

OVERVIEW

Sustainability is topic now more prevalent than ever. Moving forward, public and private entities will be tasked with demonstrating authentic dedication to the principle of sustainability. Communication by which companies can showcase their care for the environment is through corporate social responsibility. CSR can be described as an organization's involvement in topics connected to contemporary social and/or political issues (Moir, 2001). A modern way of showcasing CSR has been accomplished through carbon labels. Carbon intensity labeling (CIL) provides information about the carbon emissions associated with a product or service. It allows consumers to make more informed choices based on the environmental impact of a product and incentivize companies to reduce emissions throughout supply chains.

Classification of Carbon Labels (Walter & Schmidt, 2008)

- Carbon Intensity Label: Indicates the amount of carbon emitted in a product's supply chain.
- Low Carbon Label: Indicates companies that implement measures to reduce greenhouse gas emissions or products with small carbon footprints.
- Carbon Rating Label: Used by products within certain categories and gives rise to low emissions throughout value chains.
- Carbon Reduction Label: Indicates the reduction of carbon emissions within a value chain.
- Carbon Neutral Label: Used by products whose value-chain emissions are offset by carbon credits derived from climate protection projects.

(IN)ACCESSIBILITY

Several factors contribute to the exclusivity of maintaining a sustainable lifestyle. First, sustainable products and services are often more expensive and exclusive to high-end stores with fewer locations. There is also a lack of education about the climate crisis. This is important because once educated, people can make more informed decisions about actions and their impact on the environment. It is important to increase environmental literacy by integrating it into the education system. Once taught from an early age, it help them develop a lifelong appreciation for the natural world.

CARBON LABELING



2001 - Carbontrust: Verifies that a brand is working to measure and reduce a product's carbon emissions, providing customers with verified information about the carbon impacts of their purchasing decisions.



2002 - South Pole Climate Neutral: Incentivises companies to achieve best practice by setting and implementing targets aligned with the goals of the Paris agreement and based on scientific recommendations.



2002 - USDA BioPreferred® Program: Spurs economic development, create new jobs and provide new markets for farm commodities.



2006 - Certified B Corp Certification: Parent companies with \$5 billion+ in revenue must meet requirements that show a record of social and environmental performance and achieve a score of 80 or above on the B Impact Assessment.



2012 - Climate Neutral: This label is a symbol of companies that work actively to decarbonize across their entire business - value chain and beyond.



2020 - CarbonZero product label: Carbon experts perform a lifecycle analysis (LCA) for the cradle-to-customer emissions, according to the Greenhouse Gas Protocol.

References

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FOOD & AGRICULTURE CILS

Challenge: Difficult for consumers to interpret intensity levels.



Meyerding et al. (2019) found that **color-coded traffic light labelling** on food products performed better than climate impact reduction or neutrality labels, including those that provide more details regarding the climate impact. Keep it simple!

Challenge: Consumers are influenced to make purchase decisions based on the price of a product.

An IBM (2022) survey of 16,000 global consumers found that 49% paid a premium for products branded as sustainable or socially responsible in the last 12 months. The market exists and we need to advocate for accessibility.

Next steps: Produce a CIL that conveys transparency of emission intensities by commodity and stage. The CIL will standardize intensity through third-party verification. It will provide environmental impacts to inform key stakeholders and ultimately support consumers in reducing the intake of carbon-intensive foods and products. Future research will be assess CSR strategies that support the development and awareness of climate-responsible production.

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