



# PCF World Forum News

## International Developments in Product Carbon Footprinting and Carbon Labelling

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## Editorial

It is difficult to summarise all of the past months' international developments in product carbon footprinting around the world. With an ever-increasing number of companies assessing the GHG emissions of their products and value chains, and with new footprinting standards increasingly taking shape, we have seen a huge rise in the numbers of activities and new initiatives. However, an important question is entering the debate on carbon footprinting: Where do we go from here? What steps are necessary and important to take to really help and encourage both businesses and consumers to reduce GHG emissions in the value chain?

Technically, emerging standards are now supplemented by sector and product category agreements to ensure uniform quantification of product carbon footprints. The overarching standards, in particular the GHG Protocol Product Standard and ISO 14067, will unlikely ensure the type of robust quantification many stakeholders expect. The need for uniformity in standardisation is therefore now entering the domain of sector guidelines and product category rules (See in particular the examples of France and Japan). The more uniformity can be assured across boundaries and initiatives, the easier their implementation will be for businesses, and the more likely credible communication formats can be found.

Measuring and understanding GHG emissions is naturally only a first step in comprehensive carbon management. But it is also about more than just normal "management", as consumers play an important role in reducing GHG emissions through their purchase and consumption decisions. In collaborative efforts such as the PCF Project Germany, approaches are developed that actively involve consumers and supply chain partners in GHG reduction measures (e.g. through proper communication).

The upcoming PCF World Summit, 17-18 March 2010 will provide an excellent opportunity to take a look at many of the recent developments, upcoming challenges and long-term perspectives that will shape the issue of product carbon footprinting over time. Country initiatives, industry frontrunners, government and civil society representatives will present and evaluate recent developments and next steps, with ample room for in-depth discussions and networking.

Information and dialogue are crucial to harvest the opportunities in the transformation to a low carbon society. I wish you fruitful discussions on the current international developments in product carbon footprinting.

Sincere regards

Rasmus Priess / PCF World Forum  
[www.pcf-world-forum.org](http://www.pcf-world-forum.org)



If you are aware of interesting developments in the world of product carbon footprinting to include on the PCF World Forum website and future editions of the PCF World Forum Newsletter, please get in touch at [priess@thema1.de](mailto:priess@thema1.de)

## Pro Domo

### PCF World Forum launches Case Study Directory

March 2010 will see the PCF World Forum launch a unique product carbon footprint **case study directory**. The number of product carbon footprints that have been published and communicated has risen sharply over the past year or two. To give the international carbon footprinting community a better understanding of the extensive work already carried out around the world and to ease access to their reports, the PCF World Forum is currently setting up a product carbon footprint case study directory, which will soon be available on the PCF World Forum website. It will act both as a useful source of information and also facilitate exchange of experiences and best practices.

Practitioners and companies are encouraged to get in touch with us for presentation of their case studies in the directory at [cases@pcf-world-forum.org](mailto:cases@pcf-world-forum.org)

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17-18 March 2010, Berlin

### 3rd PCF World Summit: Reserve your place

Looking forward to two days of valuable presentations and stimulating discussions on product carbon footprinting, we are happy to announce additional speakers who have confirmed their participation at the upcoming 3rd PCF World Summit on 17-18 March 2010 in Berlin:

- Kyu-Soo Joe will shed light on carbon footprinting and carbon labelling activities in **South Korea**.
- Euan Murray, general manager at the **Carbon Trust**, will provide considerations on the future of worldwide product carbon footprinting
- Adisa Azapagic from Manchester University will provide insight into making product carbon footprinting **faster and more accessible** to companies in different sectors.
- Thomas Kützemeier will take a closer look at "Reduction Potentials in the **Dairy Sector**", a major challenge for a range of food products.

These speakers add to the substantial line-up of speakers and initiatives already confirmed. Seats are limited. Make sure to reserve your place in time.

See the full programme and reserve your place at [www.pcf-world-forum.org/summit](http://www.pcf-world-forum.org/summit)

3rd PCF World Summit  
17-18 March 2010 Berlin

#### Sector Approaches to Product Carbon Footprinting

Frontrunners in managing and reducing  
value chain GHG emissions

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8 June 2010, Berlin

### PCF World IT Expo: Software Solutions to Product Carbon Footprinting

Software solutions play an important role in assessing and managing GHG emissions of products and in value chains. The market is seeing rapid developments in dedicated LCA software, databases, carbon management tools, special industry solutions, tools for interacting with customers, etc. To provide businesses with orientation in the jungle of available solutions and to evaluate the current state of art, the PCF World Forum is launching the PCF World IT Expo, a unique matching place for solution providers and businesses. The PCF World IT Expo brings together leading and emerging software solution providers as well as businesses looking for solutions to their special requirements in assessing, managing and reducing GHG emissions in the value chain. The exposition will be matched with current developments in international standardisation in carbon footprinting.

More information will be available on the PCF World Forum website soon at [www.pcf-world-forum.org](http://www.pcf-world-forum.org)

**GHG Protocol**
**GHG Protocol Initiative starts road-testing draft product and Scope 3 standards**

In January 2010, more than 70 companies began **road-testing** drafts of the two new standards for GHG emissions of products and Scope 3 emissions. The products tested range from magazines, food and jeans to computers, wind turbines and steel. The new standards are developed in a multi-stakeholder process and include the viewpoints and expertise of international policymakers, members of NGOs, academics and businessmen. The standards are expected to be completed in December 2010 and will enable further refinement of supply chain reports, like the ones produced by the Carbon Disclosure Project.

Drafts, comments on the standardisation procedures and further information can be found at: [www.ghgprotocol.org/standards/product-and-supply-chain-standard](http://www.ghgprotocol.org/standards/product-and-supply-chain-standard)

**Road-testing schedule**

Month	Activity
December 2009	WRI/WBCSD selected participating companies
January 2010	Kick-off call with participating companies
January - June 2010	Begin road testing of the standards
May 2010	WRI/WBCSD hold monthly progress calls with participating companies
June 2010	WRI/WBCSD host road testing workshops to gather feedback
December 2010	Completion of road testing and submission of inventory reports

**ISO 14067**
**Progress on ISO 14067 “Carbon Footprint of Products”**

The ISO work item on “carbon footprint of products”, originally planned for completion in March 2011, will now be officially moved forward to “**Committee Draft**” status, effectively consolidating the current status by allowing comments only to be filed on a “per country basis” and not an “expert basis”, as was the case in the first stages. At the same time, the timeline for completion is likely extended into 2012 to allow for more time in resolving individual issues.

**ISO 14069**
**New technical report on “Carbon Footprint of Organizations” to be developed**

In June 2009, the International Standardization Organisation decided to develop a new technical report on “Quantification and reporting of GHG emissions of organizations”. The purpose of the report is to provide additional guidance for the application of ISO 14064-1, with special consideration of non-energy indirect (commonly termed “Scope 3”) GHG emissions. It is not intended as a formal standard, like the upcoming GHG Protocol Scope 3 standard but as a guidance document only. The timeframe for the development of the standard is 36 months; however, the process may be finished earlier due to the increasing need for guidance in this area.

**Platform for climate-compatible consumption**
**Start of second phase of PCF Project Germany**

The PCF Project Germany has started a new work stream that goes beyond measurement of GHG emissions in value chains to developing approaches for **involving customers** and **value chain partners** in GHG reduction efforts. The work stream is organised around a common platform consisting of different stakeholders and business partners, designed to integrate a range of projects and



activities contributing to climate-compatible consumption. The findings and recommendations of the first phase of the PCF Project will continue to provide the basis for the platform's work.

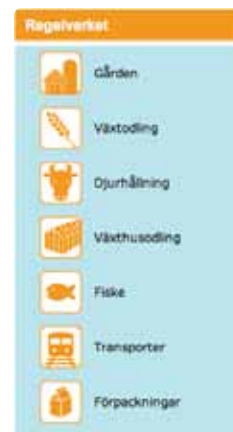
Platform partners currently include Deutsche Telekom/ T-Home, dm-drogerie markt, FRoSTA, Henkel, Krombacher, REWE Group, Tchibo, Tengelmann and Tetra Pak.

[www.pcf-project.de](http://www.pcf-project.de)

## Sweden

### First climate certification standards published for products

The two Swedish standardisation organisations KRAV and Svenskt Sigill are the main players behind the **climate certification initiative** for the **food chain**. Started in 2007, the initiative has already published several standards for climate certification – addressing general issues, crop production, milk production, fisheries, etc. These standards set up the basic criteria for the label, which places demands on monitoring and management strategies, rather than enforcing exact threshold values. The standard for crop production in greenhouses, for instance, obliges applying companies to form a scheme on how to switch to renewable energy sources within three years. The working groups have also produced several decision support documents to facilitate the certification process. Each document points out the relevant production stages or hot spots for specific areas of agriculture, such as milk, beef, or feed production. The label has the character of an add-on and will be integrated in existing labels (like the KRAV logo for organic products, which has recently been redesigned to accommodate for the new climate related criteria). The project is planned to be finished this year, with new standards for processing and packaging to be released soon.



[www.klimatmarkningen.se/in-english](http://www.klimatmarkningen.se/in-english)

## Japan

### Japan is extending carbon footprint activities



Japan started a PCF labelling project in 2008 and has brought a lot of expertise to the table from environmental product labelling (EPD) and execution of life cycle assessments (LCAs). Recently, a second draft of the technical specification TS Q0010 was published based on the outcomes of pilot projects with a range of companies. It provides general principles for quantifying and communicating PCF. A survey has been conducted on corporate awareness and consumer acceptability. The results will be incorporated in the development process. Currently, Product Category Rules (PCRs) are being developed – with four PCRs already certified. The project is planned to be completed in 2012.

See the new English website for more information on the project's progress at:  
[www.cfp-japan.jp/english](http://www.cfp-japan.jp/english)

### Aside: Product Category Rules (PCRs)

One of the most dynamic fields in product carbon footprinting is the development of **Product Category Rules (PCRs)**. A PCR is a collection of provisions and rules for a set of products, which have similar functions and applications. It defines the functional unit, calculation rules, cut-off criteria, data sources, etc. In other words, PCRs allow for better comparability within product groups, by following the general standards covering all products (e.g. ISO 14067). The working draft of the ISO 14067 explicitly provides for the use of PCRs developed and verified according to the Type III Label/EPD Standard ISO 14025. PCRs can also define whether carbon assessment is sufficient, or if further assessments, for example on water consumption, are needed. As PCRs are developed around the world by a range of initiatives and sector efforts, harmonisation will become an issue to avoid conflicting PCRs and thus decreased comparability of assessments.

#### France

### First standards published for mandatory environmental labelling

In 2009 the French Senate adopted the Grenelle 2, an environmental bill that includes the implementation of the world's **first mandatory environmental/ carbon labelling** scheme from 2011 on. Final hurdle for the law is its adoption by the French National Assembly in 2010.

The environmental agency ADEME and the institute for standardisation AFNOR are managing the standardisation process. One important publication is the BP X30-323 general principles paper, which documents best practices and a general methodology on environmental labelling. Tasks for 2010 include development of further Product Category Rules, development of a consistent communication format and construction of an LCA database.

<http://affichage-environnemental.afnor.org>

#### EU

### EU launches comprehensive studies on product carbon footprinting and company GHG reporting

As part of its activities in the field of Sustainable Consumption and Production, the EU launched two studies in January 2010:

#### Product Carbon Footprinting – a study on methods and initiatives

The objective of the study is to identify and analyse significant, existing PCF methodologies and initiatives and work out the features, which might be important for future EU policy development. This also includes consideration of different scenarios for their implementation, including an analysis of risks and benefits.

#### Company GHG emission reporting – a study on methods and initiatives

This study runs parallel to the aforementioned study and aims to conduct research into Scope 3 accounting methodologies developed by the WRI, ISO or other groups.

The results should be available in autumn 2010.

[http://ec.europa.eu/environment/funding/calls2009\\_en.htm](http://ec.europa.eu/environment/funding/calls2009_en.htm)

## USA

### What will US climate policy look like?

The US Climate Bill, which includes an amendment on a carbon disclosure scheme for products, might not be adopted this year. Main controversy lies in the introduction and design of a cap-and-trade system for GHG emissions in the US. To ensure progress outside federal legislation, President Barack Obama has issued an executive order in October 2009, requiring federal agencies to measure and address Scope 3 (non-energy indirect) greenhouse gas emissions of their operations through the establishment of specific reduction targets. Furthermore, the Environmental Protection Agency (EPA) has ruled CO<sub>2</sub> and other GHGs as pollutants covered by the Clean Air Act, allowing for further measures against climate change without the approval of the senate.



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## China

### Environmental Labelling to be complemented with product carbon footprinting

In October 2009 the Chinese environmental authorities announced plans for the assessment of carbon footprints for products. These products could then be awarded with a complementary **low-carbon-intensive label**. Both the assessment and labelling process run on a **voluntary basis**. The standards for assessment and certification are currently under development. An exact date for introduction of the new label has yet to be decided.

[news.xinhuanet.com/english/2009-10/15/content\\_12239043.htm](http://news.xinhuanet.com/english/2009-10/15/content_12239043.htm)

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## Taiwan

### Two Carbon Footprint labels to reach the Taiwanese market soon

In November 2009, following two years of development, the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) launched its own carbon label for the **electronic sector**. The methodology is allegedly based on international standards and calculation methods. So far, five companies have been awarded the new label.

The Taiwan Carbon Label is still under development. For March 2010, the Taiwanese Environmental Protection Administration announced a campaign to win practitioners for the new label. The scope of this label is the whole product life cycle – from raw material extraction to final disposal. Documents referenced are the PAS 2050 and the draft of ISO 14067, with experience from Japan, South Korea and the UK also coming into play. The first phase focuses on PET-bottled beverages, cookies, candies and CDs. With the electrical, electronic and photovoltaic industries already showing great interest in the labelling activities, the number of covered product categories will likely grow soon. The present phase of the project has specified calculation methods. A meeting also took place in February on the expansion of PCRs.



The Taiwanese economy is highly dependent on exports. Global activities, like the often-cited activities by Wal-Mart on supplier engagement, and other labelling initiatives are the central driving force behind the efforts of the Taiwanese industry.

[greenliving.epa.gov.tw/GreenLife/green-life/english.aspx](http://greenliving.epa.gov.tw/GreenLife/green-life/english.aspx)

## Thailand

### Reduce or disclose – Thailand’s two label strategy

Thailand now has two types of carbon labels; both are run by the Thailand Greenhouse Gas Management Organisation.

The **Carbon Reduction Label (CRL)** started in 2008 and has already been awarded to 25 products. It stands for significant reductions of GHG emissions during the production process:

- (1) 10 % CO<sub>2e</sub> reduction (baseline 2002), (2) exclusive use of energy from biomass or
- (3) adoption of innovative technology (evaluated by CRL WG).

At present, 26 firms are road-testing the new **Carbon Footprint Label (CFL)**. This is planned to be printed mainly on export goods to the EU and the US. In December 2009 ten products were already awarded a preliminary label to encourage more companies to join the initiative. To raise the commitment of the Thai industry, tax incentives may be given to participants. The outlines of a Carbon Fund have already been drawn up. The current practitioners already receive partial financing from the government. Road-testers include Betagro (poultry), President Rice Products and SCG paper.

[www.tgo.or.th](http://www.tgo.or.th)

## South Korea

### Carbon labelling programme expanded



Following a 9-month pilot programme, South Korea introduced a carbon label in February 2009. So far, 41 products from 24 companies have been labelled. This year the Korea Environmental Industry and Technology Institute will check ten items to see if the labelling has led to reductions in CO<sub>2</sub>-eq emissions. The label is largely based on PAS 2050 (ISO 14067 in the future) and it includes a commitment to further emission reductions. The institute plans a two-step system, where the carbon label can be upgraded to a low-carbon label. The certification system shall be developed this year.

Recently, a Memorandum of Understanding was signed with the Carbon Trust making it possible for Korean products exported to the UK to carry the Carbon Trust Carbon Reduction Label within a year.

[www.carbontrust.co.uk/news/news/press-centre/2009/Pages/carbon-trust-work-with-korea.aspx](http://www.carbontrust.co.uk/news/news/press-centre/2009/Pages/carbon-trust-work-with-korea.aspx)

## UK

### Carbon Trust broadens its activities

In 2009 the existing Carbon Labelling Company was transformed into the **Carbon Trust Footprinting Company** and an additional company, the **Carbon Trust Footprinting Certification Company** was established to offer a service for verifying compliance with the PAS 2050 and the Carbon Trust Code of Good Practice. The **Footprint Expert™** toolkit was developed to facilitate implementation of product carbon footprints. This toolkit provides calculators, reference data, and a registry of PCFs certified by the Carbon Trust.

A wide range of products have already been labelled – Tesco alone has more than 120 labelled products ranging from potatoes via milk to light bulbs. A new project has also been started in collaboration with Planet Ark in Australia, where a new carbon label will probably be introduced soon without listing specific amounts of CO<sub>2</sub>.

[www.carbon-label.co.uk](http://www.carbon-label.co.uk)

Austria

**Austrian retailer Hofer has started carbon-labelling programme**

In May 2009 the supermarket chain Hofer (belonging to German retailer Aldi Süd) introduced a carbon label for its **organic food** portfolio “Back to the roots”. The label compares emissions of organic food production with average values from conventional agriculture, disclosing the difference in CO<sub>2e</sub> emissions as a percentage. The label was developed by the Research Institute of Organic Agriculture (FiBL) and was formally initiated by the Austrian pioneer of organic farming, Werner Lampert. The label is featured in the Greenpeace campaign „1.000.000 Actions for Climate Protection“. The 74 organic products assessed showed better CO<sub>2e</sub> - performance than the conventional products compared.

The basic conditions in transport, processing, packaging and warehousing were assumed to be the same for most of the assessed organic and conventional products. The differences in total GHG emissions are (mostly) directly due to the different farming methods. Influencing variables are the type and quantity of applied fertilizer, the amount of imported soya animal feed and agricultural productivity. FiBL also conducted a study highlighting the importance of land use change and humus enrichment (carbon sequestration) and assigning transport processes a minor relevance than expected (the share of total CO<sub>2e</sub> emissions mostly lies between 5% and 20%). There are plans to assess a further 20 to 30 products, covering the complete range of products.



All the carbon footprints can be looked up at the project website at: [www.zurueckzumursprung.at](http://www.zurueckzumursprung.at)

Spain

**Andalusia starts pilot project on product carbon footprinting**



Together with the autonomous Andalusian government, the Andalusian non-profit association for organic companies EPEA has launched a **pilot project** on carbon footprinting and labelling of food. Currently, three products are under assessment following the EPEA 2010 methodology based on PAS 2050: olive oil, wine and tomatoes. The scope of the assessment focuses on cultivation, processing and distribution. The final design of the label has not been decided yet.

[www.huellacarbono.es](http://www.huellacarbono.es) (only Spanish)

Chile

**First PCF activities in Chile**



In 2009 the ministry of agriculture of Chile started a PCF initiative for **food**. The Research Institute for Agriculture (INIA) is responsible for developing a preliminary PCF methodology. The focus is on the main agricultural export goods, such as **wine** and **milk products**. Further participants of the study are the Foundation for Innovation in Agriculture (FIA) and an association of 15 exporters. The results are expected for the first trimester of 2010.

The mining sector is also starting to get involved in the carbon footprinting process.

[www.inia.cl](http://www.inia.cl) (only Spanish)

**USA****Wal-Mart plans extensive carbon reductions along its value chain**

Wal-Mart wants to work with its 100.000 suppliers to **cut GHG emissions** in the supply chain by a total of 20 million tons till 2015. According to Wal-Mart CEO and President Mike Duke this is equivalent to one and a half times the company's anticipated growth in GHG emissions over the next five years.

Recently the first grocer (Safeway) announced to join the Sustainability Consortium as one of the founding members. The Sustainability Consortium was initiated by Wal-Mart to develop sustainability standards and guidelines for products, effectively supporting the planned Sustainability Index.

<http://walmartstores.com/sustainability>

**For your calendar**

<b>Date</b>	<b>Event</b>
17-18 March 2010 Berlin, Germany	3rd PCF World Summit: Sector Approaches to Product Carbon Footprinting
26 March 2010 Bangkok, Thailand	Closing Seminar for project "Capacity building of Thai food industries on carbon footprint labelling"
17-19 May 2010 Venice, Italy	Second meeting of ISO working group on new technical report "Carbon Footprint of Organisations" (ISO 14069)
8 June 2010 Berlin, Germany	PCF World IT Expo: Software Solutions to Product Carbon Footprinting
28-30 June 2010	Steering Committee Meeting of GHG Protocol Product and Supply Chain Initiative
13-16 July 2010 León, Mexico	Meeting of ISO working groups on ISO 14067 "Carbon Footprint on Products" & ISO 14069

**Contact**

Rasmus Priess

PCF World Forum  
c/o THEMA1  
Torstrasse 154  
10115 Berlin  
Germany

Phone +49 30 779 0 779 15  
Fax +49 30 779 0 779 99  
priess@thema1.de

[www.thema1.de](http://www.thema1.de)  
[www.pcf-world-forum.org](http://www.pcf-world-forum.org)