

Carbon Handprint Initiative: The Interview summaries

Interviews and report on carbon handprint communication of five Nordic companies.

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Introduction

Climate Leadership Coalition (CLC), Afry and OpenCO2net carried out research regarding carbon handprint communication of Finnish companies. The project was funded by the Foundation of the Confederation of Finnish Industry and Employers (TT-Säätiö).

The objective was to closely examine how companies have communicated their efforts in carbon handprint work, how they have benefitted from the communication, and what challenges they have encountered.

Handprint as a term refers to the beneficial environmental impacts that organizations can achieve and communicate by offering products and services that reduce the carbon footprints of others.

For the study, five companies who are global leading pioneer in carbon handprint communication were interviewed, and the result were put together as a case study. The following interviewees participated:

1. Piia Häkkinen, Caruna
2. Senja Forsman-Katainen, Lassila & Tikanoja
3. Hugo Stenberg, Neste
4. Joni Mäkitalo, Spinnova
5. Harri Leppänen, SSAB.

The interviews were carried out late 2023. One hour was reserved for each interview, where the following topics were discussed:

1. Which carbon handprint solutions has the organization communicated about?
2. What data has the organization included in the carbon handprint communication?
3. How does carbon handprint communication impact the stakeholders?
4. Has the company encountered other benefits of the carbon handprint communication?
5. Has the company encountered any challenges regarding carbon handprint communication?

Findings

All of the interviewees emphasized the importance of climate work and carbon handprint communication as a tool to mitigate climate change. Four out of five interviewees acknowledged that communicating their carbon handprint had a prominent role in content, brand and customer relationships. The interviewees expressed the belief that the overall efforts in climate work had resulted in substantial benefits for the company they represented.

One of the main findings in the interview was a rising concern about how carbon handprint data might be misused or misunderstood. One of the key challenges lie in the difficulty of making accurate comparisons due to lack of standardized frameworks. This issue not only hampers the reliability of carbon handprint assessments but also underscores the urgent need for cohesive and universally accepted standards to enhance the precision and credibility of such data. As a potential solution, some of the interviewees suggested the idea of adopting a common benchmark.

Summaries

Caruna

Caruna is a Finnish electricity distribution company, which distributes renewable electricity through its network, replacing higher-emission electricity generated, for instance, by fossil fuels. Caruna calculated its carbon handprint between 2018 and 2020 and communicated about it 2019 and 2020. However, the company ceased calculating its carbon handprint and systemically communicating about it after 2020.

The company's carbon handprint is no longer calculated and systemically communicated due to communication challenges. Caruna enables the expansion of carbon handprint through its services and takes actions to reduce the emissions of its own services. The company is worried that framing these actions as part of the carbon handprint methodology might seem misleading to stakeholders, considering the limitations set by the methodology. However, Caruna sporadically uses the term 'carbon handprint' in its communication to describe the company's [positive climate impact](#). The positive climate impact results from efforts to enable the energy transition by distributing renewable electricity for consumption, optimizing land use, freeing up land for other purposes through underground cabling, and employing judicious material usage.

Lassila & Tikanoja

Lassila & Tikanoja (LT) is a service company focused on circular economy. Enhancing material recycling is a major contributor to substantial carbon handprint; LT's services generate reductions for instance when the customers replace virgin raw materials by secondary raw materials. The company has calculated its carbon handprint since 2018 and has been communicating about its carbon handprint in its [sustainability reports](#) since 2018.

For LT, carbon handprint work is integrated to business strategy and provides essential support to the core operations. The key advantages of carbon handprint communication lie in providing easily understandable and concrete data and indicators as it quantifies the climate impact. This has proven to be beneficial in stakeholder communication and is believed to have enhanced company's reputation as climate-conscious company.

When addressing the main challenges in carbon handprint communication, LT highlights the absence of a standardized framework and the difficulty in communicating a subject that is relatively unfamiliar to others than sustainability experts. This creates challenges in effectively communicating the topic to both internal and external stakeholders. The absence of a standardized framework poses challenges in comparing various services, putting companies in an unfair situation. Consequently, customers face challenges in evaluating environmental contributions, creating ambiguity in discerning genuine climate efforts from potential greenwashing.

Neste

Neste is a Finnish company and world's largest producer of renewable diesel and sustainable aviation fuel (SAF) made from renewable raw materials, mainly waste and residues. The company has calculated the greenhouse gas emission reduction for its customers since 2016 and has been communicating about its carbon handprint in its [sustainability report](#) since 2018. Increasing carbon handprint is Neste's [key strategic objective](#). The objective associated with Neste's growth strategy is to assist their customers to reduce greenhouse gas emissions by at least 20 million tons annually by 2030. The company has linked greenhouse gas emission impacts, including the greenhouse gas reduction for its customers, to the remuneration of Neste's key personnel, including the top management, through the long-term incentive plan.

Neste believes that it has gained significant value in the carbon handprint communication, as it is a comprehensible metric that can be easily tracked and communicated. The ability to showcase renewable growth and how it is linked to the company's strategy is identified as the primary advantage in conveying the carbon handprint. This aspect is deemed crucial in stakeholder communication, especially when engaging with customers and investors. Other than that, carbon handprint is considered to be an important tool for enhancing Neste's brand as a provider of sustainability solutions.

One of the challenges in carbon handprint communication has been determining market-specific baselines. This is due to the fact that calculating and maintaining market-specific baselines would require an unreasonable amount of resources due to for example a large number of different markets and as the baselines can change annually.

Spinnova

Spinnova is a Finnish company specializing in the production of sustainable textile fibers. It has developed a [technology](#) where it converts cellulosic or protein fibres into textile fibers, reducing greenhouse gas emissions compared to conventional cotton fiber. The company has calculated its carbon handprint since 2022 and has since communicated its handprint on its webpage and annual report. Spinnova's efforts in carbon handprint work has earned recognition from Climate Leadership Coalitions, receiving the [Carbon Handprint Award](#).

For Spinnova, carbon handprint and effectively communicating it, has been a foundational aspect in the business and has formed the core of their value proposition for the customers. The climate benefits have not only strengthened customer relationships, but has also in certain cases, played a pivotal role in influencing purchase decisions. Additionally, Spinnova employs carbon handprint communication in shaping its image and building the brand as it provides numerical data to back up the communication.

When addressing the primary challenges related to carbon handprint communication, Spinnova rises the issues of a lack of standardization and the absence of common rules. For instance, defining and justifying a baseline proves challenging. This could be solved through the establishment of universally accepted baselines or the creation of a baseline databank. Another challenge is the limited awareness and understanding of the concept of carbon handprint, which complicates communication on the subject. Additionally, certain positive climate actions, though effectively

contributing, cannot be categorized as carbon handprint, leading to communication challenges and a potential risk of greenwashing.

SSAB

SSAB is an organization specialized in steel manufacturing. It has developed a [SSAB Zero™](#) fossil free steel and its special steel solutions contribute to reduce greenhouse gas emissions compared to regular solutions due to their longer service life, lower weight and/or higher capacity. Iron ore based fossil free steel is due to market by 2026. The company has calculated its carbon handprint since 2014 and has been communicating about its carbon handprint in its [sustainability reports](#) since 2015.

SSAB believes that Carbon handprint communication has benefited it in various ways. It has significantly influenced the company's reputation and brand on a global scale. The ability to verify the carbon handprint of products has served as a sales argument, attracting new customers. Carbon handprint communication has clearly brought benefits to customers as well, even though it has not been quantified. Customers are interested in their own emissions and appreciate insights into ways to reduce them. This is particularly evident in the construction and logistics sectors, where the characteristics of metal products can have a significant impact on emissions.

SSAB has not explicitly incorporated carbon handprint-related goals into its strategy, although there are indirect objectives associated with it, such as enhance selling of the special steels and fossil free steels.

When addressing the challenges related to carbon handprint communication, SSAB acknowledges that while calculations and communication are often clear for businesses, the primary challenge lies in maintaining the shared guidelines and in helping customers understand the significance of the carbon handprint.