

CARBON LABELLING

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CARBON LABELLING

You've checked the price, the salt content, the calories and whether it's ethically sourced now there's the carbon cost and we're not just talking air miles.

Daily we are bombarded with information on climate change; companies and individuals are rushing to go green and recent research shows that over two thirds of consumers want to know about their carbon footprint.

Carbon labelling is just another mechanism aimed at helping us to understand and mitigate our footprint / impact on global warming.



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LABELLING

– Back to Basics

The Organisation for Economic Co-operation and Development (1997) identifies three main types of eco-label:

1. Labels which mark products with a specific logo on the achievement of a standard which is pre-defined and third-party regulated, the use of such labels being entirely voluntary
2. Manufacturer claims such as 'chemical-free' or 'locally produced' which are not validated according to any published or validated criteria
3. Labels using pre-set indices to give quantified information about a product based on objective and standardised calculation.



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GREEN ECO-LABELS



Set up in 1991, LEAF aims to improve the environmental performance of farming. The symbol appears on foods sold in Britain but which need not be of British origin. Farmers apply to use the logo and are independently audited annually.

Only used on fresh produce and has limited availability. Does not consider food miles or recyclability of packaging.



The Marine Stewardship Council is an international logo which can be used on seafood products from sustainably managed fisheries.

Only used on seafood products.



Organic standards are carefully regulated. Achieving and maintaining organic status requires commitment. There are several certification bodies including, in Britain, the Soil Association.



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GREEN ECO-LABELS



The Mobius symbol denotes that recyclates have been used in the production of a product: for food products this often includes the packaging.

Addresses recycleability of packaging, not the use of recyclates.



The European eco-label ('the flower') is shown on non-food products produced using processes which reduce environmental impact. Such factors include energy and water consumption, emissions to air, water and soil, and waste management.



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HOW ARE LABELS USED?

- 96% of consumers use environmental considerations in making purchasing decisions, although the frequency with which they do so might differ (Peattie, 1995).
- 75% of people declared themselves willing to buy environmentally-friendly food products at a higher price (Robins and Roberts, 1997)
- 56% of people said they would purchase eco-labelled apples regardless of the price-premium (Blend and von Ravenswaay, 1999)
- 33% of people would pay an average 13% premium for sustainably-produced timber and, more generally, 25-50% of people would pay a premium of up to 25% for goods with increased environmental performance (Peattie, 1995).



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WHAT ASSURES THE CONSUMERS?

- Labels can Lie

- Without credible data and information, and by association an independent endorsement, consumers will become cynical and switch off from buying products and services that reduce their environmental footprint through self-motivation and expect business and/or government to remove products that are environmentally negative.
- LRQA in association with Consumer International and AccountAbility are assessing the attitudes of consumers towards climate change.

‘ What Assures the Consumers? ‘

An independent survey was undertaken by GlobeScan in March 2007 with a representative sample of 2,734 from the US and UK general public.



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WHAT ASSURES THE CONSUMERS?

- Labels can Lie

Interim findings show that...

- **Two thirds** of consumers agree everyone needs to take more responsibility for their personal contribution to global warming.
(Combined 65.7%: US 61.6%, UK 69.7%).
- **Two thirds** of consumers believe corporations need to take global warming more seriously.
(Combined 66.4%: US 63.2%, UK 69.5%).
- **Sixty per cent** of consumers want companies to provide more information *at the point of sale* about the effects of their products on climate change.
(Combined 60.4%: US 56.3%, UK 64.4%).



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WHAT ASSURES THE CONSUMERS?

- Labels can Lie

...but...

- **Over half** of consumers believe governments should be forcing businesses to phase out products that contribute to global warming (Combined 51.5%: US 45.7%, UK 57.1%).
- **Seventy per cent** of consumers want climate change claims made by businesses to be proven by independent third parties (Combined 70.0%: US 63.0%, UK 76.8%).



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WHAT PROVIDES ASSURANCE TO CONSUMERS?

- Credibility of eco-labelling schemes:
Often relatively low, possibly due to the overuse of one-sided declarations – undefined or unregulated terms such as ‘bio’ or ‘green’ – which have undermined the credibility of environmentally friendly product declarations.
- Clear terminology:
Terms ‘environmental impact’ or ‘environmental damage’ might be regarded as more credible by consumers than ‘environmentally-friendly’ or ‘green’. Care should be taken, however, that use of a more technical term does not flout clarity considerations
- Independent verification
Disclosed data and information should be checked to ensure it is accurate, complete and reliable.



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WHAT PROVIDES ASSURANCE TO CONSUMERS?

- Objective, clear/reliable, transparent, transferable, sustainable, have a sensible validity period and fit for purpose – public's perception for labels
- Accountable to stakeholders - the process of calculation needs to be transparent and the criteria used should be made publicly available in order for the eco-label to gain public confidence

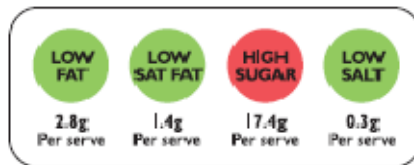


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WHAT PROVIDES ASSURANCE TO CONSUMERS?

- Easy to read and understand - studies of nutritional information have found that simple labels are more likely to be successful than complex labels, simply because shoppers cannot, or will not, spend a long time digesting complex information or that which is presented non-intuitively (Which 2006, 2007a).



Example of the “traffic light” system of labelling for nutritional information. Taken from: Healthy Signs? Which? Report, July 2006.



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BUT WHY SHOULD COMPANIES LABEL?

- Encourages manufacturers, suppliers and retailers to increase the environmental standards of the products they produce, market or supply, or to reduce their adverse effects
- Enables manufacturers, suppliers and retailers to gain competitive advantage over others from the incorporation of eco-labelling schemes
- Allows manufacturers, suppliers or retailers to utilise 'green' status for advertising and marketing purposes.



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WILL LABELS HAPPEN?

- What would they tell us?
- How do we compare (the apple and pear story)
- What would they include and would it be understandable to consumers?
- Will they be believable? – What assures consumer preliminary findings need for assurance
- Ultimately will they happen? And be useful?
- Anyone got a magic mirror? Anyway my view



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BUT WHEN LABELS HAPPEN THEY NEED TO BE:

- Relevant
- Applicable
- Believable
- Comparable
- And **assured** or consumers will have no confidence
- Encourage change of behaviour
- Continue to allow choice



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SO WHERE ARE WE HEADING?

- Labels are here to stay
- Will get more complex
- More discussion about what they tell you and how
- Will provide information
- Will allow trade off
- Future is better information and more complex choices



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THANK YOU

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