Product carbon footprinting & labelling

VZBV: Federation of German Consumer Organisations

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# Introduction

**Who we are:**
- Set up by UK Government as independent “not-for-profit” company

**Our role:**
- Help organisations reduce carbon emissions and develop low carbon technologies

**Last year we:**
- Worked with >5,000 companies
- Identified savings of 4.6 million tCO2 per year worth $1.0 Billion

**Aim of product carbon footprinting & labelling:**
- To build a globally accepted initiative to measure, reduce and communicate the lifecycle GHG emissions of products and services
In March 07, launched the initiative with 2 components

1. Standards Development
   - Developing standards to:
     - **Measure**;
     - **Reduce**; and
     - **Communicate** the GHG emissions from goods & services

2. Company Engagement
   - **Product footprinting & reduction projects**
   - **Testing the Carbon Reduction Label**
Standards setting

- Standards cover life-cycle of products & services from “cradle to grave” / “cradle to cradle”
- Working with BSI, One World Standards & Arup to run standards-setting process – ISEAL compliant
- Process managed by independent steering groups of academics, NGO, government and industry
- Consultation commences in February – Get involved!
- Publication in summer 2008

- In the medium term, in discussions with international standards bodies to develop further:
  - ISO
  - WRI/WBCSD
  - Carbon Standards Disclosure Board (CSDB)
Company Engagement

- Launched with Walkers (potato chips), Boots (shampoo) & Innocent (smoothie fruit drinks)

- Now working with 10 new pilot partners and lots of consumer brands

Looking for German partners to test standards, reduction & communication options – Get involved!
The Carbon Reduction Label: What does it mean?

- Total carbon footprint of the product
- Downward arrow: Commitment to reduce over 2 year period
- All GHG emissions included as CO2e
- Independent assurance of compliance with the draft standard
- This is a pilot: each of the elements are being tested through the projects
How’s the label being used?

Our 3 launch partners are using the carbon reduction label in different ways to test consumer reaction.

Walkers are displaying it front-of-pack with a short description on the back...

...Boots are using it on in-store advertising materials to help them “tell the story”...
How’s the label being used?

…and Innocent are using their website. This allows them to describe the project and “tell the story” in much more detail.
Summary

» Setting the standards to measure, communicate the life-cycle GHG impacts of goods & services

» Working with companies directly on test projects and testing carbon reduction label

» Opportunities to get involved:
  - Be part of the standards-setting consultation
  - Companies can work with us on a pilot project with your product supply chain
    - In discussions with TPA Life about a partnership for the German market
Further information:

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Supporting Slides:
Project results & consumer research
What results have we seen?

### Results from footprint measurement

- Energy cost reductions identified across the supply chain
- e.g. Boots shampoo project identified 33% savings, with 20% already implemented
- Employee engagement, embedding low-carbon thinking
- e.g. Walkers staff focussed on “reducing our 75g”

### Research on Communication / Carbon Reduction Label

- 60% consumers ready to buy more from companies acting on climate change (GfK NOP)
- 67% want to buy products with a low carbon footprint (GfK NOP)
- 62% of all consumers agree that the CR Label ‘helps me to reduce the carbon footprint of my regular shopping items’ (Populus)
- 73% consumers think showing the actual footprint number on the CR Label is important (Boots consumer research)
- Market research summary in appendix
Consumers and climate change

- Recognition of the concept of climate change and concern about it among the UK population is very high
  - 85% recognised the concept of climate change
  - 80% were concerned about climate change
    - nVision Desk Research 2007

- There has been a dramatic increase in concern about what people can personally do to help protect the environment
  - Approx 30% in 1980 increased to almost 70% in 2007
    - nVision Research 2007. Base: 1195, aged 15+, GB

- The majority of people claim they are aware of environmental problems but not solutions – beyond using less they don’t know what actions they can take
  - 73% of people surveyed
    - The Climate Group 2006

- Demand for better information on companies’ environmental behaviour is high
  - Over 75% agreed with the statement ‘if I had more information about companies’ social, environmental and ethical behaviour this would influence my decisions about what I buy’
People do not think business is doing enough to cut carbon emissions and tackle climate change
- 73% said no when asked ‘Do you think that businesses are doing enough to cut their carbon emissions and tackle climate change, or not?'
  - GfK NOP Oct 2006. Base: all adults aged 16+

Consumers remain sceptical of green claims currently being made business
- Nearly 60% say their claims (manufacturers and retailers) are either ‘not very’ or ‘not at all’ credible.
  - The L.E.K. Consulting Carbon Footprint Report 2007 (research conducted by YouGov)
    Representative sample of 2,039 UK consumers

79% do not think businesses is doing enough to help consumers make informed choices about the carbon footprints of the products they sell
- GfK NOP Oct 2006. Base: all adults aged 16+

71% of consumers would value an independent assessment of a companies low carbon footprint claims
- GfK NOP Oct 2006. Base: all adults aged 16+

70% of respondents in the UK said that climate change claims should be proven by independent parties. Scientists, environmental groups...are seen as credible.
- What Assures Consumers on Climate Change 2007. Survey of 2,734 people in the US and UK (18+)
Consumer behaviour

- 67% are more likely to buy a product with a low carbon footprint
  - 35% much more likely, 32% slightly more likely
  - GfK NOP Oct 2006. Base: all adults aged 16+

- Consumers are willing to alter their purchasing decisions based on product/service carbon footprint information
  - 44% would switch to a product with a smaller carbon footprint even if it was not their first preference
  - 43% of respondents are willing to pay more for products or services that would help them to minimise their own carbon footprint
  - 20% would travel to a less convenient retailer in order to obtain such products
  - The L.E.K. Consulting Carbon Footprint Report 2007 (research conducted by YouGov, Representative sample of 2,039 UK consumers)
Recognition of the Carbon Trust carbon reduction label amongst consumers is already high:
- 85% of consumers have heard of “carbon labelling
- 31% ‘know what it means’
  - Walkers, Populus Concerned Consumers Survey July 2007. 1,063 adults aged 18+ ('concerned consumers' represent approx 50% of the population)

Understanding of the Carbon Trust carbon reduction label:
- 72% of concerned consumers (68% of all consumers) selected ‘The amount of carbon emitted during the whole lifecycle of the product – from ‘seed’ to ‘store’”
- 49% of all consumers agree ‘It makes me more likely to buy their products’ when the label is displayed on pack
- 69% of all consumers agree ‘It demonstrates that the company is committed to reducing its carbon emissions’
- 62% of all consumers agree ‘It helps me to reduce the carbon footprint of my regular shopping items’
- 70% of all consumers agree ‘It makes me more aware of the environmental impact of the products and services I choose to buy’

- Walkers, Populus Concerned Consumers Survey July 2007. 1,063 adults aged 18+
The Carbon Reduction Label – Boots new research

▷ Consumers feel that they have a part to play in reducing carbon footprints
  – 82% think that they can, as individuals, help to reduce carbon footprints (5% say they can’t and 13% don’t know)

▷ The commitment to reduce the footprint is a key part of the message to consumers
  – 65% would be more likely to buy a product where the label indicates that the supplier is working to reduce the carbon footprint (11% say “no more likely”)

▷ It is important to the consumer that the actual footprint measurement is shown on the label
  – 72% think it’s important to show the actual number of grams of carbon per product on a carbon footprint label (28% say “not important”)

  - Base: 1,029 Boots Advantage Card Users, surveyed w/c 7th September 2007