

Display of the environmental characteristics of products

a major challenge of the Environment Round Table regarding sustainable consumption

Highlighted by the Environment Round Table ("Grenelle de l'environnement"), household consumption of goods and services represents a major challenge in reducing our impact on the environment, in terms of combating the greenhouse effect and moving towards a more energy and resource efficient economy. The development and display of an "environmental price", a strong symbolic commitment of the Environment Round Table, will result in the gradual availability to consumers of the information on the carbon footprint and other environmental impacts of their purchases, from 2011.

Whilst the goal is ambitious (including an environmental component in consumer purchasing choices and providing the entire production and distribution chain with new indicators should in turn intensify their efforts to better eco-design products), the means to achieve this are also important. This applies both as regards the laws and draft laws in progress, and the Partnership work initiated in May 2008 within the ADEME/AFNOR platform, which is dedicated to this subject and now includes more than 300 participants from various stakeholders.

With regard to displaying the "environmental price" France has been leading the way since 2007 as a result of the Environment Round Table. Today, it is no longer isolated as can be seen with the recent increase in national, European and American initiatives.

Household consumption, a source of environmental impacts:

Industry, agriculture and transport of goods ... produce negative impacts on the environment. The purpose of these activities is to make goods and services available to households (Figure 1). Consumption choices are thus essential to support the development of products that are more environmentally friendly and to guide our society towards more sustainable modes of production and consumption.

As an illustration, the contribution of household purchases to climate change is, according to various estimates, between 40% and 70% of the total contribution to the greenhouse effect (the rest comes from construction work, housing and passenger transport). The spread of figures between 40% and 70% is basically a result of the parameters employed by the various studies: current consumption of goods by households or consumption including services (hotels, restaurants, post office, banks, and so on) or whether or not they include analysis of CO₂ emissions produced outside France for imported products. These estimates include emissions from products throughout their entire life cycle, from the extraction of raw materials until their final disposal after use: so, for example, 1 litre of mineral water will produce something like 120g equivalent of CO₂ while a bar of chocolate will result in some 250 g equivalent CO₂ and a t-shirt will produce around 4 kg equivalent CO₂.

The main contributions of the Environment Round Table:

In terms of sustainable consumption, the commitments of the Environment Round Table aim at making the supply of greener products

- **more visible:** promoting the use of existing official labels (the "NF-Environnement" mark, the European Ecolabel, the Organic Farming...) and developing a new way of displaying environmental characteristics of products ("environmental price")
- **more credible:** reform of the Office of Advertising Verification (BVP), which has become the French Advertising Self-Regulatory Organization [ARPP], promotion of ISO 14021 regarding self declared claims and proposals to modify the French Consumer Code to ensure the relevance and accuracy of environmental claims
- **more accessible:** extension of tax breaks, establishment of the bonus-malus car scheme and zero-rate eco-loans...

The planning act regarding implementation of the Environment Round Table (the so-called "Grenelle 1", Act No. 2009-967 of August 3, 2009) also establishes the right of consumers to "have access to accurate, objective and complete environmental information" and "to be offered environmentally friendly products at an attractive price" (Article 54).

Figure 1: Average individual European consumption



Source: "Environmental impacts of products and services consumed in Europe", a synthesis of various European activities in 1999 and 2002, Bio Intelligence Service/ADEME, May 2006

Note: the volumes indicated correspond to the raw materials actually used in production: thus, for example, the annual 96 kg of meat indicated corresponds to the weight of live animals required to provide the annual final consumption of an average European (the final consumption of meat was 30 kg per European in 2003, according to OFIVAL (the French meat, poultry and livestock farming organisation) and the European Commission)

Regarding the development of a new way of showing the environmental characteristics of products, the draft law on national commitment to the environment (the "Grenelle 2" Act), passed by the Senate on 8 October 2009 and currently going through the National Assembly, states that "from 1 January 2011, the consumer must be informed, by marking, labelling, display or any other appropriate process, of the carbon equivalent content of products and their packaging, as well as the consumption of natural resources or impact on natural environments that are attributable to these products during their life cycle" (Article 85).

A new display that complements existing devices:

Displaying the environmental characteristics of products will complement existing devices. Due to be implemented in 2011, it will be compulsory and apply across sectors, covering products that are manufactured and consumed in France and products that are imported into the country for consumption. It will also be compulsory to take into consideration not only the equivalent in CO₂, considered throughout the lifecycle of products, but also the most significant specific impacts of each type of product. Unlike existing labels, this display is not intended to be selective: all products will eventually be required to display the requisite environmental information but the commercialisation of products will not be conditional on the value of these indicators. On this particular point, this new labelling is comparable to

the existing system used for the nutritional characteristics of food (calories, protein, carbohydrates, etc.).

Timetable and work in progress:

From January 2011, these measures will be enacted gradually on a category by category basis, imposing mandatory carbon listing, along with other environmental indicators specific to each category. Since 2008, three lines of development, which are mutually complementary and thus inseparable, have been simultaneously set in motion to achieve this ambitious goal:

- **development of a legislative and regulatory framework**, which will encourage and maintain the involvement of private stakeholders in the common task of developing this kind of display in the future
- **sharing costs and practical steps** using the ADEME-AFNOR platform established for this purpose (<http://affichage-environnemental.afnor.org/>): with over 300 participants representing all the various stakeholders, sectors and NGOs, work is progressing very well and has already resulted in the publication of a general methodology (BP X30-323: General principles for communication of environmental information on mass market products) and a detailed methodological appendix. The latter is now supplemented on the basis of product category, by a dozen industry-specific working groups (food products, household products, furniture, textiles, etc.). Pilot projects are providing feedback to the various groups.

In parallel, ADEME has initiated the development of a public database to provide generic data that can be used by everyone and an interface (bilingual, providing an online summary of specific issues by product) to enable the calculation of indicators. These indicators are intended to be derived from a combination of generic data (values that are deemed "average" or "representative") and industry-specific data.

- **strong government support to various voluntary initiatives** currently in place to indicate the carbon footprint (figure 2) in order to demonstrate concretely the feasibility of such displays and to gather initial feedback on the basis of the several thousand products already on sale.

In practice, what should business provide?

At this stage and purely for illustrative purposes (so as not to pre-empt the outcomes of the current working groups), to calculate the impacts of a given product, the manufacturer or producer should not have to perform a complete lifecycle analysis of the product but would only need to provide information regarding a few specific values in a pre-determined form depending on product type, such as: weight and type of material used for packaging, energy consumption related to one or more method(s) of energy-transformation, expressed in their usual unit quantities (e.g. kWh/tonne of finished or intermediate products), distance transported and capacity of vehicles, etc.

The multiplication of initiatives at European and international level:

Since the launch of the initiative in France in 2007, many other countries have launched - or announced their intention to launch - experiments and programmes, public and private, for the display of the environmental characteristics of goods: United

Kingdom (PAS standard 2050 - 2008), Belgium, Sweden, Germany, Hungary, USA, Japan ... each with its own characteristics but all with a common goal of providing consumer information. The key aspect with the French initiative, compared to these others, is that this new display is compulsory and not limited only to a CO₂ indicator.

At EU level, the European Commission has been organizing exchanges between Member States since 2008 and in April 2010 is expected to publish a study, analysing the synergies and differences between the various national efforts and methodologies, as well as any possible gaps, and suggesting ways of bringing about a convergence of methodologies across Europe. Meanwhile, the European Commission and its Joint Research Centre (JRC) are preparing a common methodology for life cycle analysis (ILCD).

In Japan, work on the carbon footprint began in June 2008, producing in January 2009 initial methodological guidelines. On the basis of these, an extensive programme lasting 3 years was begun in April 2009, focused on pilot projects and led by JEMAI (The Japan Environmental Management Association for Industry).

As for the USA, a programme to provide the CO₂ content of products (the product carbon disclosure program), entrusted to the Environmental Protection Agency (EPA), is contained in the draft energy bill (American Clean Energy and Security Act), passed by the House of Representatives in June 2009 and currently under consideration in the Senate.

Awareness is still very mixed, depending on the stakeholders:

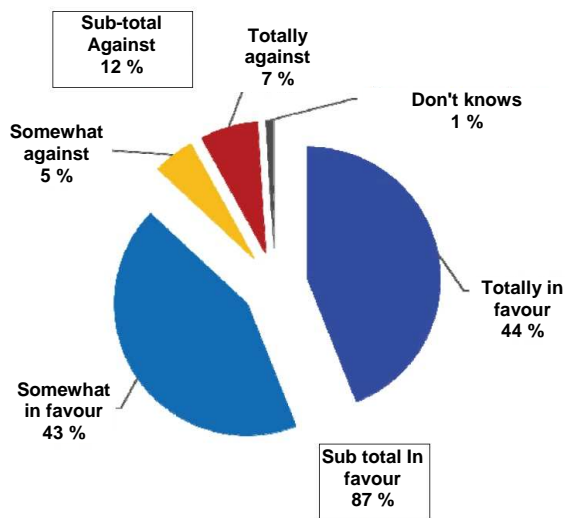
According to the CSA /Ateliers de la Terre - Greenext poll, conducted in partnership with the French Enterprises and Entrepreneurs Federation (FEEF) and undertaken through the 3rd "Planet workshops" (International Forum for Sustainable Development -

Figure 2: Some examples of voluntary environmental labelling



Figure 3: Extract from the results of the survey carried out by CSA Greenext/FEEF for 300 business leaders (November 2009)

Are you totally in favour of, somewhat in favour of, somewhat against or totally against the widespread display of information on consumer products concerning their environmental impact?



In your view, will this labelling be very important, quite important, not very important or not important at all with regard to...?

Changing the purchase habits of the French public:



Differentiating companies from their competitors and providing a competitive advantage:



November 2009) with 300 business leaders, future obligations regarding displaying environmental characteristics of products are currently understood by already (or only...) one third of business leaders. Thus, although information on the "environmental price" of products has begun to be tried out by retailers (such as Casino, Leclerc and Tesco), it appears that the awareness and anticipation of future obligations from industry still needs to increase.

In contrast, while only 35% feel concerned by this display as part of their business, these entrepreneurs are overwhelmingly supportive of the display of the environmental impact of goods and recognize the value of this display to differentiate themselves in the market (Figure 3).

This ties in with growing consumer expectations: hence, according to the annual survey of Ethicity ("The French and sustainable consumption"), conducted among 4,500 members of the French public in 2009, 85% of French people say they would like information on labels about the environmental impact of products, a rise of 24 points compared to 2008.

At European level, in July 2009 a European survey showed that 72% of Europeans support the compulsory carbon labelling of goods (78% in France and 80% in the United Kingdom), while only 15% thought that this should be done voluntarily.

Perspectives: the main issues for discussion in 2010

While environmental assessment work is already underway and should produce initial results in early 2010, many issues remain under discussion.

These include the division of responsibility between producers and retailers, methods of verification, how

indicators are ultimately communicated to consumers, finding the appropriate balance, in environmental and economic terms, when using generic public data and product-specific data (with particular attention to ensuring accessibility measures for very small businesses and SMEs), the level of distinction between products of the same category or also the conformity of national measures to EU and WTO rules. All these issues should be resolved in 2010 via the parallel, coordinated efforts of the ADEME-AFNOR platform and the various ministries involved.

If the goal is ambitious, it is also crucial because, in addition to the direct issue of consumer information and support for behavioural change, this future environmental display also represents a competitive factor for businesses.

It will encourage them to produce in lower carbon and more resource efficient ways and have less impact on the environment, and should thus enable them to increase their resilience against variations and increases in energy costs and growing pressure regarding raw materials.

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