user of the OEFSR shall take the DQR values from the original dataset.

#### **A.4.4.4.7. DNM situation 3**

If a process is in situation 3 (i.e. the organisation in scope of the OEF study is not running the process and the organisation does not have access to company-specific data), there are two possible options:

- It is on the list of most relevant processes (situation 3, option 1);
- It is not on the list of most relevant processes (situation 3, option 2).

#### **Situation 3/ Option 1**

In this case, the user of the OEFSR shall make the DQR context-specific by re-evaluating TeR, TiR and GeR using the table(s) provided in the OEFSR (adapted from Table 24 of the OEF method). The criterion P shall keep the original value.

#### **Situation 3/ Option 2**

The user of the OEFSR shall apply the corresponding secondary dataset listed in the OEFSR together with its DQR values. If the default dataset to be used for the process is not listed in the OEFSR, the user of the OEFSR shall take the DQR values from the original dataset.

#### **A.4.4.4.8. DQR of a OEF study**

To calculate the DQR of the OEF study, the OEFSR shall specify that the user of the OEFSR shall follow the DQR calculation rules of section 4.6.5.8 of the OEF method.

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<sup>100</sup> In situation 2, option 2 it is proposed to lower the parameter GeR by 30% in order to incentivise the use of company-specific information and reward the efforts of the company in increasing the geographic representativeness of a secondary dataset through the substitution of the electricity mixes and of the distance and means of transportation.

## **A.5. OEF RESULTS**

The OEFSR shall require the user of the OEFSR to calculate results the OEF study as i) characterised, ii) normalised and iii) weighted results for each EF impact category and iv) as a single overall score based on the weighting factors provided in section 5.2.2 of the OEF method.

## **A.6. INTERPRETATION OF ORGANISATION ENVIRONMENTAL FOOTPRINT RESULTS**

### **A.6.1. Identification of hotspots**

The identification of most relevant impact categories, life cycle stages, processes and direct elementary flows shall be based on the first and second OEF-RO study. The second OEF-RO study determines the identification that will be required in the OEFSR. The identification of the most relevant processes and direct elementary flows has a key role in the process to identify data-related requirements (see previous sections on data quality requirements for further information).

#### **A.6.1.1. Procedure to identify the most relevant impact categories**

The identification of the most relevant impact categories shall follow the requirements at section 6.3.1 of the OEF method. The OEFSR may add more impact categories to the list of the most relevant ones but none shall be deleted.

#### **A.6.1.2. Procedure to identify the most relevant life cycle stages**

The identification of the most relevant impact categories shall follow the requirements in section 6.3.2 of the OEF method. The TS may decide to split or add additional life cycle stages if there are good reasons for it. This shall be justified in the OEFSR. E.g., the life cycle stage ‘Raw material acquisition and pre-processing’ may be split into ‘Raw material acquisition’, ‘pre-processing’, and ‘raw materials supplier transport’. The TS shall evaluate if this step is applicable to OEFSR where the PP covers mainly services.

#### **A.6.1.3. Procedure to identify the most relevant processes**

The identification of the most relevant processes shall follow the requirements in section 6.3.3 of the OEF method. The OEFSR may add more processes to the list of the most relevant ones but none shall be deleted.

In most cases, vertically aggregated datasets may be identified as representing relevant processes. In such cases, it may not be obvious which process is responsible for contributing to an impact category. The TS may decide whether to seek further disaggregated data or to treat the aggregated dataset as a process for the purposes of identifying relevance.

#### **A.6.1.4. Procedure to identify the most relevant direct elementary flows**

The identification of the most relevant direct elementary flows shall follow the requirements at section 6.3.4 of the OEF method. The TS may add more elementary flows to the list of the most relevant ones but none shall be deleted. For each most relevant process, the identification of the most relevant direct elementary flows is important to define which direct emissions or resource use should be requested as company-specific data (i.e. the foreground elementary flows within the processes listed in the OEFSR as mandatory company-specific data).

## **A.7. ORGANISATION ENVIRONMENTAL FOOTPRINT REPORTS**

General requirements regarding OEF reports are available in the OEF method (section 7). Any OEF study (including OEF-RO studies and supporting studies) shall include an OEF report. An OEF report provides a relevant, comprehensive, consistent, accurate, and transparent account of the study and of the calculated environmental impacts associated with the organisation.

An OEF report template is available in Annex E. The template includes the detailed information to be provided in an OEF report. The TS may decide to require further information to be provided in the OEF report, in addition to the ones listed in Annex E.

## **A.8. VERIFICATION AND VALIDATION OF OEF STUDIES, REPORTS, AND COMMUNICATION VEHICLES**

### **A.8.1. Defining the scope of the verification**

The verification of the OEF study shall ensure that the OEF study is conducted in compliance with the OEFSR it refers to.

### **A.8.2. Verifier(s)**

The independence of the verifiers shall be guaranteed (i.e. they shall fulfil the intentions in the requirements of ISO/IEC 17020:2012 regarding a 3<sup>rd</sup> party verifier, they shall not have conflicts of interests on concerned products/ sectors and cannot include members of the Technical Secretariat or of the consultants involved in previous part of the work – OEF-RO studies, supporting studies, OEFSR review, etc.).

### **A.8.3. Verification/Validation requirements: requirements for the verification/validation when a OEFSR is available**

The verifier(s) shall verify that the OEF report, OEF communication (if any) and OEF study is in compliance with the following documents:

- a) most recent version of the OEFSR applicable for the specific sector in scope;
- b) conformance with the latest official version of the OEF method.

The verification and validation of the OEF study shall be carried out following the minimum requirements listed in sections 8.4.1 of the OEF method and A.8.3.1 of Annex A and the additional OEFSR -specific requirements specified by the TS and documented in the OEFSR section "Verification".

#### **A.8.3.1. Minimum requirements for the verification and validation of the OEF study**

In addition to the requirements specified in the OEF method, for all processes used in the OEF study that are to be validated, the verifier(s) shall check if the DQR satisfies the minimum DQR as specified in the OEFSR.

The OEFSR may specify additional requirements for the validation that shall be added to the minimum requirements stated in this document. The verifier(s) shall check that all the minimum and additional requirements are satisfied during the verification process.

### **A.8.3.2. Verification and validation techniques**

In addition to the requirements specified in the OEF method, the verifier shall check if the applied sampling procedures are in accordance with the sampling procedure defined in the OEFSR. The data reported shall be checked against the source documentation to check their consistency.

### **A.8.3.3. Content of the validation statement**

In addition to the requirements specified in the OEF method, the following elements and aspects shall be included in the validation statement:

- absence of conflict of interest of the verifier(s) with respect to concerned products/ sector and any involvement in previous work (OEFSR development, OEF-RO studies, supporting studies, Technical Secretariat membership and consultancy work carried out for the user of the OEFSR during the last three years).

## **ANNEX B OEFSR TEMPLATE**

**Note:** the text included in *italics* in each section shall not be modified when drafting the OEFSR, except for references to tables, figures and equations. References shall be revised and linked correctly. Further text may be added if relevant.

In case of conflicting requirements between the ones in this Annex and the main text of the OEF method and Annex A, the latter prevail over the ones in Annex B.

The text included in [] are instructions for the OEFSR developers.

**The order of sections and their titles shall not be modified.**

[The first page shall include at least the following information:

- The sector for which the OEFSR is valid
- Version number
- Date of publication
- Time validity]



## **Table of contents**

### **Acronyms**

[List in this section all the acronyms used in the OEFSR. Those already included in the latest version of the OEF Method or the Annex A shall be copied in their original form. The acronyms shall be provided in alphabetical order.]

### **Definitions**

[List in this section all the definitions that are relevant for the OEFSR. Those already included in the latest version of the OEF Method or the Annex A shall be copied in their original form. The definitions shall be provided in alphabetical order.]

## **B.1. INTRODUCTION**

*The Organisation Environmental Footprint (OEF) method provides detailed and comprehensive technical rules on how to conduct OEF studies that are more reproducible, consistent, robust, verifiable and comparable. Results of OEF studies are the basis for the provision of EF information and they may be used in a diverse number of potential fields of applications, including in-house management and participation in voluntary or mandatory programmes.*

*For all requirements not specified in this OEFSR the user of the OEFSR shall refer to the documents this OEFSR is in conformance with (see chapter 0).*

*The compliance with the present OEFSR is optional for OEF in-house applications, whilst it is mandatory whenever the results of an OEF study or any of its content is intended to be communicated.*

### **Terminology: shall, should and may**

*This OEFSR uses precise terminology to indicate the requirements, the recommendations and options that could be chosen when an OEF study is conducted.*

- The term “shall” is used to indicate what is required in order for a OEF study to be in conformance with this OEFSR.
- The term “should” is used to indicate a recommendation rather than a requirement. Any deviation from a “should” requirement has to be justified when developing the OEF study and made transparent.
- The term “may” is used to indicate an option that is permissible. Whenever options are available, the OEF study shall include adequate argumentation to justify the chosen option.

## **B.2. GENERAL INFORMATION ABOUT THE OEFSR**

### **B.2.1. Technical Secretariat**

[The list of the organisations in the Technical Secretariat (TS) at the time of approval of the final OEFSR shall be provided. For each one, the type of organisation shall be reported (industry, academia, NGO, consultant, etc.), as well as the starting date of participation. The TS may decide to include also the names of the members of the persons involved for each organisation]

| <i>Name of the organisation</i> | <i>Type of organisation</i> | <i>Name of the members (not mandatory)</i> |
|---------------------------------|-----------------------------|--|
|                                 |                             |  |
|                                 |                             |  |
|                                 |                             |  |

### **B.2.2. Consultations and stakeholders**

[For each public consultation the following information shall be provided:

- Opening and closing date of the public consultation
- Number of comments received
- Names of organisations that have provided comments
- Link to the online platform]

### **B.2.3. Review panel and review requirements of the OEFSR**

[This section shall include the names and affiliations of the members of the review panel. The member that is chairing the review panel shall be identified.]

| <i>Name of the member</i> | <i>Affiliation</i> | <i>Role</i> |
|---------------------------|--------------------|-------------|
|                           |                    |             |
|                           |                    |             |
|                           |                    |             |

*The reviewers have verified that the following requirements are fulfilled:*

- The OEFSR has been developed in accordance with the requirements provided in the OEF method and Annex A of the OEF method;
- The OEFSR supports the creation of credible, relevant and consistent OEF profiles;
- The OEFSR scope and the representative organisation(s) are adequately defined;
- The reporting unit, allocation and calculation rules are adequate for the sector under consideration;
- Datasets used in the OEF-ROs and the supporting studies are relevant, representative, reliable, and in compliance with data quality requirements;
- The selected additional environmental and technical information are appropriate for the sector under consideration and the selection is done in accordance with the requirements stated in the OEF method,
- The model of the RO represent correctly the sector or sub-sector;
- The RO model(s), disaggregated in line with the OEFSR and aggregated in ILCD format, are EF compliant following the rules available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>;
- The RO model in its corresponding excel version is compliant with the rules outlined in section A.2.10.1 of Annex A;
- The Data Needs Matrix is correctly implemented.

[The TS may add additional review criteria as appropriate]

*The public review reports are provided in Annex 3 of this OEFSR.*

[The review panel shall produce: i) a public review report for each OEF-RO, ii) a public review report for the final OEFSR].

#### **B.2.4. Review statement**

*This OEFSR was developed in compliance with the OEF Method adopted by the Commission on [indicate the date of approval of the latest version available].*

*The representative organisation(s) correctly describe the average organisation(s) active in Europe for the sector/ sub-sector(s) in scope of this OEFSR.*

*OEF studies carried out in compliance with this OEFSR would reasonably lead to reproducible results and the information included therein may be used to make comparisons and comparative assertions under the prescribed conditions (see chapter on limitations).*

[The review statement shall be completed by the reviewer.]

#### **B.2.5. Geographic validity**

*This OEFSR is valid for the... [fill in regions, e.g. EU+EFTA].*

*Each OEF study shall identify its geographical validity listing all the countries where the organisation's activities take place, together with the relative market share.*

### **B.2.6. Language**

*The OEFSR is written in English. The original in English supersedes translated versions in case of conflicts.*

### **B.2.7. Conformance to other documents**

*This OEFSR has been prepared in conformance with the following documents (in prevailing order):*

*Organisation Environmental Footprint (OEF) method*

....

[The OEFSR shall list additional documents, if any, with which the OEFSR is in conformance with.]

## **B.3. OEFSR scope**

[This section shall i) include a description of the scope of the OEFSR, ii) list and describe the sub-sectors included in the OEFSR (if any), describe product portfolio in scope and the technical performance.]

### **B.3.1. The sector**

[The OEFSR shall include a sector definition.]

*The NACE codes for the sectors included in this OEFSR are:*

[Based on the sector, provide the corresponding statistical classification of economic activities in the European community, NACE. Identify the sub-sectors not covered by the NACE, if any.]

### **B.3.2. Representative organisation(s)**

[The OEFSR shall include a description of the representative organisation(s) and how it has been derived. The TS shall provide in an Annex to the OEFSR information about all the steps taken to define the “model” of the RO(s) and report the information gathered].

*The OEF study of the representative organisation(s) (OEF-RO) is available upon request to the TS coordinator that has the responsibility of distributing it with an adequate disclaimer about its limitations.*

### **B.3.3. Reporting unit and product portfolio**

*The reporting unit (RU) is ... [to be filled in].*

*Table B. 1 defines the key aspects used to define the RU.*

**Table B. 1. Key aspects of the product portfolio**

|                           |  |
|---------------------------|--|
| <i>What?</i>              | [to be filled in. Note that in case the OEFSR uses the term ‘inedible parts’ a definition shall be provided by the TS] |
| <i>How much?</i>          | [to be filled in]  |
| <i>How well?</i>          | [to be filled in]  |
| <i>How long?</i>          | [to be filled in]  |
| <i>Reference year</i>     | [to be filled in]  |
| <i>Reporting interval</i> | [to be filled in]  |

[The OEFSR shall specify the product portfolio (PP) and how it is defined, in particular with respect to “how well” and “how long”. It shall also define the reporting interval. If this differs from one year, the TS shall justify the chosen interval. In case calculation parameters are needed, the OEFSR shall provide default values or shall request these parameters in the list of mandatory company-specific information. A calculation example shall be provided].

### **B.3.4. System boundary**

[This section shall include a system diagram clearly indicating the processes and life cycle stages (if applicable) that are included in the sector/ sub-sector. A short description of the processes and life cycle stages shall be provided. The diagram shall include an indication of the processes for which company-specific data are required and the processes excluded from the system boundary.

The system diagram shall clearly indicate the organisational boundary and the OEF boundary. A short description of the processes included in the organisational boundary and OEF boundary shall be provided.]

*The following life cycle stages and processes shall be included in the system boundary:*

**Table B. 2. Life cycle stages**

| <i>Life cycle stage</i> | <i>Short description of the processes included</i> |
|-------------------------|--|
|                         |  |

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |

According to this OEFSR, the following processes may be excluded based on the cut-off rule: [include the list of processes that shall be excluded based on the cut off rule]. No additional cut-off is allowed. OR According to this OEFSR, no cut-off is applicable.

Each OEF study done in accordance with this OEFSR shall provide in the OEF study a diagram indicating the activities falling in situation 1, 2 or 3 of the data needs matrix. Each OEF study shall describe the activities taking place within the organisational boundary and the OEF boundary.

### B.3.5. List of EF impact categories

Each OEF study carried out in compliance with this OEFSR shall calculate the OEF-profile including all EF impact categories listed in the table below. [The TS shall indicate in the table if the sub-categories for climate change shall be calculated separately. In case one or both sub-categories are not reported on, the TS shall include a footnote explaining the reasons, e.g.: “The sub-indicators ‘Climate change – biogenic’ and ‘Climate change - land use and land transformation’ shall not be reported separately because their contribution to the total score of climate change is less than 5% each.”]

**Table B. 3. List of the impact categories to be used to calculate the OEF profile**

| EF impact category   | Impact indicator                                       | Unit                  | Characterization model                                       |
|--|--|-----------------------|--|
| Climate change   | Radiative forcing as Global Warming Potential (GWP100) | kg CO <sub>2</sub> eq | Baseline model of 100 years of the IPCC (based on IPCC 2013) |
| - Climate change-biogenic [strikethrough if not to be reported upon]                       |  |                       |  |
| - Climate change – land use and land use change [strikethrough if not to be reported upon] |  |                       |  |
| Ozone depletion  | Ozone Depletion Potential (ODP)                        | kg CFC-11 eq          | Steady-state ODPs as in (WMO 2014 + integrations)            |
| Human toxicity, cancer   | Comparative Toxic Unit for humans (CTU <sub>h</sub> )  | CTUh                  | USEtox model 2.1 (Fankte et al, 2017)                        |
| Human toxicity, non-cancer   | Comparative Toxic Unit for humans (CTU <sub>h</sub> )  | CTUh                  | USEtox model 2.1 (Fankte et al, 2017)                        |
| Particulate matter   | Impact on human health                                 | disease incidence     | PM method recommended by UNEP (UNEP 2016)                    |

| <b>EF impact category</b>                              | <b>Impact indicator</b>  | <b>category</b>  | <b>Unit</b>                   | <b>Characterization model</b>   |
|--|--|--|-------------------------------|---|
| <i>Ionising radiation, human health</i>                | <i>Human exposure efficiency relative to U<sup>235</sup></i>   |  | <i>kBq U<sup>235</sup> eq</i> | <i>Human health effect model as developed by Dreicer et al. 1995 (Frischknecht et al, 2000)</i> |
| <i>Photochemical ozone formation, human health</i>     | <i>Tropospheric ozone concentration increase</i>   |  | <i>kg NMVOC eq</i>            | <i>LOTOS-EUROS model (Van Zelm et al, 2008) as implemented in ReCiPe 2008</i>                   |
| <i>Acidification</i>                                   | <i>Accumulated Exceedance (AE)</i>   |  | <i>mol H<sup>+</sup> eq</i>   | <i>Accumulated Exceedance (Seppälä et al. 2006, Posch et al, 2008)</i>                          |
| <i>Eutrophication, terrestrial</i>                     | <i>Accumulated Exceedance (AE)</i>   |  | <i>mol N eq</i>               | <i>Accumulated Exceedance (Seppälä et al. 2006, Posch et al, 2008)</i>                          |
| <i>Eutrophication, freshwater</i>                      | <i>Fraction of nutrients reaching freshwater end compartment (P)</i>   |  | <i>kg P eq</i>                | <i>EUTREND model (Struijs et al, 2009) as implemented in ReCiPe</i>                             |
| <i>Eutrophication, marine</i>                          | <i>Fraction of nutrients reaching marine end compartment (N)</i>   |  | <i>kg N eq</i>                | <i>EUTREND model (Struijs et al, 2009) as implemented in ReCiPe</i>                             |
| <i>Ecotoxicity, freshwater</i>                         | <i>Comparative Toxic Unit for ecosystems (CTU<sub>e</sub>)</i>   |  | <i>CTU<sub>e</sub></i>        | <i>USEtox model 2.1 (Fankte et al, 2017)</i>  |
| <i>Land use</i>  | <ul style="list-style-type: none"> <li>• <i>Soil quality index<sup>101</sup></i></li> <li>• <i>Biotic production</i></li> <li>• <i>Erosion resistance</i></li> <li>• <i>Mechanical filtration</i></li> <li>• <i>Groundwater replenishment</i></li> </ul> | <ul style="list-style-type: none"> <li>• <i>Dimensionless (pt)</i></li> <li>• <i>kg biotic production</i></li> <li>• <i>kg soil</i></li> <li>• <i>m<sup>3</sup> water</i></li> <li>• <i>m<sup>3</sup> groundwater</i></li> </ul> |                               | <i>Soil quality index based on LANCA (Beck et al. 2010 and Bos et al. 2016)</i>                 |
| <i>Water use</i>                                       | <i>User deprivation potential (deprivation-weighted water consumption)</i>   |  | <i>m<sup>3</sup> world eq</i> | <i>Available WATER REMaining (AWARE) as recommended by UNEP, 2016</i>                           |
| <i>Resource use<sup>102</sup>, minerals and metals</i> | <i>Abiotic resource depletion (ADP ultimate reserves)</i>  |  | <i>kg Sb eq</i>               | <i>CML 2002 (Guinée et al., 2002) and van Oers et al. 2002.</i>                                 |
| <i>Resource use, fossils</i>                           | <i>Abiotic resource depletion – fossil fuels (ADP-fossil)</i>  |  | <i>MJ</i>                     | <i>CML 2002 (Guinée et al., 2002) and van Oers et al. 2002</i>                                  |

*The full list of normalization factors and weighting factors are available in Annex 1 - List of EF normalisation factors and weighting factors.*

*The full list of characterization factors is available at this link <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>. [The TS shall specify the EF reference package that shall be used.]*

<sup>101</sup> This index is the result of the aggregation, performed by JRC, of the 4 indicators provided by LANCA model as indicators for land use.

<sup>102</sup> The results of this impact category shall be interpreted with caution, because the results of ADP after normalization may be overestimated. The European Commission intends to develop a new method moving from depletion to dissipation model to better quantify the potential for conservation of resources

### **B.3.6. Additional technical information**

[The TS shall list the additional technical information to be reported]:

...

### **B.3.7. Additional environmental information**

[Specify which additional environmental information shall/should be reported (provide units). Avoid if possible the use of should. Reference all methods used to report additional information.]

[Please choose the correct statement:]

*Biodiversity is considered as relevant for this OEFSR.*

*OR*

*Biodiversity is not considered as relevant for this OEFSR.*

[If biodiversity is relevant, the OEFSR shall describe how biodiversity impacts shall be assessed by the user of the OEFSR.]

### **B.3.8. Limitations**

[This section shall include the list of limitations a OEF study will have, even if carried out in accordance with this OEFSR.]

#### **B.3.8.1. Comparisons and comparative assertions**

[This section shall include the conditions under which a comparison or comparative assertion may be made.]

#### **B.3.8.2. Data gaps and proxies**

[This section shall include:

- The list of data gaps on the company-specific data to be collected that most frequently are encountered by companies in the specific sectors and how these data gaps may be solved in the context of the OEF study;
- The list of processes excluded from the OEFSR due to missing datasets that shall not be filled in by the user of the OEFSR;
- The list of processes for which the user of the OEFSR shall apply ILCD-EL compliant proxies.

The TS may decide to indicate in the LCI excel file (see section B.5) for which processes no datasets are available and therefore are considered data gaps and for which processes proxies shall be used.]



## **B.4. MOST RELEVANT IMPACT CATEGORIES, LIFE CYCLE STAGES, PROCESSES AND ELEMENTARY FLOWS**

### **B.4.1. Most relevant EF impact categories**

[In case the OEFSR has no sub-sectors] *The most relevant impact categories for the sector in scope of this OEFSR are the following:*

- [list the most relevant impact categories per sector].

[In case the OEFSR has sub-sectors] *The most relevant impact categories for the sub-sector [name] in scope of this OEFSR are the following:*

- [list the most relevant impact categories per each sub-sector].

### **B.4.2. Most relevant life cycle stages**

[In case the OEFSR has no sub-sectors] *The most relevant life cycle stages for the sector in scope of this OEFSR are the following:*

- [list the most relevant life cycle stages per sector]

[In case the OEFSR has sub-sectors] *The most relevant life cycle stages for the sub-sector [name] in scope of this OEFSR are the following:*

- [list the most relevant life cycle stages per each sub-sector]

### **B.4.3. Most relevant processes**

*The most relevant processes for the sector in scope of this OEFSR are the following* [this table shall be filled in based on the final results of the OEF studies of the representative organisation(s). Provide one table per sub-sector, if appropriate.]

**Table B. 4. List of the most relevant processes**

| <i>Impact category</i>          | <i>Processes</i>                    |
|---------------------------------|-------------------------------------|
| Most relevant impact category 1 | Process A (from life cycle stage X) |
|                                 | Process B (from life cycle stage Y) |
| Most relevant impact category 2 | Process A (from life cycle stage X) |
|                                 | Process B (from life cycle stage X) |
| Most relevant impact category n | Process A (from life cycle stage X) |

| <i>Impact category</i> | <i>Processes</i>                    |
|------------------------|-------------------------------------|
|                        | Process B (from life cycle stage X) |

#### **B.4.4. Most relevant direct elementary flows**

*The most relevant direct elementary flows for the sector in scope of this OEFSR are the following [the list shall be provided based on the final results of the OEF studies of the representative organisation(s). Provide one list per sub-sector, if appropriate.]*

#### **B.5. LIFE CYCLE INVENTORY**

*All newly created datasets shall be EF compliant.*

[The OEFSR shall indicate if sampling is allowed. If the TS allows sampling, the OEFSR shall describe the sampling procedure as described in the OEF method and contain the following sentence:] *In case sampling is needed, it shall be conducted as specified in this OEFSR. However, sampling is not mandatory and any user of this OEFSR may decide to collect the data from all the plants or farms, without performing any sampling.*

#### **B.5.1. List of mandatory company-specific data**

[The TS shall here list the processes to be modelled with mandatory company-specific data (i.e. activity data and direct elementary flows).]

##### **Process a**

[Provide a short description of process “a”. List all the activity data and direct elementary flows that shall be collected and the default datasets of the sub-processes linked to the activity data within process “a”. Use the table below to introduce minimum one example in the OEFSR. In case not all processes are introduced here, the full list of all processes shall be include in an excel file.]

**Table B. 5. Data collection requirements for mandatory process A**

| Requirements for data collection purposes |   |                        | Requirements for modelling purposes |                                   |                       |            |            |            |          | Re-<br>marks |  |
|---|---|------------------------|-------------------------------------|-----------------------------------|-----------------------|------------|------------|------------|----------|--------------|--|
| <i>Activity data to be collected</i>      | <i>Specific requirements (e.g. frequency, measurement standard, etc.)</i> | <i>Unit of measure</i> | <i>Default dataset to be used</i>   | <i>Dataset source (i.e. node)</i> | <i>UUID</i>           | <i>TiR</i> | <i>TeR</i> | <i>GeR</i> | <i>P</i> | <i>DQR</i>   |  |
| Inputs:                                   |   |                        |                                     |                                   |                       |            |            |            |          |              |  |
| [E.g.: yearly electricity]                | [E.g.: 3 year average]  | [E.g. kWh/year]        | [E.g.: Electricity grid mix         | [Link to appropriate node of      | [E.g.: 0af0a6a8-aebc- | [E.g 1.6]  |            |            |          |              |  |

| Requirements for data collection purposes |     |     | Requirements for modelling purposes |  |                         |     |  |  |  | Re-<br>marks |  |
|---|-----|-----|-------------------------------------|--|-------------------------|-----|--|--|--|--------------|--|
| city use]                                 |     |     | 1kV-60kV/EU28+3]                    | the Life Cycle Data Network. The “data stock” shall also be specified] | 4eeb-99f8-5ccf2304b99d] |     |  |  |  |              |  |
| Outputs:                                  |     |     |                                     |  |                         |     |  |  |  |              |  |
| ...                                       | ... | ... | ...                                 | ...  | ...                     | ... |  |  |  |              |  |
|   |     |     |                                     |  |                         |     |  |  |  |              |  |

[List all the emissions and resources that shall be modelled with company-specific information (most relevant foreground elementary flows) within process “a”.]

**Table B. 6. Direct elementary flow collection requirements for mandatory process A**

| Emissions/resources | Elementary flow | UUID | Frequency of measurement | Default measurement method <sup>103</sup> | Remarks |
|---------------------|-----------------|------|--------------------------|---|---------|
|                     |                 |      |                          |   |         |
|                     |                 |      |                          |   |         |
|                     |                 |      |                          |   |         |

See excel file named “[Name OEFSR\_ version number] - Life cycle inventory” for the list of all company-specific data to be collected.

### **B.5.2. List of processes expected to be run by the organisation in scope of the OEF study**

[The processes listed in this chapter shall be additional to the ones listed as mandatory company-specific data. No repetition of processes or data is allowed. In case there are no further processes expected to be run by the organisation, please state “There are no further processes expected to be run by the organisation in addition to those listed as mandatory company-specific data.”]

The following processes are expected to be run by the user of the OEFSR:

- Process X
- Process Y
- ...

<sup>103</sup> Unless specific measurement methods are foreseen in a country-specific legislation

**Process X:**

[Provide a short description of process “x”. List all the activity data and direct elementary flows that shall be collected and the datasets of the sub-processes linked to the activity data within process “x”. Use the table below to introduce minimum one example in the OEFSR. In case not all processes are introduced here, the full list of all processes shall be include in an excel file.]

**Table B. 7. Data collection requirements for process X**

| Requirements for data collection purposes |  |                 | Requirements for modelling purposes          |   |  |           |     |     |   | Re-<br>marks |  |
|---|--|-----------------|--|---|--|-----------|-----|-----|---|--------------|--|
| Activity data to be collected             | Specific requirements (e.g. frequency, measurement standard, etc.) | Unit of measure | Default dataset to be used                   | Dataset source (i.e. node and data stock)   | UUID   | TiR       | TeR | GeR | P | DQR          |  |
| Inputs:                                   |  |                 |  |   |  |           |     |     |   |              |  |
| [E.g.: yearly electricity use]            | [E.g.: 3 year average]   | [E.g. kWh/year] | [E.g.: Electricity grid mix 1kV-60kV/EU28+3] | [Link to appropriate node of the Life Cycle Data Network. The “data stock” shall also be specified] | [E.g.: 0af0a6a8-aebc-4eeb-99f8-5ccf2304b99d] | [E.g 1.6] |     |     |   |              |  |
|   |  |                 |  |   |  |           |     |     |   |              |  |
| Outputs:                                  |  |                 |  |   |  |           |     |     |   |              |  |
| ...                                       | ...  | ...             | ...  | ...   | ...  | ...       |     |     |   |              |  |
|   |  |                 |  |   |  |           |     |     |   |              |  |

**Table B. 8. Direct elementary flow collection requirements for process X**

| Emissions/resources | Elementary flow | UUID | Frequency of measurement | Default measurement method <sup>104</sup> | Remarks |
|---------------------|-----------------|------|--------------------------|---|---------|
|                     |                 |      |                          |   |         |
|                     |                 |      |                          |   |         |
|                     |                 |      |                          |   |         |

<sup>104</sup> Unless specific measurement methods are foreseen in a country-specific legislation

See excel file named “[Name OEFSR\_ version number] - Life cycle inventory” for the list of all processes expected to be in situation I.

### **B.5.3. Data quality requirements**

The data quality of each dataset and the total OEF study shall be calculated and reported. The calculation of the DQR shall be based on the following generic formula with four criteria:

$$DQR = \frac{TeR+GeR+TiR+P}{4} \quad [Equation B.1]$$

where *TeR* is technological representativeness, *GeR* is geographical representativeness, *TiR* is time representativeness, and *P* is precision. The representativeness (technological, geographical and time-related) characterises to what degree the processes and products selected are depicting the system analysed, while the precision indicates the way the data is derived and related level of uncertainty.

The next chapters provide tables with the criteria to be used for the semi-quantitative assessment of each criterion.

[The OEFSR may specify more stringent data quality requirements and specify additional criteria for the assessment of data quality. The OEFSR shall report the formulas to be used for assessing the DQR of i) company-specific data (equation 20 of the OEF method), ii) secondary datasets (equation 19 of the OEF method, iii) OEF study (equation 20 of the OEF method).]

#### **B.5.3.1. Company-specific datasets**

The DQR shall be calculated at the level-1 disaggregation, before any aggregation of sub-processes or elementary flows is performed. The DQR of company-specific datasets shall be calculated as following:

- 1) Select the most relevant activity data and direct elementary flows: most relevant activity data are the ones linked to sub-processes (i.e. secondary datasets) that account for at least 80% of the total environmental impact of the company-specific dataset, listing them from the most contributing to the least contributing one. Most relevant direct elementary flows are defined as those direct elementary flows contributing cumulatively at least with 80% to the total impact of the direct elementary flows.
- 2) Calculate the DQR criteria *TeR*, *TiR*, *GeR* and *P* for each most relevant activity data and each most relevant direct elementary flow. The values of each criterion shall be assigned based on Table B.9.
  - a. Each most relevant direct elementary flow consists of the amount and elementary flow naming (e.g. 40 g carbon dioxide). For each most relevant elementary flow, the user of the OEFSR shall evaluate the 4 DQR criteria named *Te<sub>R-EF</sub>*, *Ti<sub>R-EF</sub>*, *Gr<sub>R-EF</sub>*, *P<sub>EF</sub>*. For example, the user of the OEFSR shall evaluate the timing of the flow measured, for which technology the flow was measured and in which geographical area.
  - b. For each most relevant activity data, the 4 DQR criteria shall be evaluated (named *Ti<sub>R-AD</sub>*, *P<sub>AD</sub>*, *Gr<sub>R-AD</sub>*, *Te<sub>r-AD</sub>*) by the user of the OEFSR.

- c. Considering that the data for the mandatory processes shall be company-specific, the score of P cannot be higher than 3, while the score for TiR, TeR, and GR cannot be higher than 2 (The DQR score shall be  $\leq 1.5$ ).
- 3) Calculate the environmental contribution of each most relevant activity data (through linking to the appropriate sub-process) and direct elementary flow to the total sum of the environmental impact of all most-relevant activity data and direct elementary flows, in % (weighted, using all EF impact categories). For example, the newly developed dataset has only two most relevant activity data, contributing in total to 80% of the total environmental impact of the dataset:
- Activity data 1 carries 30% of the total dataset environmental impact. The contribution of this process to the total of 80% is 37.5% (the latter is the weight to be used).
  - Activity data 2 carries 50% of the total dataset environmental impact. The contribution of this process to the total of 80% is 62.5% (the latter is the weight to be used).
- 4) Calculate the TeR, TiR, GeR and P criteria of the newly developed dataset as the weighted average of each criteria of the most relevant activity data and direct elementary flows. The weight is the relative contribution (in %) of each most relevant activity data and direct elementary flow calculated in step 3.
- 5) The user of the OEFSR shall calculate the total DQR of the newly developed dataset using Equation B.2, where  $\overline{Te}_R, \overline{Ge}_R, \overline{Ti}_R, \overline{P}$  are the weighted average calculated as specified in point (4).

$$DQR = \frac{\overline{Te}_R + \overline{Ge}_R + \overline{Ti}_R + \overline{P}}{4} \quad \text{[Equation B.2]}$$

**Table B. 9. How to assess the value of the DQR criteria for datasets with company-specific information** [Note that the reference years for criterion TiR may be adapted by the TS; more than one table may be included in the OEFSR].

| Rating | PEF and PAD   | TiR-EF and TiR-AD  | TeR-EF and TeR-AD  | GR-EF and GR-AD   |
|--------|---|--|--|---|
| 1      | Measured/calculated <u>and</u> externally verified                            | The data refers to the most recent annual administration period with respect to the EF report publication date | The elementary flows and the activity data exactly the technology of the newly developed dataset       | The activity data and elementary flows reflects the exact geography where the process modelled in the newly created dataset takes place |
| 2      | Measured/calculated and internally verified, plausibility checked by reviewer | The data refers to maximum 2 annual administration periods with respect to the EF report publication date      | The elementary flows and the activity data is a proxy of the technology of the newly developed dataset | The activity data and elementary flows) partly reflects the geography where the process modelled in the                                 |

| Rating | PEF and PAD  | TiR-EF and TiR-AD   | TEr-EF and TEr-AD | GR-EF and GR-AD                   |
|--------|--|---|-------------------|-----------------------------------|
|        |  |   |                   | newly created dataset takes place |
| 3      | Measured/calculated/literature and plausibility not checked by reviewer OR Qualified estimate based on calculations plausibility checked by reviewer | The data refers to maximum three annual administration periods with respect to the EF report publication date | Not applicable    | Not applicable                    |
| 4-5    | Not applicable   | Not applicable  | Not applicable    | Not applicable                    |

**PEF:** Precision for elementary flows; **PAD:** Precision for activity data; **TiR-EF:** Time Representativeness for elementary flows; **TiR-AD:** Time representativeness for activity data;; **TEr-EF:** Technology representativeness for elementary flows; **TEr-AD:** Technology representativeness for activity data; **GR-EF:** Geographical representativeness for elementary flows; **GR-AD:** Geographical representativeness for activity data.

#### B.5.4. Data needs matrix (DNM)

All processes required to model the product and outside the list of mandatory company-specific data (listed in section B.5.1) shall be evaluated using the Data Needs Matrix (see Table B.10). The user of the OEFSR shall apply the to evaluate which data is needed and shall be used within the modelling of its OEF, depending on the level of influence the user of the OEFSR (organisation) has on the specific process. The following three cases are found in the DNM and are explained below:

1. **Situation 1:** the process is run by the organisation in scope of the OEF study;
2. **Situation 2:** the process is not run by the organisation in scope of the OEF study, but the company has access to (company-)specific information;
3. **Situation 3:** the process is not run by the organisation in scope of the OEF study and this company does not have access to (company-)specific information.

**Table B. 10. Data Needs Matrix (DNM)<sup>105</sup>. \*Disaggregated datasets shall be used.**

|  |          | Most relevant process  | Other process |
|--|----------|--|---------------|
| <b>Situation 1:</b><br>process run by the organisation in scope of the OEF study | Option 1 | Provide company-specific data (as requested in the OEFSR) and create a company-specific dataset, in aggregated form (DQR≤1.5) <sup>106</sup> |               |
|  |          | Calculate the DQR values (for each criterion + total)  |               |

<sup>105</sup> The options described in the DNM are not listed in order of preference

<sup>106</sup> Company-specific datasets shall be made available to the EC.

|  |          |  |   |
|--|----------|--|---|
|  | Option 2 |  | Use default secondary dataset in OEFSR, in aggregated form (DQR≤3.0)<br><br>Use the default DQR values  |
| Situation 2: process <u>not</u> run by the organisation in scope of the OEF study, but with access to company-specific information   | Option 1 | Provide company-specific data (as requested in the OEFSR) and create a company-specific dataset, in aggregated form (DQR≤1.5)<br><br>Calculate the DQR values (for each criterion + total)   |   |
|  | Option 2 | Use company-specific activity data for transport (distance), and substitute the sub-processes used for electricity mix and transport with supply-chain specific EF compliant datasets (DQR≤3.0)*<br><br>Re-evaluate the DQR criteria within the product specific context |   |
|  | Option 3 |  | Use company-specific activity data for transport (distance), and substitute the sub-processes used for electricity mix and transport with supply-chain specific EF compliant datasets (DQR≤4.0)*<br><br>Use the default DQR values. |
| Situation 3: process <u>not</u> run by the organisation in scope of the OEF study and without access to company-specific information | Option 1 | Use default secondary data set in aggregated form (DQR≤3.0)<br><br>Re-evaluate the DQR criteria within the product specific context  |   |
|  | Option 2 |  | Use default secondary data set in aggregated form (DQR≤4.0)<br><br>Use the default DQR values   |

#### B.5.4.1. Processes in situation 1

For each process in situation 1 there are two possible options:

- The process is in the list of most relevant processes as specified in the OEFSR or is not in the list of most relevant process, but still the organisation wants to provide company-specific data (option 1);
- The process is not in the list of most relevant processes and the organisation prefers to use a secondary dataset (option 2).

#### Situation 1/Option 1



*For all processes run by the organisation in scope of the OEF study and where the user of the OEFSR applies company-specific data. The DQR of the newly developed dataset shall be evaluated as described in section B.5.3.1.*

#### ***Situation 1/Option 2***

*For the non-most relevant processes only, if the user of the OEFSR decides to model the process without collecting company-specific data, then the user shall use the secondary dataset listed in the OEFSR together with its default DQR values listed here.*

*If the default dataset to be used for the process is not listed in the OEFSR, the user of the OEFSR shall take the DQR values from the metadata of the original dataset.*

#### **B.5.4.2. Processes in situation 2**

*When a process is not run by the organisation in scope of the OEF study, but there is access to company-specific data, then there are three possible options:*

- *The user of the OEFSR has access to extensive supplier-specific information and wants to create a new EF compliant dataset (Option 1);*
- *The company has some supplier-specific information and want to make some minimum changes (Option 2);*
- *The process is not in the list of most relevant processes and the company wants to make some minimum changes (option 3).*

#### ***Situation 2/Option 1***

*For all processes not run by the organisation in scope of the OEF study and where the user of the OEFSR applies company-specific data, the DQR of the newly developed dataset shall be evaluated as described in section B.5.3.1.*

#### ***Situation 2/Option 2***

*The user of the OEFSR shall use company-specific activity data for transport and shall substitute the sub-processes used for electricity mix and transport with supply-chain specific OEF compliant datasets, starting from the default secondary dataset provided in the OEFSR.*

*Please note that the OEFSR lists all dataset names together with the UUID of their aggregated dataset. For this situation, the disaggregated version of the dataset is required.*

*The user of the OEFSR shall make the DQR context-specific by re-evaluating TeR and TiR using the table(s) B.11. The criteria GeR shall be lowered by 30%<sup>107</sup> and the criteria P shall keep the original value.*

#### ***Situation 2/Option 3***

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<sup>107</sup> In situation 2, option 2 it is proposed to lower the parameter GeR by 30% in order to incentivise the use of company-specific information and reward the efforts of the company in increasing the geographic representativeness of a secondary dataset through the substitution of the electricity mixes and of the distance and means of transportation.

*The user of the OEFSR shall apply company-specific activity data for transport and shall substitute the sub-processes used for electricity mix and transport with supply-chain specific OEF compliant datasets, starting from the default secondary dataset provided in the OEFSR.*

*Please note that the OEFSR lists all dataset names together with the UUID of their aggregated dataset. For this situation, the disaggregated version of the dataset is required.*

*In this case, the user of the OEFSR shall use the default DQR values. If the default dataset to be used for the process is not listed in the OEFSR, the user of the OEFSR shall take the DQR values from the original dataset.*

**Table B. 11. How to assess the value of the DQR criteria when secondary datasets are used.**  
[More than one table may be included in the OEFSR and entered in the section on life cycle stages]

|          | <b>TiR</b>   | <b>TeR</b>  | <b>GeR</b>   |
|----------|--|---|--|
| <b>1</b> | <i>The EF report publication date happens within the time validity of the dataset</i>                        | <i>The technology used in the EF study is exactly the same as the one in scope of the dataset</i>           | <i>The process modelled in the EF study takes place in the country the dataset is valid for</i>  |
| <b>2</b> | <i>The EF report publication date happens not later than 2 years beyond the time validity of the dataset</i> | <i>The technologies used in the EF study is included in the mix of technologies in scope of the dataset</i> | <i>The process modelled in the EF study takes place in the geographical region (e.g. Europe) the dataset is valid for</i>  |
| <b>3</b> | <i>The EF report publication date happens not later than 4 years beyond the time validity of the dataset</i> | <i>The technologies used in the EF study are only partly included in the scope of the dataset</i>           | <i>The process modelled in the EF study takes place in one of the geographical regions the dataset is valid for</i>  |
| <b>4</b> | <i>The EF report publication date happens not later than 6 years beyond the time validity of the dataset</i> | <i>The technologies used in the EF study are similar to those included in the scope of the dataset</i>      | <i>The process modelled in the EF study takes place in a country that is not included in the geographical region(s) the dataset is valid for, but sufficient similarities are estimated based on expert judgement.</i> |
| <b>5</b> | <i>The EF report publication date happens later than 6 years after the time validity of the dataset</i>      | <i>The technologies used in the EF study are different from those included in the scope of the dataset</i>  | <i>The process modelled in the EF study takes place in a different country than the one the dataset is valid for</i>   |

### **B.5.4.3. Processes in situation 3**

*If a process is not run by the organisation in scope of the OEF study and the organisation does not have access to company-specific data, there are two possible options:*

*It is in the list of most relevant processes (situation 3, option 1);*

*It is not in the list of most relevant processes (situation 3, option 2).*

#### **Situation 3/Option 1**

*In this case, the user of the OEFSR shall make the DQR values of the dataset used context-specific by re-evaluating TeR, TiR and GeR, using the table(s) provided. The criteria P shall keep the original value.*

**Situation 3/Option 2**

*For the non-most relevant processes, the user of the OEFSR shall apply the corresponding secondary dataset listed in the OEFSR together with its DQR values.*

*If the default dataset to be used for the process is not listed in the OEFSR, the user of the OEFSR shall take the DQR values from the original dataset.*

**B.5.5. Which datasets to use?**

*This OEFSR lists the secondary datasets to be applied by the user of the OEFSR. Whenever a dataset needed to calculate the OEF profile is not among those listed in this OEFSR, then the user shall choose between the following options (in hierarchical order):*

- *Use an EF compliant dataset available on one of the nodes of the Life Cycle Data Network <http://eplca.jrc.ec.europa.eu/LCDN/>;*
- *Use an EF compliant dataset available in a free or commercial source;*
- *Use another EF compliant dataset considered to be a good proxy. In such case this information shall be included in the “limitations” section of the OEF report.*
- *Use an ILCD entry level (EL) compliant dataset. These datasets shall be included in the “limitations” section of the OEF report. A maximum of 10% of the total environmental impact may be derived from ILCD-EL compliant datasets (calculated cumulatively from lowest to largest contribution to the total EF profile).*
- *If no EF compliant or ILCD-EL compliant proxy is available, it shall be excluded from the OEF study. This shall be clearly stated in the OEF report as a data gap and validated by the OEF study and OEF report verifiers.*

**B.5.6. How to calculate the average DQR of the study**

*To calculate the average DQR of the OEF study, the user of the OEFSR shall calculate separately the TeR, TiR, GeR and P for the OEF study as the weighted average of all most relevant processes, based on their relative environmental contribution to the total single overall score. The calculation rules explained in section 4.6.5.8 of the OEF method shall be used.*

**B.5.7. Allocation rules**

[The OEFSR shall define which allocation rules shall be applied by the user of the OEFSR and how the modelling/ calculations shall be made. In case economic allocation is used, the calculation method on how to derive the allocation factors shall be fixed and prescribed in the OEFSR. The following template shall be used:]

**Table B. 12. Allocation rules**

| <i>Process</i> | <i>Allocation rule</i> | <i>Modelling instructions</i> | <i>Allocation factor</i> |
|----------------|------------------------|-------------------------------|--------------------------|
|----------------|------------------------|-------------------------------|--------------------------|

|                      |                       |          |   |                |
|----------------------|-----------------------|----------|---|----------------|
| [Example: Process A] | [Example: allocation] | Physical | [Example: The mass of the different outputs shall be used.] | [Example: 0.2] |
| ...                  | ...                   |          |   |                |
|                      |                       |          |   |                |

### B.5.7. Electricity modelling

*The following electricity mix shall be used in hierarchical order:*

- (a) *Supplier-specific electricity product shall be used if for a country there is a 100% tracking system in place, or if :*
  - (i) *available, and*
  - (ii) *the set of minimum criteria to ensure the contractual instruments are reliable is met.*
- (b) *The supplier-specific total electricity mix shall be used if:*
  - (i) *available, and*
  - (ii) *the set of minimum criteria to ensure the contractual instruments are reliable is met.*
- (c) *The ‘country-specific residual grid mix, consumption mix’ shall be used. Country-specific means the country in which the life cycle stage or activity occurs. This may be an EU country or non-EU country. The residual grid mix prevents double counting with the use of supplier-specific electricity mixes in (a) and (b).*
- (d) *As a last option, the average EU residual grid mix, consumption mix (EU-28 + EFTA), or region representative residual grid mix, consumption mix, shall be used.*

*Note: for the use stage, the consumption grid mix shall be used.*

*The environmental integrity of the use of supplier-specific electricity mix depends on ensuring that contractual instruments (for tracking) **reliably and uniquely convey claims to consumers**. Without this, the OEF lacks the accuracy and consistency necessary to drive product/ corporate electricity procurement decisions and accurate consumer (buyer of electricity) claims. Therefore, a set of **minimum criteria** that relate to the integrity of the contractual instruments as reliable conveyers of environmental footprint information has been identified. They represent the minimum features necessary to use supplier-specific mix within OEF studies.*

#### **Set of minimum criteria to ensure contractual instruments from suppliers**

*A supplier-specific electricity product/ mix may only be used if the user of the OEF method ensures that the contractual instrument meets the criteria specified below. If contractual instruments do not meet the criteria, then country-specific residual electricity consumption-mix shall be used in the modelling.*

*The list of criteria below is based on the criteria of the GHG Protocol Scope 2 Guidance – An amendment to the GHG Protocol Corporate Standard – Mary Sotos – World Resource Institute. A contractual instrument used for electricity modelling shall:*

***Criterion 1 – Convey attributes***

*Convey the energy type mix associated with the unit of electricity produced.*

*The energy type mix shall be calculated based on delivered electricity, incorporating certificates sourced and retired (obtained or acquired or withdrawn) on behalf of its customers. Electricity from facilities for which the attributes have been sold off (via contracts or certificates) shall be characterized as having the environmental attributes of the country residual consumption mix where the facility is located.*

***Criterion 2 – Be a unique claim***

*Be the only instruments that carry the environmental attribute claim associated with that quantity of electricity generated.*

*Be tracked and redeemed, retired, or cancelled by or on behalf of the company (e.g. by an audit of contracts, third party certification, or may be handled automatically through other disclosure registries, systems, or mechanisms).*

***Criterion 3 – Be as close as possible to the period to which the contractual instrument is applied***

[The TS may provide more information following the OEF method]

***Modelling 'country-specific residual grid mix, consumption mix':***

*Datasets for residual grid mix, consumption mix, per energy type, per country and per voltage are made available by data providers.*

*If no suitable dataset is available, the following approach should be used:*

*Determine the country consumption mix (e.g. X% of MWh produced with hydro energy, Y% of MWh produced with coal power plant) and combine them with LCI datasets per energy type and country/region (e.g. LCI dataset for the production of 1MWh hydro energy in Switzerland):*

- *Activity data related to non-EU country consumption mix per detailed energy type shall be determined based on:*
  - *Domestic production mix per production technologies;*
  - *Import quantity and from which neighbouring countries;*
  - *Transmission losses;*
  - *Distribution losses;*
  - *Type of fuel supply (share of resources used, by import and / or domestic supply).*

*These data may be found in the publications of the International Energy Agency (IEA ([www.iea.org](http://www.iea.org))).*

- *Available LCI datasets per fuel technologies. The LCI datasets available are generally specific to a country or a region in terms of:*
  - *fuel supply (share of resources used, by import and/ or domestic supply);*
  - *energy carrier properties (e.g. element and energy contents);*

- *technology standards of power plants regarding efficiency, firing technology, flue-gas desulphurisation, NOx removal and de-dusting.*

**Allocation rules:**

[If applicable, the OEFSR shall define which physical relationship shall be used by OEF studies to subdivide the electricity consumption among multiple products for each process (e.g. mass, number of pieces, volume...) The following template shall be used:]

**Table B. 13. Allocation rules for electricity**

| <i>Process</i>   | <i>Physical relationship</i> | <i>Modelling instructions</i> |
|------------------|------------------------------|-------------------------------|
| <i>Process A</i> | <i>Mass</i>                  |                               |
| <i>Process B</i> | <i>N of pieces</i>           |                               |
| ...              | ...                          |                               |

*If the consumed electricity comes from more than one electricity mix, each mix source shall be used in terms of its proportion in the total kWh consumed. For example, if a fraction of this total kWh consumed is coming from a specific supplier a supplier-specific electricity mix shall be used for this part. See below for on-site electricity use.*

[The OEFSR shall include the following text, if applicable:] *A specific electricity type may be allocated to one specific product in the following conditions:*

- (a) *If the production of the whole product portfolio (and related electricity consumption) occurs in a separate site (building), the energy type physical related to this separated site may be used.*
- (b) *If the production of the whole product portfolio (and related electricity consumption) occurs in a shared space with specific energy metering or purchase records or electricity bills for the portfolio, the PP-specific information (measure, record, bill) may be used.*

**On-site electricity generation:**

*If on-site electricity production is equal to the site own consumption, two situations apply:*

- *No contractual instruments have been sold to a third party: the own electricity mix (combined with LCI datasets) shall be modelled..*
- *Contractual instruments have been sold to a third party: the ‘country-specific residual grid mix, consumption mix’ (combined with LCI datasets) shall be used.*

*If electricity is produced in excess of the amount consumed on-site within the defined system boundary and is sold to, for example, the electricity grid, this system may be seen as a multifunctional situation. The system will provide two functions (e.g. product + electricity) and the following rules shall be followed:*

- *If possible, apply subdivision. Subdivision applies both to separate electricity productions or to a common electricity production where you may allocate based on electricity amounts the upstream and direct emissions to your own consumption and to the share you sell out of your company (e.g. if a company has a windmill on its production site and exports 30% of the produced electricity, emissions related to 70% of produced electricity should be accounted in the OEF study).*
- *If not possible, direct substitution shall be used. The country-specific residual consumption electricity mix shall be used as substitution<sup>108</sup>.*
- *Subdivision is considered as not possible when upstream impacts or direct emissions are closely related to the product itself.*

### **B.5.9. Climate change modelling**

*The impact category ‘climate change’ shall be modelled considering three sub-categories:*

1. ***Climate change – fossil:*** *This sub-category includes emissions from peat and calcination/carbonation of limestone. The emission flows ending with ‘(fossil)’ (e.g., ‘carbon dioxide (fossil)’ and ‘methane (fossil)’ ) shall be used, if available.*
2. ***Climate change – biogenic:*** *This sub-category covers carbon emissions to air (CO<sub>2</sub>, CO and CH<sub>4</sub>) originating from the oxidation and/or reduction of biomass by means of its transformation or degradation (e.g. combustion, digestion, composting, landfilling) and CO<sub>2</sub> uptake from the atmosphere through photosynthesis during biomass growth – i.e. corresponding to the carbon content of products, biofuels or aboveground plant residues, such as litter and dead wood. Carbon exchanges from native forests<sup>109</sup> shall be modelled under sub-category 3 (incl. connected soil emissions, derived products, residues). The emission flows ending with ‘(biogenic)’ shall be used.*

[Choose the right statement]

*A simplified modelling approach shall be used when modelling foreground emissions.*

[OR]

*A simplified modelling approach shall not be used when modelling foreground emissions.*

[If a simplified modelling approach is used, include in the text: “*Only the emission ‘methane (biogenic)’ is modelled, while no further biogenic emissions and uptakes from atmosphere are included. If methane emissions can be both fossil or biogenic, the release of biogenic methane shall be modelled first and then the remaining fossil methane.*”]

[If no simplified modelling is used, include the text: “*All biogenic carbon emissions and removals shall be modelled separately.*”]

3. ***Climate change – land use and land use change:*** *This sub-category accounts for carbon uptakes and emissions (CO<sub>2</sub>, CO and CH<sub>4</sub>) originating from carbon stock changes caused by land use change and land use. This sub-category includes biogenic*

<sup>108</sup> For some countries, this option is a best case rather than a worst case.

<sup>109</sup> Native forests – represents native or long-term, non-degraded forests. Definition adapted from table 8 in Annex V C(2010)3751 to Directive 2009/28/EC.

*carbon exchanges from deforestation, road construction or other soil activities (including soil carbon emissions). For native forests, all related CO<sub>2</sub> emissions are included and modelled under this sub-category (including connected soil emissions, products derived from native forest<sup>110</sup> and residues), while their CO<sub>2</sub> uptake is excluded. The emission flows ending with '(land use change)' shall be used.*

*For land use change, all carbon emissions and removals shall be modelled following the modelling guidelines of PAS 2050:2011 (BSI 2011) and the supplementary document PAS2050-1:2012 (BSI 2012) for horticultural products. PAS 2050:2011 (BSI 2011): "Large emissions of GHGs can result as a consequence of land use change. Removals as a direct result of land use change (and not as a result of long-term management practices) do not usually occur, although it is recognized that this could happen in specific circumstances. Examples of direct land use change are the conversion of land used for growing crops to industrial use or conversion from forestland to cropland. All forms of land use change that result in emissions or removals are to be included. Indirect land use change refers to such conversions of land use as a consequence of changes in land use elsewhere. While GHG emissions also arise from indirect land use change, the methods and data requirements for calculating these emissions are not fully developed. Therefore, the assessment of emissions arising from indirect land use change is not included.*

*The GHG emissions and removals arising from direct land use change shall be assessed for any input to the life cycle of a product originating from that land and shall be included in the assessment of GHG emissions. The emissions arising from the product shall be assessed on the basis of the default land use change values provided in PAS 2050:2011 Annex C, unless better data is available. For countries and land use changes not included in this annex, the emissions arising from the product shall be assessed using the included GHG emissions and removals occurring as a result of direct land use change in accordance with the relevant sections of the IPCC (2006). The assessment of the impact of land use change shall include all direct land use change occurring not more than 20 years, or a single harvest period, prior to undertaking the assessment (whichever is the longer). The total GHG emissions and removals arising from direct land use change over the period shall be included in the quantification of GHG emissions of products arising from this land on the basis of equal allocation to each year of the period<sup>111</sup>.*

- 1. Where it can be demonstrated that the land use change occurred more than 20 years prior to the assessment being carried out, no emissions from land use change should be included in the assessment.*
- 2. Where the timing of land use change cannot be demonstrated to be more than 20 years, or a single harvest period, prior to making the assessment (whichever is the longer), it shall be assumed that the land use change occurred on 1 January of either:*
  - the earliest year in which it can be demonstrated that the land use change had occurred; or*

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<sup>110</sup> Following the instantaneous oxidation approach in IPCC 2013 (Chapter 2).

<sup>111</sup> In case of variability of production over the years, a mass allocation should be applied.



- *on 1 January of the year in which the assessment of GHG emissions and removals is being carried out.*

*The following hierarchy shall apply when determining the GHG emissions and removals arising from land use change occurring not more than 20 years or a single harvest period, prior to making the assessment (whichever is the longer):*

- 1. where the country of production is known and the previous land use is known, the GHG emissions and removals arising from land use change shall be those resulting from the change in land use from the previous land use to the current land use in that country (additional guidelines on the calculations can be found in PAS 2050-1:2012);*
- 2. where the country of production is known, but the former land use is not known, the GHG emissions arising from land use change shall be the estimate of average emissions from the land use change for that crop in that country (additional guidelines on the calculations can be found in PAS 2050-1:2012);*
- 3. where neither the country of production nor the former land use is known, the GHG emissions arising from land use change shall be the weighted average of the average land use change emissions of that commodity in the countries in which it is grown.*

*Knowledge of the prior land use can be demonstrated using a number of sources of information, such as satellite imagery and land survey data. Where records are not available, local knowledge of prior land use can be used. Countries in which a crop is grown can be determined from import statistics, and a cut-off threshold of not less than 90% of the weight of imports may be applied. Data sources, location and timing of land use change associated with inputs to products shall be reported.” [end of quote from PAS 2050:2011]*

[Choose the right statement]

*Soil carbon storage shall be modelled, calculated and reported as additional environmental information.*

[OR]

*Soil carbon storage shall not be modelled, calculated and reported as additional environmental information.*

[If it shall be modelled, the OEFSR shall specify which proof needs to be provided and include the modelling rules.]

*The sum of the three sub-categories shall be reported.*

[If climate change is selected as a relevant impact category, the OEFSR shall (i) always request to report the total climate change as the sum of the three sub-indicators, and (ii) for the sub-indicators ‘Climate change – fossil’, ‘Climate change – biogenic’ and ‘Climate change - land use and land use change’, request separate reporting for those contributing more than 5% each to the total score.]

[Choose the right statement]

*The sub-category ‘Climate change-biogenic’ shall be reported separately.*

[OR]

*The sub-category 'Climate change-biogenic' shall not be reported separately.*

*The sub-category 'Climate change-land use and land transformation' shall be reported separately.*

[OR]

*The sub-category 'Climate change-land use and land transformation' shall not be reported separately.*

### **B.5.10. Modelling of end of life and recycled content**

*The end of life of products in the PP used during the manufacturing, distribution, retail, the use stage or after use shall be included in the overall modelling of the life cycle of the organisation. Overall, this should be modelled and reported at the life cycle stage where the waste occurs. This section provides rules on how to model the end of life of products as well as the recycled content.*

*The Circular Footprint Formula (CFF) is used to model the end of life of products as well as the recycled content and is a combination of "material + energy + disposal", i.e.:*

**Material**

$$(1 - R_1)E_V + R_1 \times \left( AE_{\text{recycled}} + (1 - A)E_V \times \frac{Q_{\text{Sin}}}{Q_P} \right) + (1 - A)R_2 \times \left( E_{\text{recyclingEoL}} - E_V^* \times \frac{Q_{\text{Sout}}}{Q_P} \right)$$

**Energy**  $(1 - B)R_3 \times (E_{ER} - LHV \times X_{ER,heat} \times E_{SE,heat} - LHV \times X_{ER,elec} \times E_{SE,elec})$

**Disposal**  $(1 - R_2 - R_3) \times E_D$

*With the following parameters*

**A:** *allocation factor of burdens and credits between supplier and user of recycled materials.*

**B:** *allocation factor of energy recovery processes. It applies both to burdens and credits. It shall be set to zero for all OEF studies.*

**Q<sub>sin</sub>:** *quality of the ingoing secondary material, i.e. the quality of the recycled material at the point of substitution.*

**Q<sub>sout</sub>:** *quality of the outgoing secondary material, i.e. the quality of the recyclable material at the point of substitution.*

**Q<sub>p</sub>:** *quality of the primary material, i.e. quality of the virgin material.*

**R<sub>1</sub>:** *it is the proportion of material in the input to the production that has been recycled from a previous system.*

**R<sub>2</sub>:** *it is the proportion of the material in the product that will be recycled (or reused) in a subsequent system. R2 shall therefore take into account the inefficiencies in the collection and recycling (or reuse) processes. R2 shall be measured at the output of the recycling plant.*

**R<sub>3</sub>:** *it is the proportion of the material in the product that is used for energy recovery at EoL.*

**$E_{recycled}$  ( $E_{rec}$ ):** specific emissions and resources consumed (per functional unit) arising from the recycling process of the recycled (reused) material, including collection, sorting and transportation process.

**$E_{recyclingEoL}$  ( $E_{recEoL}$ ):** specific emissions and resources consumed (per functional unit) arising from the recycling process at EoL, including collection, sorting and transportation process.

**$E_v$ :** specific emissions and resources consumed (per functional unit) arising from the acquisition and pre-processing of virgin material.

**$E^*_v$ :** specific emissions and resources consumed (per functional unit) arising from the acquisition and pre-processing of virgin material assumed to be substituted by recyclable materials.

**$E_{ER}$ :** specific emissions and resources consumed (per functional unit) arising from the energy recovery process (e.g. incineration with energy recovery, landfill with energy recovery, etc.).

**$E_{SE,heat}$  and  $E_{SE,elec}$ :** specific emissions and resources consumed (per functional unit) that would have arisen from the specific substituted energy source, heat and electricity respectively.

**$E_D$ :** specific emissions and resources consumed (per functional unit) arising from disposal of waste material at the EoL of the analysed product, without energy recovery.

**$X_{ER,heat}$  and  $X_{ER,elec}$ :** the efficiency of the energy recovery process for both heat and electricity.

**$LHV$ :** lower heating value of the material in the product that is used for energy recovery.

[Within the respective chapters, the following parameters shall be provided in the OEFSR:

- All A values to be used shall be listed in the OEFSR, together with a reference to the OEF method and Annex C. In case specific A values cannot be determined by the OEFSR, the OEFSR shall prescribe the following procedure for its users:
  - Check in Annex C the availability of an application-specific A value which fits the OEFSR,
  - If an application-specific A value is not available, the material-specific A value in Annex C shall be used,
  - If a material-specific A value is not available, the A value shall be set equal to 0.5.
- All quality ratios ( $Q_{Sin}$ ,  $Q_{Sout}/Q_p$ ) to be used.
- Default  $R_1$  values for all default material datasets (in case no company-specific values are available), together with a reference to the OEF method and Annex C. They shall be set to 0% when no application-specific data is available.
- Default  $R_2$  values to be used in case no company-specific values are available, together with a reference to the OEF method and Annex C.
- All datasets to be used for  $E_{reC}$ ,  $E_{recEoL}$ ,  $E_v$ ,  $E^*_v$ ,  $E_{ER}$ ,  $E_{SE,heat}$  and  $E_{SE,elec}$ ,  $E_D$ ]

[Default values for all parameters shall be listed in a table in the section of the appropriate life cycle stage. If life cycle stages are not applicable to the sector in scope, they shall be listed either in this chapter or in an appropriate section identified by the TS.]

**Modelling recycled content (if applicable)**

[If applicable the following text shall be included:]

*The following part of the Circular Footprint Formula is used to model the recycled content:*

$$(1 - R_1)E_V + R_1 \times \left( AE_{recycled} + (1 - A)E_V \times \frac{Q_{Sin}}{Q_p} \right)$$

*The  $R_1$  values applied shall be supply-chain specific or default as provided in the table above [TS to provide a table], in relation with the DNM. Material-specific values based on supply market statistics are not accepted as a proxy and therefore shall not be used. The applied  $R_1$  values shall be subject to OEF study verification.*

*When using supply-chain specific  $R_1$  values other than 0, traceability throughout the supply chain is necessary. The following guidelines shall be followed when using supply-chain specific  $R_1$  values:*

*The supplier information (through e.g., statement of conformity or delivery note) shall be maintained during all stages of production and delivery at the converter;*

*Once the material is delivered to the converter for production of the end products, the converter shall handle information through their regular administrative procedures;*

*The converter for production of the end products claiming recycled content shall demonstrate through its management system the [%] of recycled input material into the respective end product(s).*

*The latter demonstration shall be transferred upon request to the user of the end product. In case a OEF profile is calculated and reported, this shall be stated as additional technical information of the OEF profile.*

*Company-owned traceability systems may be applied as long as they cover the general guidelines outlined above.*

[Industry systems may be applied as long as they cover the general guidelines outlined above. In that case, the text above may be replaced by those industry-specific rules. If not, they shall be supplemented with the general guidelines above.]

[For intermediate products only:]

*The OEF profile shall be calculated and reported using  $A$  equal to 1 for the intermediate products belonging to the PP in scope.*

[In addition, the TS decides if results shall be calculated using application- or material-specific  $A$  values for intermediate products. In this case the OEFSR shall include the following text:]  
*Under additional technical information the results shall be reported for different applications/materials with the following  $A$  values:*

| <b><i>Application/material</i></b> | <b><i>A value to be used</i></b> |
|------------------------------------|----------------------------------|
|                                    |                                  |
|                                    |                                  |

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## B.6. LIFE CYCLE STAGES

[The OEFSR shall include this section if life cycle stages are applicable to the sector in scope. In case life cycle stages are not applicable, the TS may adapt the structure of this section. For example, it can be organized in different sections, each of them providing requirements for groups of processes belonging to a same activity within the organisation (e.g. all requirements and processes related to business travels are included in one section. Each section shall include tables for data collection purposes (see table B.14 as example)).]

### B.6.1. Raw material acquisition and pre-processing

[The OEFSR shall list all technical requirements and assumptions to be applied by the user of the OEFSR. Furthermore, it shall list all processes taking place in this life cycle stage (according to the model of the RO), following the table provided below (transport in separate table). The table may be adapted by the TS as appropriate (e.g. by including relevant parameters of the Circular Footprint Formula).]

**Table B. 14. Raw material acquisition and pre-processing (capitals indicate those processes expected to be run by organisation in scope of the OEF study)**

| Process name* | Unit of measurement (output) | Default        |               |         |                                      | UUID | Default DQR |     |     |     | Most relevant process [Y/N] |
|---------------|------------------------------|----------------|---------------|---------|--------------------------------------|------|-------------|-----|-----|-----|-----------------------------|
|               |                              | R <sub>1</sub> | Amount per RU | Dataset | Dataset source (Node and data stock) |      | P           | TiR | GeR | TeR |                             |
|               |                              |                |               |         |                                      |      |             |     |     |     |                             |
|               |                              |                |               |         |                                      |      |             |     |     |     |                             |
|               |                              |                |               |         |                                      |      |             |     |     |     |                             |
|               |                              |                |               |         |                                      |      |             |     |     |     |                             |

[Please write in CAPITAL LETTERS the name of those processes expected to be run by the organisation in scope of the OEF study]

*The user of the OEFSR shall report the DQR values (for each criterion + total) for all the datasets used.*

[Packaging shall be modelled as part of the raw material acquisition stage of the life cycle.]

[OEFSRs that include the use of beverage cartons or bag-in-box packaging shall provide information on the amounts of input materials (also called the bill of material) and state that the packaging shall be modelled by combining the prescribed amounts of the material datasets with the prescribed conversion dataset.]

[OEFSRs that include reusable packaging from third party operated pools shall provide default reuse rates. OEFSRs with company-owned packaging pools shall specify that the reuse rate

shall be calculated using supply-chain-specific data only. The two different modelling approaches as presented in the OEF method shall be used and copied in the OEFSR. The OEFSR shall include the following: “*The raw material consumption of reusable packaging shall be calculated by dividing the actual weight of the packaging by the reuse rate.*”]

[For the different ingredients transported from supplier to factory, the user of the OEFSR needs data on (i) transport mode, (ii) distance per transport mode, (iii) utilisation ratios for truck transport and (iv) empty return modelling for truck transport. The OEFSR shall provide default data for these or request these data in the list of mandatory company-specific information. The default values provided in the OEF method shall be applied unless OEFSR -specific data is available.]

**Table B. 15. Transport (capitals indicate those processes expected to be run by the organisation in scope of the OEF study)**

| Process name* | Unit of measurement (output) | Default (per RU) |                    |              | De-fault data-set | Data-set source | UUID | Default DQR |     |     |     | Most relevant [Y/N] |
|---------------|------------------------------|------------------|--------------------|--------------|-------------------|-----------------|------|-------------|-----|-----|-----|---------------------|
|               |                              | Distance         | Utilisation ratio* | Empty return |                   |                 |      | P           | TiR | GeR | TeR |                     |
|               |                              |                  |                    |              |                   |                 |      |             |     |     |     |                     |
|               |                              |                  |                    |              |                   |                 |      |             |     |     |     |                     |
|               |                              |                  |                    |              |                   |                 |      |             |     |     |     |                     |
|               |                              |                  |                    |              |                   |                 |      |             |     |     |     |                     |

\*The user of the OEFSR shall always check the utilisation ratio applied in the default dataset and adapt it accordingly.

[Please write in CAPITAL LETTERS the name of processes expected to be run by the organisation in scope of the OEF study.]

[OEFSRs that include reusable packaging shall include the following: “*The reuse rate affects the quantity of transport needed for the PP. The transport impact shall be calculated by dividing the one-way trip impact by the number of times this packaging is reused.*”]

**B.6.2. Agricultural modelling [to be included only if applicable]**

[In case agricultural production is part of the scope of the OEFSR the following text shall be included. Sections that are not relevant may be removed.]

*Handling multi-functional processes: The rules described in the LEAP guidelines shall be followed: ‘Environmental performance of animal feeds supply chains (pages 36-43), FAO 2015, available at <http://www.fao.org/partnerships/leap/publications/en/>’.*

*Use of crop type specific and country-, region- or climate-specific data for yield, water and land use, land use change, fertiliser (artificial and organic) amount (N, P amount) and pesticide amount (per active ingredient), per hectare per year, if available.*

*Cultivation data shall be collected over a period of time sufficient to provide an average assessment of the life cycle inventory associated with the inputs and outputs of cultivation that will offset fluctuations due to seasonal differences:*

- *For annual crops, an assessment period of at least three years shall be used (to level out differences in crop yields related to fluctuations in growing conditions over the years such as climate, pests and diseases, etc.). Where data covering a three-year period is not available i.e. due to starting up a new production system (e.g. new greenhouse, newly cleared land, shift to another crop), the assessment may be conducted over a shorter period, but shall be not less than 1 year. Crops/plants grown in greenhouses shall be considered as annual crops/plants, unless the cultivation cycle is significantly shorter than a year and another crop is cultivated consecutively within that year. Tomatoes, peppers and other crops which are cultivated and harvested over a longer period through the year are considered as annual crops.*
- *For perennial plants (including entire plants and edible portions of perennial plants) a steady state situation (i.e. where all development stages are proportionally represented in the studied time period) shall be assumed and a three-year period shall be used to estimate the inputs and outputs<sup>112</sup>.*
- *Where the different stages in the cultivation cycle are known to be disproportional, a correction shall be made by adjusting the crop areas allocated to different development stages in proportion to the crop areas expected in a theoretical steady state. The application of such correction shall be justified and recorded. The life cycle inventory of perennial plants and crops shall not be undertaken until the production system actually yields output.*
- *For crops that are grown and harvested in less than one year (e.g. lettuce produced in 2 to 4 months) data shall be gathered in relation to the specific time period for production of a single crop, from at least three recent consecutive cycles. Averaging over three years may best be done by first gathering annual data and calculating the life cycle inventory per year and then determining the three years average.*

*Pesticide emissions shall be modelled as specific active ingredients. As a default approach, pesticides applied on the field shall be modelled as 90% emitted to the agricultural soil compartment, 9% emitted to air and 1% emitted to water.*

*Fertiliser (and manure) emissions shall be differentiated per fertilizer type and cover as a minimum:*

- *NH<sub>3</sub>, to air (from N-fertiliser application)*
- *N<sub>2</sub>O, to air (direct and indirect) (from N-fertiliser application)*
- *CO<sub>2</sub>, to air (from lime, urea and urea-compounds application)*
- *NO<sub>3</sub>, to water unspecified (leaching from N-fertiliser application)*
- *PO<sub>4</sub>, to water unspecified or freshwater (leaching and run-off of soluble phosphate from P-fertiliser application)*

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<sup>112</sup> The underlying assumption in the cradle-to-gate life cycle inventory assessment of horticultural products is that the inputs and outputs of the cultivation are in a 'steady state', which means that all development stages of perennial crops (with different quantities of inputs and outputs) shall be proportionally represented in the time period of cultivation that is studied. This approach gives the advantage that inputs and outputs of a relatively short period can be used for the calculation of the cradle-to-gate life cycle inventory from the perennial crop product. Studying all development stages of a horticultural perennial crop can have a lifespan of 30 years and more (e.g. in case of fruit and nut trees).

- *P*, to water unspecified or freshwater (soil particles containing phosphorous, from *P*-fertiliser application).

The LCI for *P* emissions should be modelled as the amount of *P* emitted to water after run-off and the emission compartment 'water' shall be used. When this amount is not available, the LCI may be modelled as the amount of *P* applied on the agricultural field (through manure or fertilisers) and the emission compartment 'soil' shall be used. In this case, the run-off from soil to water is part of the impact assessment method.

The LCI for *N* emissions shall be modelled as the amount of emissions after it leaves the field (soil) and ending up in the different air and water compartments per amount of fertilisers applied. *N* emissions to soil shall not be modelled. The nitrogen emissions shall be calculated from nitrogen applications of the farmer on the field and excluding external sources (e.g. rain deposition).

[For nitrogen based fertilisers, the OEFSR shall describe the LCI model to be used. The Tier 1 emission factors of IPCC 2006 should be used. A more comprehensive nitrogen field model may be used by the OEFSR provided (i) it covers at least the emissions requested above, (ii) *N* is balanced in inputs and outputs and (iii) it is described in a transparent way.]

**Table B. 16. Parameters to be used when modelling nitrogen emission in soil**

| <i>Emission</i>  | <i>Compartment</i> | <i>Value to be applied</i>  |
|--|--------------------|---|
| <i>N<sub>2</sub>O</i> (synthetic fertiliser and manure; direct and indirect) | <i>Air</i>         | 0.022 kg <i>N<sub>2</sub>O</i> / kg <i>N</i> fertilizer applied   |
| <i>NH<sub>3</sub></i> (synthetic fertiliser)                                 | <i>Air</i>         | kg <i>NH<sub>3</sub></i> = kg <i>N</i> * <i>FracGASF</i> = 1*0.1* (17/14)= 0.12 kg <i>NH<sub>3</sub></i> / kg <i>N</i> fertilizer applied               |
| <i>NH<sub>3</sub></i> (manure)   | <i>Air</i>         | kg <i>NH<sub>3</sub></i> = kg <i>N</i> * <i>FracGASF</i> = 1*0.2* (17/14)= 0.24 kg <i>NH<sub>3</sub></i> / kg <i>N</i> manure applied                   |
| <i>NO<sub>3</sub><sup>-</sup></i> (synthetic fertiliser and manure)          | <i>Water</i>       | kg <i>NO<sub>3</sub><sup>-</sup></i> = kg <i>N</i> * <i>FracLEACH</i> = 1*0.3*(62/14) = 1.33 kg <i>NO<sub>3</sub><sup>-</sup></i> / kg <i>N</i> applied |
| <i>P</i> based fertilisers   | <i>Water</i>       | 0.05 kg <i>P</i> / kg <i>P</i> applied  |

*FracGASF*: fraction of synthetic fertiliser *N* applied to soils that volatilises as *NH<sub>3</sub>* and *NO<sub>x</sub>*. *FracLEACH*: fraction of synthetic fertiliser and manure lost to leaching and runoff as *NO<sub>3</sub><sup>-</sup>*.

Heavy metal emissions from field inputs shall be modelled as emission to soil and/or leaching or erosion to water. The inventory to water shall specify the oxidation state of the metal (e.g., *Cr<sup>+3</sup>*, *Cr<sup>+6</sup>*). As crops assimilate part of the heavy metal emissions during their cultivation, clarification is needed on how to model crops that act as a sink. The following modelling approach shall be used:

[The TS shall select one of the two modelling approaches to be used:]



- *The final fate of the heavy metals elementary flows are not further considered within the system boundary: the inventory does not account for the final emissions of the heavy metals and therefore shall not account for the uptake of heavy metals by the crop. For example, heavy metals in agricultural crops cultivated for human consumption end up in the plant. Within the EF context human consumption is not modelled, the final fate is not further modelled and the plant acts as a heavy metal sink. Therefore, the uptake of heavy metals by the crop shall not be modelled.*
- *The final fate (emission compartment) of the heavy metal elementary flows is considered within the system boundary: the inventory does account for the final emissions (release) of the heavy metals in the environment and therefore shall also account for the uptake of heavy metals by the crop. For example, heavy metals in agricultural crops cultivated for feed will mainly end up in the animal digestion and used as manure back on the field where the metals are released in the environment and their impacts are captured by the impact assessment methods. Therefore, the inventory of the agricultural stage shall account for the uptake of heavy metals by the crop. A limited amount ends up in the animal, which may be neglected for simplification.*

*Methane emissions from rice cultivation shall be included on basis of IPCC 2006 calculation rules.*

*Drained peat soils shall include carbon dioxide emissions on the basis of a model that relates the drainage levels to annual carbon oxidation.*

*The following activities shall be included [The TS shall select what shall be included]:*

- *Input of seed material (kg/ha)*
- *Input of peat to soil (kg/ha + C/N ratio)*
- *Input of lime (kg CaCO<sub>3</sub>/ha, type)*
- *Machine use (hours, type) (to be included if there is high level of mechanisation)*
- *Input N from crop residues that stay on the field or are burned (kg residue + N content/ha)*
- *Crop yield (kg/ha)*
- *Drying and storage of products*
- *Field operations through ...[to be filled in]*

### **B.6.3. Manufacturing**

[The OEFSR shall list all technical requirements and assumptions to applied by the user of the OEFSR. Furthermore, it shall list all processes taking place in this life cycle stage, according to the table provided below. The table may be adapted by the TS as appropriate (e.g. by including relevant parameters of the Circular Footprint Formula).]

**Table B. 17. Manufacturing (capitals indicate those processes expected to be run by the organisation in scope of the OEF study)**

| Name of the process | Unit of measurement (output) | Default amount per RU | Default dataset to be used | Dataset source (Node and data stock) | UUID | Default DQR |     |     |     | Most relevant process [Y/N] |
|---------------------|------------------------------|-----------------------|----------------------------|--------------------------------------|------|-------------|-----|-----|-----|-----------------------------|
|                     |                              |                       |                            |                                      |      | P           | TiR | GeR | TeR |                             |
|                     |                              |                       |                            |                                      |      |             |     |     |     |                             |

|  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |

[Please write in CAPITAL LETTERS the name of those processes expected to be run by the company]

*The user of the OEFSR shall report the DQR values (for each criterion + total) for all the datasets used.*

[OEFSR s that include reusable packaging shall account for the additional energy and resource used for cleaning, repairing or refilling.]

*The waste of products used during the manufacturing shall be included in the modelling.*  
 [Default loss rates per type of product and how these shall be included in calculations shall be described.]

**B.6.4. Distribution stage [to be included if applicable]**

*Transport from factory to final client (including consumer transport) shall be modelled within this life cycle stage. The final client is defined as ... [to be filled in].*

*In case supply-chain-specific information is available for one or several transport parameters, they may be applied following the Data Needs Matrix.*

[A default transport scenario shall be provided by the TS in the OEFSR. In case no OEFSR -specific transport scenario is available, the transport scenario provided in the OEF method shall be used as a basis together with (i) a number of OEFSR -specific ratios, (ii) OEFSR -specific utilisation ratios for truck transport, and (iii) OEFSR -specific allocation factor for consumer transport. For reusable products, the return transport from retail/DC to factory shall be added in the transport scenario. For cooled or frozen products, the default truck/van transport processes should be changed. The OEFSR shall list all processes taking place in scenario (according to the model of the RP) using the table below. The table may be adapted by the TS as appropriate]

**Table B. 18. Distribution (capitals indicate those processes expected to be run by the organisation in scope of the OEF study)**

| Process name* | Unit of measurement (output) | Default (per RU) |                   |              | Default dataset | Dataset source | UUID | Default DQR |     |     |     | Most relevant [Y/N] |
|---------------|------------------------------|------------------|-------------------|--------------|-----------------|----------------|------|-------------|-----|-----|-----|---------------------|
|               |                              | Distance         | Utilisation ratio | Empty return |                 |                |      | P           | TiR | GeR | TeR |                     |
|               |                              |                  |                   |              |                 |                |      |             |     |     |     |                     |
|               |                              |                  |                   |              |                 |                |      |             |     |     |     |                     |
|               |                              |                  |                   |              |                 |                |      |             |     |     |     |                     |



The OEFSR shall follow the OEF method’s Annex F in case no OEFSR-specific information is available.]

### **B.6.6. End of life [to be included if applicable]**

*The end of life stage begins when the products in the PP in scope and their packaging is discarded by the user and ends when the product is returned to nature as a waste product or enters another product’s life cycle (i.e. as a recycled input). In general, it includes the waste of the product in scope, such as the food waste, and primary packaging.*

*Other waste (different from the product in scope) generated during the manufacturing, distribution, retail, use stage or after use shall be included in the life cycle of the product and modelled at the life cycle stage where it occurs.*

[The OEFSR shall list all technical requirements and assumptions that the user of the OEFSR shall apply. Furthermore, it shall list all processes taking place in this life cycle stage (according to the model of the RO) according to the table provided below. The table may be adapted by the TS as appropriate (e.g. by including relevant parameters of the Circular Footprint Formula). Please note that the transport from collection place to EoL treatment may be included in the landfill, incineration and recycling datasets: the TS shall check if it is included in the default datasets provided. However, there might be some cases, where additional default transport data is needed and thus shall be included here. The OEF method provides default values to be used in case no better data is available.]

**Table B. 20. End of life (capitals indicate those processes expected to be run by the organisation in scope of the OEF study)**

| Name of the process* | Unit of measurement (output) | Default amount per RU | Default dataset to be used | Dataset source | UUID | Default DQR |     |     |     | Most relevant process [Y/N] |
|----------------------|------------------------------|-----------------------|----------------------------|----------------|------|-------------|-----|-----|-----|-----------------------------|
|                      |                              |                       |                            |                |      | P           | TiR | Ter | GeR |                             |
|                      |                              |                       |                            |                |      |             |     |     |     |                             |
|                      |                              |                       |                            |                |      |             |     |     |     |                             |

[Please write in CAPITAL LETTERS the name of those processes expected to be run by the organisation in scope of the OEF study.]

*The user of the OEFSR shall report the DQR values (for each criterion + total) for all the datasets used.*

*The end of life shall be modelled using the Circular Footprint Formula and rules provided in chapter ‘End of life modelling’ of this OEFSR and in the OEF method, together with the default parameters listed in the table [Table number].*

*Before selecting the appropriate  $R_2$  value, the user of the OEFSR shall carry out an evaluation for recyclability of the material. The OEF study shall include a statement on the recyclability of the materials/ products. The statement on recyclability shall be provided together with an evaluation for recyclability that includes evidence for the following three criteria (as described by ISO 14021:1999, section 7.7.4 ‘Evaluation methodology’):*

1. *The collection, sorting and delivery systems to transfer the materials from the source to the recycling facility are conveniently available to a reasonable proportion of the purchasers, potential purchasers and users of the product;*
2. *The recycling facilities are available to accommodate the collected materials;*
3. *Evidence is available that the product for which recyclability is claimed is being collected and recycled.*

*Point 1 and 3 can be proven by recycling statistics (country specific) derived from industry associations or national bodies. Approximation to evidence at point 3 can be provided by applying for example the design for recyclability evaluation outlined in EN 13430 Material recycling (Annexes A and B) or other sector-specific recyclability guidelines if available<sup>113</sup>.*

*Following the evaluation for recyclability, the appropriate R<sub>2</sub> values (supply-chain specific or default) shall be used. If one criterion is not fulfilled or the sector-specific recyclability guidelines indicate limited recyclability, an R<sub>2</sub> value of 0% shall be applied.*

*Company-specific R<sub>2</sub> values (measured at the output of the recycling plant) shall be used, if available. If no company-specific values are available and the criteria for the evaluation of recyclability are fulfilled (see below), application-specific R<sub>2</sub> values shall be used as listed in the table below.*

- *If an R<sub>2</sub> value is not available for a specific country, the European average shall be used.*
- *If an R<sub>2</sub> value is not available for a specific application, the R<sub>2</sub> values of the material shall be used (e.g. materials average).*
- *In case no R<sub>2</sub> values are available, R<sub>2</sub> shall be set equal to 0 or new statistics may be generated in order to assign an R<sub>2</sub> value in the specific situation.*
- *The applied R<sub>2</sub> values shall be subject to the OEF study verification.*

[The OEFSR shall list in a table all the parameters to be used by the user to implement the CFF, distinguishing between those that have a fixed value (to be provided in the same Table; from the OEF method or OEFSR -specific) and those that are OEF study-specific (e.g. R<sub>2</sub>, etc.). Furthermore, the OEFSR shall include additional modelling rules derived from the OEF method, if applicable. Within this table, the B value shall be equal to 0 as default.]

[OEFSR s that include reusable packaging shall include the following: “*The reuse rate determines the quantity of packaging material (per product sold) to be treated at the end of life. The amount of packaging treated at the end of life shall be calculated by dividing the actual weight of the packaging by the number of times this packaging was reused.*”]

## **B.7. OEF RESULTS – THE OEF PROFILE**

*The user of the OEFSR shall calculate the OEF profile of its product in compliance with all requirements included in this OEFSR. The following information shall be included in the OEF report:*

- *full life cycle inventory;*

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<sup>113</sup> E.g. the EPBP design guidelines (<http://www.epbp.org/design-methodlines>), or Recyclability by design (<http://www.recoup.org/>)

- characterised results in absolute values, for all impact categories (as a table);
- normalised results in absolute values, for all impact categories (as a table);
- weighted result in absolute values, for all impact categories (as a table);
- the aggregated single overall score in absolute values.

## **B.8. VERIFICATION**

*The verification of an EF study/ report carried out in compliance with this OEFSR shall be done according to all the general requirements included in Section 8 of the OEF method, including Annex A and the requirements listed below.*

*The verifier(s) shall verify that the OEF study is conducted in compliance with this OEFSR.*

*In case policies implementing the OEF method define specific requirements regarding verification and validation of OEF studies, reports and communication vehicles, the requirements in said policies shall prevail.*

*The verifier(s) shall validate the accuracy and reliability of the quantitative information used in the calculation of the study. As this can be highly resource intensive, the following requirements shall be followed:*

- *The verifier shall check if the correct version of all impact assessment methods was used. For each of the most relevant impact categories, at least 50% of the characterisation factors (for each of the most relevant EF impact categories) shall be verified, while all normalisation and weighting factors of all impact categories shall be verified. In particular, the verifier shall check that the characterisation factors correspond to those included in the EF impact assessment method the study declares compliance with<sup>114</sup>;*
- *The cut-off applied (if any) fulfils the requirements of this OEFSR and the OEF method;*
- *All the newly created datasets shall be checked on their EF compliance (for the meaning of EF compliant datasets refer <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>). All their underlying data (elementary flows, activity data and sub processes) shall be validated;*
- *For at least 70% of the most relevant processes (by number) in situation 2 option 2 of the DNM, 70% of the underlying data shall be validated. The 70% of data shall include all energy and transport sub-processes for processes in situation 2 option 2;*
- *For at least 60% of the most relevant processes (by number) in situation 3 of the DNM, 60% of the underlying data shall be validated;*
- *For at least 50% of the other processes (by number) in situation 1, 2 and 3 of the DNM, 50% of the underlying data shall be validated.*

*In particular, verifier(s) shall verify if the DQR of the process satisfies the minimum DQR as specified in the DNM for the selected processes.*

*These data checks shall include, but should not be limited to, the activity data used, the selection of secondary sub-processes, the selection of the direct elementary flows and the CFF parameters. For example, if there are 5 processes and each one of them includes 5 activity data, 5 secondary datasets and 10 CFF parameters, then the verifier(s) has to check at least 4 out of 5 processes (70%) and, for each process, (s)he shall check at least 4 activity data (70% of the*

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<sup>114</sup> Available at: <http://eplca.jrc.ec.europa.eu/LCDN/developer.xhtml>

*total amount of activity data), 4 secondary datasets (70% of the total amount of secondary datasets), and 7 CFF parameters (70% of the total amount of CFF parameters), i.e. the 70% of each of data that could be subject to a check.*

*The verification of the OEF report shall be carried out by randomly checking enough information to provide reasonable assurance that the OEF report fulfils all the conditions listed in section 8 of the OEF method, including Annex A.*

[The OEFSR may specify additional requirements for the verification that should be added to the minimum requirements stated in this document].

## **References**

[List the references used in the OEFSR.]

## **Annexes**

### **ANNEX B1 – List of EF normalisation and weighting factors**

Global normalisation factors are applied within the EF. The normalisation factors as the global impact per person are used in the EF calculations.

[The TS shall provide the list of normalisation and weighting factors that the user of the OEFSR shall apply. Normalisation and weighting factors are available at: <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>]

### **ANNEX B2 – OEF study template**

[The OEFSR shall provide as an annex a checklist listing all the items that shall be included in OEF studies, using the OEF study template available as Annex E of the OEF method. The items already included are mandatory for every OEFSR. In addition, each TS may decide to add additional points to the template.]

### **ANNEX B3 – Review reports of the OEFSR and OEF-RO(s)**

[Insert here the critical review panel reports of the OEFSR and OEF-RO(s), including all findings of the review process and the actions taken from TS to answer the comments of the reviewers.]

### **ANNEX B4 – Other annexes**

[The TS may decide to add other Annexes that are considered important].

## **ANNEX C LIST OF DEFAULT CFF PARAMETERS**

Annex C is available at <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml>.

The list of values in Annex C is periodically reviewed and updated by the European Commission; users of the OEF method are invited to check and use the most updated values provided in the Annex.



## ANNEX D DEFAULT DATA FOR MODELLING THE USE STAGE

The following tables shall be used in OEF studies and when developing OEFSR unless better data is available. The data provided is based on assumptions, except if specified otherwise.

| <i>Product</i>                 | <i>Use stage assumptions per product category</i>   |
|--------------------------------|---|
| <i>Meat, fish, eggs</i>        | <i>Chilled storage. Cooking: 10 minutes in frying pan (75% on gas and 25% electricity), 5 gram sunflower oil (incl. its life cycle) per kg product. Dishwashing of frying pan.</i>  |
| <i>Milk</i>                    | <i>Chilled storage, drunk cold in 200 ml glass (i.e., 5 glasses per L milk), incl. glass life cycle and dishwashing.</i>  |
| <i>Pasta</i>                   | <i>Per kg pasta cooked in pot with 10 kg water, 10 min boiling (75% on gas and 25% electricity). Boiling phase: 0.18 kWh per kg of water, Cooking phase: 0.05 kWh per minute of cooking.</i>  |
| <i>Frozen dishes</i>           | <i>Frozen storage. Cooked in oven 15 minutes at 200°C (incl. a fraction of a stove, a fraction of a baking sheet). Baking sheet rinsing: 5 L water.</i>   |
| <i>Roast and ground coffee</i> | <i>7 g roast and ground coffee per cup<br/>Filter coffee preparation in a filter coffee machine: machine production and end-of-life (1.2 kg, 4380 uses, with 2 cups/use), paper filter (2 g/use), electricity consumption (33 Wh/cup) and water consumption (120 ml/cup).<br/>Machine rinsing/washing: 1 L cold water per use, 2 L hot water per 7 uses, decanter dishwashing (every 7 uses)<br/>Cup (mug) production and end-of-life and dishwashing<br/>Source: based on PEFCR Coffee (draft as of Feb 1, 2015<sup>115</sup>)</i> |
| <i>Beer</i>                    | <i>Cooling, drunk in 33 cl glass (i.e., 3 glasses per L beer), glass production, end-of-life and dishwashing. See also PEFCR of beer<sup>116</sup>.</i>   |
| <i>Bottled water</i>           | <i>Chilled storage. Storage duration: 1 day. 2.7 glasses per L water drunk, 260 gram glass production, end-of-life and dishwashing.</i>   |
| <i>Pet food</i>                | <i>Pet food dish production, end-of-life and dishwashing</i>  |
| <i>Goldfish</i>                | <i>Electricity and water use and treatment for the aquarium (43 kWh and 468 L per year). Goldfish feed production (1 g/day, assumed 50% fish meal, 50% soybean meal). Lifetime of the goldfish assumed to be 7.5 years.</i>   |

<sup>115</sup> <https://webgate.ec.europa.eu/fpfis/wikis/display/EUENVFP/PEFCR+Pilot%3A+Coffee>

<sup>116</sup> <http://ec.europa.eu/environment/eussd/smgp/pdf/Beer%20PEFCR%20June%202018%20final.pdf>

| <i>Product</i>           | <i>Use stage assumptions per product category</i>   |
|--------------------------|---|
| <i>T-shirt</i>           | <i>Washing machine, tumble dryer use and ironing. 52 washing at 41 degree, 5.2 tumble drying (10%) and 30 times ironing per T-shirt. Washing machine: 70 kg, 50% steel, 35% plastic, 5% glass, 5% aluminium, 4% copper, 1% electronics, 1560 cycles (=loads) within its lifetime. 179 kWh and 8700 L water for 220 cycles at 8 kg load (based on <a href="http://www.bosch-home.com/ch/fr/produits/laver-et-s%C3%A9cher/lave-linge/WAQ28320FF.html?source=browse">http://www.bosch-home.com/ch/fr/produits/laver-et-s%C3%A9cher/lave-linge/WAQ28320FF.html?source=browse</a>) being 0.81 kWh and 39.5 L/cycle, as well as 70 ml laundry detergent/cycle. Tumble dryer: 56 kg, same composition share and lifetime as for washing machine assumed. 2.07 kWh/cycle for 8 kg clothes load.</i> |
| <i>Paint</i>             | <i>Paint brush production, sand paper, ... (see PEFCR of decorative paints<sup>117</sup>).</i>  |
| <i>Cell phone</i>        | <i>2 kWh/year for the charge, 2 years lifetime.</i>   |
| <i>Laundry detergent</i> | <i>Use of a washing machine (see T-shirt data for washing machine model). 70 ml laundry detergent assumed per cycle, i.e., 14 cycles per kg detergent.</i>  |
| <i>Automotive oil</i>    | <i>10% losses during use assessed as hydrocarbons emissions to water.</i>   |

Default assumptions for storage (always based on assumptions, except if specified otherwise).

| <i>Product</i>                                | <i>Assumptions common to several product categories</i>  |
|---|--|
| <i>Ambient storage (at home)</i>              | <i>Ambient storage at home is considered, for the sake of simplification, as having no impact.</i>   |
| <i>Chilled storage (in a fridge, at home)</i> | <i>Storage time: product dependent. As default 7 days storage in fridge (ANIA and ADEME 2012<sup>118</sup>).<br/>Storage volume: assumed to be 3x the actual product volume<br/>Energy consumption: 0.0037 kWh/L (i.e., “the storage volume”) - day (ANIA and ADEME 2012).<br/>Fridge production and end-of-life considered (assuming 15 years of lifetime).</i> |

<sup>117</sup> [http://ec.europa.eu/environment/eussd/smqp/documents/PEFCR\\_decorative\\_paints.pdf](http://ec.europa.eu/environment/eussd/smqp/documents/PEFCR_decorative_paints.pdf)

<sup>118</sup> ANIA and ADEME. (2012). Projet de référentiel transversal d'évaluation de l'impact environnemental des produits alimentaires (mainly annexe 4) (« GT1 »), 23/04/12.

| <i>Product</i>                                 | <i>Assumptions common to several product categories</i>   |
|--|---|
| <i>Chilled storage (at the pub/restaurant)</i> | <p><i>The fridge at the pub is assumed to consume 1400 kWh/ yr (Heineken green cooling expert, 2015). 100% of this energy consumption is assumed to be for the cooling of beer. The throughput of the fridge is assumed to be 40hl/ yr. This means 0.035 kWh/ l for pub / supermarket cooling for the full storage time.</i></p> <p><i>Fridge production and end-of-life considered (assuming 15 years of lifetime).</i></p>  |
| <i>Frozen storage (in a freezer, at home)</i>  | <p><i>Storage time: 30 days in freezer (based on ANIA and ADEME 2012).</i></p> <p><i>Storage volume: assumed to be 2x the actual product volume.</i></p> <p><i>Energy consumption: 0.0049 kWh/L (i.e., “the storage volume”) - day (ANIA and ADEME 2012).</i></p> <p><i>Freezer production and end-of-life considered (assuming 15 years of lifetime): assumed similar to fridge.</i></p>   |
| <i>Cooking (at home)</i>                       | <p><i>Cooking: 1 kWh/h use (derived from consumptions for induction stove (0.588 kWh/h), ceramic stove (0.999 kWh/h) and electric stove (1.161 kWh/h) all from (ANIA and ADEME 2012).</i></p> <p><i>Baking in oven: electricity considered: 1.23 kWh/h (ANIA and ADEME 2012).</i></p>   |
| <i>Dishwashing (at home)</i>                   | <p><i>Dishwasher use: 15 L water, 10 g soap and 1.2 kWh per washing cycle (Kaenzig and Jolliet 2006).</i></p> <p><i>Dishwasher production and end-of-life considered (assuming 1500 cycle per lifetime).</i></p> <p><i>When dishwashing is done by hand, one assumes an equivalent of 0.5 L of water and 1 g of soap for the value above of 2.5% (with a scaling in terms of water use and soap, using the % above). The water is assumed to be warmed by natural gas, considering a delta T of 40 °C and an efficiency of energy from natural gas heating to water heat of 1/1.25 (meaning that to heat the 0.5 L of water one needs to use <math>1.25 * 0.5 * 4186 * 40 = 0.1</math> MJ of “Heat, natural gas, at boiler”).</i></p> |

## **ANNEX E OEF REPORT TEMPLATE**

This Annex presents the OEF report template that shall be applied for all types of OEF studies (e.g., including OEF-ROs or supporting studies of OEFSRs). The template presents the mandatory report structure to be followed and the information to be reported as a non-exhaustive list. All items required to be reported by the OEF method shall be included, even if they are not explicitly mentioned in this template.

# Organisation Environmental Footprint Report

[Insert the name of the organisation here]

## Table of contents

### Acronyms

[List in this section all the acronyms used in the OEF study. Those already included in the latest version of the OEF method shall be copied in their original form. The acronyms shall be provided in alphabetical order.]

### Definitions

[List in this section all the definitions that are relevant for the OEF study. Those already included in the latest version of the OEF method shall be copied in their original form. The definitions shall be provided in alphabetical order.]

### E.1. SUMMARY

[The summary shall include as a minimum the following elements:

- The goal and scope of the study, including relevant limitations and assumptions;
- A short description of the system boundary;
- Relevant statements about data quality,
- The main results of the LCIA: these shall be presented showing the results of all EF impact categories (characterized, normalized, weighted);
- A description of what has been achieved by the study, any recommendation made and conclusions drawn;

To the extent possible, the summary should be written with a non-technical audience in mind and should not be longer than 3-4 pages.]

### E.2. GENERAL

[The information below should ideally be placed on the front-page of the study:

- Name of the organisation,
- Product portfolio,
- NACE codes,
- Company presentation (name, geographic location),
- Date of publication of the OEF study (the date shall be written in extended format, e.g. 25 June 2015, to avoid confusion over the date format),
- Geographic validity of the OEF study (countries where the product portfolio is produced/consumed/sold),

- Compliance with the OEF method,
- Conformance to other documents, additional to the OEF method,
- Name and affiliation of the verifier(s)]

### **E.3. GOAL OF THE STUDY**

[Mandatory reporting elements include, as a minimum:

- Intended application(s);
- Methodological limitations;
- Reasons for carrying out the study;
- Target audience;
- Commissioner of the study;
- Identification of the verifier]

### **E.4. SCOPE OF THE STUDY**

[The scope of the study shall identify the analysed system in detail and address the overall approach used to establish: i) reporting unit and product portfolio, ii) system boundary (including the identification of the organisational and OEF boundary) , iii) list of EF impact categories, iv) additional information (environmental and technical) iv) assumptions and limitations.]

#### **E.4.1. Reporting unit and product portfolio**

[Provide the reporting unit, defining the organisation and the product portfolio (PP):

- Definition of the organisation:
  - Name of the organisation;
  - The kinds of good/services the organisation produces (i.e. the sector);
  - Locations of operation (e.g. countries, cities);
- Definition of the product portfolio:
  - The good(s)/service(s) provided: “**what**”;
  - The extent of the good or service: “**how much**”;
  - The expected level of quality: “**how well**”;
  - The duration/ lifetime of the good(s)/ service(s): “**how long**”;
- The reference year;
- The reporting interval.]

#### **E.4.2. System boundary**

[This section shall include as a minimum:

- Identification and description of the i) organisational boundary and ii)OEF boundary;
- List all attributable life-cycle stages (if applicable) that are part of the system boundary. In case the naming of the default life cycle stages has changed, the user shall specify to which default life cycle stage it corresponds. Document and justify if life cycle stages were split and/or new ones were added.

- The main processes covered, if applicable, with reference to each life cycle stage (details are in the LCI section A.5). The products not included in the PP and waste streams of at least the foreground system shall be clearly identified.
- The reason for and potential significance of any exclusion.
- A system boundary diagram with the processes that are included and those excluded, highlight those activities which falls respectively under situation 1, 2, and 3 of the Data Needs Matrix, and highlight where company-specific data are used.]

#### **E.4.3. Environmental Footprint impact categories**

[Provide a table with the list of EF impact categories, units, and EF reference package used (see <http://eplca.jrc.ec.europa.eu/LCDN/developerEF.xhtml> for further details).

For climate change, specify if the results of the three sub-indicators are reported separately in the results section.]

#### **E.4.4. Additional information**

[Describe any additional environmental information and additional technical information included in the OEF study. Provide references and exact calculations rules adopted.

Explain if biodiversity is relevant/not relevant for the organisation in scope.]

#### **E.4.5. Assumptions and limitations**

[Describe all limitations and assumptions. Provide list of data gaps, if any, and the way in which these gaps were filled. Provide list of proxy datasets used.]

### **E.5. LIFE CYCLE INVENTORY ANALYSIS**

[This section shall describe the compilation of the Life Cycle Inventory (LCI) and include:

- Screening step, if performed,
- List and description of life cycle stages (if applicable),
- Description of modelling choices,
- Description of allocation approaches applied,
- Description and documentation of data used and sources,
- Data quality requirements and rating]

#### **E.5.1. Screening step [if applicable]**

[Provide a description of the screening step, including relevant information regarding data collection, data used (e.g. list of secondary data sets, activity data, direct elementary flows), cut-off, and results of the life cycle impact assessment phase.

Document main findings and any refinement of the initial scope settings (if any).]

### **E.5.2. Modelling choices**

[Describe all modelling choices for the applicable aspects listed below (more can be added, when relevant):

- Agricultural production (OEF studies which have agricultural modelling in scope and have tested the alternative approach described in section 4.4.1.5 and Table 4 of the OEF method, shall report the results in an Annex of the OEF report);
- Transport and logistics: all data used shall be provided in the report (e.g. transportation distance, payload, re-use rate for packaging, etc.). If default scenarios were not used in the modelling, provide documentation of all specific data used;
- Capital goods: if capital goods are included, the OEF report shall include a clear and extensive explanation, reporting all assumptions made;
- Storage and retail;
- Use stage: Product dependent processes shall be included in the system boundary of the OEF study. Product independent processes shall be excluded from the system boundary and qualitative information may be provided, see section 4.4.7 of the OEF method. Describe the approach taken to model the use stage (main function approach or delta approach);
- End of life modelling, including values of parameters of the Circular Footprint Formula ( $A, B, R_1, R_2, Q_s/Q_p, R_3, LHV, X_{ER,heat}, X_{ER,elec}$ ), list of processes and datasets used ( $E_v, E_{rec}, E_{recEoL}, E^*_v, E_d, E_{Er}, E_{SE,heat}, E_{SE,elec}$ ) with referent to Annex C of the OEF method;
- Extended product lifetime;
- Electricity use;
- Sampling procedure (report if a sampling procedure was applied and indicate the approach taken);
- Greenhouse gas emissions and removals (report if a simplified approach was not used to model biogenic carbon flows);
- Offsets (if reported as additional environmental information).]

### **E.5.3. Handling multi-functional processes**

[Describe the allocation rules used in the OEF study and how the modelling/calculations were made. Provide the list of all allocation factors used for each process and the detailed list of processes and datasets used, in case substitution is applied.]

### **E.5.4. Data collection**

[This section shall include as a minimum:

- Description and documentation of all company-specific data collected:
  - list of processes covered by company-specific data indicating to which life cycle stage they belong (if life cycle stages are applicable);
  - list of resource use and emissions (i.e. direct elementary flows);
  - list of activity data used;
  - link to detailed components/ materials/ ingredients, including substance names, units and quantities, including information on grades/ purities and other technically and/or environmentally relevant characterisation of these;
  - company-specific data collection/estimation/calculation procedures;



- List of all secondary datasets used (process name, UUID, dataset source (node on Life Cycle Data Network, data stock) and compliance with the EF reference package);
- Modelling parameters;
- Cut-off applied, if any;
- Sources of published literature;
- Validation of data, including documentation;
- If a sensitivity analysis has been conducted, this shall be reported.]

### **E.5.5. Data quality requirements and rating**

[Provide a table listing all processes and their situation according to the Data Needs Matrix (DNM).

Provide the DQR of the OEF study.]

## **E.6. IMPACT ASSESSMENT RESULTS [CONFIDENTIAL, IF RELEVANT]**

### **E.6.1. OEF results**

[This section shall include as a minimum:

- Characterised results of all EF impact categories shall be calculated and reported as absolute values in the OEF report. The sub-categories ‘climate change –fossil’, ‘climate change – biogenic’ and ‘climate change - land use and land use change’, shall be reported separately if they show a contribution of more than 5% each to the total score of climate change);
- Normalised and weighted results as absolute values;
- Weighted results as single score.]

### **E.6.2. Additional information**

[This section shall include:

- Results of the additional environmental information;
- Results of the additional technical information.]

## **E.7. INTERPRETING OEF RESULTS**

[This section shall include as a minimum:

- Assessment of the robustness of the OEF study;
- List of most relevant impact categories, life cycle stages, processes and elementary flows (see tables below);
- Limitations and relationship of the EF results relative to the defined goal and scope of the OEF study,
- Conclusions, recommendations, limitations and improvement potentials)].

| <b>Item</b>                            | <b>At what level does relevance need to be identified?</b> | <b>Threshold</b>   |
|--|--|--|
| <b>Most relevant impact categories</b> | Normalised and weighted results                            | Impact categories cumulatively contributing at least <b>80%</b> of the total environmental impact  |
| <b>Most relevant life cycle stages</b> | For each most relevant impact category                     | All life cycle stages contributing cumulatively more than <b>80%</b> to that impact category   |
| <b>Most relevant processes</b>         | For each most relevant impact category                     | All processes contributing cumulatively (along the entire life cycle) more than <b>80%</b> to that impact category, considering absolute values.   |
| <b>Most relevant elementary flows</b>  | For each most relevant process                             | All elementary flows contributing cumulatively at least to 80% to the total impact for each most relevant processes.<br><br>If disaggregated data are available: for each most relevant process, all direct elementary flows contributing cumulatively at least to <b>80%</b> to that impact category (caused by the direct elementary flows only) |

*Example:*

| <b>Most relevant impact category</b> | <b>[%]</b> | <b>Most relevant life cycle stages</b> | <b>[%]</b> | <b>Most relevant processes</b> | <b>[%]</b> | <b>Most relevant elementary flows</b> | <b>[%]</b> |
|--------------------------------------|------------|--|------------|--------------------------------|------------|---------------------------------------|------------|
| IC 1                                 |            | End of life                            |            | Process 1                      |            | el. flow 1                            |            |
|                                      |            |  |            |                                |            | el. flow 2                            |            |
|                                      |            |  |            | Process 2                      |            | el. flow 2                            |            |
|                                      |            |  |            |                                |            |                                       |            |
|                                      |            | Raw material acquisition and p.p.      |            | Process 4                      |            | el. flow 1                            |            |
|                                      |            |  |            |                                |            |                                       |            |
| IC 2                                 |            | Manufacturing                          |            | Process 1                      |            | el. flow 2                            |            |
|                                      |            |  |            |                                |            | el. flow 3                            |            |
|                                      |            |  |            |                                |            |                                       |            |
| IC 3                                 |            | Manufacturing                          |            | Process 1                      |            | el. flow 2                            |            |
|                                      |            |  |            |                                |            | el. flow 3                            |            |

## **E.8. VALIDATION STATEMENT**

[The validation statement is mandatory and shall always be provided as public annex of the public OEF report.

The following elements and aspects shall be included in the validation statement, as a minimum:

- title of the OEF study under verification/validation, together with the exact version of the report to which the validation statement belongs;
- the commissioner of the OEF study;
- the user of the OEF method;
- the verifier(s) or, in the case of a verification team, the team members with the identification of the lead verifier;
- absence of conflicts of interest of the verifier(s) with respect to concerned products/sectors and any involvement in previous work (where relevant, OEFSR development, Technical Secretariat membership, consultancy work carried out for the user of the OEF method or OEFSR during the last three years);
- a description of the objective of the verification/validation;
- a statement of the result of the verification/validation;
- any limitations of the verification/validation outcomes;
- date in which the validation statement has been issued;
- signature by the verifier(s).]

## **ANNEX I**

[The Annex serves to document supporting elements to the main report which are of a more technical nature. It could include:

- Bibliographic references;
- Detailed life cycle inventory analysis (optional if considered sensitive and communicated separately in the confidential annex, see below)
- Detailed assessment of data quality: Provide i) Data Quality Rating per process in accordance with the OEF Method and ii) Data Quality Rating for the newly created EF-compliant datasets. In case information is confidential, it shall be included in Annex II.]

## **ANNEX II – CONFIDENTIAL REPORT**

[The Confidential annex is an optional chapter that shall contain all those data (including raw data) and information that are confidential or proprietary and cannot be made externally available.]

## ANNEX F DEFAULT LOSS RATES PER TYPE OF PRODUCT

Default loss rates per type of product during distribution and at consumer (including restaurant, etc.) (assumptions if not specified otherwise). For simplification purposes, the values for restaurant are considered the same as for consumer at home.

| <i>Retail trade sector</i> | <i>Category</i>                           | <i>Loss rate (incl. broken products but not products returned to the manufacturer) during distribution (overall consolidated value for transportation, storage and retail place)</i> | <i>Loss rate at consumer (including restaurant, etc.)</i>                           |
|----------------------------|---|--|---|
| <i>Food</i>                | <i>Fruits and vegetables</i>              | <i>10% (FAO 2011)</i>  | <i>19% (FAO 2011)</i>   |
|                            | <i>Meat and meat alternatives</i>         | <i>4% (FAO 2011)</i>   | <i>11% (FAO 2011)</i>   |
|                            | <i>Dairy products</i>                     | <i>0.5% (FAO 2011)</i>   | <i>7% (FAO 2011)</i>  |
|                            | <i>Grain products</i>                     | <i>2% (FAO 2011)</i>   | <i>25% (FAO 2011)</i>   |
|                            | <i>Oils and fats</i>                      | <i>1% (FAO 2011)</i>   | <i>4% (FAO 2011)</i>  |
|                            | <i>Prepared/processed meals (ambient)</i> | <i>10%</i>   | <i>10%</i>  |
|                            | <i>Prepared/processed meals (chilled)</i> | <i>5%</i>  | <i>5%</i>   |
|                            | <i>Prepared/processed meals (frozen)</i>  | <i>0.6% (primary data based on Picard – oral communication from Arnaud Brulair)</i>  | <i>0.5% (primary data based on Picard – oral communication from Arnaud Brulair)</i> |
|                            | <i>Confectionery</i>                      | <i>5%</i>  | <i>2%</i>   |
|                            | <i>Other foods</i>                        | <i>1%</i>  | <i>2%</i>   |
| <i>Beverages</i>           | <i>Coffee and tea</i>                     | <i>1%</i>  | <i>5%</i>   |

| <i>Retail trade sector</i>            | <i>Category</i>                                | <i>Loss rate (incl. broken products but not products returned to the manufacturer) during distribution (overall consolidated value for transportation, storage and retail place)</i> | <i>Loss rate at consumer (including restaurant, etc.)</i> |
|---------------------------------------|--|--|---|
|                                       | <i>Alcoholic beverages</i>                     | <i>1%</i>  | <i>5%</i>   |
|                                       | <i>Other beverages</i>                         | <i>1%</i>  | <i>5%</i>   |
| <i>Tobacco</i>                        |  | <i>0%</i>  | <i>0%</i>   |
| <i>Pet food</i>                       |  | <i>5%</i>  | <i>5%</i>   |
| <i>Live animals</i>                   |  | <i>0%</i>  | <i>0%</i>   |
| <i>Clothing and textile</i>           |  | <i>10%</i>   | <i>0%</i>   |
| <i>Footwear and leather goods</i>     |  | <i>0%</i>  | <i>0%</i>   |
| <i>Personal accessories</i>           | <i>Personal accessories</i>                    | <i>0%</i>  | <i>0%</i>   |
| <i>Home and professional supplies</i> | <i>Home hardware supplies</i>                  | <i>1%</i>  | <i>0%</i>   |
|                                       | <i>Furniture, furnishings and decor</i>        | <i>0%</i>  | <i>0%</i>   |
|                                       | <i>Electrical household appliances</i>         | <i>1%</i>  | <i>0%</i>   |
|                                       | <i>Kitchen merchandise</i>                     | <i>0%</i>  | <i>0%</i>   |
|                                       | <i>Information and communication equipment</i> | <i>1%</i>  | <i>0%</i>   |

| <i>Retail trade sector</i>                                 | <i>Category</i>                                   | <i>Loss rate (incl. broken products but not products returned to the manufacturer) during distribution (overall consolidated value for transportation, storage and retail place)</i> | <i>Loss rate at consumer (including restaurant, etc.)</i> |
|--|---|--|---|
|  | <i>Office machinery and supplies</i>              | <i>1%</i>  | <i>0%</i>   |
| <i>Cultural and recreational goods</i>                     | <i>Books, newspapers and paper/paper supplies</i> | <i>1%</i>  | <i>0%</i>   |
|  | <i>Music and videos</i>                           | <i>1%</i>  | <i>0%</i>   |
|  | <i>Sporting equipment and gadgets</i>             | <i>0%</i>  | <i>0%</i>   |
|  | <i>Other cultural and recreational goods</i>      | <i>1%</i>  | <i>0%</i>   |
| <i>Healthcare</i>  |   | <i>5%</i>  | <i>5%</i>   |
| <i>Cleaning/hygiene products, cosmetics and toiletries</i> |   | <i>5%</i>  | <i>5%</i>   |
| <i>Fuels, gases, lubricants and oils</i>                   |   | <i>1%</i>  | <i>0%</i>   |
| <i>Batteries and power</i>                                 |   | <i>0%</i>  | <i>0%</i>   |
| <i>Plants and garden supplies</i>                          | <i>Flowers, plants and seeds</i>                  | <i>10%</i>   | <i>0%</i>   |
|  | <i>Other garden supplies</i>                      | <i>1%</i>  | <i>0%</i>   |
| <i>Other goods</i>   |   | <i>0%</i>  | <i>0%</i>   |
| <i>Gas station</i>   | <i>Gas station products</i>                       | <i>1%</i>  | <i>0%</i>   |

Food losses at the distribution center, during transport and at retail place, and at home: assumed to be 50% trashed (i.e., incinerated and landfilled), 25% composted and 25% methanised.

Product losses (excluding food losses) and packing/repacking/unpacking at distribution center, during transport and at retail place: assumed to be 100% recycled.

Other waste generated at the distribution center, during transport and at the retailer (except food and product losses) such as repacking/unpacking are assumed to follow the same EoL treatment as for home waste.

Liquid food wastes (as for instance milk) at consumer (including restaurant, etc.) are assumed to be poured in the sink and therefore treated in the wastewater treatment plant.

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