Climate Neutral Product

*The term **climate neutrality** means living in a way that produces no net greenhouse gas (GHG) emissions. This should be achieved by reducing your own GHG emissions as much as possible, and using carbon offsets to neutralize the remaining emissions.*

(Kick the Habit, A UN guide to climate neutrality, UNEP, 2008)

SUMMARY

A climate neutral product, according to South Pole Group's (SPG) criteria, is a product or service whose entire climate impact has been accounted for and offset through a calculation of its GHG emission footprint and purchase of emission reduction projects.

For a product to claim climate neutrality through SPG's climate neutral label, the following criteria should be met[1].

1. Quantify the product's life cycle greenhouse gas (GHG) emissions covering the gases mentioned in the Kyoto protocol, e.g. carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

2. Perform efforts to reduce the product's GHG emissions over the entire product life cycle.

3. Offset the direct and indirect GHG emissions generated over the entire product life cycle.

4. Communicate the product's climate neutrality.

CRITERIA

1. Greenhouse Gas Inventory

The GHG emission quantification should follow the Greenhouse Gas Protocol: Product Life Cycle Accounting and Reporting Standard, published by the World Resources

[1] The criteria are described further in the following pages.

Institute (Washington DC, USA) and World Business Council for Sustainable Development (Geneva, Switzerland).

1.1 Boundary Setting

1.1.1 Functional unit and system boundary

The GHG inventory is conducted over a functional unit. The functional unit provides the basis for the footprints inputs and outputs. A functional unit can be the amount, volume or corresponding unit defining the function of the product e.g. one (1) serving of a meal, one (1) kWh of electricity or one (1) bicycle.

1.1.2 System boundary

The GHG inventory is conducted from a life cycle perspective. The system boundary should be either cradle-to-gate or cradle-to-grave. The climate impact of the product is calculated through direct and indirect emissions of greenhouse gases from the production of the product, e.g. the climate impact from the extraction of raw material, energy use, material use and transports etc.

The reporting organisation should describe its boundary setting e.g. explain why certain emission sources have been excluded from the footprint.

1.2 Quality

The emissions from processes not controlled by the reporting organisation e.g. the extraction of raw material or supplier emissions may be reasonably estimated. Emissions from processes controlled by the reporting organisation e.g. transports and in-house production should be as exact as possible.

All methods, assumptions and approximations should be accounted for. If possible, the quality of the footprint should improve per reporting period.

The carbon footprint should follow the GHG Protocol's principles of:

- Relevance
- Completeness
- Consistency
- Transparency
- Accuracy

1.3 Time Period

The GHG inventory has to be calculated for the entire product's life cycle. The time period is dependent on the use and end-of-life stages of the selected product. The definition of the inventory's time period has to follow the GHG Protocol guidance.

1.4 Client Responsibility

The client is responsible for ensuring that all material emissions are included in the accounting[2].

1.5 Reporting and Auditing

The client is responsible for presenting the product inventory in a report. It should clearly state the date of the inventory. It should also follow the general disclosure requirements described in the GHG Protocol reporting requirements for general information & scope, boundary setting and inventory results.

The report should include:

a) All emissions included in the inventory.
b) Explanations concerning calculations, estimations, methodologies, boundary settings and emission factors.
c) Suggestions of measures to reduce the product's climate impact.

If the client has conducted their GHG inventory independently or through a third party SPG will audit the inventory and accompanying report to certify that it complies with the above criteria. The audit will include a review of documentation (e.g. receipts, bills, email confirmations from providers, property managers etc.) that contains information about actual usage data.

2. Reducing emissions

Measures should be identified and implemented to reduce the product's significant sources of GHG emissions. SPG will review the list of identified measures and the implementation efforts[3].

3. Offsetting

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[2] If requested, SPG can assist the client with the carbon footprinting calculations. SPG can provide calculation tools, emission factors and advice concerning boundary settings.

[3] If requested, SPG can provide the reporting organisation with suggested measures.

The product's total direct emissions and indirect emissions should be offset in order to achieve climate neutrality. This should be done by purchasing credits from third party verified emission reduction projects that are in accordance with high quality standards, such as the Gold Standard, Verified Carbon Standard and/or the Climate Community & Biodiversity Standard.

4. Communication

A product can claim the status of climate neutral for a specified production cycle (e.g. 1000 units) or a period of sales (e.g. number of products sold during one calendar year) as agreed upon with SPG.

The product's status as climate neutral can be used in external communication efforts. Participants are awarded the climate neutral product logo and a certificate displaying the product's status as climate neutral issued by SPG.

The participating organization is responsible for ensuring that the use of the logo complies with SPG's criteria. To use the logo, a summary of the GHG accounting, including a description of the boundary setting and information concerning the emissions offset and the offsetting project, should be made publically available to relevant stakeholders.

5. Other

A product counteracting a sustainable development can be denied the climate neutral product label.