

Carbon Footprint International Workshop

Expectation and needs of standardization on carbon footprint measurement

Overview

- Expectation
 - companies
 - Carbon Disclosure Project (CDP)
 - PAS2050
 - ISO
 - WRI/WBCSD
- Needs and challenges
 - Terminology
 - Principles
 - Methodology
 - Data

Expectation – companies/corporates

- **Georgia – Pacific:** A carbon footprint program is a credible way to track efforts to reduce GHG emissions associated with a product
- **Imperial Tobacco Group:** simple and effective cross industry frame-work, to assess climate change risks and opportunities across supply chains
- **PepsiCo:** Hope to develop a more economically secure supply chain that is able to face the tough climate change challenges that lie ahead
- **Procter&Gamble:** One of the steps to improve the environmental profile of our products across their lifecycles
- **Tesco:** Understand, report and reduce carbon emissions within the supply chain

Expectation - IBM

- Complex supply chain
 - 30 000 suppliers
 - 60 countries
- ISO 14001 on global level
- Goals:
 - Minimize impact of IBM's own action
 - Bring innovative ideas to markets, partners
 - Low imbedded carbon in IBM's products
- Results:
 - 4.6 bio KWh saved from 1990 to 2007
 - 12% reduction target for CO₂ from 2005 to 2012

Expectation – Wal-Mart

- Labeling to Reflect Green Intent
 - Tags to inform also about **product's carbon footprint, gallons of water** used to create it, **air pollution** left in its wake?
 - Determine the social and environmental impact of products on the shelf?
 - Create an electronic indexing system (universal rating system) to score products based on life cycle assessment – green equivalent to nutrition labels?
 - to be created by 2014
 - Goal: make consumption smarter and sustainable
 - Question remains: whether even Wal-Mart can make it happen

Expectation – CDP

CDP (founded in 2000; collaboration of over 475 investors with assets of more than \$55 trillion) sets up SCLC in 2007

CDP Supply Chain Leadership Collaboration (SCLC):

- key step towards a unified business approach to climate change;
- Will encourage suppliers to measure and manage their GHG emissions;
- Will enable large companies to work towards measuring their total carbon footprint, as this is the first step to managing and reducing it.

Expectation – PAS2050

PAS 2050:2008 – Specification for the assessment of the life cycle GHG emissions of goods and services

- **internal assessment** of life cycle GHG emissions of products;
- Facilitates the **evaluation of alternative product configurations**;
- **Benchmark** for programmes aimed at reducing GHG emissions;
- Allows for **comparison of goods and services**;
- Supports reporting on **corporate responsibility**;
- Provides a **common basis** for reporting and communicating life cycle GHG emissions;
- Provides an opportunity for greater **consumer understanding** of life cycle GHG emissions

Expectation – WRI/WBCSD

Product Life Cycle Accounting and Reporting Standard
(Draft November 2009)

- **Guidance** for companies and other organizations to prepare an inventory of emissions associated with a product;
- Primary purpose is to support public **reporting of product life cycle GHG emissions** to help users reduce these emissions;
- Public reporting refers to providing emissions-related information for a product, in accordance with the reporting requirements specified under the standard;
- Standard
 - does **not** directly enable **comparative assertions or product labeling**;
 - Is **not** intended to support the accounting of GHG emission **offsets or claims of carbon neutrality**;

Expectation - ISO

ISO/WD.3 14067 (December 2009)

- Benefits organizations, governments, project proponents and stakeholders by providing clarity and **consistency for quantifying, monitoring, reporting and verifying the carbon footprint of products**;
- Part 1 specifies **principles and requirements** for studies **to quantify Carbon Footprint of Products (CFP)**, based on the method of life cycle assessment (LCA);
- Part 2 specifies
 - **requirements** for the **development of information** to communicate the carbon footprint of products, calculated according to Part 1 of ISO 14067;
 - **Guidelines how to use such information** on the CFP;

Needs&challenges – terminology; principles; verification;

- Build on existing ISO-terminology;
- However, three series of ISO standards have been developed more or less independent from each other: ISO 14040, ISO 14060, ISO 14020;
- Harmonize also with other standards addressing CFP, in particular with WRI/WBCSD;

Needs&challenges - methodology

- Common basis: Life cycle assessment with attributional approach as the basis (and consequential approach only for very limited areas);
- However: this is not specific enough to allow for meaningful comparability, e.g. of the same product produced along different supply chains; or of different products but the same functional unit;
- Challenge: define a practical/manageable requirement with regard to product category rules;

Needs&challenges - data

- Use of cut-off criteria;
- Availability of data;
- Data quality and uncertainty;
- Overarching goal: similar requirements/stringency under ISO and WRI/WBCSD

Vision

- Need for a **zero/low-carbon economy implies** that the **CFP of all products** and services has **to be managed**
- Reducing the risks of temperature increase will drive society after 2050 even to a global economy with negative GHG emissions on a global scale in order to suck out CO₂ of the atmosphere ("**overshooting scenarios**")
- The current **economic crises** can never deliver the emission reductions of GHG as required but it offers a unique **opportunity to restructure the supply chains** of the products consumed in a more sustainable manner
- **Bottom-up efforts along supply chains complement top-down efforts** at national and international level in order to **meet the ultimate objective under the Climate Convention (Article 2) and the 2 degrees C goal specified in the Copenhagen Accord**

Key message

- Companies but also individuals should aim to become part of the solution instead of running the risk to remain part of the problem. Only the former pathway will lead to a prospering and sustainable development.
- CFP standards should offer a tool to manage mitigation of GHG along the supply chain in a meaningful, practical and effective manner.

Contact & Information

Klaus Radunsky

Tel. Nr. +43/1/31 304-5534

Mobile Nr. +43/664/80013-5534

E-Mail klaus.radunsky@umweltbundesamt.at

Umweltbundesamt
www.umweltbundesamt.at

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