

## The label „approved by climatop“

**Climatop** labels products which are more climate-friendly in comparison with comparable products. If a product is being labeled with the label „approved by climatop“, the climate friendliness of the product is being signaled which encourages and facilitates a climate-friendly buying behavior of the consumer. This has a positive impact on the environment as well as for the company.



Nowadays, the society – whether it be companies, consumers or other stakeholders – demands for environmental impacts to be made transparent. Sustainability is an ubiquitous topic and scarcely any company refrains from having some sort of sustainability management. One resulting consequence can be the search for an instrument which makes it possible to show the realized ambitions in terms of sustainability on the product itself. The label „approved by climatop“ can be a possible and effective instrument with the following advantages:

- The label represents an instrument for an independent verification of the carbon footprint of products and services, based on ISO standards. A company can verify and communicate the credibility of its efforts in terms of sustainability.
- With regard to the B2B market, climatop attempts an improvement of companies with the „best in class“ approach. The analyses which are necessary to be rewarded with the label can show where the efficiency in the supply chain can be advanced.
- The label allows to stand out from competitors with regard to sustainability efforts.

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## Award Criteria and Usage Criteria

The carbon label «approved by climatop» labels climate friendly products. A product or a service approved with this carbon label has to cause clearly lower CO2 emissions during its life cycle compared to relevant products or services of the same category. The award criteria are based on the following requirements:

1. The labelled products have **significantly** lower CO2 emissions compared to their relevant group of substitutes.
2. The award of the label is based on a comprehensive life cycle assessment (LCA) according to internationally recognized methods.
3. The LCA calculations are verified by an independent, external **inspection body**.
4. The overall environmental effect or the individual **environmental effects** shall not be worse.
5. The fundamental **social criteria** are complied.
6. The award of the label is **not exclusive**.
7. The label is valid for two years. After that, the validity has to be extended.

### The Low Labeling Rate:

Due to the approach of significant differences, *climatop* labels only 10% - 15% of all calculated products. The reason for this is that nowadays a lot of products are produced in a similar manner. Consequently, the LCA calculations show no significant differences.

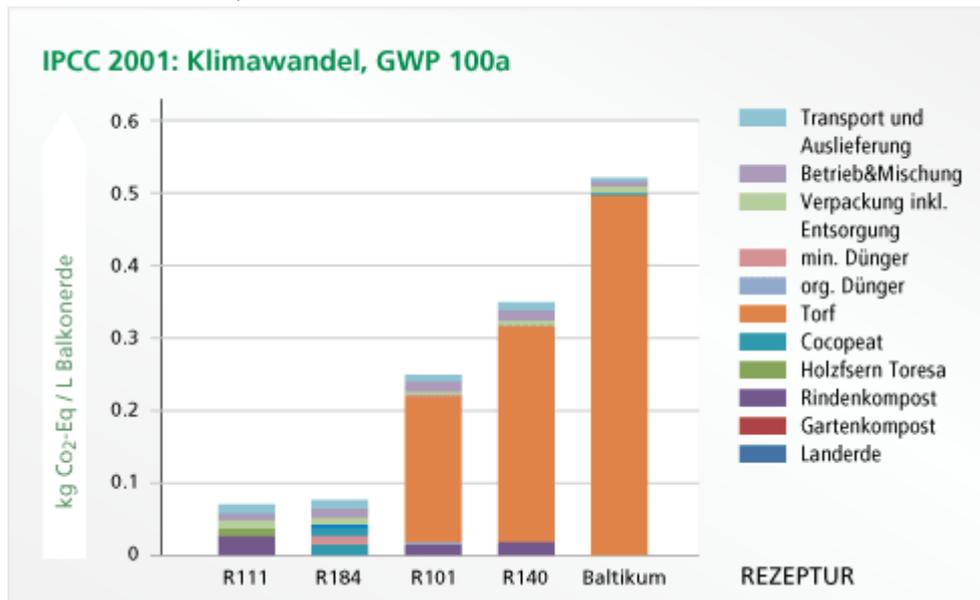
Products, which are labelled by *climatop*, are different. The producers changed these products on purpose in order to save energy and material while maintaining the same function. We call these products "intelligent, climate friendly products" since the company made an effort to improve the products to reach a lower environmental impact.

# Significantly Lower CO2 Emissions as the Products of a Relevant Peer Group

A product has significantly lower CO2 emissions if the uncertainty bars of the lowest-emission product do not cross the one of the next lower CO2 emission level.

The following points have to be especially mentioned:

- a) The best products, which emit significantly fewer CO2, are labelled. It is possible to label several CO2-Champions.



- b) There is no absolute value for a certification. It is not accurate to say that all products which emit less than x% CO2e compared with a peer group can be labelled. The reason for this lies in the variety and lack of uniformity of the consumption goods. For example, results of agricultural goods are burdened with exceptionally large uncertainties due to the difficult measurability of the production methods (fertiliser, irrigation, revenues per ha, ...) and the huge number of different producers. However, it is easier to measure goods fabricated out of few uniform and not changing parts, like pumps. In this case, the uncertainty is rather low due to the high data quality.

## Relevant Peer Group

In order to make a precise and explicit statement on the outcome of a product **"compared with a relevant peer group"**, the framework conditions for the comparison or the functionality of the product have to be defined. One cannot compare bananas and carrots. One of them is a tropical fruit, the other a vegetable. Articles which do not substitute each other from the perspective of the customers.

In collaboration with the producers, products with the same functionality are chosen for the comparison. Additionally, previously calculated products with the same functional unit can be used from scientific literature or the ecoinvent database.

## Internationally Recognised Methods

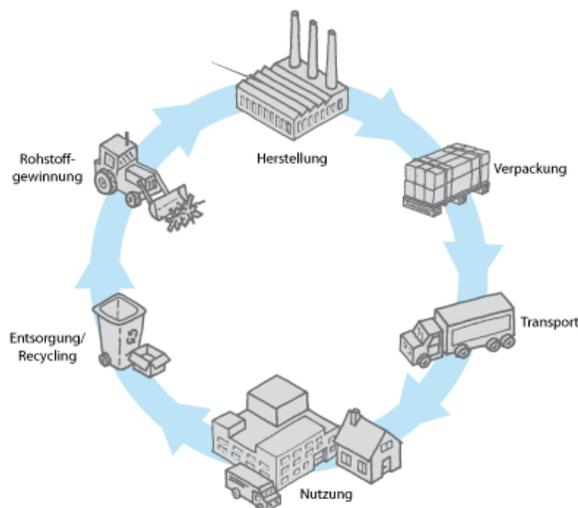
For the awarding of the label, **climatop** needs a complete life cycle assessment (LCA) of all products of a peer group. The LCA is calculated by an independent, accredited LCA Technical Centre according to **climatop** guidelines or is handed in by the applicant. In the latter case, **climatop** checks in advance whether the LCA conforms to the requirements or whether an additional calculation is necessary.

### International Norm

The LCAs which are calculated for **climatop** conform to international standards. The calculations of **climatop** LCAs are guided by the GHG protocol and are completed according to ISO 14040.

### Anforderungen an CO<sub>2</sub>- und Ökobilanz

A CO<sub>2</sub> balance as needed from **climatop** is a „Cradle to Grave“ balance. Thus, a CO<sub>2</sub> balance representing the total life cycle of a product - from the winning of the raw materials, to the fabrication, the transport, the packaging, the utilisation phase and up to the disposal of the product. Not only CO<sub>2</sub> emissions, but also other environmental parameters have to be considered for the award of the label. A total LCA is demanded to ensure that there are no relevant environmental parameters which are worse than one of a comparable product.



Life Cycle of a Product

An eco-balance is comparable to an accountancy. First, all parameters of the product are collected in the form of an "inventory" analysis. Then, the impacts are estimated. The data are sorted, calculated and rated corresponding to their environmental impact. Besides results for CO<sub>2</sub> emissions, one also receives results regarding overfertilisation, soil acidification, toxicity, loss of biodiversity and water consumption.

### Functional Unit

In order to be able to establish a statement about whether a product performs better compared to the relevant peer group, a functional unit has to be defined. A functional unit is a unit to which the results of the LCAs and therefore, the CO<sub>2</sub> emissions are related.

### System Boundary

A system boundary or an investigations scope defines which factors of an eco-balance has to be considered and which not. It is defined to which extend the product is examined and which processes lie within or outside the boundry. Depending on how the boundaries are drawn, different results can be obtained.

It is important that the system boundaries are set equally within the same peer group. For example, during fabrication, often byproducts are produced which are used in alternative processes (outside the system boundaries). In this case allocations (assignment rules) are applied. Environmental impacts, which are caused by a certain production process, are split and charged proportionately to the corresponding LCA of the product. Allocations are determined by the economic value of a product (price) or are based on physical properties, for example quantity and calorific value.

## Data

Data for the calculation of LCA are built upon primary and secondary data. Primary data are collected with the producer and are impeccably exact and product specific. Other data like transport and electricity-based emissions are calculated on the basis of secondary data. It is not possible and not reasonable trying to calculate emissions of an individual truck. This procedure is too complex. The data are taken from the ecoinvent database.

To compare products of a certain peer group, specific data concerning the corresponding product are needed from the various producers. These data are provided by the client or are taken from the ecoinvent database.

For the quality label, climatop makes sure that all reviewed products are always beyond the market average.

## Sensitivity Analysis

To confirm the results, a sensitivity analysis is carried out which reviews the calculations from a different perspective. Often the market average from studies, scientific data or a specific data scenario is used. Then, these results are compared with the results of the LCA.

# Independency

The independence of *climatop*'s labelling is warranted by the following conditions:

- myclimate as the brand owner of *climatop* is a non-profit organization.
- the *climatop* quality label is not exclusive. It can be given to several companies at the same time. Therefore, there are no dependencies to any particular companies.
- Already calculated LCAs are also being accepted, as long as it corresponds to the guidelines of *climatop*.
- Reviews of independent third parties are constantly obtained.

## climatop includes sustainability criteria

The focus of *climatop*'s award labelling lies on the climate-friendliness. However, social and environmental criteria are also included in the decision-making process. It is important that only products, which adopt the social and environmental criteria, are certified with the *climatop* label. Moreover, *climatop* has defined criteria for exclusion and thus, for example, no weapons or health-damaging substances like tobacco are labelled.

## Social Criteria

Taking social criteria into consideration, myclimate wants to achieve that the labelled products do not violate fundamental Human Rights as freedom of assembly or women's and children's protection. Myclimate's assessments for the compliance of social criteria are based on certifications and climatop adopts them. In other words, A Max Havelaar, a BSCI, UTZ or Rain Forest Alliance certification is sufficient for **climatop** to guarantee social compatibility of the production conditions. For countries with a functioning social legislation (e.g. Europe, USA, Japan or Australia), **climatop** does not ask for a social certification.

### Environmental Criteria

Products are only labelled by **climatop** as climate-friendly as long as the total environmental impact is equally well or even better compared to its peer group. The results and data are received from the LCAs. The assessment of the environmental impact can be done in different ways.

### MidPoint Method

Single environmental impacts (for example, phosphor content for water overfertilisation) can be specified in a MidPoint analysis. In this case, the assessment of the environmental impact is done separately. MidPoint methods are internationally accredited and are preferred for the assessment of environmental impacts.

### UBP Method

To complement the MidPoint analysis and for the communication in the Swiss market, the environmental impacts are determined with the "environmental scarcity method" (UBP = environmental pollution score). The UBP method aggregates all environmental impacts to a single number, which represents the total environmental impact (EndPoint method). The UBP method is a Swiss method which depends on Switzerland's political aims. More information to the UBP method can be found on the webpage of the Federal Office for the Environment FOEN.

## Validity

The objectives of **climatop** are to enable companies a dynamic competition so that they design their products more climate friendly.

**The label is only valid for two years.** Then, in the context of a new assessment the producer has to demonstrate that its label is still justified. In the new assessment being made, the most current standards for the LCA methods and database values are used. If a competitor has a better result, i.e. a more climate friendly product, the hitherto holder of the award has to turn the label in after the expiration of the two years period.

**myclimate invites competitors to challenge the climatop products** and to apply for the labelling. The participation in the competitive approach of **climatop** is voluntary. It is a challenge between all those that want to be assessed.