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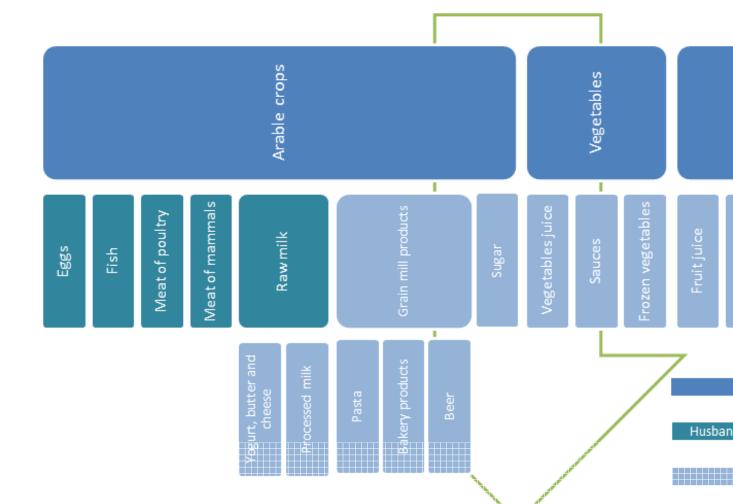




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INTRODUCTION: PRODUCT CATEGORY RULES AND CPC CODES

To be able to fulfill high market expectations for a number of practical applications, EPDs have to meet and comply with specific and strict methodological prerequisites specific for a product group. These rules are known as Product Category Rules (PCR¹) and are one of the most important technical steps in the EPD preparation process. PCRs define the requirements for EPDs of a certain product category. They are vital for the concept of environmental declarations as they enable transparency and comparability between different EPDs based on the same PCR.

In order to define the scope of the PCR the International EPD[®] System uses the latest version of the classification scheme UN CPC (Central Product Classification) developed by the United Nations²: the PCR document shall as far as possible be classified with one or more CPC-codes at three, four or five digit level³.

The PCR shall define the criteria according to assigning a product to a specific category, which parameters are set out to prepare the EPDs, the data quality requirements and the collection and calculation rules for data to be included in the EPD, as well as what kind of information suitable to convey to the primary audience of the EPD. Some of the main issues that have to be included are the product category definition and description (e.g. function, technical performance and use), the boundaries of the LCA (e.g. functional unit/declared unit, system boundaries, data quality, etc.) and the main calculation rules (such as the allocation procedure).

This document presents the pilot "network of PCRs" that is being implemented in the International EPD® System as a part of its PCR management efforts.

THE PCRS FOR FOOD

A quick overview of the list of available CPC codes shows that there are more than 250 codes for both agricultural and processed food products. Even if a PCR may cover more than one CPC code, this could lead to a large number of PCRs that have to be prepared to cover all product groups related to food.

This situation may become unmanageable mainly for two reasons: the very high number of PCR documents and the high risk that similar aspects could be treated in a different way in different PCRs. An example could help illustrate this problem. Wheat is an ingredient in many finished food products, such as beer and pasta. If the calculation rules for the wheat cultivation process is described separately in the final food product PCRs it is possible that some key aspects, such the allocation between grains and straw, is managed using different even if reasonable methods. This may be caused by differences in PCR moderators, the time period in which the consultation is held or that the Technical Committee does not identify the differences or recognize the need for alignment.

The solution to this problem is additional coordination between PCRs in a common category. For this reason, a pilot called the "network of PCRs" was initiated in 2013.

The first step is to analyse all the CPC codes and find the situations in which an aggregation in terms of similar approaches for the life cycle assessment is possible.

For example maize, wheat and rye are different products with different features but the cultivation process is quite similar since in all these cases they are arable crops. A life cycle assessment of these crops should be performed using a similar approach with similar hypotheses and calculation rules (such as the allocation). Following this, the idea is to prepare the PCRs for "arable crops" that includes all the crops that are cultivated using the same process in order to have many CPC codes in the same PCR document.

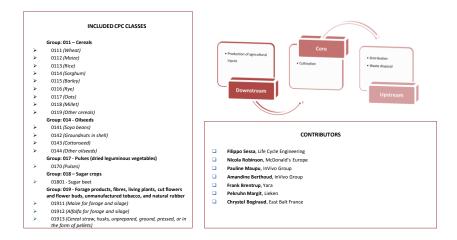
¹ ISO 14025 defines PCRs as set of specific rules requirement and guidelines for developing Type III environmental declarations for one or more product categories.

² http://unstats.un.org

³ General Programme Instruction for the International EPD[®] System; Rev. 2.0; 2013-06-04.

PCR for arable crops

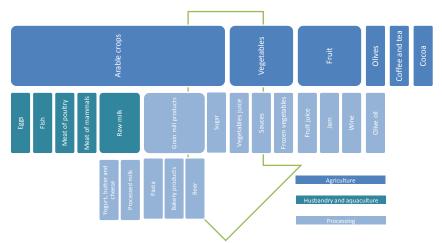
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The second step is to find situations in which different PCRs could be linked in a holistic framework. Coming back to the example of wheat in beer and pasta production, the requirements related to the wheat cultivation are not included in the specific PCRs but are explained in the PCR for arable crops. Both the PCR for pasta and beer should refer to the PCR for arable crops for the upstream phase where the raw materials are cultivated.

THE NETWORK OF PCRS FOR FOOD

These steps have been carried out for PCRs in the food sector, which have led to the following description of the network of PCRs for food:



The network of PCRs for food

In this network of PCRs for food, only about 25 PCR documents are needed to cover the entire food sector for both agricultural and processed food products. As their interconnections are highlighted, it will be easier to keep the PCRs aligned.

Investigating the existing PCR library in the International EPD® System, most of these documents are already prepared or are in progress. When a new PCR is promoted or an update is needed, it enters the network and its content is aligned with the other available PCR documents.

WORKING PROCEDURE IN THE PILOT

The proposed working procedure in the pilot is the following: A PCR coordinator is appointed by the International EPD[®] System with the aim of assisting the Secretariat and the Technical Committee in harmonization of PCRs belonging to the food sector and related PCRs, such as agriculture.

When a request of updating an existing PCR or creating a new one reaches the Secretariat, the PCR coordinator is involved in order to find the right place in the network and to help the Secretariat for the attribution of the proper CPC code.

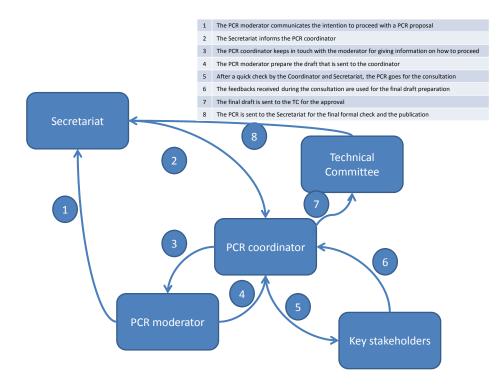
During the PCR preparation, the coordinator keeps in touch with the PCR Moderator in order to be sure that the new or amended PCR fulfils the general requirements and hypotheses already discussed for the other PCRs. Another important point is that the coordinator must be sure that the new or updated PCR enters the network with a proper integration with the other documents without any overlapping.

During the public consultation, both the moderators and the coordinator are involved in the process and they have to ensure that a selected stakeholder group with specific skills is involved.

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INTRODUCING THE NETWORK OF PCRS FOR FOOD PRODUCTS

Following this approach, when the PCR reaches the Technical Committee for the final approval the most important issues are already solved and the approval could be quick.



EXAMPLE

One of the most important cases in which the PCRs have been organised with such network is the PCRs for mammals' meat and raw milk.

Meat and milk are in some cases products of the same supply chain, but they are different products and so the calculation of the environmental performance is defined by different PCRs.

Before the development of the network both the PCRs explained the methodologies to assess the production of feed and the procedures for the impacts allocation between milk and meat: unfortunately different approaches were used. When the PCRs are prepared following the network approach more harmonisation is expected: PCRs for arable crops and for grain mill products (the main raw materials for dairy feeding) were prepared and a link between them was put into the PCRs.

A common approach for allocation has been developed so that now the methodology is the same in both the PCRs.

NEXT STEP

The "network approach" is a pioneer project and right now many aspects have to be improved to have an accurate and suitable set up, such as the rules related to the use of primary and secondary data. An early next step is to improve these points after testing some cases.

Another point is the selection of a specific stakeholder group that will be involved in the discussion.



If the pilot in the food sector is successful, this approach could be used also for other sectors, such building products, packaging, textiles or transports.

CONTACTS

For further information or entering the network, please refer to:

- Filippo Sessa; Life Cycle Engineering; <u>sessa@studiolce.it</u> who acts as <u>PCR coordinator</u> for food PCRs during the pilot phase;
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