

# What Assures Consumers on Climate Change?

Switching on Citizen Power



June 2007



AccountAbility



Consumers International

The global voice for consumers

*AccountAbility's Assurance for Change program publicized within the What Assures? research and report series explores and advances innovative approaches to building credible assurance. While approaching this question from a range of different angles, What Assures Consumers? forms part of this series, exploring citizens' potential as change-makers through their own consumption choices. The research series is rooted in our AA1000 Series and related standards work as well as our research and work on Materiality.*

For more information visit [www.accountability21.net/WhatAssures?](http://www.accountability21.net/WhatAssures?)



**What Assures?**, written by AccountAbility and sponsored by PricewaterhouseCoopers LLP in 2006, makes the case that assuring stakeholders that your organization is delivering on its commitments will be multi-faceted in the 21st century. It will involve continuous engagement with a range of stakeholders concerned both with past and future performance.

[www.accountability21.net/uploadstore/cms/docs/What%20Assures%20Bro%20lo%20res.pdf](http://www.accountability21.net/uploadstore/cms/docs/What%20Assures%20Bro%20lo%20res.pdf)



This first phase of **What Assures Consumers?** undertaken by AccountAbility in partnership with the National Consumer Council during 2006 aimed to better understand what assures the public in their decision-making on purchases to build practices that both empower consumers but also strengthen corporate performance.

[www.accountability21.net/uploadstore/cms/docs/What%20Assures%20consumers.pdf](http://www.accountability21.net/uploadstore/cms/docs/What%20Assures%20consumers.pdf)

First conceived in 1999, AccountAbility standards, the **AA1000 Series**, are principles-based standards intended to provide the basis for improving the sustainability performance of organizations. They are applicable to organizations in any sector, including the public sector and civil society, of any size and in any region.

[www.accountability.org.uk/aa1000/default.asp?pageid=286#AA1000AS](http://www.accountability.org.uk/aa1000/default.asp?pageid=286#AA1000AS)



Launched in 2003, the **AA1000AS** is the first non-proprietary, open-source Assurance Standard that covers the full range of an organization's disclosure and performance. AccountAbility has begun the revisions process for the AA1000AS and will publish the second edition in July 2008.

[www.accountability21.net/uploadstore/cms/docs/Assurance%20Standard%20for%20Web.pdf](http://www.accountability21.net/uploadstore/cms/docs/Assurance%20Standard%20for%20Web.pdf)



Launched as an exposure draft in 2005, the **AA1000SES** offers a robust basis for designing, implementing, evaluating and assuring the quality of stakeholder engagement. AccountAbility has begun the revisions process for the AA1000SES and will publish the second edition in December 2007.

[www.accountability21.net/uploadstore/cms/docs/SES%20Exposure%20Draft%20dtv.pdf](http://www.accountability21.net/uploadstore/cms/docs/SES%20Exposure%20Draft%20dtv.pdf)



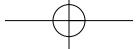
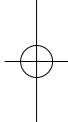
**The Materiality Report: Aligning Strategy Performance and Reporting**, prepared by AccountAbility in association with BT Group plc and LRQA in 2006, provides a toolkit for managers to work out which issues are material to their underlying performance, and encourages business to focus on these issues in their public reporting.

[www.accountability21.net/aa1000/default.asp?pageid=321](http://www.accountability21.net/aa1000/default.asp?pageid=321)

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## Foreword

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### By Philip Monaghan, Director of Operations, AccountAbility

The initial phase of What Assures Consumers? with the UK National Consumer Council (2006) illustrated that the field of ethical consumerism is coming of age. There were notable examples of how it is being mainstreamed: 'Product Red' with Gap Inc. as well Marks & Spencer's 'Look Behind the Label' campaign. It also highlighted the need to adopt a considered approach for those interested in assuring consumers as it relates to priority issues, the choice of communication pathways, and the source of information itself. Based on this we proposed a 'health check' for consumer assurance, providing step-by-step guidance for practitioners.

The current phase with Consumers International builds on this robust platform, focusing on the theme of climate change in a global context.

What we find is that beyond the well worn challenge of trading off core fundamentals (like price and quality) with ethical considerations (such as fairtrade and climate change), from an accountability point of view, we also now need to ensure that 'information rich' consumers can clearly see what they are expected to do. But also see who else is doing what. Only then will they feel assured that their actions have an impact and that everyone else is doing their bit too. Thereby we need to steel ourselves to debate out dilemmas between potentially conflicting ethical criteria. In the instance of our carbon footprint and international development, there is an emerging argument regarding the air miles of fairtrade products given the fact that the livelihoods of millions of workers in poor countries are dependent on such trade. And conversely there is confusion over the development value of carbon offsetting like planting trees in overseas communities too.

Clearly from the conclusions of the What Assures Consumers? research, there is a role for positive consumer behaviour to contribute toward the fight against climate change as part of a broader set of activities. And within this, for business and government action to address any shortfalls in current purchasing practice via a balanced mix of regulation, labels and verification standards, product innovation, and consumer education.

To be successful, this needs to be backed up by strong leadership from all actors that will encourage citizen participation, collaborative working, and responsible competitiveness. For example, with regards to commonly agreed international standards for carbon measurement in the product arena, this requires consensus on how standard setting institutions themselves are governed and related to other standards so that they are accountability to impacted communities, albeit US and UK citizens or fairtrade producing farmers in the developing world. This is a theme which AccountAbility is advancing via our broader AA1000 Series standards program.

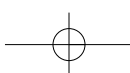
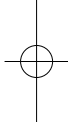
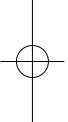
But more than this, we need to understand the roles and responsibilities of the different parties, including that of the individual. Notably, an appreciation of what citizen rights as well as duties are. Furthermore, "fairness to me, and fairness to



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others” must also be played out here for individuals in the West albeit the US and UK against those in the tiger economies of Brazil, China and India. Only then will consumers in the west feel their efforts to reduce their carbon footprint are not in vain, and in return those in developing nations, be they poor or wealthy individuals, will not feel they are being cheated from a higher standard of living enjoyed by citizens elsewhere in the world. Obviously, any political mandate to act will only arise from such a clear understanding.

Future phases of What Assures Consumers? will explore this very subject by understanding what consumers assurance on climate change looks and feels like for individuals ‘at the bottom of pyramid’ in for example Brazil, China, India and elsewhere. That is, is there an implicit understanding of what ‘one planet governance’ actually means for us all?



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## Richard Lloyd, Director General, Consumers International

Today there is global recognition that unsustainable patterns of consumption are leading to extremely serious social and environmental impacts. Irresponsible consumption is putting a catastrophic strain on the environment, contributing to climate change, destroying the ecosystem and undermining sustainable development.

Since the 1980s the consumer movement has promoted consumer rights and responsibilities which describe a balancing act between fulfilling basic needs, promoting quality of life now and avoiding harm to the lives of future consumers. We've long argued that consumers and producers should act responsibly, and not just in the name of individual or corporate philanthropy. Indeed, the consumer movement began in the late 19th century when groups started organising to direct people's purchasing power away from producers with unethical practices.

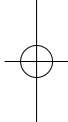
Now Consumers International (CI) believes it is essential and urgent that governments and the business sector everywhere commit to implementing policies that guide us onto a sustainable course. It is equally essential that consumers everywhere are empowered and encouraged to act in relation to climate change.

And consumer organisations around the world want to play their part. In a recent survey of CI member organisations in 115 countries, sustainable consumption emerged as the number one international issue.

That's not surprising when the consumers our members work to inform and protect have also – largely because of globalisation – become themselves increasingly interested in credible information about the wider impact of products and services, and the businesses that provide them.

In particular, the dilemma for the would-be ethical consumer is how to make meaningful pro-environment and pro-development choices in a fast-changing world.

Consumers increasingly want to act responsibly, but to have any chance of doing so, they must be fully supported by corporations and politicians. As this study shows, action must begin with clear guidance on what people can do, the removal of environmentally damaging products, and third party verification of corporate claims on global warming. Only then can consumers begin to turn their climate concerns into effective purchasing choices.



## Key Findings

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As many surveys over the past couple of years have shown, there are an increasing number of consumers who are concerned about climate change and who say they are willing to make changes in their purchasing and lifestyle choices.<sup>1</sup> However, when looking at actual consumer behavior, it is clear that actions have yet to catch up with the level of concern. Our consumer survey of 2734 people in the US and UK during 2007 found that:

- ❖ **Climate change is a mainstream consumer issue.** Consumers in the US and UK are strongly concerned about global warming, and are ready to take action. Sixty six percent of consumers in the US and UK agreed that everyone needs to take responsibility for their personal contribution to global warming.
- ❖ **The majority of consumers have already made some easy, close-to-home changes** such as reducing energy consumption at home (57.9%, US & UK combined) and buying energy efficient light bulbs (47.9%, US & UK combined) or appliances (33.5%, US & UK combined). But very few have translated this into broader purchasing choices, or more difficult behavioral changes, and few plan to do so over the next 6 months. While 76% of respondents in the UK were able to identify an action as 'the most important things that you can do as consumer' only 42% of respondents in the US were able to do so, and few of these were specific actions recommended in the many top ten lists of things to do on climate change.
- ❖ **There are not many who are completely unwilling to embrace a more climate conscious lifestyle**, but a large proportion of people who are concerned about climate change do not feel motivated or empowered to take action. Only 42% of US consumers as compared to 76% of UK consumers were able to name a specific important action they could take.
- ❖ **Consumers want more information from businesses about how they are addressing the climate impacts of their products.** Sixty percent of respondents in the US and UK want companies to provide more product-based information at the point of sale and half would rather do business with companies that are working to reduce their contribution to global warming.
- ❖ **But consumers do not trust information from businesses on climate change.** Government, business, the media and celebrities all feature low in the trust list too. Two thirds of respondents said that business needs to take global warming more seriously (combined 66.4%: US 63.2%, UK 69.5%); and a similar number said that governments should take greater action (combined 64.1%: US 59.4%, UK 68.6%).
- ❖ **Consumers say they want more independent assurance of product information.** Seventy percent of respondents in the US and UK said that climate change claims should be proven by independent parties. Scientists, environmental groups and family and friends in particular are seen as credible.

- ❖ **But this is no guarantee that they will act.** The survey investigated use of existing social, environmental and health focused labeling schemes and found that whilst levels of awareness of these labels are generally high, levels of consistent use are much lower.

The survey's findings support the case for stronger consumer assurance on the climate change impacts of their consumption choices, but also temper this call for support with notes of caution about the true consumer appetite for informed choice as a driver of change.

**Environmental experts agree that steep cuts in emissions are needed and argue that this will mean significant changes in the way that consumer needs are met.** Initiatives to mobilize consumer concern about global warming into more sustainable consumption choices have mushroomed over the past few years. Businesses, governments, civil society organizations are all involved in the development of consumer education campaigns, new products, labeling and certification initiatives.

**"Small steps add up" has been the motto of consumer mobilization around climate change.** The hope being that if systems can be developed to inform, engage and enable concerned consumers they will be able to be scaled up for wider adoption, and deepened to create more significant impacts. This strategy has been effective in breaking the cycle of inertia and creating a groundswell of individual and business action, by leading companies, start-up enterprises and concerned consumers. It has also been able to mobilize, albeit in a fragmented way, investors, business leaders, marketers, entrepreneurs, technologists and civil society organizations to begin focusing on possible practical solutions, products and markets which may lead the way towards de-carbonized economies.

**However, in the context of the current patterns of consumer action and the urgency and scale of change needed, there is a clear danger that the explosion of consumer facing initiatives will fall short in achieving significant impacts.** In particular there is a danger that many initiatives and campaigns, developed around a template of providing information to committed, empowered 'ethical consumers' will fail to achieve mainstream uptake and significant impact. Furthermore, such approaches may compete both against each other, and against calls for stronger regulation.

**Another scenario is possible however: a pathway of synergistic voluntary and mandatory action which succeeds in ratcheting up our response to climate change.** It requires that businesses and others working with them effectively assure consumers that they can and should take action that not only reduces their own climate impact but which supports wider cultural change and the development of national and international norms. Such business initiatives also need to link to a foundation of progressively strengthened scientific consensus and public policy to ensure that action is based on sound science and international agreement as well as intergenerational equity, not just driven by 'what sells best' to consumers.

Figure 1: Reinforcing action on both sides to ratchet down carbon footprints



Such an approach seeks to create the conditions for synergies and collaboration, but without slowing down the process of innovation and engagement. If such a ‘shuttle system’ could be constructed from current fragmented developments, and if it could be made to cycle fast enough, it would drive the systemic and disruptive change needed over the next decade to step back from the brink of catastrophic climate change.

For businesses, civil society organizations, offset and professional assurance providers and standards setters in the US and the UK but also across the world the key challenges in accelerating their side of the shuttle are to:

- ❖ **Developing rigorous and transparent standards** through accountable processes of multi-sector engagement and on the basis of scientific consensus which offer consumers a trusted basis on which to make product and lifestyle choices to manage their overall carbon footprint.

- ❖ **Connecting with consumers** using the full armory of tools and insights from branding, psychology, communications and social marketing to engage with them effectively.
- ❖ **Helping consumers make cuts that count** by assisting them in identifying the really material changes they could make.
- ❖ **Reassuring consumers that their actions matter**, by connecting individual consumption choices to wider culture change, recruiting consumers to support valid and transparent whole company approaches, driving innovation, and supporting calls for progressive and smart regulation. [see chapter 5]

The key policy elements needed to drive the shuttle of progressively ambitious change from the national government's side are:

- ❖ **Enabling individual actions** by providing clear political leadership through policies that drive appropriate lifestyle choices amongst consumers, creating a supportive environment of incentives and infrastructure, encouraging the development of credible standards, reducing unhelpful choices and setting an example through their own actions.
- ❖ **Fostering national and sectoral commitments** by setting clear, science-based targets and working with experts, industries, government agencies, municipal authorities and civil society organizations to develop and put into practise systematic solutions to achieving these targets.
- ❖ **Promoting and helping to create a framework for one planet governance of the atmospheric commons** with common, equitable, science-based targets and a system for setting, policing and paying for emissions cuts. [see chapter 6]

It is clearly outside of the scope of this report to propose a new structure and process for how best to govern the atmosphere. But a global institution with oversight of environmental targets and the authority and political weight to ensure that climate change mitigation and adaptation are managed, alongside other sustainable development issues in a global, systemic and equitable manner is certainly crucial. Any new or upgraded international agency should take advantage of the groundswell of consumer concern and action precipitated by increasingly effective approaches to assuring consumers, to accelerate change and support government, business and civil society in developing solutions. Yet more than this, any such institution should be governed in a way so that it itself is accountable to impacted citizens.

## Climate Change and Accountability

**The international consensus is resoundingly clear:** climate change is real, it is caused predominantly by human activities, and it will have devastating consequences for ecosystems and human lives unless we act swiftly to reduce greenhouse gases emissions.<sup>3</sup> Many governments and scientists agree that the world needs to keep below an average global temperature rise of 2°C. To achieve this we need to cut greenhouse gas emissions by approximately 90% by 2050 based on 1990 levels.<sup>4</sup>

*“Climate change is now seen as one of the defining challenges of the 21st century – and as a global risk with impacts far beyond the environment”<sup>2</sup>  
‘World Risks 2007’,  
World Economic Forum*

**Few issues generate so much international agreement, and so little effective action.** Leaders from government, business and civil society recognize that mitigating climate change will require a complete revolution in technologies, institutions and markets to switch to a low-carbon economy. Yet we remain in the grip of a series of inertia traps, unable to envision or take the bold actions needed:

- ❖ **Individuals** say that they are willing to take action, but are unclear what best to do on an issue that is presented, alternately, in dry technical terms or in tones of high moral outrage, which conflicts with their existing commitments and aspirations.<sup>6</sup>
- ❖ **Governments** are paralyzed by the twin fears that the electorate will not support imposed costs or lifestyle changes, and that unilateral action would make their nations uncompetitive.
- ❖ **Businesses** are starting to develop and market ‘climate friendly’ products and services, but are constrained by the lack of clear regulations and emissions pricing.
- ❖ **Civil society organizations** are beginning to make the crucial links between global warming, poverty and sustainable development, but struggle to fit climate change into their existing schemas of perpetrators and victims, donors and beneficiaries, global problems and activist solutions.

*“We are all simultaneously bystanders, perpetrators and victims. The south blames the north, cyclists blame drivers, activists blame oil companies, and almost everyone blames George Bush.”<sup>5</sup>  
Mark Lynas & George Marshall, 2003*

**Protection of the atmospheric global commons is a challenge of accountability.** The development and adoption of energy efficient, low-emission technologies is of course critical. But it is equally urgent that new policies and institutions are able to make the link between socio-economic development and global warming and then transit from blueprint to implementation.

*“Climate change is the greatest market failure the world has ever seen”<sup>7</sup>  
Nicolas Stern,  
Economist, 2006*

**There are many proposals already on the table:** Some countries, and many campaigners support a policy of ‘contraction and convergence’ towards sustainable

and equitable per person emission quotas globally. Fuel, flight and other energy-related taxes, emissions trading systems, renewable energy targets, energy efficiency regulations and changes to city planning and infrastructure development have been proposed at national levels. International frameworks in the form of a "United Nations Environment Organization" and a common charter of Environmental Rights and Duties, or a market-based "International Carbon Fund" have their champions.<sup>8</sup> The UK government is proposing binding national five-year carbon budgets, implemented through measures such as a mandatory cap-and-trade scheme for large organizations.<sup>9</sup> While in the US, leading businesses and environmental groups have jointly called on the US government to adopt ambitious targets and a cap-and-trade system. At state level, the Governor of California, Arnold Schwarzenegger, in November 2006,<sup>10</sup> signed into law the most ambitious global warming legislation in US history – the nation's first cap on greenhouse gas emissions.

Whether any of these 'beautiful models' will work depends, not only on getting the science and the signals right to create credible, predictable and effective policy

*"Governments are running out of time to address climate change and to avoid the worst effects of rising*

*temperatures."<sup>11</sup>*

*The 4th Assessment Report by the IPCC, 2007*

frameworks, but also on achieving the political and public support to make them possible. Yet progress here is painfully slow. Agreement on realistic, fair, science-based targets needed to underpin effective policy development is beset by the very 'you first' type stalemates which climate change mitigation policies aim to overcome.

One strategy which appears to have been able to break the cycle of inertia and create a groundswell of action has been the development of new products, marketing campaigns and labeling initiatives that appeal to consumer concern about climate change. There has been

an emergence, which is fast becoming an explosion, of consumer climate change initiatives in the past few years. It has also been able to mobilize, albeit in a fragmented way, investors, business leaders, marketers, entrepreneurs, technologists

*"People who should know better are selling a muddle-headed, style-over-substance, "lite green" environmentalism at a time when we need to be rebuilding our civilization to avoid disaster."<sup>12</sup>*

*Alex Steffan, Executive Editor, WorldChanging, 2006*

and civil society organizations to begin to focus on possible practical solutions, products and markets which may lead the way towards low-carbon economies. Energy and emissions labels are now appearing on everything from homes to packets of crisps. Marks and Spencer's clothing labels now exhort consumers to "Think Climate: wash at 30° C", Yahoo encourages consumers in the US to "change a bulb, change everything", while Sky TV engineers go one step further and leave energy saving bulbs in customers' homes. 2007's Live Earth event seeks to start a global movement empowering individuals to change their consumer behavior as well as to support business and political action to combat climate crisis. "Green is the new black" say consumer surveys, advertising hoardings, magazine articles and consumer websites.

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Some fear that these 'shopping for a better world' approaches are a diversion from the real levers of change through regulation, international negotiations and infrastructure changes; others believe that consumers can play a key role, not just in reducing their own emissions, but in stimulating innovative policies, and encouraging the deployment of new technologies. The Intergovernmental Panel for Climate Change's (IPCC) most recent report says that there is evidence that consumers can play such a critical role, but it also says that voluntary consumer-facing initiatives by corporations, local and regional authorities, and civil society organizations have, to-date, had limited impact on the national or regional level emissions.<sup>13</sup>

The key questions then, in understanding and harnessing the potential of today's emerging approaches to mobilizing consumer action to address climate change are:

- ❖ *How far are consumers willing and able* to make changes that can have a significant impact on climate emissions?
- ❖ *What elements of current approaches to consumers and climate change are proving effective* and how might their impact be accelerated and magnified?
- ❖ *What should businesses, governments and civil society organizations* do to assure consumers that they can and should take action on climate change?
- ❖ *How much can consumer action on climate change achieve* against the scale and urgency of changes needed?
- ❖ *Could consumer facing approaches contribute to the development of a broader, sustainable and equitable* approach to addressing climate change?



## Understanding Consumers

Our consumer survey amongst 2734 consumers in the US and UK reinforces the findings of many others that an ever greater number of consumers are concerned about climate change, but they have not yet matched their concerns with action.<sup>14</sup>

The survey's findings support the case for stronger consumer assurance on the climate change impacts of their consumption choices, but also temper this call for support with notes of caution about the true consumer appetite for informed choice as a driver of change.

❖ **Climate change is a mainstream consumer issue.**

Consumers in the US and UK are strongly concerned about global warming, and are ready to take action.

Sixty six percent of consumers in our survey agreed that everyone needs to take responsibility for their personal contribution to global warming and over half of respondents feel 'we in this country will have to change our lifestyles significantly if global warming is to be stopped'.

*"I hate to say it, but I think people are influenced by what they can see. With myself, if I don't really see an issue because of where I live, if I don't see problems or day-to-day events or maybe how an initiative can correct it, I would just think "whatever." Male, US*

*"Relative to other concerns, it is a concern, but it varies on a daily basis." Female, UK*

*"It is not my number one concern, probably because I haven't seen first-hand effects. It doesn't really affect me. I don't really think about it." Female, US*

*"It's very easy not to worry about it on a day-to-day basis, because it's not something that immediately impacts on me... I go through patches where I'm really concerned about it, but also through patches where I don't think about it at all... I'm much more concerned about intensive farming and big supermarkets. With supermarkets it's more in-your-face, you can see the small shops closing down so there's an immediate impact on my environment, whereas global warming is more abstract." Male, UK*

Thereby individual consumers are concerned about global warming as a global problem but most have not yet seen its impact on their doorstep.

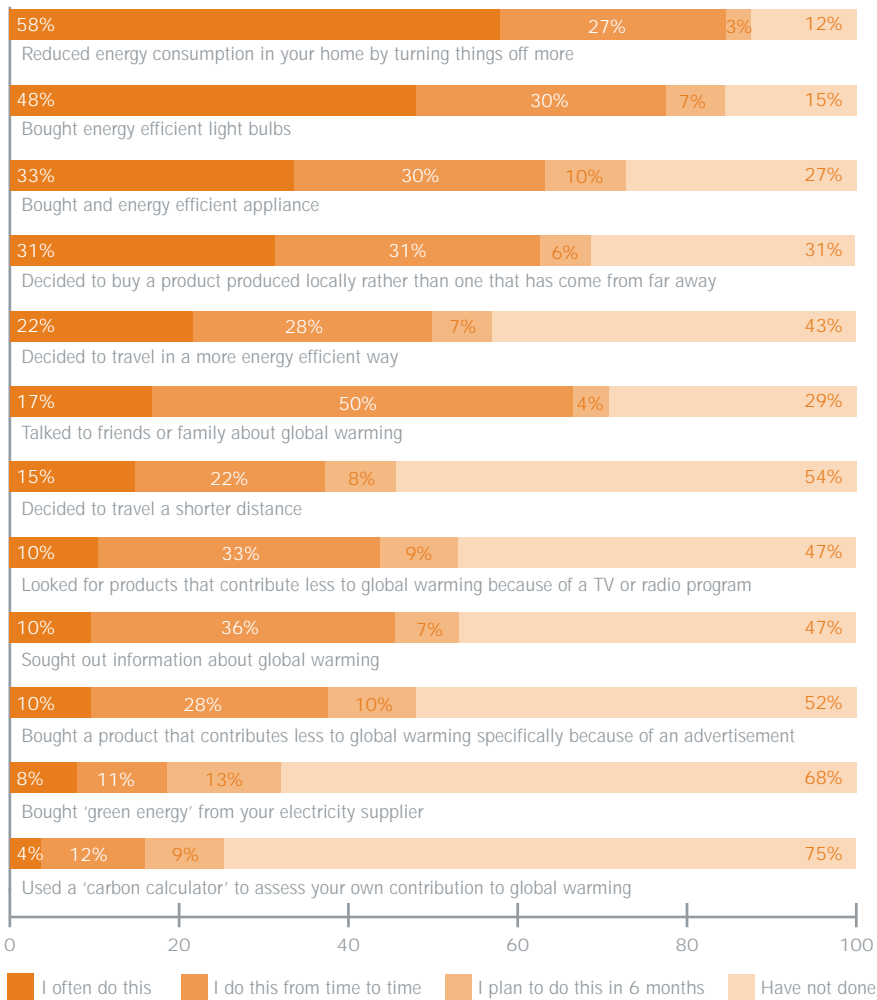
- ❖ **The majority of consumers have already made some easy, close-to-home changes,** but far fewer have translated this into broader purchasing choices, or more difficult behavioral changes, and few have plans to do so over the next 6 months (see figure 2 below). Willingness to take action is hedged around by a host of caveats: about the convenience, cost and social acceptability of taking action or practical feasibility.

*"Americans want clean, affordable, and care-free solutions to climate change and every other environmental challenge.*

*But don't ask most of them to change their habits, spend more, or go very far out of their way." <sup>15</sup>*

*Joel Makower,  
Founder, GreenBizxi,  
2007*

Figure 2: What have you done to reduce your impact on climate change?<sup>16</sup> (US & UK combined)



*"Probably the most important thing I can do to help climate change, would be to fly less. However, that is something I am not willing to do because of my lifestyle and my career. [...] I think, if you asked a lot of people and really pushed them on the issue, most people in the western world would kind of say the same thing; 'That we are willing not to voluntarily give up, and sacrifice our quality of life to help the earth that much'. Male, US*

*"I could leave the car at home and get public transport, but that would lower the quality of my life quite a lot." Female, UK*

*"It's just about convenience for me really. It's very easy for me to do common sense things like close the window when I have the heating turned on, or turn*

*off appliances... I would have to **give up quite a lot if I was to stop taking flights**, and I haven't done that yet." Male, UK*

*"I think **a lot of us are in the same trap** – we want to do something, but what do we do? In shopping, I do look at products, but it isn't the specific first thought for habitual purchases. But if I'm looking for something that I'm not so familiar with, I'll pay more attention and perhaps select the product that way." Female, US*

*"Sometimes I will make an effort to walk to the local shops, but not if it's raining or I'm pushed for time... I have started to take the train for longer journeys, but that's mainly because I'd prefer to read a book than sit in traffic." Female, UK*

*"We have **changed the light bulbs** to energy saving ones as far as we can, although some of the fittings don't take them." Female, UK*

Respondents cite a range of reasons for not addressing the climate impacts of their lifestyle choices:

- **Product information.** Almost half of respondents are discouraged from considering global warming in their daily life because they feel there is not enough information about which companies and products are better when it comes to global warming (combined 47.0%: US 43.7%, UK 50.2%).

*"I do try to buy things that are more [energy] efficient on **those ratings**, and that is helpful. That kind of information is really helpful. Well, **more standardization [is helpful]**. I am also slightly skeptical of them. I just wonder what is the benchmark, what do they mean [when it says] it has the 'highest' rating?" Male, UK*

*"In a lot of ways **the general population is lazy**, not necessarily going out and buying books and reading up on what they can do. For example, my husband pays attention to the simple things – like recycling, recycling is important **but how is the product made, what is its impact on global warming?** If it were in utility bills, my husband would look at it." Female, US*

- **Expense.** More than a third of respondents are discouraged from considering global warming in their daily life because they think that products with the least impact on the climate are too expensive (combined 39.7%: US 37.0%, UK 42.4%).

*"Many cater to the **wealthy and trendy practices and products** – but they are not impacting most consumers, except through education. That doesn't diminish the **value of the education** – the awareness is imperative. But catering to the wealthy, those are high priced products." Male, US*

*"I'm quite sure **our roof could generate a lot of solar power**, but it would be terribly expensive." Female, UK*

- **Confusion.** Almost a third of respondents are discouraged from considering global warming in their daily life because they are confused about what to do to reduce their personal impact on global warming (combined 29.8%: US 31.3%, UK 28.4%)

*"In Britain we've been taught that **climate change is something we can take care of ourselves, by flicking off light switches and driving less, something that I really don't believe to be true when you look at the grand scale of things.** We are presented with so many more options i.e. things that we can do, every minute in our daily lives and in our homes."* Male, US

*"I may **not be educated on all the aspects of global warming** – but it is a concern.[...] Often different things are sensationalized in the news which makes people more aware – **but relative to other concerns, it is a concern but it varies on a daily basis, depending on what I am experiencing on the news or while reading**"* Male, UK

- **Availability.** More than a quarter of respondents are discouraged from considering global warming in their daily life because they think that energy efficient choices are not available in their area (combined 25.5%: US 27.8%, UK 23.2%).

*"I **do buy energy efficient light bulbs if they happen to fit in the lights that I have, but I think that is probably the only thing that I do. I tend to be opportunistic rather than strategic** – If something presents itself, I do it. Otherwise, although it's something I am concerned about, it's **not something I have prioritized to actually do.**"* Female, UK

*"We've **built our life around being very mobile**, we have two cars, we've both recently taken up golf and it would be very hard if one of us was out using the car for the other to get anywhere. [...] **public transport, it's awful where I live.**"* Female, UK

*"I used to buy my **clothes from a company called Earth Collection**; they made their clothes in China but they used environmentally friendly materials. Unfortunately **they've closed down now where I live.**"* Female, UK

- **Trust.** A quarter of respondents are discouraged from considering global warming in their daily life because they do not believe the claims made about energy efficient products and services (combined 25.0%: US 23.4%, UK 26.5%).

*"If a company had a claim, it would be **important that they were able to substantiate the claim.**"* Female, US

*"I would say I can't **really comment on companies doing a good job** because the only information I get is from the news media and companies' own advertising. So I **can't say I have a balanced view on that.**"* Male, US

While only a third of respondents admit that confusion about what to do to address their climate impacts is a major barrier to action, open questions reveal that most consumers do indeed lack a basic understanding of where their material impacts lie, especially in the US. While 76% of respondents in the UK were able to identify an action as ‘the most important things that you can do as consumer’ only 42% of respondents in the US were able to do so, and few of these were specific actions recommended in the many top ten lists of things to do on climate change. For example, WWF recommendations for key consumer actions that can significantly improve personal carbon footprints include buying a fuel efficient car, buying renewable energy, using low energy light bulbs, using energy efficient appliances, home insulation and double-glazing, low-flow shower heads and driving less. However only 13% of people identified actions from this ‘experts’ list.<sup>17</sup>

*“The general public (like me) is not as informed as we should be. We are looking for easy access provided to us rather than having to take steps to find out on our own. I don’t think the general population – though familiar with the word ‘global warming’ really knows what it means, besides the ice caps melting. What does global warming mean in terms of what are the simple things each individual consumer can do times ‘so many’ people doing it? We can’t take on the world, but we can try to make a difference individually.”  
Female, US*

Figure 3: US – What is the most important thing you can do as consumer?<sup>19</sup>

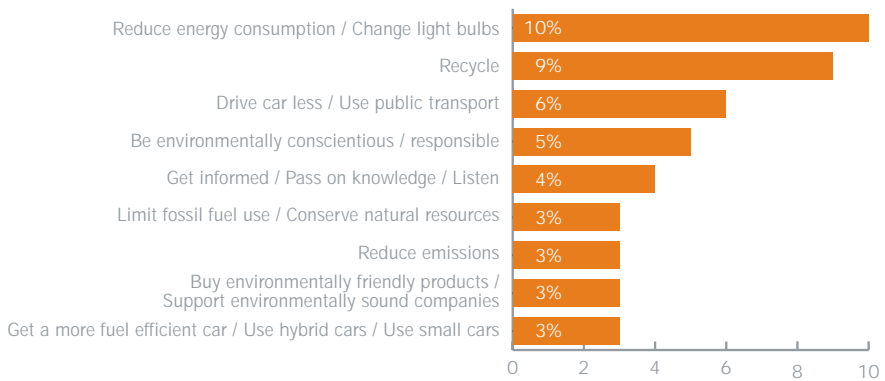
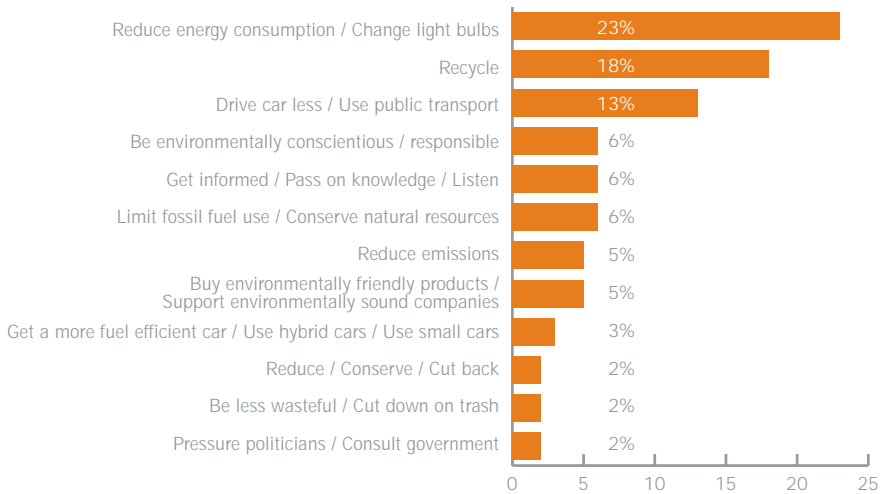


Figure 4: UK – What is the most important thing you can do as consumer?<sup>18</sup>



❖ **Consumers combine concern for the environment with concern about social issues, such as global poverty.** Over half of respondents are very concerned about global warming (combined 51.9%: US 51.7%, UK 52.1%), while nearly the same amount of respondents agreed with the statement 'I am very concerned about poverty around the world', which may not come as a surprise given that 'stop poverty' was one of the hot themes over the last year. (combined 52.1%: US 53.1%, UK 51.1%). Thereby the survey further revealed that over half of the respondents (53%, US & UK combined) who were very concerned about climate change were also concerned about 'poverty around the world'. Questions about how the goals of poverty alleviation and climate change mitigation can be reconciled are therefore high up in the minds of the most active consumers. Further a third of those not concerned with climate change (whereby nearly half of them stated they are neither concerned nor not concerned) are concerned about 'poverty around the world, which raises a question about the potential to link and align messages tapping into issues that [already] matter to people.

*"I suppose I am very concerned, increasingly concerned over the last year or so. Relative to other concerns, I suppose my main concern is global poverty and inequality. My main interest in that is how the environmental agenda fits with that. Because for me its about all these people wanting to get themselves out of poverty, the final effects of that is going to be a big increase in emissions and potentially harmful effects for global warming, how can we deal with that? Do we stop people from increasing their wealth across the world? That really is my main concern" Male, UK*

*"I think as an individual one can do very little. When you hear about all the coal-fired power stations opening in China you think "what can we do," we can't stop them getting the things we have had for so long – why shouldn't they have the things we have?" Female, UK*

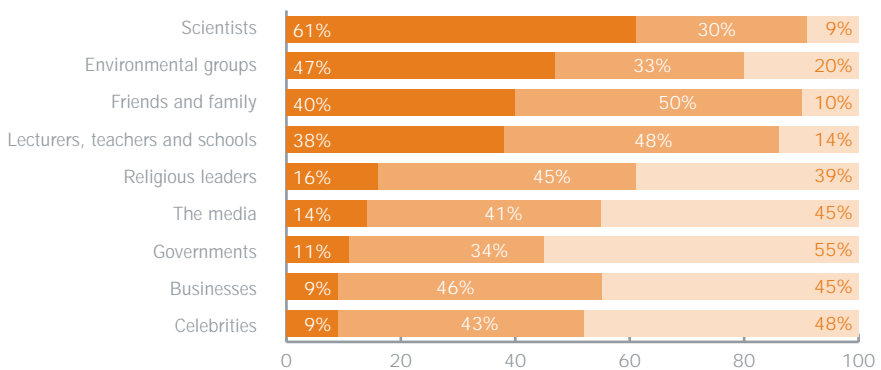
*"I'm concerned about it, I'm also concerned about other things like trade, urbanization and things like that because I work in development, but probably climate change is up there among the most serious. [It is serious] because of the likely impacts it will have in the near future on a lot a lot of very poor countries that are quite unequipped to deal with it." Female, UK*

- ❖ **But consumers currently do not see businesses as sources of trusted information on climate change.** Government, business, the media and celebrities all feature low in the trust list, well behind scientists, environmental groups and family and friends. The most admired people and organizations on climate change were Al Gore and Greenpeace, but the majority of people could not name someone who they admired on climate change (61% UK, 64% US).

*"I do a lot of Googling before buying anything – I'd never trust just one source." Female, UK*

*"But it isn't like I see it on a label – I hear about these things through the media. We kind of have to take their word that they can prove it. It's out in the mass market and promoted through media like TV." Female, US*

Figure 5: How much do you trust different parties for information about global warming?<sup>20</sup> (UK & US combined)



- ❖ **And so while consumers are ready to take action, they are demanding that business and government play a stronger role.** Two thirds of respondents said that business needs to take global warming more seriously (combined 66.4%: US 63.2%, UK 69.5%); and a similar number said that governments should take greater action (combined 64.1%: US 59.4%, UK 68.6%). There was some support for 'choice reduction' through government regulation, with over half agreeing that government should force businesses to phase out products that contribute to global warming (combined 51.5%: US 45.7%, UK 57.1%).

*"I believe that to get the outcome we need, this has to be dealt with on a large scale, on a national scale (as opposed to the individual) – in the international forum." Male, US*

*"I think part of me thinks the reason why I don't do that [e.g. more energy efficient transport] is that in the back of my mind, I'm not convinced that my efforts without some massive change in direction, some new big policy, some new big technology, are not going to make a huge amount of difference."*  
Male, UK

*"I wish the supermarkets charged for plastic bags, and I wouldn't mind paying for the rubbish I throw away..."* Female, UK

- ❖ **Consumers are demanding more information from businesses about how they are addressing the climate impacts of their products.** Sixty six percent of respondents want companies to provide more product based information at the point of sale (combined 60.4%: US 56.3%, UK 64.4%); while half would rather do business with companies that are working to reduce their contribution to global warming than with other companies (combined 50.1%: US 48.5%, UK 51.6%).
- ❖ **Consumers say that they want more independent assurance of product information.** Seventy percent said that climate change claims should be proven by independent parties (combined 70.0%: US 63.0%, UK 76.8%).

*"They [company claims] need to be subject to independent review by a credible body with the authority appointed by a political process."* Male, US

*"This goes back to regulating how information is presented to the public. There needs to be standards that claims adhere to through government guidelines using thresholds, which should not be set by companies themselves. So we know it has been approved as environmentally safe, cleaner energy. A 'seal of approval'."* Female, US

*"Absolutely important. I am totally skeptical of any claims made by companies, because I have seen them be discredited so easily when anyone looks at the actual facts."* Male, UK

*"If I didn't know if what they were saying were accurate or true, I would want to see that on the label but I would want to do research later to confirm – to be able to access information on the web maybe, with regards to anything I felt strongly about in a particular case on a particular purchase."*  
Female, US

- ❖ **But this should be taken with some caution.** While consumers state that they have a strong appetite for more climate related product information, this is no guarantee that they will act on this information alone if at all. It is notable, that there is a higher level of agreement that claims should be verified (70%, US & UK combined) than there is for more information (60%, US & UK combined), which indicates people may be saying that in principle certification is important, but in practice they do not see themselves using it as the sole source of information if at all. This is also backed up by the survey findings on the use of

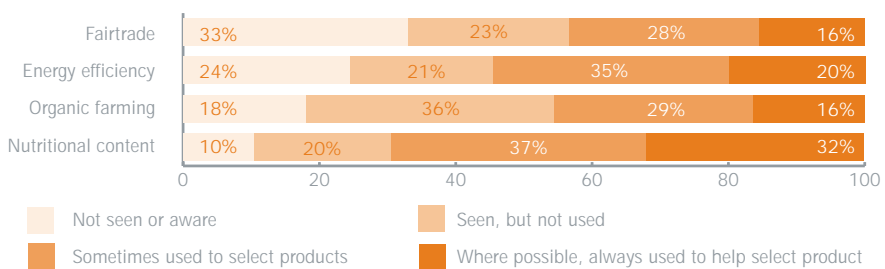
existing social, environmental and health focused labeling schemes. Whilst levels of awareness of these labels are generally high (90% for nutrition labels and 67% for fairtrade), levels of consistent use are much lower (32% for nutritional labels and 15.5% for fairtrade) despite the fact that 50% of respondents in our survey say that they are concerned about global poverty.

*"I think I probably have [heard of such schemes] but it hasn't really got through to me. I would probably believe a low carbon label; I would expect it to be on all sorts of electrical appliances." Female, UK*

*"There was a campaign for getting food miles labels on foods but I've never seen them." Female, UK*

*"I am aware of an energy efficiency label for light bulbs, but it isn't like I see it on products. I hear about these things through the media." Female, US*

Figure 6: Which labels have you used over the last 6 months to inform your decisions?<sup>21</sup> (US & UK combined)



❖ Although there are not many who are completely unwilling to embrace a more climate conscious lifestyle, a large proportion of people who are concerned about climate change do not feel motivated or empowered to take action beyond the most 'easy' steps. Yet as figure 1 warns very few 'plan to take action over the next 6 months'.

*"There always needs to be something in it for me, to be honest, otherwise I find it to be quite difficult." Male, UK*

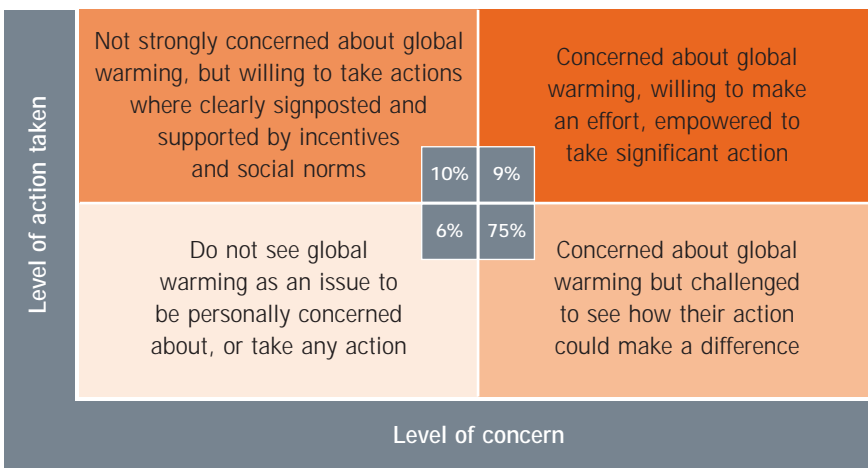
*"[It would help] if there was more information out there about what individuals can do on a day-to-day level. I've heard about some practical changes that people can make but they could be more in our faces..." Female, UK*

*"My husband is joining a start-up company that wants to be carbon neutral, but they're not even entirely sure how to do it. They can't find who the authority they need to go to is." Female, UK*

*“Monetary incentive would influence people, or seeing cause and effect and then the results of an initiative. So if an initiative turns things around then if I saw what I could do, then that would help me also.” Male, US*

*“Financial disincentives to live the way I live. I think that is the most important one for me. And, if I were in government and I actually wanted to change things, rather than remain in power, which is the reality of politics, I would really push through taxes on carbon emitting lifestyle choices.” Male, US*

Figure 7: Consumer concern mapped against the level of consumer action<sup>22</sup> (US & UK combined)



Seventy five percent of citizens are found in the group with high concern about global warming, but low levels of action; while only a minority are the classical ‘ethical consumers’: informed, motivated and enabled to take action. There is an equally significant group of people who are not strongly concerned but who are nevertheless willing to take action. It may be that these people are less concerned because they see themselves and the people around them taking action, or it may be that they take action because it is easy and attractive to do within their community.

Expectations about our abilities to fly to distant destinations, travel by personal motorised transport, eat meat every day or heat our patios may need to be challenged. But the cold, hard truth is that there is still no real appetite amongst politicians to impose constraints on individual voters’ lifestyle choices.

*“Less heat and more light is needed for citizens to act.”*  
**Bill Vorley, Head of Sustainable Markets Group, IIED, 2007**

However as we have seen from the survey results, the current strategy of using more information to shift individuals one-by-one from a position of concern to one of action, is having limited impact. Such approaches only

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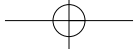
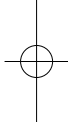
work where individuals feel that they are acting as part of a community which reciprocates and endorses their action. This may mean their immediate community of like minded peers, their national community including government and big business or even the global community. To get people to act in the confusion of an information rich world requires that they see that others are acting.

The question of ‘what assures?’ then is not just about underpinning trust in product or even company level information, but in assuring people that they are acting as part of a wider community. So, what would it take to assure people that businesses and governments are being transparent and accountable for their actions? And what would it take for US citizens to believe that Chinese citizens are taking action, and vice versa?

Our aim then is not to encourage people to act on climate change as strongly motivated individuals, but as strongly assured communities in which greener choices have become the default. The next section examines our prospects of getting from ‘here’ to ‘there’.

*“I think the UK government is doing quite a lot, but I also don’t think that the UK government is quite facing up to the really hard trade offs they are going to have to make.” Male, UK*

*“[...] an individual can’t force companies to change their policies and there is little that individuals can do, from a global perspective. You need government to lead the way. There is real awareness, fear, worry, guilt about climate change, so they would be pushing at an open door.” Female, UK*



## Consumers and Climate Change: Emerging Approaches

In response to both the rising levels of consumer concern and the increasing recognition of the links between individual consumption patterns and climate change, a range of different approaches to consumer mobilization on this issue have emerged. Governments, civil society and businesses have all been involved in these developments to varying degrees. Within the following pages we do not provide an in depth analysis of these initiatives, as other individual studies have successfully done, instead we aim to provide an overview of developments in the marketplace, showing both the wealth of innovation, the linkages and the dangers of fragmentation. Clearly, if all this is to add up to more than just noise and heat, greater levels of collaboration will need to emerge from the confusion. Chapters 4 and 5 discuss this prospect in more detail.

### Box 1. Scoping the consumer climate footprint: Impact versus feasibility

In order to reduce consumer carbon footprints, it is first critical to identify the largest impacts and opportunities for reduction.

The carbon footprint of the average British citizen is around 11 tons of CO<sub>2</sub>, and for Americans it is 17 tons. Recent research by The Carbon Trust looking at the whole UK economy through a consumer lens found that recreation, heating, food and household emissions were the largest wedges, with aviation as the fastest growing source. Meeting the UK government's target of 60% reduction by 2050 would mean getting down to less than 5 tons per person, while many environmentalists argue that a safer and more equitable target would be closer to 2.5 tons per person, globally.<sup>23</sup> A large proportion of this could be achieved by efficiency measures, new energy technologies and land use practices which consumers would not need to be involved in, but a significant proportion is also likely to need to require changes in consumer behavior.

A scoping report by the UK Government's Department for the Environment, Farming and Rural Affairs (DEFRA) to prioritize consumer interventions related to climate change and other environmental issues, correlated impact and feasibility for a long list of pro-environmental behaviors with input from a wide range of external organizations. This resulted in identifying behaviors across four key areas: in the home – including energy efficiency, waste and recycling and water efficiency; personal transport – including buying or using more energy efficient cars and using the car less for short trips; tourism; and food – including buying foods with lower greenhouse gas/environmental impacts and wasting less food.

**Mass awareness raising campaigns** have been the first and most obvious approaches, ranging from Al Gore's "An Inconvenient Truth" documentary and related Live Earth concerts to the UK's "We're in this together" campaign developed by a coalition of business, government and civil society organizations, organized by the Climate Group. These initiatives start with the problem and then provide people with a list of actions and pledges they can take. Such initiatives have moved on from the public awareness

campaigns of old, using modern marketing approaches to link lower emission choices with inspirational role models, personal identity and positive associations.

### Box 2. Connecting with consumers

There has been much research, in particular by the UK government, Sustainable Development Commission, Carbon Trust and sustainability communications consultancy Futerra on the best ways to communicate with consumers to mobilize them to take action on climate change.<sup>24</sup>

Key insights from the worlds of branding, psychology, education and communications<sup>25</sup> are guiding today's best practice approaches:

- ❖ Recognize that information is not enough, and that people do not learn alone. Consumption choices are part of social conversations about status, social cohesion, group norms and the pursuit of personal and cultural meaning. Enabling people to change means changing what is socially acceptable.
- ❖ Find ways to make positive behaviors into unconscious habit.
- ❖ Simplify message and prioritize action steps.
- ❖ Give feedback, track progress and celebrate success.
- ❖ Motivate people to change as a region, a town, a team, or other personal identity group.
- ❖ Do not make people feel bad, irrelevant and useless. Help people to understand (and trust) that they are making a difference.
- ❖ Balance the solution to the scale of the problem.
- ❖ Choose credible messengers – this does not just mean those with scientific authority but common-sense and likeable intermediaries, as well as trusted NGOs.
- ❖ Reassure people that there is a level playing field.
- ❖ Help people move beyond small, insignificant 'totem' behavior change.
- ❖ Decisions based on money are shallow and fragile, and can be very vulnerable to changing circumstances.
- ❖ Make it a pleasure – associate positive behavior not with duty or austerity but with leisure, pleasure, health or fulfillment.

Another leading approach borrows, appropriately, not from the marketing profession, but from the dieting industry. **Communities of change**, modeled on weight-watching peer support groups, bring together neighbors, friends, congregations or colleagues to raise awareness and support each other in together making greenhouse gas cutting lifestyle changes.

**Box 3. What is on the label**

<b>Energy efficiency</b>	“This product is more/less efficient on a scale of A+ to G”
<b>Carbon ‘neutral’</b>	“The carbon dioxide released in producing and getting this product to you has been offset by investment in greenhouse gas reductions elsewhere”
<b>Air freighted</b>	“This product has been transported by air”
<b>Endorsement</b>	“This product is recommended by...” “This company is working with...”
<b>Carbon label</b>	“X amount of carbon dioxide was released in the production of this product”
<b>Renewable energy</b>	“This product/fuel/energy tariff draws on renewable energy sources”
<b>Independent eco-label</b>	“This product is best-in-class for environmental performance, including energy efficiency”

Other approaches focus on **certification and labeling at product or company level** to direct consumers towards the least climate damaging choices. Energy efficiency labeling of cars and household appliances are amongst the most well established of such schemes. More recently, the Carbon Trust has developed a label which gives a figure in grams for the emissions associated with a particular product.<sup>26</sup> Such labels and endorsements provide information to encourage low emissions choices, both amongst existing categories and new products such as green energy tariffs, bio-fuels and hybrid cars.

#### Box 4. How green are your beans?

In 2006 the UK supermarket giant Tesco announced its plan to introduce carbon labeling. They are therefore working on developing a 'universally accepted and commonly understood' measure of the carbon footprint of every product they sell – looking at its complete lifecycle from production, through distribution to consumption.

The issue that has been the focus of much attention is that of 'food miles': the carbon cost of transporting food from around the world and domestically between centralized distribution points and stores. Air-freighted fruit and vegetables are often highlighted in this debate, and both Tesco and Marks & Spencer have recently introduced 'air freighted' labels to enable consumers to make informed choices.

Whilst imported produce is easy to single out for its climate impact, any significant move away from these products would have negative impacts on producers in Kenya, Thailand and other countries that have built up perishable-exports industries. As Hilary Benn, UK Minister for International Development notes: *"The food miles debate poses a real dilemma. People say I want to do my bit to stop climate change. So, should I only buy local and boycott produce from abroad, especially things flown in – or should I support poor farmers to improve their income, to take care of their families, to work and trade their way out of poverty?"*<sup>27</sup>

Research by IIED has found that if consumers were to boycott fresh produce air freighted from Africa, UK's total emissions would be reduced by less than 0.1%, but impacts on workers, communities and economies in countries that have invested in developing a niche in perishable goods would be much more significant. This danger is certainly seen as important by industry players in exporting countries. As Jane Ngige, Chief Executive of the Kenya Flower Council said: *"We consider ourselves as partners with UK supermarkets...One minute we are talking about fairtrade and market compliance, the next this is less of an issue and the issue is lessening the carbon footprint of the developed world possibly by cutting markets in Africa."* Kenya's High Commissioner in London, Joseph Muchemi, has also criticized the labeling scheme which he says may lead to a boycott of such products. However, according to Tesco, "our customers love Kenyan produce. There has been no reduction of sales but instead they seem to have gone up."<sup>28</sup>

Product level choice may also be encouraged by **pricing strategies** such as tariffs and subsidies to encourage consumer purchase of and choice reduction (removing the most high-impact products from the retail stream altogether) to make low-emission choices not just easier but easiest.

**Voluntary offsets** provide an attractive, easy and affordable way for individuals and companies to pay for others to offset the emissions they create, often through tree planting, but also through investment in renewable energy, energy conservation and retiring emissions trading credits. Voluntary offsets are available both as stand-alone products, and as part of the specification of carbon 'neutral'<sup>29</sup> products and services including flights, events and even breakfast cereal. Carbon neutral credit cards which offer to offset the emissions associated with all purchases are also available. While, as Box 3 highlights there are significant challenges to this practice as a way of reducing emissions directly, it is also argued that voluntary offset schemes raise awareness of the carbon implications of everyday choices, and may make lower-emissions choices more price competitive in comparison.

#### Box 5. A role for offsets?

Firms dealing in offsets continue to grow. In the UK offsets have increased by 60% per year since 2002. Products range from flights, credit cards to shoes. These promises to plant trees, invest in renewable energy or pay for industrial emissions reductions, to neutralize the climate impact of the product itself. Some companies are selling offsets directly to the public, offering to offset annual CO<sub>2</sub> emissions or the emissions associated with a particular journey or event. Offsets are promoted as an effective market based contribution to avoid catastrophic climate change, as well as a way to educate consumers about the climate impact of their choice. But current initiatives now face wider scrutiny not only on the integrity of their particular claims,<sup>30</sup> but also of the role of offsetting as an approach to tackle climate change.<sup>31</sup> And this may in part contribute to the fact that less than 10% of consumers pick up on those kind of offers.

*"It seems a bit tokenistic to just write a cheque for £10.33 every time you take a flight... It's a very easy way for a company to just carry on acting as it did already..." Female, UK*

Offset providers differ in the method of offsetting, the timescale over which they hope to remove CO<sub>2</sub> from the atmosphere and in the price they charge. There is no globally recognized standard to guarantee that they are effective, or to enable consumers to differentiate between high-quality and low-quality offerings.<sup>32</sup> A recent review of carbon offsetting schemes concluded that "in the absence of an accepted standard, almost everyone can offer to sell you almost anything and claim that this purchase will make you carbon neutral." In particular the lack of verification that voluntary offsets deliver the reductions intended is one of the main criticisms. Standards are emerging in the area however. Providers can adopt 'Clean Development Mechanism' (CDM) rules as a benchmark, or one of two main offset standards: the 'Gold Standard' and the 'Voluntary Carbon Standard'. The Gold Standard has been developed with the NGO community and also requires offset projects to meet

broader societal and sustainable development criteria in the economy where the offset practice will take place in addition to a plan that outlines the reduction potential. Further it provides a register that allows those interested to view progress of the offset initiative.<sup>33</sup>

Over the next few years a greater proportion of offsets sold in the voluntary market is likely to be covered by one of these quality standards, however it is unlikely that a single standard will emerge. Some offset providers promote a 'valued-added model' which combines CO<sub>2</sub> reductions with other social and environmental benefits, through investment in small scale, community-based projects such as improved cooking stoves, local biogas digesters, treadle pumps, tree planting or saving projects which combine carbon sequestration with habitat protection. These may be covered in part by emerging standards such as the Gold Standard, but not by other standards for the remainder.

Where accounting standards are rigorous, offsets clearly work in that, a ton of reduction is a ton of reduction wherever it happens. However, critics argue that the situation is more complicated: offset schemes they say, shore up unsustainable patterns of energy use and hold back more difficult changes that will need to be made at home. They are often marketed and perceived in terms more akin to cause-related marketing ('buy this product and we will plant a tree') whose explicit aim is to encourage more, not less consumption. In addition since they use emission sinks in developing countries to cheaply offset Western consumption, they will make it harder for those countries to offset their own emissions as they grow.

Offset proponents counter that they support a broader "reduce what you can, offset what you cannot strategy" both for individual consumers who are unwilling or unable to radically change their lifestyle and for companies seeking to achieve carbon 'neutral' status.

While these debates rage on, offsets have yet to prove themselves as a mainstream marketing success.

*"The voluntary carbon market surged 1000 percent over the past two years, according to recent reports. [...] Most scientists agree that seven billion tons of emissions must be prevented from entering the atmosphere over the next 50 years to make a dent in global warming. The voluntary market can only deliver about 1/10,000 of these emissions cuts, Trexler estimates. Its strength, then, lies in its potential to spur massive government efforts to limit carbon emissions from large-scale emitters. If consumers lose confidence in their ability to fight global warming, they may be less likely to agitate for these reductions."<sup>34</sup>*

The first key problem that many of the emerging systems and initiatives have had to address is the challenge of developing workable and sufficiently rigorous systems of accounting for greenhouse gas emissions and their reduction, whilst avoiding the problem of ‘selling’ the same benefits to multiple buyers, or of taking credit for reductions that would have happened anyway.

In response, a number of standards have been developed or proposed, by government, businesses, civil society organizations and multi-sector groups to provide consistency and trust in the related areas of greenhouse gas accounting, carbon offsetting, renewable energy certificates and climate ‘neutrality’.

In addition to these product level approaches, many companies are beginning to communicate their brand level commitments to addressing climate change. In a world of increasing choice and time pressure, they recognize that consumers want to be able to trust brands to make good choices, rather than provide them with ever more information and dilemmas to solve themselves. Companies such as Marks & Spencer, Wal-Mart and Whole Food Markets are seeking to provide customers with an overall assurance that they are managing and reducing carbon emissions on their behalf. Part of this approach can include **choice reduction**, where companies (either voluntarily or in response to regulations) remove whole categories of product from the retail stream, in favor of more environmentally friendly alternatives. Key examples here have been the removal of the lowest energy efficiency rated appliances from many stores, and the proposed removal of tungsten light bulbs from sale such as in the case of the Co-operative Group.

One final approach, which is still in proposal stage, but which is receiving increasing attention, is that of the **personal carbon allowance**. This has been proposed as a systematic national approach to rationing individual carbon emissions against an annual national carbon budget. This entails a system of tradable emissions credits awarded to individuals on a per capita basis, perhaps as a ‘smart card’ to be used against direct spending on energy and fuel. It would create a parallel ‘carbon currency’ which would reward and incentivise people to cut their energy consumption, while also providing assurance that everyone in the country was subject to the same system.<sup>36</sup> Personal carbon allowances are not yet fully operational, but will be piloted on a voluntary basis by the UK’s Royal Society for the encouragement of Arts, Manufactures & Commerce (RSA).

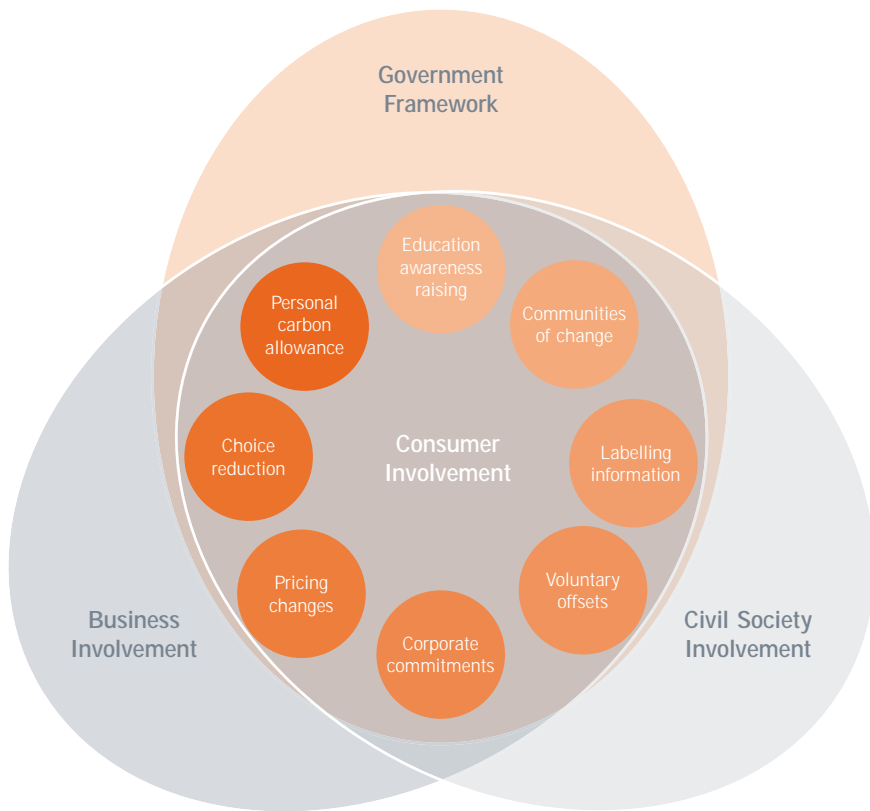
Each of these approaches can be effective, in achieving their own goals for economic viability, consumer uptake and impact, and there are clear emerging lessons which can be applied across different approaches about how best to assure and motivate consumers to act. Chapter 5 outlines these practical recommendations on ‘what assures consumers’. However given the global scale and urgency of the issue it is

*“Beyond addressing failures within the compliance markets, the voluntary market offers huge value in its capacity as an innovator. The market’s flexibility allows it to act as a pioneer in developing and refining methodologies and addressing new project types that can eventually be submitted into the compliance market.”*  
*Climate Care,<sup>35</sup> 2007*

crucial not just to dive into the micro level analysis of what makes a particular campaign, label or initiative work within a particular market niche, but to start from an overall understanding of how all this activity fits together, and what difference it may make to the big picture.

Climate standards		
Green energy production	Emissions reductions	Carbon 'neutrality'
<p><b>The Eugene Standard</b> for green energy, a European Standard to certify that it is produced from genuinely sustainable energy and additional energy sources.</p> <p><b>The Green-e standard</b> for renewable energy certificates offered by the US NGO, Center for Resource Solutions. Certificates bearing the group's Green-e logo have been certified as meeting nationally accepted environmental and consumer protection standards in the United States.</p>	<p><b>The Greenhouse Gas Protocol for Project Accounting</b> developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).</p> <p><b>ISO 14064</b>, a global standard for dealing with voluntary emission reduction credits. Includes requirements for quantifying and verifying both organizational Greenhouse Gas (GHG) emissions and GHG emission reductions at a project level.</p> <p><b>The Voluntary Carbon Standard</b> developed by the International Emissions Trading Association, The Climate Group, and the World Economic Forum is designed to be a global benchmark standard for project-based voluntary emission reductions that can be trusted and traded.</p> <p><b>The CDM Gold Standard.</b> An NGO-backed standard for offset projects which goes beyond the standard requirements required by the Kyoto Protocol. Its aim is to cover the top 20% of the market, certifying projects that contribute to emissions reductions and meet stringent sustainable development requirements.</p> <p><b>DEFRA's Code of Best Practice for UK provision of carbon offsetting</b> (currently consulting). A Code designed to give consumers clarity and confidence when they choose to offset.</p>	<p><b>The "Carbon Stewardship Council"</b> proposed by the Climate Group to provide a standard and verification system for carbon neutrality claims attached to products, events or companies.</p> <p><b>The Carbon Neutral Protocol</b> and certification system has been developed by offset seller, The Carbon Neutral Company, but is also licensed to be used by third parties.</p>

Figure 8: A universe of emerging approaches<sup>37</sup>



Mass awareness raising campaigns

**'We're in this together'** A UK coalition of business, government and civil society, provides both ideas for behavioral change and practical solutions for consumers to help them reduce their household emissions by one ton over three years. [www.together.com](http://www.together.com)

**The 'Manchester is my Planet' campaign** is running across Greater Manchester in the UK to result in a green energy revolution in the region, bringing together local councils, businesses and the voluntary sector to make Manchester Britain's cleanest, greenest and "coolest" city. [www.manchesterismyplanet.com](http://www.manchesterismyplanet.com)

**18 Seconds.** Yahoo's campaign to encourage people to switch to low energy light bulbs. Enables users to see how many bulbs have been bought in their town or state, and how they rate compared to others in the US. [www.green.yahoo.com](http://www.green.yahoo.com)

**An Inconvenient Truth.** The Oscar winning US documentary on climate change has become the centre of the international 'Stop Climate Chaos' evolution campaign. The UK government is planning to distribute copies of the film to all secondary schools. [www.climatecrisis.net/aboutthefilm](http://www.climatecrisis.net/aboutthefilm)

**Fight Global Warming.** This campaign by Environmental Defense seeks to educate Americans about how quickly we must act, and give concrete steps that people can incorporate into their lives to fight global warming. [www.fightglobalwarming.com](http://www.fightglobalwarming.com)

**Ben and Jerry's Climate Change College.** Ice-cream company Ben & Jerry's, now owned by Unilever has teamed up with environmental NGO WWF to create programs of online learning and develop a group of 'climate change ambassadors'.

Communities of change

**Global Action Plan “Eco-teams”**. This brings together a small number of individuals or households for a four-month program to discuss different household impacts on the environment. The initiative utilizes the context of a group as a way of changing behaviors. [www.globalactionplan.ie](http://www.globalactionplan.ie)

**“How Many Jews Does it Take to Change a Light bulb”** campaign by the Coalition on the Environment and Jewish Life – Thousands of congregations encouraged their members to install low energy bulbs in their synagogues and homes and to add to their holiday ritual a ceremony that calls this generation to environmental action.

**Carbon neutral communities** – The village of Ashton Hayes is aiming to become the first small community in England to achieve carbon neutral status. In the US the town of Ballard in Washington State is pursuing the same goal and sees itself as ‘The blueprint for any town USA’.

**Greenhearts** – The World Business Council for Sustainable Developments’ Young Managers Team developed this program which brings together teams of people at work to cooperate and compete to reduce their personal carbon footprint.

Product signposting

**Energy efficiency labels** have been widely adopted in Europe and the US, such as on electrical and household appliances, on vehicles and more recently on homes in the UK. These may be mandatory rating schemes such as the EU’s energy labels [www.greenlabelspurchase.net/1-eu-energy-labelling.html](http://www.greenlabelspurchase.net/1-eu-energy-labelling.html) or badges of achievement such as the US Energy Star label [www.energystar.gov](http://www.energystar.gov)

**Carbon use labeling** more recent has been the development of carbon labels, such as Tesco’s scheme under development and the UK Carbon Trust’s label which gives a measure of the carbon footprint of individual products. [www.carbontrust.co.uk](http://www.carbontrust.co.uk)

**Smart metering** – provides consumers with real-time feedback on the energy usage of their home appliances and lighting. France’s EDF Energy is trialling a scheme providing free smart meters to its customers on request.

**Carbon ‘neutral’ labels** – indicate that the CO<sub>2</sub> emissions associated with a product, service or event have been offset through the purchase of renewable energy credits, or investment in ‘Clean Development Mechanism’ projects.

**Green power tariffs** – ‘green’ electricity tariffs and renewable energy certificates which indicate that they are sourced from renewable sources, or that the company has bought and retired a proportion of renewable energy certificates.

**Independent product rating** – environmental rating of products by mainstream and green niche ratings organizations, for example Consumer Reports’ Greener Choices service [www.greener-choices.org](http://www.greener-choices.org) and WWF’s Top Ten Best products in Europe rating tool. [www.topten.info](http://www.topten.info)

Voluntary offsets

These include individual offset schemes, such as Terrapass and Climate Care which invite individual consumers to personally offset the carbon emissions of a journey, an event or a whole year’s energy use, and product linked carbon neutral schemes, such as:

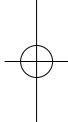
**Carbon ‘neutral’ credit cards** such as those produced Bank of America and Rabobank in the Netherlands which converts cash spending into CO<sub>2</sub> emissions and then calculates and charges users the contribution needed to offset these emissions.

**BP’s Global Choice program** allows business customers to offset the GHG emissions from their fuel consumption.

**Pacific Gas and Electric Company Climate Protection Program** in the US in which customers will sign up to pay a small premium on their monthly utility bill to fund independent environmental projects aimed at removing CO<sub>2</sub> from the air.

**Dell’s carbon neutral initiative** for the US plants trees for customers to offset the carbon impact of electricity used to power their computers.

<p>Corporate commitments</p>	<p><b>Marks &amp; Spencer has announced Plan A</b>, a UK business-wide £200m 'eco-plan' which will have an impact on every part of Mark &amp; Spencer's operations over the next five years. Along with this goes an initiative that will place ambassadors in each store to provide consumers with face-to-face information at the point of purchase. <a href="http://www.marksandspencer.com">www.marksandspencer.com</a></p> <p><b>Timberland</b>, the outdoor clothing company, took steps to reduce its carbon emissions four years ago by building a wind farm in the Dominican Republic, buying power generated by renewable resources and setting up a bank of solar panels at one of its distribution centers in California. The company now communicates these achievements, alongside its commitment to no child labor and community investment in an on-box 'nutrition label' that goes along with every shoe.</p> <p><b>Whole Food Market</b> purchases renewable energy credits from wind farms to offset 100% of the electricity used in its stores, offices and distribution centers. It communicates this as part of its overall brand proposition to consumers.</p> <p><b>Yahoo</b> has announced its intent to go carbon 'neutral'. They back this up with energy efficiency, commuting alternatives and recycling initiatives. They have pledged to invest only in programs that produce direct, additional and measurable reductions in GHG emissions.</p>
<p>Pricing changes</p>	<p><b>Green taxes and subsidies</b> aimed at changing consumer behavior such as subsidies on low energy light bulbs. Another example is the German Eco-tax or the German Renewable Energy law.</p> <p><b>Business pricing strategies</b> to bring down cost of low emissions options such as Wal-Mart's strategy of bringing down the cost of compact fluorescent lamp (CFL) light bulbs.</p>
<p>Choice reduction</p>	<p><b>The Co-operative Group</b>. In the run up to Summer 2007, the supermarket arm of the group will overhaul its offering of energy efficient compact fluorescent light bulbs while moving to stop selling traditional tungsten filament light bulbs at 50 pilot stores in the Autumn. Also the Co-operative Group currently sells 36 white goods – washing machines, fridge-freezers, dishwashers, tumble dryers – in its stores, but soon will offer only those with the highest energy-efficiency ratings. <a href="http://www.co-op.co.uk">www.co-op.co.uk</a></p> <p><b>California state government</b> is setting regulations to control the stand-by modes for electric appliance, and to remove tungsten light bulbs and plastic bags from retail choices.</p>
<p>Personal carbon allowances</p>	<p><b>The RSA</b> in the UK will pilot a voluntary individual carbon allowance scheme <a href="http://www.rsacarbon-limited.org">www.rsacarbon-limited.org</a></p> <p><b>Carbon Rationing Action Groups</b> are a local level demonstration of the concept in action <a href="http://www.carbonrationing.org.uk">www.carbonrationing.org.uk</a></p>



## Tipping Point or Danger Zone?

**“Small steps add up” has been the motto of consumer mobilization around climate change.** The hope being that if systems can be developed to inform, engage and enable concerned consumers they will be able to be scaled up for wider adoption, and deepened to create more significant impacts. This strategy has been effective in breaking the cycle of inertia and creating a groundswell of individual and business action, by leading companies, start-up enterprises and concerned consumers. It has also been able to mobilize, albeit in a fragmented way, investors, business leaders, marketers, entrepreneurs, technologists and civil society organizations to begin to focus on possible practical solutions, products and markets which may lead the way towards de-carbonized economies.

**The profusion of experimental approaches outlined reflects the creativity, innovation and competition of a market being created, responding to and driving consumer concern.** However when combined with the current patterns of consumer segmentation and the urgency and scale of change needed, there is a clear danger that the current explosion of consumer facing initiatives will fall short in achieving significant impacts. In particular there is a danger that many existing initiatives and campaigns, originally developed to target the minority of committed, empowered ‘ethical consumers’ will fail to achieve mainstream uptake and significant impact.

**Three possible danger scenarios might arise from the present situation.**<sup>38</sup> Indeed elements of each can already be seen in current developments:

### Consumers and climate change in the year 2015

**Crash and burn** – Heightened public interest of climate change developed into a crescendo of competing claims and counter claims to consumers, which in the end, lead to **confusion and fatigue**. The media have become jaded with the issue, focusing only on pointing out the gap between words and action whenever companies, political leaders or celebrities raise the issue of climate. Individuals have become **cynical and disillusioned** and dismiss climate change as ‘not their problem’, both as consumers and as voters.

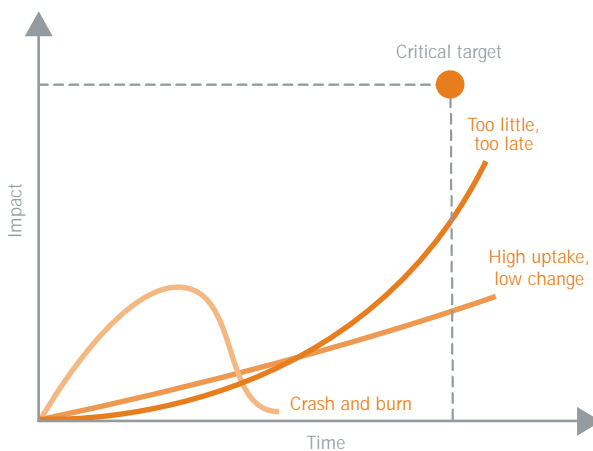
**Wide uptake, low change** – Fashionable brands, media lifestyle gurus and consumer education initiatives have successfully managed to achieve widespread awareness and visible action on climate change. However, by focusing on the easy-to-do, and most positive messages in order to reach the most people, these initiatives have created a host of **unintended consequences**. For example the collapse of fresh fruit and vegetable exports from developing countries, in favor of equally energy hungry greenhouse crops. More broadly, consumers now feel they have ‘done their bit’ and are **reluctant to do any more**, or to support calls for more stringent policies energy efficiency and fuel pricing.

**Too little, too late** – Consumer facing initiatives based on both sound science and an effective approach to motivating consumers have managed to achieve steady growth in uptake and real reductions in greenhouse gas emissions. But limitations in the number of people who will become actively engaged and the **room for maneuver** that individuals have means that such “**small steps**” have not added up fast enough to make a difference to the pace of climate change.

*“Retail carbon labeling could be in danger of descending into the same farcical situation as nutritional labeling, with competing schemes run by rival retailers making it difficult for consumers to know which one to trust. This is an issue on which retailers need to agree an industry standard but at the moment companies are working on a variety of separate schemes.”<sup>39</sup>*

**Ian Cheshire,**  
**Chief Executive,**  
**B&Q 2007**

As the graph illustrates, each of these scenarios fails to reach the critical target for impact on overall emissions, resulting in catastrophic climate change, and likely adoption of a more severe regulatory regime as these impacts become clearer.



In each of these danger scenarios, consumer focused initiatives fail to achieve their goal in terms of enabling consumers to significantly reduce their carbon footprint.

In each scenario, issues and initiatives compete against each other, and against calls for stronger public policy approaches, rather than working synergistically to ratchet up both consumer action and support for early and smart regulation.

**It is clear that neither consumer action, nor regulation can alone deliver the change needed.** Emerging consumer and community level accountability innovations can not scale up fast enough or far enough, and stronger regulation appears to be politically unfeasible.

However a fourth scenario may be possible: a pathway of progressively larger steps on each side of the mandatory-voluntary spectrum which ratchet up the response to climate change.<sup>41</sup> In this scenario, an intelligent mix of public and private actions

mesh together like gears, to ratchet up the speed and scope of change. Individual, community, and business level initiatives help to create tipping points which support wider cultural changes and the development of national and international regulations. Here, business initiatives are based on international agreements. Policy roadmaps and scientific consensus ensure that they are grounded in sound science and international as well as intergenerational equity. Thus not just driven by 'what sells best' to consumers. This two way connection provides consumers with assurance, not only that the claims made by businesses and governments are true, and that they are being asked to take actions which will count, but that their actions are reciprocated and endorsed by others locally, nationally and internationally.

*"There needs to be a "cultural change" in the UK, led by the Government, that encourages competition to be as environmentally-friendly as possible."*<sup>40</sup>  
**The Guardian Unlimited, 2007**

Figure 9: Reinforcing action on both sides to ratchet down carbon footprints



*"The truth is that without global confidence in the commitment of governments to put a price on carbon, to agree a set of long-term commitments for long-term emissions reduction ... businesses or citizens will not have the drive and the critical mass to arrest the growth of greenhouse gases."*  
**David Miliband,  
UK Environment  
Minister, 2007**

Such an approach seeks to create the conditions for synergies and collaboration, but without slowing down the process of innovation and engagement through glacial international summits and governance processes as yet undeveloped. If such a shuttle system could be constructed from current fragmented developments, and if it could be made to cycle fast enough, it would drive the systemic and disruptive change that we will need over the next decade.

For example, personal carbon allowances have been proposed as an equitable and effective measure for reducing carbon emissions. However at present they appear to be politically unfeasible because individuals still do not see climate change as a personal issue, and because we are all locked into lifestyles so energy profligate, that the targets demanded appear not only impossible but hypocritical.<sup>42</sup> Yet, current developments in voluntary offset schemes, carbon labeling, product innovation and celebrity leadership may offer a pathway by

which the public appetite for personal carbon allowances might be developed, if they have confidence in the action of governments in pricing carbon.

## What Assures Consumers?

The previous chapter introduced the idea of a ratcheting system of progressive change combining both voluntary and regulatory elements. Some of the elements of a ratcheting system are already in place, but at present it is not shuttling fast enough to beat climate change to its tipping point, which scientists predict will take place in the next ten years. The key challenge then is to ensure speeding up of this ratcheting process by making both sides more effective and more responsive.

**For businesses, civil society organizations, offset providers and standards setters, the key challenges in accelerating their side of the shuttle are to assure consumers by:**

- ❖ **Developing rigorous and transparent standards** through accountable processes of multi-sector engagement and on the basis of scientific consensus which offer consumers a trusted basis on which to make product and lifestyle choices to manage their overall carbon footprint.
- ❖ **Connecting with consumers** using the full armory of tools and insights from branding, psychology, communications and social marketing to engage with them effectively.
- ❖ **Helping consumers make cuts that count** by assisting them in identifying the really material changes they could make.
- ❖ **Reassuring consumers that their actions matter**, by connecting individual consumption choices to wider culture change, recruiting consumers to support valid and transparent whole company approaches, driving innovation, and supporting calls for progressive and smart regulation.

### Credible accounting

**Credible and robust standards are critical to the development of consumer confidence in any claims on climate friendliness.** However the development of standards needs to tread carefully between the dangers, on one hand, of fragmentation and confusion, and on the other of overly stringent and bureaucratic standards hindering learning and innovation in reducing CO<sub>2</sub> emissions in concert with other sustainable development goals.<sup>43</sup> There are signs of institutional collaboration and convergence, as well as government sponsored standardization processes. For example, the US renewable energy certifier Green-e is now also certifying carbon offsets, and the Climate Group is proposing the development of an overarching Carbon Stewardship Council. The crucial question here will be how the accountability of these new bodies to impacted citizens and communities will be secured, and what kind of governance processes and structures will best serve them in meeting the challenge they face.

**Currently many emerging standards and certification systems are governed by technical committees comprising business and consumer interests alongside environmental experts.** The 'Gold Standard' for offsets is notable for the involvement of environment and development NGOs and experts in its creation, and its inclusion of organisations based in developing countries on its governance board. Unless

emerging standards bodies are refocused like this to include both environmental and social interests in their governance and stakeholder engagement processes, they are unlikely to be able to either meet consumers' twin concerns for social and environmental responsibilities, or to secure equitable climate change mitigation solutions.

**One key challenge for businesses, standards setters and labeling initiatives is to bring together different issues of social and environmental responsibility into a coherent single message.** Those involved in marketing 'green products' have found that emissions reductions on a human scale and related to other sustainable development issues are more attractive to consumers. This is seen in the positive synergies between environment and social goals in marketing development focused offset projects so that they are not torn between reducing their climate change impact and penalizing workers in poor countries. This is supported by a recent media backlash and accusations of hypocrisy leveled at high profile green initiatives for not following fairtrade principles too.<sup>44</sup>

*"I know the WWF has a way that you can measure your carbon footprint. Yes [it could be helpful]. I've done that actually, and it told me to stop eating so much meat. Otherwise, I don't think I know of things for individuals."  
Female, UK*

*"I do think that congestion charging in London is quite a good thing. But again, this is partly because it has a very positive benefit on the local environment, not just the global environment." Male, UK*

### Connecting with consumers

The consumer experience of other social and environmental issues, as highlighted in our previous report *What Assures Consumers?* (2006) shows that formal standards and verification are only one element in providing assurance that motivates consumers to act. For example, the popularizing of fairtrade products, particularly in Europe, in recent years has taken place through a combination of branding, celebrity endorsement and activist and religious campaigning. The existence of credible, verified fairtrade labeling schemes supports these developments, but does not in itself drive consumer preference.

Widespread impact beyond the niche of committed 'ethical consumers' who make up a minority of the population, requires that consumers are assured that information provided about a product's impacts is true and fair and that they can and should take personal action. More information, even where that information has been specifically demanded, does not necessarily change the way people act, as we have seen in the case of 'air freight' labeling of fruit and vegetables. Indeed, a study by UK-based, custom market research agency, Research International based on focus groups with more than 900 participants in 29 countries supports this observation. In fact it found that "the more you know, the less you know how to deal with it." Participants with the highest awareness of environmental issues also had the highest levels of anxiety based on a sense of helplessness.

Underpinning consumer action is the wider trust consumers have in a company, product or brand, supported by a combination of formal and informal claims and messages coming from within companies themselves, independent verification, the media and friends and family. As the first phase What Assures Consumers? outlined, across these different relationships, a number of characteristics emerge as crucial to assurance that works:

What works in assuring consumers	Application to climate change <sup>45</sup>
<b>Consistency.</b> Companies that consumers trust give out the same message in everything they do – through their products, labels and promotions, customer service staff, corporate communications and through partnerships with trusted experts.	<b>Yahoo</b> for example, in developing a strategy for going carbon 'neutral' has sought to do this in a way that is not only rigorous and transparent but embedded in its corporate culture. Company founder David Filo announced the plan by posting a question on the company's "Yahoo Answers" site asking customers how the company should go about achieving carbon 'neutral' status.
<b>Seeing is believing.</b> A picture may be worth a thousand words but a demonstration beats everything.	Given the invisible and global nature of greenhouse gas emissions this is difficult to do, and there is a danger of focusing on highly but tokenistic actions visible. <b>The Co-operative Group's</b> Solar Tower in Manchester UK and <b>Wal-Mart's</b> move to put solar panels on the roof of some of its store are key examples where companies have used highly visible demonstrations alongside less visible operational changes and policies.
<b>Serious intent.</b> Consumers accept that companies are profit-motivated, but they object when there is a discrepancy between what they say and what they do, or where they appear to be 'greenwashing' in their approach.	This is likely to be major challenge. <b>Few companies</b> are yet able to claim that they have done everything possible to reduce their own impacts, and that consumption of their products is consistent with a 'one planet lifestyle' in which emissions levels could be cut by 90%.
<b>Trust in the messenger.</b> Companies need to take a broad view of assurance and develop both formal and informal mechanisms to get their message across, not forgetting their own employees as ambassadors of the company. And while it is fact that consumers say they do not trust celebrities, reality proves some however respond to them, though there is increasingly a call for more accountability.	<b>News Corporation</b> use both the power of individual relationships and mass media to get the climate change message across to consumers. While in the UK, <b>BSkyB</b> engineers have been dropping off low energy light bulbs when they install equipment in people's homes, the company has set up a MySpace channel dedicated to climate change and Chairman, Rupert Murdoch, has committed to engaging its millions of readers, viewers and web users around the world on this issue.
<b>Layers of information.</b> Companies that people trust provide an ethics-built-in guarantee within their brand and back this up with the right information when and where it is needed help consumers make decisions without having to always 'read the small print'.	<b>Marks &amp; Spencer's</b> 'Plan A' and <b>Whole Foods Market</b> both tie the company's commitments to climate change into its overall brand offering and back it up with further information and endorsements including store ambassadors – in the case of Marks & Spencer – for those who want to find out more.
<b>Linking responsibility, quality, service and value for money.</b>	<b>Toyota</b> succeeded in marketing its hybrid, Toyota Prius, as a mass market vehicle. Buyers are attracted not only to the car's fuel efficiency but to its iconic status as an environmentally friendly vehicle popularized by many celebrities.
<b>Helping customers select choices.</b> The majority of consumers do not want to have to take into account too many extra factors in their everyday decision-making.	<b>The Co-operative Group</b> is employing a choice reduction strategy to only stocking energy efficient compact fluorescent light bulbs and high energy-efficiency rated kitchen appliances.

## Making cuts that count

Whilst what assures consumers on climate shares much in common with what assures them on other social and environmental issues, the key area of sharp focus is on the question of *serious intent*. That is, whether they are being asked to contribute to significant change, or just to a token action.

**In developing consumer facing approaches to climate change there is always a tension** between targeting those small, low effort, exciting or inspirational changes

*"The simple message is this: to tackle climate change you do not have to reduce your quality of life, but you do have to change the way you live."<sup>46</sup>*

**Ken Livingstone,  
Mayor of London,  
2007**

*"To prevent climate change, we must focus on effective strategies and not just 'feel-good' strategies."<sup>47</sup>*

**Ken Caldeira,  
Carnegie  
Institution, 2006**

which are easier to sell, and targeting those behaviors where people have the largest impact and the greatest potential reductions.

**While consumer mobilization approaches may use strategies of building up from small changes to larger ones, there is also the danger of consumer mobilization getting stuck on small totemic actions** such as switching to low energy light bulbs only, without being able to shift on to other material lifestyle changes such as transport choices.

**Any effective consumer facing strategy to address climate change needs to be based on a clear understanding of what emission sources are material in terms of absolute impacts, potential for change and recognition by consumers.** A useful analogy here is that of nutrition labeling – information about the number of calories or vitamin a product contains is useless without a recommended daily allowance, an idea of portion size and some way to easily use these three measures.

**Effective assurance to mobilize consumers therefore requires not only a rigorous method to account for emissions and an accessible way to communicate this, but also a way to relate this to the scale and urgency of change needed including:**

- ❖ An overall agreed target, cap or right to carbon for the safe level of personal emissions and a way to relate individual dilemmas and choices to this overall budget.
- ❖ Products and services that enable individuals to realistically, comfortably and aspirationally to live within this level of emissions.
- ❖ A whole system approach that ensures that emissions savings made in one place are not just shifted around. Important to this is identifying and reducing emissions throughout the product's lifecycle. This is particularly important for products which consume more energy in their usage than in production, such as motor vehicles and clothing.

Both the UK government's Environmental Behavior Change Strategy and Marks & Spencer's Plan A for example have started from a first step of scoping the overall problem and consulting with consumers, experts and civil society organizations to understand possibilities for change.

### Contributing to wider change

While each of the emerging corporate strategies, initiatives, labels and products can be individually criticized or praised against their own objectives and the above three criteria of rigor, consumer mobilization and materiality outlined above, it is critical to look at the overall picture of consumer engagement on climate change and ask how they can achieve the maximum impact. There are three key routes for scaling up:

**Creating a climate of change.** Just as these initiatives turn campaigns into marketing signals, they can also turn marketing signals into political campaigns by developing public and business support for smart regulation and planning changes essential to making low carbon lifestyles easier and more economically attractive. For businesses this may mean overcoming barriers between climate change approaches in operational and marketing departments and lobbying positions both internally, and through industry associations. This is already becoming apparent through the development of the Climate Group and The Business Alliance Against Climate Change.

*"Educated shoppers may [at least] boycott certain products or consider changing shopping patterns. It is the consumer marketplace in the Western world which will speed up the political process." Male, US*

*The world's governments should set scientifically informed targets, including an ambitious but achievable interim, mid-century target for global CO<sub>2</sub> concentrations, for "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system."<sup>48</sup>*  
**The Global Roundtable on Climate Change**

#### Box 6. Against animal testing – how consumers laid the foundations for regulation

Animal testing on cosmetics has been banned in the UK since 1998, and it is anticipated that it will be phased out across Europe by 2009. The development of cruelty-free certification, activist campaigns and the in-market leadership of companies such as The Body Shop, were all significant in gaining a critical mass of public support for regulation to ban animal testing on cosmetics.

*"The most important thing is to participate in the political process, support international collaboration, and communicate with political representatives". Male, US*

**Supporting whole company change.** Achieving economy-wide emissions cuts requires more responsible and efficient companies to out-compete less responsible ones. This cannot always take place just on the level of product information and choices, but through whole company approaches to improvements and communication. Successfully translating 'climate friendliness' into positive brand reputation (even amongst those consumers who are not actively concerned with changing their product or lifestyle choices), means that investment in more energy efficient technologies and processes can be accelerated.

*"It's big changes that actually have impacts on the way they operate day-to-day, not just some tokenistic thing. What really got me angry recently was Sainsbury's bag-for-life thing, where they said they gave away about 30 million of these bags in a day, but they're still handing out plastic bags at all their stores every day." Female, UK*

**Driving innovation and adoption.** Consumers, acting as early adopters of low-carbon technologies and 'climate friendly' lifestyles can co-create, demonstrate and popularize new markets and products which might otherwise remain on the drawing board.

*"It's not about marketing lifestyle choices it's about inventing some better ones. eBay has done more to extend the life of consumer products than a thousand well meaning 'think green' ads could."<sup>49</sup>  
**John Grant,**  
**Co-founder, St Luke's, 2007***

#### **Windows and mirrors**

Rigorous and transparent claims, effective engagement with consumers, a commitment to not wasting their time on token efforts and a strategy for helping them to direct their actions to achieve wider change are the basis for assuring and mobilizing consumers in ways that might make a difference. Without these four elements, consumer initiatives are in danger of failing to gain consumer trust, or of abusing their trust by directing them towards futile efforts.

**It is a tall order, and not one that could be met by any formal assurance framework, certification scheme or labeling initiative alone.** Developers of assurance around issues such as forest stewardship and fairtrade have discovered that effective assurance does not just mean assuring that product claims are accurate, but embedding this in an overall engagement approach which provides consumers with the less precise but perhaps more important assurance that "this is something you should act on" and "this is something people like you to do". In this way what assures consumers are mechanisms, like trusted brands or individuals, that provide both 'windows' that enable them to see or understand the impact of products and choices and 'mirrors' which reflect the way they see themselves.<sup>50</sup>

## Policy Recommendations

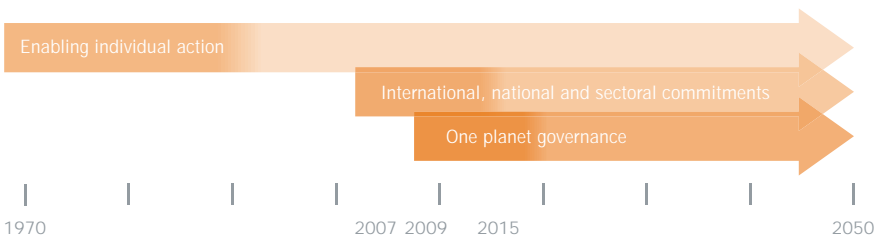
The key policy elements needed to ratchet up progressively ambitious change from government's side are to enable individual action, foster international, national and sectoral commitments and engage together in creating a framework for global atmospheric governance.

We call on the US and UK governments to:

- ❖ **Enable individual actions** by setting an example, supporting the development of credible standards which enable consumers to make informed choices, reducing unhelpful choices and working towards a framework for securing individual rights and responsibilities in relation to greenhouse gases.
- ❖ **Foster international, national and sectoral commitments** by setting clear, science based targets and working with experts, industries, government agencies, municipal authorities and civil society organizations to develop and put into practise systematic solutions to achieving these targets.
- ❖ **Promote and help create a framework for 'one planet governance' of the atmospheric commons** with common, equitable, science based targets and a system for setting, policing and paying for emissions cuts.

The public policy recommendations for government and related international agencies are set out, in more detail below and charted here against a timeline that reflects the global need to stabilise emissions by 2015 and then achieve a sharp fall, in the region of 90% against 1990 levels by 2050 in order to avoid catastrophic climate change of 2°C or more.

Figure 10. Recommendations for government and related international agencies



This is not a complete proposal for a comprehensive climate change policy, which would need to include trade and development policies, infrastructure and planning developments, specific regulations, taxes, permits and other financial incentives as well as research investments. It focuses instead on the key steps needed to make such policies publicly and politically feasible.

## Enabling individual action

### (1) Set an example and enable action

*Act both as a role model and an enabler for consumers on climate change, in particular in those areas where high potential savings depend on consumer action.*

*"[...] if citizens, businesses and nations are to change their behavior, they must be confident that their actions will be reciprocated. That is why I believe we need an environmental contract that ensures people have the confidence to act, knowing their actions will be matched by others."<sup>51</sup>*

**David Miliband,  
Secretary of State  
for Environment,  
Food and Rural  
Affairs, 2007**

Unless government sets an example and makes sustainable lifestyles possible through its own national strategies, procurement, planning and operating practices it will not be able to overcome consumer inertia.

*"When you hear about everything going on in China you think "what the heck is it going to do, me walking to the shops, which is why the politicians have to take a lead and at least say that we as a country are going to reduce our emissions." Female, UK*

### (2) Consolidate rigorous and fair standards

**Support and participate in the development of robust, assurable and accountable standards, and certification schemes between now and 2010** working towards the development of a single standards framework for consumers and climate change governed by an inclusive international organisation. Commonly agreed standards and labels can support wider campaigns for cultural change, and avoid the danger of confusion and apathy. Governments should encourage convergence of standards around processes based on fair and workable structures and processes for stakeholder engagement and governance, which are responsive not only to consumer and business concerns but to others impacted by changing consumption patterns.

nance, which are responsive not only to consumer and business concerns but to others impacted by changing consumption patterns.

### (3) Reduce unhelpful choice

*Over the next 3 years, choice reduction policies should be developed for all high impact consumer products and services where they are viable.* Such policies which remove energy inefficient products from the shelves have proved effective in promoting energy efficient choices in home appliances. This policy should be extended to all other high-impact products, where consumer choice and price incentives can not be relied upon to achieve wide uptake.<sup>52</sup>

Consumer action can help to build support and demand for more active measures at a national and international level. From 2007-2009 we call on governments to use this as a springboard for:

#### International, national and sectoral commitments

##### (4) Create sector-wide solutions

At a national level, focused multi-sector partnerships should be formed at the level of industries, cities and spheres of activity such as personal mobility, to jointly determine how ambitious emissions cuts can be achieved.<sup>53</sup>

These 'Accountability Compacts' would be able to develop feasible solutions which draw on business, government and individual action as necessary, and implement them through binding agreements between key partners.<sup>55</sup> The starting point for these solutions must draw two clear lines in the sand around scientifically sound targets for emissions reductions across the economy and a commitment to broader sustainable human development, so that solutions implemented do not result in further alienating already impoverished or excluded people from basic economic and social opportunities, both in the developed and developing world. Not all sectors will determine that consumer action is a critical component in achieving reductions, but key sectors such as housing, food and personal transportation are likely to include potentials for policies and instruments to influencing consumer choice.<sup>56</sup>

##### (5) Agree targets for equitable and sustainable emission levels globally

As we have seen, individuals, businesses and nations do not have to wait for international agreement on this issue in order to act, but unless targets are agreed by all major emitters, such individual action will not achieve climate stabilization.

However, agreement over what an equitable distribution of responsibilities should be is currently

*Accountability Compacts are agreements for mutual accountability shared by all development participants.<sup>54</sup>*

*"Accountability Compacts are our best hope for enhancing development in an increasingly complex world. Our work shows that multi-stakeholder partnerships are most effective when they create agreed terms for mutual accountabilities between all the players, from one end of the supply chain – donors and private investors – all the way through to the intended beneficiaries on the ground. Accountability deficits almost certainly spell failure."*

*Compacts are often not legally-binding and must be very flexible. But they should enshrine five key principles to overcome accountability deficits:*

- ❖ *Reciprocal in being collaboratively developed and agreed*
- ❖ *Accessible in being understood and monitored by all parties*
- ❖ *Interpersonal in framing on-going interaction and trust-building*
- ❖ *Systemic in being multi-directional and for all players*
- ❖ *Embedded in institutional and individual incentives.*

stuck in a political log-jam. Individual and business action should be called on to support not just smart regulation at a domestic level, but for crucial international agreement. This pressure is already building, from the World Business Council for Sustainable Development to the millions of young people involved in the Live Earth concerts, and the ambitions of governments such as the UK or individual states in the US to be seen as global leaders in pushing forward debate and action on climate change.

#### (6) Demonstrate policy coherence

*Addressing climate change requires policy coherence across all departments and functions, of government.* This may mean exploiting synergies, such as the health and climate change benefits of walking more and eating less meat. But it will also mean determining and managing trade-offs such as the effect of changing consumption patterns on employment and social development.

**By 2015, a 'one planet lifestyle' should be a practically achievable and widely practiced reality, not the preserve of the committed few. For this to happen, governments around the world need to agree upon a basis for one planet governance of the global atmospheric commons:**

*"All of us have a responsibility – actions taken at an individual level can have consequences that are unacceptable for society as a whole. Buying a gas-guzzling 4x4 vehicle is an 'individual choice' but it creates carbon emissions that contribute to global warming and harm everyone. It should be no more sociably acceptable than to claim the right to dump rubbish in the street."<sup>57</sup>*

**Ken Livingstone,  
Major of London,  
2007**

#### One Planet Governance

#### (7) Secure individual's rights and duties in relation to carbon dioxide emissions

Industry level cap-and-trade schemes need to be complemented by mechanisms for securing carbon budgets at a household level. Crucially, this will require an understanding and agreement as to what an equitable and sustainable personal carbon budget looks like, clearly translated and communicated to consumers everywhere so they can understand their rights and responsibilities and how their actions and choices contribute to this one planet goal. Personal carbon accounts may be one way to achieve this. However more research and consultation is needed to determine how this would look like in relation to consumers in developing countries.

#### (8) Effectively govern climate change

*It is outside of the scope of this paper to propose a new structure and process for how best to govern climate change.* But clearly new mechanisms are needed and are being developed, in the post-Kyoto era.

Certainly a global institution with oversight of environmental targets and the authority and political weight to

ensure that climate change mitigation and adaptation are managed, alongside other sustainable development issues in a global, systemic and equitable manner is crucial.

Any new or upgraded international agency should take advantage of the groundswell of consumer concern and action as well as regional and national initiatives for accelerating change and enabling all key players on climate change from government, business and civil society organizations to contribute to solutions on a global level. But more than this, the institution itself should be accountable to impacted citizens and communities for its actions.

**Within the currently rather fragmented debate and action, governments are finding it hard to join up in addressing climate change.** For governments such as the US and UK that wish to be leaders on this international stage, consumer engagement offers a way of pushing at the obstacles to global action. It is crucial that they treat consumers not only as individual buyers but as engaged citizens embedded within local and global communities, which affect each other not only through their atmospheric impacts but through their concern for global fairness.

This is a conclusion supported by our survey. Consumers say they are ready to take action, but are also demanding that business and government play a strong role.

*"I believe that to get the outcome we need, **this has to be dealt with on a large scale**, on a national scale, and in the international forum." Male, US*

*"When you hear about everything going on in China you think **what difference can I make by walking to the shops, which is why the politicians have to take a lead** and at least say that we as a country are going to reduce our emissions." Female, UK*

*"I think part of me thinks the reason why I don't do more is that **in the back of my mind, I'm not convinced that my efforts without some massive change in direction, some new big policy, some new big technology, are not going to make a huge amount of difference.**" Male, UK*

*"Environmental priorities have too often been compartmentalised away from economic development priorities", **the High Level Panel says, recommending that international environmental governance be strengthened and made more coherent in order to improve effectiveness and targeted action of environmental activities in the UN system.***

*"[...] We need multilateral agreements in the future if we are to combat this global challenge on a global level."<sup>58</sup> **Angela Merkel, Chancellor of Germany, 2007***

*"In the absence of real action at the federal level, states are stepping forward to address the serious issues presented by climate change."<sup>59</sup> **Janet Napolitano, Arizona Governor, 2007***

*"You shouldn't be able to fly to Turin for GBP10 and the railways are ridiculously expensive. If they could make rail travel cheaper at the expense of air travel they'd be pushing at an open door." Female, UK*

*"I think as an individual one can do very little. When you hear about all the coal-fired power stations opening in China you think "what can we do," we can't stop them getting the things we have had for so long – why shouldn't they have the things we have?" Female, UK*

### Further Research

This report focused on the attitudes and actions of consumers in the US and UK. **But we believe it is important to connect to the experiences and needs of citizens as consumers elsewhere in the world** to further explore 'what assures' on a global level and what it takes to unlock joined-up global action for e.g. Brazil, China and India. Indeed, this is something we will address in the next phase of research.

**As we have seen product and company level assurance is crucial in allowing consumers to make informed choices, but this needs to come together with more informal, peer-to-peer and global assurance mechanisms** that provide consumers with the confidence that their actions are not made irrelevant by the action of others down the road, or on the other side of the world.

**Central to this assurance is credibility of the bodies involved in standards and agenda setting** to ensure fair targets and assurance mechanisms that enable drive and reward worldwide action. This is a research area at the heart of AccountAbility's standard work, which is exploring the state of standards and agenda setting bodies' governance participation processes and how they will need to develop to be fit for the future.

## About the Research Organizations

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### *About AccountAbility*

AccountAbility is an international non-profit, membership organization established in 1995 to promote accountability innovations that advance responsible practices of business, government, civil society and other institutions. Our 200 members include businesses, service providers, NGOs and research bodies, and elect our international Council, which includes representatives from all five continents. AccountAbility has developed the AA1000 Series Sustainability Assurance and Stakeholder Engagement Standards, as well as leading edge research on the governance and accountability of partnerships and links between responsible business practices and the competitiveness of nations. AccountAbility works with its members to help them build alignment between corporate responsibility and business strategy by advancing joint learning and development of analytic tools and benchmarking.

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### *About Consumers International*

CI is the global federation of consumer groups, working together to empower people around the world to exercise basic consumer rights and to help meet the common needs of consumers everywhere in a globalized world. Founded in 1960, CI is the only global federation of consumers' organizations, has a long-standing regional presence in Africa, Asia and Latin America, and represents over 220 groups in 115 countries. CI has 40 years of experience in building the capacity of consumer organizations in research, policy formulation and advocacy. In addition CI has a strong track record of evidence-based comparative research, across countries and sectors as the basis for consumer protection at the national, regional and international level. In the area of corporate accountability CI campaigns for compliance with accountability standards and takes consumer concerns to international business through targeted dialogue. CI is also actively involved in the development of the ISO SR standard and a founding signatory of the International NGO accountability charter.

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## Research Methodology

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The desk research for the What Assures Consumers on Climate Change? project was accompanied by case study interviews with a range of experts, practitioner workshops in the US and UK, and an opinion research conducted by GlobeScan on behalf of AccountAbility and Consumers International. The opinion research comprised an online survey and follow-on interviews with consumers in the US and UK.

**Online survey.** In February 2007 a representative sample of 2734 from the US and UK general public aged 18+ were interviewed online with quotas set by age, gender and region. The data was weighted to a known and standardized profile of the US and UK population by age, gender and region. The margin of error is 2.7%, 19 and 20 times in each country respectively.

**In-depth interviews.** Four follow-on interviews were conducted both in the US and UK and were structured around online questionnaire developed by GlobeScan in collaboration with AccountAbility and Consumers International. Note, in-depth interviews are qualitative, rather than quantitative research. When interpreting any findings quoted from the follow-on interviews it should be borne in mind that they are indicative, rather than formally representative, of the views of the audience in question.

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All reviewers of the report were given the opportunity to provide a comment on the final research paper. Their commentary is available at [www.accountability21.net](http://www.accountability21.net).

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- 55 AccountAbility has outlined the concept and practise of Accountability Compacts in its report for the Clinton-Dahlberg Taskforce. [www.accountability21.net/research/default.asp?pageid=317](http://www.accountability21.net/research/default.asp?pageid=317) While the partnerships proposed here as an initial step are national and sectoral in nature, the idea has also been explored in a global context by Wolfgang Reinicke in his work on Global Public Policy Networks (Reinicke, W. (1998), *Governing Without Government?* Brookings Press, Washington DC) and by Jean Francois Rischard in his proposals for Global Issues Networks (Rischard, J.F. (2002), *High Noon: 20 Global Problems, 20 Years to Solve Them*. Basic Books).
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Much of Consumers International's work is about holding corporations and governments to account. This includes



#### Events:

##### *Consumers International 18th World Congress: Holding Corporations to Account*

29 October - 1 November 2007, Sydney, Australia

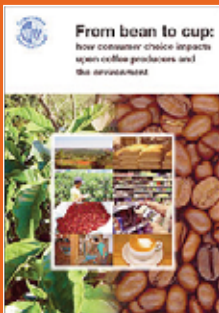
Never before have global consumer demands for corporate transparency and responsibility been so pressing. Whether it's unethical marketing, sustainable consumption or the obesity pandemic – consumers are calling for corporate accountability. Congress 2007 promises to encapsulate the critical importance of these issues; with international speakers from government, industry and civil society; in-depth campaign and policy workshops; and lively debate. Find out more and register at [www.consumersinternational.org/congress](http://www.consumersinternational.org/congress).



#### Media:

##### *Just Coffee*

Consumers International's award-winning documentary, *Just Coffee* takes a look at the different types of certified sustainable coffees on the market and assesses the benefits for coffee producers and consumers. The 20-minute film follows the certified coffee chain from the fazendas of Brazil to the supermarket shelves of Europe and North America. It includes exclusive interviews with certified coffee farmers, market experts, consumer organisations and some of the major figures in the international coffee sector. View the film at [www.consumersinternational.org/media](http://www.consumersinternational.org/media).



#### Publications:

##### *From Bean to Cup: how consumer choice impacts upon coffee producers and the environment*

*From Bean to Cup* examines consumer awareness of the impact of sustainable certified coffees on producers and the environment. The study shows that, when given clear and credible information about the products they buy, a growing number of consumers are choosing to purchase certified coffees. *From Bean to Cup* is a call for governments, coffee associations, consumer organisations, roasters and major retailers to build consumer support for the sustainable coffee sector. Find out more about the findings and download the report at [www.consumersinternational.org/coffee](http://www.consumersinternational.org/coffee).



#### Campaigns:

##### *Unethical Drug Promotion*

Consumers International is working to hold governments and pharmaceutical corporations accountable for unethical drug promotion and advertising practices that are putting profit before consumer health. The purpose of this global campaign is to hold industry accountable for compliance with global drug marketing codes, hold governments accountable for enforcement of regulations on drug promotion, and to improve consumer access to credible, reliable and transparent health information. You can find out more about the campaign and download the *Branding the Cure* study about drug company CSR violations at [www.consumersinternational.org/pharma](http://www.consumersinternational.org/pharma).

## About this Report

**Business, governments and consumers are increasingly concerned about climate change.** Fifty four percent of consumers in the US and UK are willing to make personal sacrifices to prevent global warming. But only 10% trust the guidance they receive from business and government on this issue.

So, if 90% of US and UK consumers are unsure about business or government claims on climate change, then What Assures Consumers on Climate Change?

**This report seeks to answer this critical question.** The research draws on the consumer opinion survey conducted in the US and UK, and relevant work of experts in different fields. Experts, who have concentrated on understanding the science of global warming, what influences consumer behavior, what is effective sustainability assurance, what is needed for rigorous greenhouse gas accounting, and the consumption pathways that have the greatest impacts. Our ambition has been to understand what role consumers can play in overcoming the global obstacles to averting catastrophic climate change.

**Thereby the contribution of this report is to draw together these different elements into an overall framework for understanding and catalyzing change.** We hope that it can feed into and advance cross-cutting conversations and dialogue amongst these and other disciplines.

**The report follows on from the approach taken in What Assures Consumers? published by AccountAbility and the UK National Consumer Council in July 2006.** One of the key messages from that research was that assurance should not be seen as a single process, but should be judged as an outcome in which consumers have confidence to take action. The mechanisms underpinning this confidence include both formal assurance mechanisms associated with verification of specific claims and more informal sources of trust, embedded in relationships, personal experience, the credibility of brands and the influence of public figures.

**At the heart of this report are two sets of recommendations – one intended for public policy makers and the other for businesses and standards setters.** Both are focused on the urgent goal of climate change mitigation. What we aim to add to this already rich debate is a new perspective on how public and private spheres of action can be drawn together into a 'ratcheting system' of progressive change in which the dynamics of consumer concern is effectively harnessed to drive and support accelerated change. We believe that this is the only way to achieve the goal of avoiding catastrophic climate change.

**The findings and recommendations will be useful for business, civil society organizations, standards setters and policy makers in informing their strategies for mobilizing consumers to achieve their climate change goals.** Although this report draws primarily from US and UK experiences and insights we feel it has relevance in other countries and regions where consumers as citizens need to be part of the global solution to this global problem.

The report was produced by AccountAbility in partnership with Consumers International. Supporters and contributors to the work included:

Co-operative Financial Services



LRQA

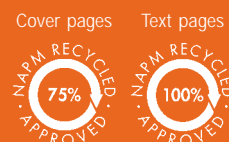


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