THE COMPLEAT FOOD GROUP

IMPACT EATING: THE RISE OF CARBON LABELLING

TOP TAKEAWAYS

It's clear UK consumers want help to make better food choices, not only for their personal wellbeing, but for the health of the planet. The vast majority feel it is important for the food and drink products they buy to have a low carbon footprint, but many struggle with making informed purchasing decisions in this regard due to a lack of understanding and guidance. This is compounded by the limited availability of such products in the market.

On-pack carbon labelling can act as a powerful tool to overcome these barriers, but it needs to be communicated effectively and meaningfully in order to inspire consumer confidence and trust in whatever claims are being made. This will require a joined-up approach from both government and industry – first to drive better public education and engagement on the benefits of low impact eating, and second to ensure that the underlying data and metrics informing carbon labels can withstand scrutiny.

Recent policy signals should go some way to addressing these issues, and the work undertaken so far by the food and drink sector to test consumer appetite for carbon labelling is to be applauded. However, much more needs to be done if low impact eating is to be normalised. Consumers must have greater choice, and access, to lower carbon products to help drive the transformative shift that the industry requires as it transitions towards a decarbonised food system.

By ensuring carbon labelling has greater visibility on everyday food and drink products, companies can tap into unmet consumer demand for low impact eating while maximising profit potential through economies of scale. Companies should also benefit from smarter supply chain collaboration and better data gathering in the process, giving them a valuable competitive edge when it comes to showcasing leadership on net zero and climate action.

CONTENTS

JARGON BUSTER

NET ZERO

Net zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere. To achieve Net Zero, an organisation must reduce its emissions by at least 90%, and offset the residual emissions of up to 10% through only carbon removal.

CARBON

Carbon dioxide or other gaseous carbon compounds released into the atmosphere, associated with climate change, also defined as the total amount of greenhouse gases produced to, directly and indirectly, support human activities, usually expressed in equivalent tons of carbon dioxide (CO_2).

CARBON FOOTPRINT

A carbon footprint is the amount of carbon dioxide released into the atmosphere as a result of the activities of a particular individual, organisation, or community, and is expressed as a weight of CO_2 emissions produced in tonnes.

CARBON NEUTRAL

Carbon neutral means that any carbon dioxide released into the atmosphere from the activities of a corporation is balanced by an equivalent amount being removed; this typically involves investing in carbon offsetting projects. Offsetting carbon emissions, in conjunction with avoidance and reduction, is a crucial step in holistic climate action.

CARBON OFFSETS

A carbon offset broadly refers to a reduction in greenhouse gas emissions – or an increase in carbon storage (e.g., through land restoration or the planting of trees) – that is used to compensate for emissions that occur elsewhere. There is sometimes confusion between the concepts of carbon mitigation and removal with respect to offsets. Carbon mitigation is defined as reducing and stabilising the levels of heat-trapping greenhouse gases in the atmosphere. Meanwhile, carbon removal, also known as negative CO_2 emissions, is a process in which carbon dioxide gas is removed from the atmosphere and sequestered for long periods of time.

SECTION 1:

WHAT ARE CONSUMERS THINKING?

CONSUMER STATS

RESEARCH METHODOLOGY

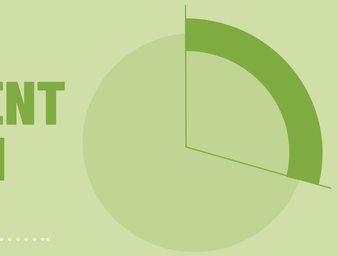
The findings of this white paper were informed by three phases of fieldwork. The first comprised an online survey of 2,000 British consumers (age range 18 to 65+) taken from a nationally representative sample. The second comprised a consumer focus group of 8 people to ascertain more in-depth attitudes based on the key survey themes and outcomes. The third consisted of interviews with 4 industry experts to gather deeper insight on the most relevant findings from the first two phases.

18-34 YEAR OLDS

ARE MORE LIKELY TO BUY PRODUCTS WITH A LOWER CARBON FOOTPRINT OVER OTHER PRODUCTS

73% OF UK CONSUMERS FEEL IT IS IMPORTANT FOR THEIR FOOD AND DRINK PRODUCTS TO HAVE A LOW CARBON FOOTPRINT

SUSTAINABLY-MINDED SHOPPERS NOW REPRESENT 29% OF THE POPULATION



WORTH

£37 BILLION

TO THE BRITISH GROCERY MARKET

52% OF RESPONDENTS WANT TO FIND OUT MORE IN STORE OR ON SHELF OTHER THAN A LABEL

49% OF UK CONSUMERS WANT TO SEE CARBON FOOTPRINT LABELLING ON FOOD AND DRINK PRODUCTS

71% OF UK CONSUMERS HAVE MODERATE TO FULL UNDERSTANDING OF WHAT CARBON NEUTRAL MEANS

61% HAVE MODERATE TO FULL UNDERSTANDING OF WHAT NET ZERO MEANS.

A HIGHER UNDERSTANDING AMONGST A YOUNGER AUDIENCE, VERY LITTLE UNDERSTANDING AMONGST THOSE AGED 55+.

ENDURING TASTES

Over the past decade, there has been sustained public support for low carbon products. Back in 2011, a Carbon Trust study [REF 1] noted that people were increasingly prepared to change their shopping habits to help minimise the carbon footprint associated with their purchases.

Fast forward to 2022 and this sentiment is more prevalent, especially in sectors like food and drink, as people become more attuned to the ease and convenience of 'doing good' through their purchasing choices, such as choosing products with reduced or low waste packaging.

Therefore it shouldn't come as a surprise to learn that the vast majority (73%) of UK consumers feel it is important for their food and drink products to have a low carbon footprint, according to our research. The level of importance being attached to low carbon goods links not only to brand reputation on sustainability, but also to transparency concerns.

A 2020 Carbon Trust survey [REF 2] found that two-thirds of consumers were more likely to think positively about a brand that could demonstrate it had lowered the carbon footprint of its products. Our research supports this, suggesting that low carbon can act as an effective persuader for shoppers when choosing between food and drink products of a similar price point.

This is especially true for younger people. Our research found that those aged 18-34 are more likely to buy products with a lower carbon footprint over other products. In addition, younger people are more likely to choose products that are transparent about their footprint, but this is also the case for the majority of women (64%) and men (58%). Given that the food sector continues to attract a high level of public scrutiny, [REF 3] this transparency issue should not be understated.

It should also be noted that women attach slightly more importance to low carbon food and drink products (77%) than men (69%), according to our research. This may be significant, given that women tend to be the primary [REF 4] food shopper in the majority of households.

73% OF UK CONSUMERS FEEL IT IS IMPORTANT FOR THEIR FOOD AND DRINK PRODUCTS TO HAVE A LOW CARBON FOOTPRINT

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THE COVID FACTOR

The trend for low impact eating appears to have heightened post-pandemic as people consider how their food choices impact the world. A 2021 Mondelez report [REF 6] found that consumers are increasingly becoming more conscious of what they are buying and why, and are making an effort to learn more about the brands or companies they buy from.

HIERARCHY OF UNDERSTANDING

Our research highlights varying degrees of consumer understanding over the terminology used to describe low carbon food and drink. This suggests that, for many, carbon is still a growing concept and the use of the correct language remains highly important for effective engagement.

LOW CARBON FOOTPRINT	While people are most familiar with this term, they are interpreting it in different ways. Some equate it to buying or shopping locally, others to recycling/reusing packaging, being energy efficient or more environmentally friendly.
CARBON NEUTRAL	Some understanding of this term exists, but it remains a confusing concept for people. The word 'neutral' risks being misinterpreted as 'impartial' with one consumer stating: "This isn't a term people get."
NET ZERO	This term remains somewhat alien to people, with hardly any familiarity or understanding of what it is and how it relates to food and drink. A minority believe it may be linked to sustainability messages/targets, thus indicating the phrase is still business-centric and yet to enter public consciousness.

A DISH OF DILEMMAS

Despite this high level of public interest, there are still fundamental barriers preventing people making informed choices around low carbon products.

One of the key obstacles is a lack of understanding – our research found that only one-quarter (25%) of consumers felt they fully understood what the term 'carbon neutral' means, and only one-fifth (20%) felt they fully understood the term 'net zero'.

While the majority of consumers have some moderate understanding of the terminology being used, they are interpreting it in different ways. This suggests on-pack messages relating to carbon considerations will likely remain confusing to shoppers unless they become more enlightened on the issue. A more consistent approach to carbon labelling would be beneficial in this respect, coupled with some form of educational campaigning.

Significantly there is a lack of exemplar low carbon food and drink products in the market with on-pack messaging still largely confined to smaller, niche or luxury brands that often command a premium price tag. This is evidenced by our research: less than one-fifth (18%) of consumers claimed they could name a food and drink brand that is carbon neutral or net zero, yet just 4% went onto actually name a product – some incorrectly. Carbon labelling will need to become more commonplace on staple and affordable food items to ensure wider familiarity and aid better choices.

There are also competing priorities at play. Price, quality, taste and convenience are still king when it comes to food and drink choices. While half (49%) of consumers want to see carbon labelling on products, our research found more appetite for it among women, the middle aged (35-44) and those on higher incomes. As such, the cost of living crisis risks softening demand for low carbon food unless it can be priced competitively with no compromise on consumer palettes. It is imperative that any industry approach to promoting lower carbon products takes account of this.

STEER AND SERVE

It is clear from our research that people want more support from retailers and brands to help them make the right choices when it comes to low carbon food and drink.

Interestingly, within our consumer focus group, no one food or drink company stood out in terms of carbon footprint credentials. This suggests an industry leadership chasm that needs to urgently be addressed.

Our focus group expressed a strong desire to be told what to do to help their lower carbon footprint. One consumer said they would be more inclined to shop at a supermarket if they knew the retailer was taking action on carbon, while another thought supermarkets should be doing more to sell own-label low carbon products. There was also a general consensus among the group that retailers and brands should be working together to drive this agenda forward.

This suggests a strong case for mainstreaming carbon labelling and ensuring it has greater visibility on everyday food and drink products. Companies should look to lead on this, not only through better engagement and education, but by reinforcing their sustainability commitments in ways that are evidence-led. Younger people in particular want food and drink products to be able to demonstrate greater transparency on carbon emissions.

The Government also has a key role to play in raising awareness of the issue. Our focus group felt government-led initiatives such as public communications campaigns could be hugely beneficial in terms of educating people. Such campaigns, if done well, could also help break down any language barriers around the terminology associated with carbon so it resonates more with ordinary people, their lifestyles and values.

On a deeper level, this may also indicate a growing public desire for more regulation, such as mandatory carbon labelling, on food and drink products. This would enable people to make better judgement comparisons between like-for-like products and help increase their level of trust in the companies that make and sell these products. Such an intervention, while not entirely out of the question, is not likely to happen anytime soon given recent policy signals [REF 5].

SECTION 2:

WHAT ACTION IS BEING TAKEN?

FUTURE SCRUTINY

One criticism of carbon labelling is that it lacks a standardised approach. This has led to calls for internationally agreed standards, [REF 17] including the type of data that should be measured to inform a product's carbon score or rating. Global harmonisation may be some way off, but domestically the Government is looking to address the issue through its recent food strategy policy paper [REF 5].

This includes the formation of a Food Data Transparency Partnership, which will provide a framework for developing a set of consistent metrics to measure the environmental sustainability impacts of food, along with health and animal welfare. Ultimately, this will result in a mandatory methodology that must be used by food and drink companies who want to produce eco-labels or make claims about the sustainability of their products.

While the methodology will only apply in England, the Government is seeking to work closely with the devolved administrations and agencies across the UK to encourage its implementation more widely. In tandem with this, reporting requirements for the production and sale of food and drink are set to strengthen in England – this eventually could require large companies to report against a set of sustainability metrics.

Ultimately, the carbon labelling data challenge is set to intensify. As such, carbon labelling providers and the companies that work with them will need to demonstrate greater transparency going forward to ensure their claims remain credible.

SIGNALS AND SHIFTS

In recent years there has been increasing business and political support for carbon labelling on food and drink products.

It's worth noting that previous attempts [REF 7] to mainstream carbon labelling haven't always been successful, but the net zero agenda has re-ignited retailer and brand interest in carbon labelling as a way to achieve climate goal and commitments. According to WRAP, food and drink accounted for around 35% of the UK's total greenhouse gas emissions in 2019 [REF 8]. As companies take their responsibilities in this area more seriously, a growing number are introducing carbon labelling on their products.

The Carbon Trust has been one of the foremost drivers of this momentum through its long-established product carbon footprint labelling scheme. There are now a multitude of carbon labelling schemes that food and drink companies can choose from, but one stand-out development is the government-backed Foundation Earth eco-labelling pilot, which will see front-of-pack environmental scores introduced on various food products. Also of note is IGD's work to create a framework for environmental labelling of food products with virtual reality trials [REF 9] set to take place this summer involving four retailers – Co-op, Morrisons, Sainsbury's and Tesco.

The level of industry appetite for such schemes will be discussed later in this section, but it should be noted that carbon labelling is voluntary and as such, is still a fairly niche activity within the food and drink sector. However, this could change as policy signals intensify.

One example is the Private Members Bill [REF 10] put forward in the House of Commons requiring food manufacturers to label products to indicate the environmental sustainability of their origins. The Bill had its first parliamentary reading in November 2020 and although it hasn't progressed since, it has likely been superseded by the Government's food strategy policy paper, published in June 2022 [REF 5].

This policy paper recognises the need to give people better information about the sustainability credentials of the food they eat, and signals an intention to champion consumer interests on this front by working with industry to improve the data that supports carbon labelling claims in order to prevent 'greenwashing'. While it falls short of making carbon labelling a mandatory requirement, there will almost certainly be new transparency requirements placed on those who wish to engage in carbon labelling going forward.

As the topic attracts greater scrutiny from ministers, it would be prudent for food and drink companies to adopt a leadership position so they can stay ahead of any changes in legislation. Certainly it would be advisable to start tracking supply chains more closely to gather the level of data that will likely be required to underpin future activity in this space.

THE LABELLING LANDSCAPE

As carbon labelling schemes continue to develop, companies should find they have more choice in how to communicate their product footprint credentials to consumers.

The market does require some navigation however, due to the different calculation methodologies and scoring systems used by the providers of these schemes. The prospect of a mandatory methodology is on the horizon – at least in England.

Within the food and drink sector, our research identified 10 schemes that are making an impact: Carbon Trust; My Emissions; Foundation Earth; Carbon Cloud; Bx Earth; Sustained; Impact Score; Food Steps; Provenance; and IGD. Each has varying degrees of take-up from brands and retailers, but it should be noted that just three – Carbon Trust, Foundation Earth and IGD – have government endorsement or support.

While some score only on carbon, others rate additional environmental indicators like water/land use, soil pollution, and climate impact. It would appear the landscape is a varied one and some companies are choosing to work with more than one carbon labelling provider or initiative.

Carbon labelling is still very much coming of age, but a few brands are making good headway, especially with how they communicate on-pack. Quorn, Oatly and Brewdog are among the stand out examples. Brand action could start to gain traction quickly as food giants like Unilever [REF 11] signal their intention to communicate the carbon footprint of every product they sell.

Conversely, retailers are lagging behind. Only two appear to taking any notable action – Lidl is trialling own-brand carbon/eco labelling across its stores in Scotland [REF 12] while Tesco has partnered with WWF to halve the environmental impact of the average UK shopping basket using a sustainable basket metric [REF 13]. Elsewhere there are isolated pockets of progress. Examples include Waitrose [REF 14] introducing a new line of carbon neutral potatoes and Morrisons launching own-brand carbon neutral eggs [REF 15].

On a wider level, retailers are working hard to decarbonise their businesses and supply chains. Aldi states it has been carbon neutral across its UK and Ireland operations since 2019, [REF 16] while others are homing in on net zero commitments, some with set targets. Most, if not all, of the leading supermarket chains are also working with one or more of the nine carbon labelling schemes mentioned in this report.

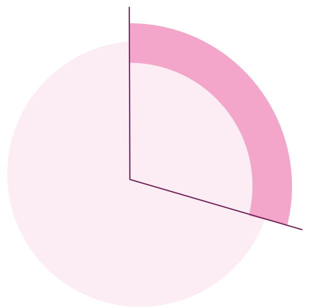
Of these, Foundation Earth has the highest level of uptake and support. This is perhaps not surprising given the attention around its eco-labelling pilot, which will be testing how consumers respond to front-of-pack environmental scores on their food products. Should the pilot be a success, it would be reasonable to expect both retailer and brand activity in this space to amplify.

TIME TO TAP INTO DEMAND

Low carbon products can offer good profitability potential, especially if marketed well. Kantar points to the rise of the Eco Actives – sustainably-minded shoppers – who now represent 29% of the population and are worth £37 billion to the British grocery market [REF 18]. Brands that win with Eco Actives typically have multiple sustainable features, from tackling plastic waste and deforestation to taking action on climate and biodiversity, which makes on-pack messaging key. Certainly, focusing on just one environmental touchpoint like packaging is no longer enough.

Kantar has also identified a value-action gap – people who would like to shop sustainably, but can't – either because environmentally-friendly products are harder to find or too expensive. The gap accounts for 34% of the UK population and is worth £44 billion to the fast moving consumer goods industry. Ultimately, it represents a substantial unmet demand and strongly suggests that if shoppers have more options to purchase sustainably, they will. In turn, this could lead to broader market demand for carbon labelling going forward.

SUSTAINABLY-MINDED SHOPPERS NOW REPRESENT 29% OF THE POPULATION



WORTH **£37 BILLION** TO THE BRITISH GROCERY MARKET

MIXED MESSAGES

Brands who are advancing with carbon labelling are choosing to communicate their work in various ways, both on-pack and off-pack.

As a general rule, more complex messaging is being promoted off-pack through corporate websites or other platforms such as media releases, QR codes and apps. This includes product carbon footprint calculations and statistical data relating to wider climate and environmental impacts such as energy, water, and packaging.

Some brands are also choosing to present this information as a form of storytelling to give some wider context around the product's – or company's – sustainability journey. While this is a useful approach and will likely engage those consumers who actively seek out such information, our research suggests they are in the minority. Among our focus group, there was little to no interest in off-pack messaging, especially on company websites, which is where most off-pack communication is being presented.

Rather, there was an expectation that carbon messages should be communicated on-pack with some acknowledgement that additional in-store promotion, whether point-of-sale or on-shelf, might help when comparing similar products. While apps and QR codes had some appeal for our focus group, particularly younger people, the general view was that incentives would be needed to encourage their use.

While on-pack messaging remains the key touchpoint for consumer engagement and behaviour change, it should continue to be supported with off-pack communication to ensure maximum reach and engagement. It's clear from our research that consumers don't always understand the language which is used by brands and retailers, especially around carbon, so it will be vitally important to ensure any messaging is clear, simple and visually engaging – especially given that consumers often make split-second purchasing choices.

For example, a footprint symbol – while easy to understand and relate to – may confuse people, unless it is colour-coded (similar to the traffic light cues seen with nutrition labelling). Data depicting emission quantities and/or savings may also overwhelm or disengage unless it is easily relatable and helps people realise that their purchasing power can help them lead a lower carbon lifestyle.

Given there is currently no standardised messaging around product carbon footprint due to the different schemes brands and retailers are working with, this could present a challenge for the food and drink sector. Until there is greater harmonisation of the metrics and calculation methodologies being used, on-pack information will likely be communicated differently, and with varying degrees of clarity for consumers.

SECTION 3:

WHAT NEXT FOR CARBON LABELLING?

WHAT NEXT?

Work on carbon labelling is still at a relatively early stage, but moving at pace. As such, it remains difficult to predict how activity in this space will evolve.

Much hinges on future signals and outcomes that have yet to transpire. These include the success of current industry trials, forthcoming regulation/policy intervention, and the possibility of greater harmonisation, or a broadening, of labelling metrics.

That said, our research identified the following six key considerations that should be kept front of mind for brands and retailers. Each consideration has been informed by both consumer and industry expert feedback.

FIND THE CARBON 'CALORIE' FACTOR

Carbon needs to become more relevant to consumer values and lifestyles so that it resonates in a way that other on-pack nutritional and health information does.

KEEP IT HUMAN

Communication on carbon labelling must be kept simple and relatable.

BREAK OUT OF THE NICHE

Carbon labelling will need to mainstream to help normalise the everyday purchase of low carbon food and drink products.

CONNECT THE DOTS

Consumer buy-in of low carbon food and drink products needs to be strengthened so that people fully understand the importance of choosing such products over those with a higher footprint.

BUILD IN TRUST

Any labelling claim needs to be trustworthy, a point strongly emphasised by our experts.

LOOK BEYOND

Carbon labelling shouldn't stop with the consumer, it needs to be integrated into wider net zero thinking to enable more rapid decarbonisation of food and drink value chains.

FIND THE 'CARBON CALORIE' FACTOR

Carbon needs to become more relevant to consumer values and lifestyles so that it resonates in a way that other on-pack nutritional and health information does.

Finding that 'carbon calorie' factor starts with government and industry-led education to increase public understanding of the issue, and then to nudge behaviour to influence better food choices.

WRAP's Love Food Hate Waste campaign has been highly successful in engaging people to take action on food waste through simple, practical steps [REF 19]. There are undoubtedly learnings here that could be applied to carbon, but given carbon isn't as tangible as waste, there will need to be an element of creative campaigning to ensure it hits home.

This could involve linking messages around reducing personal carbon footprint to 'living better' or creating small, but positive, impacts that make a difference, similar to reducing use of single-use plastics or litter picking. Key to this will be ensuring that consumers understand the level of purchasing power they have to not only reduce their own footprints, but to influence wider change within the food system.

It should be emphasised that this educational piece needs to go hand in hand with ensuring wider availability of low carbon food and drink products. There was a general consensus among our experts that the consumer want for low impact products is there, but they need to be guided and given plentiful options to make such purchasing decisions.

KEEP IT HUMAN

Communication on carbon labelling must be kept simple and relatable.

It's important to consider the use of visual symbols such as a 'footprint' or 'cloud' – generally our consumer focus group not only engaged better with these tools, but demonstrated greater understanding of the messages being conveyed. That said, these visual tools may easily confuse if they are not carefully aligned with other considerations such as colour-coding, language and data.

None of the limited carbon labelling examples currently in the market ticked every box for our focus group in terms of being clear and understandable. Clearly more work needs to be done by the industry to improve how carbon footprint messages are being communicated. The trials being undertaken by Foundation Earth and IGD mentioned in the previous section should help inform this work, as both are looking to gauge consumer understanding and engagement around eco-labelling of food and drink products.

Our research does suggest, however, that use of a traffic light rating system may be a good starting point given consumer familiarity with its use on health-related labels. Certainly this approach was deemed most popular with our focus group. Colour-coded footprint symbols – red, amber and green – may work best especially if communicated without quantity data as our focus group felt these figures were somewhat meaningless to them.

Going forward, there is also the potential for carbon to become a powerful differentiator. One expert felt that consumers place a lot of trust in language claims on nutrition labelling such as 'high fibre' or 'zero sugar' as these demonstrate not only a unique selling point (USP), but also a direct purchase benefit. Exploring whether this approach could work for carbon labelling is likely to be beneficial as it will help people realise that buying these products can help them lead a low impact lifestyle.

BREAK OUT OF THE NICHE

Carbon labelling will need to mainstream to help normalise the everyday purchase of low carbon food and drink products.

Key to this is making sure such products are both accessible and affordable for people and as such, there should be a focus on ensuring carbon labelling extends beyond premium or niche brands and lines. One expert echoed this by stating: "We need to give consumers the right tools to be able to make different choices, informed choices, but at the same time we need to put better choices in front of them."

The ability to scale up carbon labelling hinges on a number of factors, but our research indicates that more end-to-end supply chain collaboration is needed in order for food and drink companies to track and gather better data, and refine their thinking in regard to what metrics should be applied and communicated against.

The launch of the Food Data Transparency Partnership – outlined in the Government's food strategy policy paper – should help with this, but it may also require a systems-led approach to ensure products across the board perform better environmentally. As one expert noted, labelling in isolation may not be enough to stimulate long-term consumer behaviour change when it comes to making low carbon choices.

It was also generally felt by our experts that consumers and farmers shouldn't have to bear the cost of carbon labelling, rather that brands and retailers should shoulder the burden of investment and view it as a value creator. While our research suggests some consumers may be willing to pay a small price premium for a low carbon products, cost of living pressures can easily dampen such intention. As such, competitive price points need to remain front of mind.

"WE NEED TO GIVE CONSUMERS THE RIGHT TOOLS TO BE ABLE TO MAKE DIFFERENT CHOICES, INFORMED CHOICES, BUT AT THE SAME TIME WE NEED TO PUT BETTER CHOICES IN FRONT OF THEM."

CONNECT THE DOTS

Consumer buy-in of low carbon food and drink products needs to be strengthened so that people fully understand the importance of choosing such products over those with a higher footprint.

A greater appreciation of the role that carbon plays within the broader sustainability spectrum could help foster that buy-in.

Brands and retailers should consider dovetailing carbon labelling messages with other sustainability touchpoints that consumers are already well tuned into, such as less food/air miles (locally sourced) and reduced packaging. Certainly within our consumer focus group, there was strong appetite for buying more seasonal and locally sourced products, and an equation of buying 'British' with less food miles.

When asked what should be expected of retailers in terms of addressing carbon footprint issues, our focus group not only pointed to the stocking of locally grown seasonal produce, but also felt that these products should support local food producers. This suggests that trade-offs won't be tolerated, and that low carbon claims must go hand-in-hand with good practice if they are to be trusted. This was echoed by one of our experts who emphasised that consumers "want the whole story, not half truths."

Long-term, this approach may support the argument for integrating carbon into a broader eco-label. Ranking a product's performance across several indicators such as carbon, land use, pollution, fair wages, animal welfare and biodiversity would provide that 'big picture' narrative for consumers, and give a fuller back-story that demonstrates the interconnected nature of the food system.

BUILD IN TRUST

Any labelling claim needs to be trustworthy, a point strongly emphasised by our experts.

This is already driving a need for more robust data within the supply chain to help validate what particular metrics and scoring systems are used. As one expert put it: "Bad data will lead to bad labelling." Beyond that, it should be recognised that as sustainability data and science changes, any labelling claims will need to be regularly reviewed – perhaps on an annual basis – to ensure they remain accurate.

As mentioned previously, this data challenge could intensify should carbon labelling widen to encompass other sustainability metrics. Determining how best to weight multiple metrics against each other, for example, may prove tricky. In addition, if a broader approach is taken (i.e. eco-labelling), there will likely be a need for greater consistency to ensure that the environmental performance of food and drink is both measured and communicated clearly along the value chain, and ultimately, to consumers.

Generally, our experts felt that more harmonisation was needed within the industry to foster public confidence and trust. The adoption of a common labelling system – perhaps through the government-led Food Data Transparency Partnership – could create a more level playing field for food and drink companies to benchmark and compete. This would also help to standardise on-pack messaging so better judgement comparisons can be made between like-for-like products.

“BAD DATA WILL LEAD TO BAD LABELLING”

LOOK BEYOND

Carbon labelling shouldn't stop with the consumer, it needs to be integrated into wider net zero thinking to enable more rapid decarbonisation of food and drink value chains.

Relying on consumers alone to drive the level of change required is unlikely to work – the general consensus among our experts was that more system/market push mechanisms are needed, not only to initiate the production of low carbon products in anticipation of future demand, but to drive more transformative change within the industry itself.

The type of data required to inform a carbon label will be helpful in this respect as it relies on smarter supply chain collaboration and end-to-end impact mapping, from farm to fork. As work in this space matures, carbon labelling should help accelerate this process, giving food and drink companies the confidence to promote net zero credentials across their product portfolios.

Ultimately, it may be useful to regard carbon labelling as a necessary stepping stone to not only scale, but democratise low impact eating so that it becomes second nature to people. As one expert succinctly put it: "Either give consumers lots of information, or give them nothing by taking the responsibility away from them and ensuring they're contributing to a new food system by default."

"EITHER GIVE CONSUMERS LOTS OF INFORMATION, OR GIVE THEM NOTHING BY TAKING THE RESPONSIBILITY AWAY FROM THEM AND ENSURING THEY'RE CONTRIBUTING TO A NEW FOOD SYSTEM BY DEFAULT."

SECTION 4:

CHECKLIST FOR ACTION

It's clear from our research that carbon labelling has the potential to be a powerful lever in driving consumer behaviour change when it comes to making better food choices. These choices, in turn, can help accelerate sustainable business practice within the food system and commercially benefit those companies who are leading the way, ultimately creating a positive, self-perpetuating supply-demand situation. As work in this field continues to develop, the following recommendations should be taken on board to ensure that any outcomes prove effective.

ENGAGE

Consumer understanding of carbon remains low. Government and industry must work together to educate and engage the public both meaningfully and creatively on the issue, ensuring any communication cuts through political rhetoric or industry jargon.

GUIDE

On-pack messaging remains the number one touchpoint for that all-important purchasing decision. Companies must simplify that purchasing decision by making it easy for consumers to swiftly gather trustworthy information and weigh up their options with confidence.

SCALE

Companies need to examine how they can normalise low carbon food and drink so it becomes an everyday staple, not an occasional luxury. This means offering more choice, and building greater affordability into these products to cater for every household budget.

VALIDATE

Carbon claims are set to come under greater scrutiny going forward. Companies must work with their suppliers to gather not only better quality data, but broader sustainability data, as both will likely be demanded as carbon labelling schemes evolve.

LEAD

Without policy or regulatory intervention, carbon labelling will lack teeth. Measures outlined in the Government's food strategy policy paper to drive consistency and transparency are a step in the right direction, but will need to go further to ensure wider industry adoption and mainstreaming.

TRANSFORM

Companies must leverage the power of carbon labelling to decarbonise both the production and consumption of food and drink. This means integrating it into broader net zero strategies and tool kits where it can have an even bigger impact.

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We consulted with a range of industry experts from brand, retailer and technology companies.

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