



# Joint Press Information

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**Brussels, 14 March 2013**

## **Environmental footprint methodology: not for us state consumers and manufacturers**

ACEA, ANEC and Orgalime wrote to President Barroso today to express their common concerns at the suggested Environmental Footprint Methodology<sup>1</sup>, based on a Life Cycle Assessment (LCA) approach, and its envisaged use in EU policy making, including in the context of the Commission Communication 'Green single market for green growth' envisaged later on in March 2013.

The suggested methodology - according to ACEA, ANEC and Orgalime - does not represent a reliable tool for creating demand for 'better and greener products' in the EU, while it risks exposing companies to unfair competition and market distortion as consumers would base their buying decisions on misleading information.

In the light of ANEC's longstanding research on LCA suitability and environment-related standardisation, as well as the automotive and engineering industry's long and solid experience in applying LCA and related methodologies to products and processes as an internal evaluation methodology, the associations have detailed the limits of the LCA-based methodology. They highlight it creates unneeded risk of disruption to the internal market for products and allows room for unfair competition, while providing doubtful benefits, if any, for consumers or for industry.

Orgalime's President Sandro Bonomi stated: *"If used in support of regulation, the methodology would undermine the Commission's wider Industrial Policy agenda, hampering policy makers from acting on a sound basis for comparing products. Neither would it help to stimulate demand for 'better and greener' products. And finally, it would also cause severe difficulties for enforcement and market surveillance"*.

Although the benefits of Life Cycle Assessment (LCA) as an internal instrument for manufacturers are not in doubt, its limits and shortcomings are evident:

- The precision of the results provided by LCAs is limited by data constraints and LCA results can provide only a partial picture at best.
- LCA results are dependent on subjective choices at the level of inputs into the model.
- LCAs are complex and costly, making them excessively difficult for SMEs to make and to afford.
- LCAs do not allow consumers to make informed product comparisons or choices.

ACEA Secretary General, Ivan Hodac added: *"LCA ignores the complexity and diversity of products and supply chains: the current 'one size fits all approach' of the suggested methodology overlooks the diversity and variety of the different products made available to consumers. Only the making of an engine, for example, consists of a multitude of different components, parts and materials that are sourced in complex, multi-layer, global supply chains"*.

ANEC Secretary General, Stephen Russell commented, *"Sound environmental assessments require a mix of tools, taking into account the strengths and weaknesses of each. The right indicators for the right products and the right organisations need to be identified using a broad range of assessment methods, with the decision made at the political level, after consultation of all interested stakeholders"*.

ACEA, ANEC and Orgalime confirm their assessment that the suggested methodologies cannot provide a reliable and trustworthy base for creating demand for 'better, greener' products through correctly informed consumer choices. It is our joint recommendation to the Commission to pause and rethink its planned Communication, and the environmental footprint methodology in particular.

The three associations advocate the use of a mix of policy tools, and a sector-by-sector approach, to achieve the intended results of the Commission's PEF and LCA approach while respecting the objectives of the EU's Industrial Policy Communication and the related Council Conclusions.

## Ends

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<sup>i</sup> Methodology for the calculation of the environmental footprint of products, services and organisations with a view to assess, display and benchmark their environmental performance based on a Life Cycle Assessment (LCA) approach

### Notes for Editors:

#### [Letter to President Barroso](#)

**Orgalime**, the European Engineering Industries Association, speaks for 39 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10.2 million people in the EU and in 2011 accounted for some €1,666 billion of annual output. The industry not only represents some 28% of the output of manufactured products but also a third of the manufactured exports of the European Union.

<http://www.orgalime.org>

• **ACEA** members are BMW Group, DAF Trucks, Daimler, FIAT S.p.A., Ford of Europe, General Motors Europe, Hyundai Motor Europe, IVECO S.p.A., Jaguar Land Rover, PSA Peugeot Citroën, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, Volvo Group.

<http://www.acea.be>

*Facts about the EU automobile industry*

- The automotive sector contributes positively to the EU trade balance with a €114.1 billion surplus. This contribution is highly significant today as the EU economy as a whole struggles with a total trade deficit for goods of €152.8 billion.
- Some 11.6 million people - or 5.3% of the EU employed population - work in the sector.
- The 3.2 million jobs in automotive manufacturing represent 10.2% of EU's manufacturing employment.
- The sector is also a key driver of knowledge and innovation, representing Europe's largest private contributor to R&D, with €26 billion invested annually.

**ANEC** is the European consumer voice in standardisation, defending consumer interests in the processes of technical standardisation and conformity assessment as well as related legislation and public policies. ANEC was established in 1995 as an international non-profit association under Belgian law and represents consumer organisations from 33 European countries. ANEC is funded by the European Union and EFTA, with national consumer organisations contributing in kind. Its Secretariat is based in Brussels.

<http://www.anec.eu>

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