

# The age of the eco-label

More products now carry labels with environmental information, such as their carbon footprint. Eco-labeling could become an important factor for retailers and their suppliers as sustainability now greatly influences consumer purchasing behavior. But what kind of information should they communicate and how? **Corinne Picard** of Groupe Casino shares her opinion with PCI.

**A**mong the large retailers taking the lead on sustainability, there is greater interest than ever before in putting environmental data on a product label. Known as eco-labelling, it is based on the premise that consumers increasingly let this data determine their purchasing decisions. This will prompt many questions, so retailers are keen to understand what information customers want, and what form of presentation best suits them.

The data is often generated by retailers' efforts to understand their business' impact on the environment.

'Our group sells half of its products under our own brand, so that brand has a big impact on the market. So, we decided to work on measuring the carbon footprint of our own products and that has helped us to make some big changes, especially on the reduction of packaging materials,' says Corinne Picard, packaging environmental manager for Groupe Casino.

Groupe Casino is one of the largest food retail groups in France, where its brands Géant, Casino Supermarché, Casino Cafétéria, Monoprix and Franprix are well known. With over 100,000 stores around the world it has a strong enough presence to lead the market on environmental issues such as sustainability. It is certainly France's best known retailer of own-brand products, which accounts for around half of its total sales.

Given the high profile of its own brand products, Groupe Casino's efforts to monitor, measure and publish data on their environmental impact is a big step forward in making sustainability a more prominent issue in the minds of consumers.

## CALCULATING THE CCI

The CCI is calculated according to the emission of greenhouse gases generated by a product throughout the main stages of its life cycle. These include:

- stages in production/raw materials for agricultural products and foodstuffs
- manufacturing of the final product
- transporting the products from the field to the Casino warehouses
- packaging processes from the extraction of raw materials through to recycling
- distribution from Casino warehouses to its stores and then to the consumer's home.



## THE CASINO CARBON INDEX

A growing number of its products now feature the Casino Carbon Index (CCI), which is the first complete environmental labeling system in France. Products with these eco-labels feature a green leaf symbol on the front of the packaging, along with a figure indicating the quantity of greenhouse gases emitted per 100g of product. Further details appear on the rear of the packaging, where the CCI is shown as a green band with the relative position of the product indicated on a graduated scale.

There is also information on recyclability. On the back of the packaging appears a two-part diagram encouraging consumers to sort packaging correctly and maximise recycling rates.

Groupe Casino aims to better inform its customers to



encourage the company to act in a more sustainable manner. Eco-labelling, therefore, is not only about the efforts retailers and product manufacturers are making to create more sustainable products, but also a tool to increase awareness and change consumer behaviour.

This change is not being forced on consumers, but comes in the form of clear, relevant information they can base their own patterns of consumption on if they choose. The loop is completed when the retailer can assess the effect of an eco-label's impact on purchasing decisions, as it can then work with its suppliers to improve the environmental qualities of their products.

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of different sizes. The smaller the pack the higher the environmental impact, so larger packs may well become more popular if consumers are responding to the information on an eco-label. Groupe Casino already has some evidence that this is happening.

'We will see. For now, we only have one hundred products in the shops that have the CCI on them. This is not about greenwashing, but about real work with suppliers. We want to motivate them to find new ways to produce their products using less energy and transport, and that will be easier when the index is on more of our products,' Picard adds.

#### **COST VERSUS CARBON INDEX**

So far, it is believed that eco-labelling has relatively little direct impact on consumers' choices at the shelf, not least because global economic conditions have deteriorated and price has become even more dominant as the prime determinant of purchasing behaviour. In the long term, however, consumers' decisions are expected to become more sensitive to environmental issues.

'Today, it is too early for the mass population to change its purchasing decisions because of environmental issues, but there are some customers who want to know. We are in the process of collecting sales data to see if people do change their consumption patterns because of the information we are putting on our products,' comments Picard.

One method of analysis will look at products sold in packages

#### **THE ACCURACY OF THE CCI**

The value of the index is closely correlated to the accuracy in its calculation. Measuring the carbon footprint of a product is not straightforward, given that there are often factors that must be averaged or estimated. Some data sources are relatively opaque, so the precise location of manufacture in China, for instance, may not be known, which means transport distances will contain some averages.

Picard believes, however, that the CCI makes use of the best data available, and stresses that it encompasses all stages of the product life cycle from production to packaging [see box].

'We don't just look at packaging, which has a big impact on the environment, we look at a product's manufacturing process


and the transportation of all the parts and the product, as well as the agriculture that goes into growing food products and providing raw materials,' she says.

She has good reason to be confident in the index and the effect it could have on Groupe Casino's approach to sustainability. It has already led to tangible benefits [see boxout]. In the few months following the launch of the index in June last year, the company had saved the equivalent of 22 tons of CO2 on products bearing the eco-label. It has also made software available to its suppliers which enables them to calculate the Carbon Index for their production choices and the purchase of raw materials.

**CASINO SALMON CUBES**

By changing packaging and transport methods the carbon index of Casino salmon cubes has been reduced from 940g to 880g of CO<sub>2</sub>, having taken into account the different impact according to the location of the supplier.

Location of supplier/mode of transport	CO <sub>2</sub> per can
France - truck only	225g
India - ship and truck	235g
Europe (Ukraine) - truck only	305g



**PRE-EMPTING THE REGULATORY IMPERATIVE**

It is vital that customers and suppliers have faith in measures of sustainability like the CCI if they are to change the way they make and consume products. There is certainly plenty of enthusiasm in both camps. Product manufacturers and retailers are eager to find the right metrics to establish where they are on the scale of sustainability, partly for competitive reasons, but also because they know that the future is likely to bring regulations that impose stricter standards on environmental

performance.

In France, there has been great interest in the Grenelle Environment Forum, which has set out a series of ambitious targets for the country's drive for sustainability [see box]. In the next two years Grenelle will define the parameters that business must meet, and Groupe Casino has seen an opportunity to help its suppliers prepare for and, ultimately, meet these standards by providing software that gives its partners in the supply chain information on transport, packaging and other factors affecting sustainability.

'Grenelle may ask for information on more than carbon, perhaps looking at water as well, but carbon is the first step. In the future we will certainly be putting the Carbon Index on more products. By the end of this year we hope it will be on two or three times as many as now, which will show consumers what we are doing for the environment, but more importantly will help reduce the carbon footprint of those products,'

explains Picard.

Initiatives like the Carbon Index will certainly help industry move towards a greater clarity and common standards that will be attainable if there is sufficient co-operation between retailers and their suppliers, and enough interest among consumers in reacting to the sustainable criteria of a product when making purchasing decisions.

There will be many challenges on the road to greater sustainability, but eco-labelling has the potential to stimulate change. Retailers cannot act alone, but they can use their influence to motivate suppliers and consumers. They need their partners in the supply chain to be fully committed to the sharing of information and the practical steps needed to reduce the environmental impact of their business.

'It is not easy, but it is possible to find a lot of carbon dioxide that we can economise on. It is good for us to have the participation of all suppliers, and we all want to develop better products. Many suppliers consider sustainability to be a way of showing that they are better than their competitors, so we use our software to see if their results are better or worse than those competitors,' says Picard.

As more big retailers take the lead it is likely that the concept of eco-labels will become more familiar to all of us as consumers. Whether we are ready to respond to the information they provide, only time will tell. **pci**

**THE SIX WORKING GROUPS OF THE GRENELLE ENVIRONMENT FORUM**

1. Fight climate change and control energy demand
2. Preserve biodiversity and natural resources
3. Create an environment conducive to health
4. Adopt sustainable modes of production and consumption
5. Construct a green democracy
6. Promote green development favouring employment and competitiveness

**Intergroup workshops:**

- Genetically modified organisms (GMO)
- Waste



**Corinne Picard**

After earning her packaging engineer diploma in 2005, Carinne Picard joined Groupe Casino, where she is in charge of eco-design packaging and carbon index labelling.



**CORINNE PICARD, PACKAGING ENVIRONMENTAL MANAGER**