Information note on Call for Evidence: towards a market for low emissions industrial products – published 6 December 2021

In the Industrial Decarbonisation Strategy and our commitments at COP26, the government has set out its ambition to support industrial decarbonisation through policies that encourage growth of the market for low emissions products. These policies can help buyers of industrial products contribute to net zero by providing ways to recognise low emissions products. They can address barriers to decarbonisation, reducing the risk of carbon leakage and working with other levers to create the business case for decarbonisation in the UK. Government has committed to developing detailed proposals in this area, beginning with this Call for Evidence.

Scope of the Call for Evidence

The Call for Evidence aims to collect evidence on:

1. How “low emissions” should be defined for industrial products, including emissions scope
2. Which industrial sectors and products are best suited for the introduction of these policies
3. How any emissions reporting measures should be designed
4. How demand-side policies can best be implemented, including timing of introduction and policy communication

Industrial products cover a huge range of goods, from intermediate products manufactured from raw materials, such as building materials and bulk chemicals, through to end-consumer products, such as vehicles and appliances. We have committed to exploring a range of policy options that can support the low emissions product market, including product labelling, product standards, and public and private procurement approaches.

Engagement & Responding to the Call for Evidence

Our aim for this Call for Evidence is to gather evidence from a broad range of manufacturers, buyers of industrial products and wider experts, to enable development of proposals for successful policies that work for the whole of the UK. Expert stakeholders were engaged in the development of the Call for Evidence.

The Call for Evidence will close on 28 February 2022. Respondents are able to submit evidence via the Citizen Space online portal. Given the breadth of this Call for Evidence, we do not expect all respondents to answer every question. Priority questions for response are marked out with an *asterisk and are copied at the end of this information note.

For any other queries, you can contact us at: IEstakeholderengagement@beis.gov.uk
Priority questions for respondents:

6. Do you agree with the approach to the emissions scope set out [in Chapter 1]?

6.3. Which, if any, Scope 3 emissions categories are essential for inclusion in the assessment for your sector/product(s)? Please specify why you think they should be included.

6.5. Are there any limitations of an emissions-only approach to assessing climate impact that may affect your sector/product(s)? Please specify any additional metrics that you think should be included.

7. How do you think the level of emissions at which the definition of low emissions products is set should change over time?

7.1. Do you agree it should become more stringent over time?

7.2. Do you have any suggestions for how the level of emissions should be set?

7.3. Do you have any suggestions for how a trajectory of increasing stringency should be shaped for your sector and how regularly any definition would need to be revisited?

11. If applicable, please share further evidence on the following:

11.1. When selling intermediate industrial products, which sectors does your sector predominantly sell to? What is the split between government and private sector demand?

11.2. When buying intermediate industrial products, which sectors does your sector predominantly buy from?

11.3. Is there demand for lower emissions products in your sector? Which type of customers does this come from?

17. Would your sector be a suitable target for new demand-side policy over the next 5-10 years? When submitting evidence please consider:
   - How this might vary dependant on policy lever.
   - Where in your supply chain new demand-side policy would have the greatest benefit (for example, an upstream product/process that accounts for most of the embodied emissions in finished products, or at the point of transaction).
   - Which product markets for your sector will require the greatest policy influence to shift procurement to low emissions industrial products.

20. What are your views on how emissions reporting [for demand-side policy] could be simplified? Please consider:
   - The extent to which aggregated data (e.g. sector, sub-sector, company averages, product groups) would be accurate enough for demand-side policy to operate, in particular for scope 3 emissions.
   - If adopted, how such ‘simplifications’ could be accounted for. For example, firms using more accurate data could be rewarded by being permitted to resubmit data on a less frequent basis.
• How we strike the balance between the accuracy of reporting and the effort required from businesses to comply.

24. What are your views on how the embodied emissions of imported industrial products should be reported?

32. When would demand-side policies ideally be introduced to best support decarbonisation of your sector or business? Please consider:
   • How the delivery timeline might need to vary for each policy (e.g. introducing voluntary measures prior to mandatory ones, which voluntary measures would be most helpful in the short-term, when public procurement could be most supportive etc).
   • The likely decarbonisation pathway for your business and the wider domestic and international sector, or as a buyer when you would like to begin purchasing low carbon products.
   • Whether you would like to see early rollout of any demand-side policies in some sectors, followed by broader adoption across industry.
   • Whether the early roll-out of demand-side policies would be a suitable method to incentivise improving energy and/or resource efficiency measures for your sector or business. Please specify which measures could be incentivised.