White Paper

Moving Markets:
Toward Coherence, Collaboration
and a Common Language
for
Sustainable Product Standards

By Dr Allen L. White
Senior Fellow
Tellus Institute, USA

April 2010

Commissioned by: People 4 Earth
www.people4earth.org

Contacts:
US: Mark Tulay, mark@people4earth.org
Netherlands: Anneke Sipkens, anneke@people4earth.org
Acknowledgements

This paper was commissioned by People 4 Earth (www.people4earth.org), an independent, non-profit organization whose mission is to improve the well-being of people and the health of the planet through the development of a global sustainability standard and index for products and services.

The author gratefully acknowledges the comments of Martine Bloquiaux, Nico Broersen, Anneke Sipkens, and Mark Tulay. Thanks also to Christi Electris and Katie Grace for research support, and to Faye Camardo for expert editing.

Any remaining errors are the sole responsibility of the author.
Executive Summary

Challenges to sustainability are formidable but there are encouraging signs that business, civil society, and government are ready to reverse trends of environmental degradation, resource depletion, and social disparities and redirect society toward a just and sustainable future. Among the most notable is the burgeoning number of sustainable product standards appearing in the global marketplace. In little more than a decade, hundreds of standards, labels, and certifications have been introduced by government, business and NGOs, spanning a broad range of specific products, product groups, and sustainability issues such as fair labor and energy efficiency.

Standards serve both businesses and consumers. On the supply side, they provide companies with guidance on the design, sourcing, processing, transport, and retailing of products—that is, on managing a product’s value chain to optimize its sustainability performance. On the demand side, respected standards guide consumers to preferred products and assure them that the claims of product makers can be trusted.

Growth in the sustainable product standards field, while clearly a sign of vitality and dynamism, points to the need for increased collaboration among standard setters to harness the full potential of standards to drive change. While a multitude of standards exist, gaps remain in product or issue coverage, and not all include the full product value chain. Moreover, market uptake of labeled products is still insignificant in relation to overall global commerce, perhaps just a percent or two of global sales.

In their best form, standards provide a shared lens through which to view the sustainability performance of the product. The shared lens, built upon a common vocabulary, builds trust, knowledge, and sense of common purpose across players in the value chain and among consumers. The multitude of existing standards presents a need for a single, cohesive standard or framework that respects the years of work of standard-setters while, at the same time, provides a common language and decision-support tools that will harness the full potential of the leading standards that comprise an increasingly crowded marketplace.

Collaboration among standards groups may take many forms, including: convergence toward a common sustainability language throughout the product chain; co-labeling of products where two standards offer complementary information to the consumer; and creating learning platforms for multiple standards setters such that best practices are easily identified and replicated.
People 4 Earth, a new broadly applicable standard, is poised to facilitate collaboration and advance the use of standards in the market by:

- Serving as a driving force in creating a common language for sustainable production and consumption;
- Providing participants in the value chain with decision-support tools that enrich opportunities for innovation in materials and processes;
- Launching an Index that offers consumers and business credible, comprehensive and readily digestible information for measuring how sustainable a product is.

For People 4 Earth, a common language is rooted in four pillars of sustainability and associated criteria, each of which articulates an aspect of the sustainability equation as it applies to product performance. Thus, when a retailer or brand owner seeks to assess whether its supplier adheres to an acceptable level of pesticide use, fair labor practices, or biodiversity preservation in its food, apparel, or cosmetic production activities, the People 4 Earth framework may be applied as a decision-support tool for conducting such an assessment.

Another opportunity for People 4 Earth’s contribution is the construction of a sustainable product index. Built on four pillars—Pure, Fair, Life, Renew—consumers (and businesses interested in benchmarking) can benefit from an easily digestible scoring system that indicates the sustainability level of products. Such a score graphically depicted on a product and available electronically on both the internet and at the point-of-purchase will be a major contribution to driving sustainable consumer choices. The index can coexist with other labels. Co-labeling provides the consumer with an overall appraisal of the product’s sustainability (the People 4 Earth index) and, separately, an indication of the product's conformity with a specialized label that focuses on, for example, fair labor practices.

The intended result of People 4 Earth’s efforts is that communication, measurement and labeling, over time, becomes unified by a common vocabulary. By sharpening management and design practices of product makers and strengthening trust and confidence among consumers, standards hold great promise in the transformation of markets that is essential to re-tracking the course of global development. This is the challenge and opportunity that defines the core of People 4 Earth’s activities in the coming years.
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Rethinking Development

Will the early decades of the 21st century be a turning point in reversing the disturbing trends in the Earth’s ecological and social vital signs while shifting to a world of ecological sustainability, social justice, and solidarity among citizens worldwide? While despair is plentiful, so too are the actions of civil society, business, and government to bend the curve of environmental degradation, resource consumption, and social disparities to create a development trajectory aligned with the vision of a “Great Transition.”¹

The challenges are formidable. Threats to ecosystems already have exceeded thresholds of irreversible damage in the areas of climate and biodiversity.² While millions have been raised out of poverty in the emerging economies such as China and Brazil, billions more remain mired in poverty without access to basic adequate nutrition, clean water, education, and health services. Meanwhile, shortcomings in global governance in the areas of finance, trade, and immigration undermine efforts to steer development toward equitable outcomes in which the rewards of globalization are fairly distributed across nations and peoples. Such conditions have spurred a rising chorus of skeptics and opponents to conventional models of development in which growth is measured solely, or primarily, by economic output at the same time well-being and equity are sidelined or marginalized as lesser concerns in the trajectory of global development.

Addressing problems of this magnitude will require both new definitions of what development means and new forms of collaborative, multi-stakeholder governance that enable a holistic, integrated solutions to global problems. Business, civil society, and government must be ready to challenge conventional wisdoms, change mindsets, and reorient their practices.

¹ www.gtinitiative.org
mindsets, and reorient their practices. In business, the single bottom-line of short-term profitability in business must give way to an ethic built on nurturing “multiple capitals,” that is, preserving and enriching the world’s stock of human capital, natural capital, and social capital along with its financial capital. Sole reliance on financial metrics such as share price and return on equity must give way to a more integrated, multidimensional measure of company and product performance.

Civil society must find new ways of advancing its environmental and social agendas, partnering with business and consumers to advance systemic change and to develop new measures of what well-being and prosperity means in the 21st century. Civil society organizations, widely viewed as the most trusted source of information in a globalizing world, must leverage this special status among citizens and consumers to drive markets, companies, and products toward continuously higher levels of sustainability performance.

At the same, government must also rethink the way it measures prosperity, moving away from the dominance and single-mindedness of GNP to a more holistic perspective of what constitutes national and global well-being. In the view of many, GDP has outlived its usefulness as a measure of a country’s performance, with its narrow focus on aggregate transactions in an economy without reference to the quality, justice, or social benefits associated with such transactions. Alternative metrics are on the rise: the Canadian Index of Wellbeing (CIW), the UN’s Human Development Index (HDI), the World Bank’s Wealth Index, the Genuine Progress Index (GPI), Bhutan’s Gross National Happiness (GNH) index and the Calvert-Henderson Quality of Life Indicators all challenge the notion that it’s time to shift from aggregate economic activity to quality-of-life as a more humane and just definition of national and global development.

In short, meeting the sustainability challenges of the 21 century will require new definitions, new metrics, and a new language for guiding private and public resources toward sustainable outcomes. Achieving this goal demands unprecedented collaboration across constituencies that together, and only together, can overcome the siloed perspectives that impair progress toward just and sustainable societies.

The Role of Standards

While the challenges are formidable, signs of progress are discernible. One of the most notable signs of progress is the burgeoning number of sustainable product

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standards which, by most any measure, is a growth industry. In little more than a decade, hundreds of standards, labels, and certifications have appeared in the global market covering a broad range of specific products, product groups, and sustainability issues such as fair labor and energy efficiency. An estimated 800 such standards are identifiable in the European Community alone, and some 350 environmentally-focused standards are in play worldwide. Newcomers appear regularly, further populating an already complicated market in which multiple standards apply to the same product group, the integrity of many labels and certifications are suspect, and the aggregate impact of standards on sustainable development—the ultimate test of their social benefit—remains unclear.

A glimpse of just how complex the market has become appears in Figure 1 which presents a small sample of environmental labels within the North American market. In this selection of 29 eco-labels, NGOs and government are the primary creators, with only five of the group created by company or business associations. Of the total, 18 are product-specific and nine are product group-oriented. Only three—Rainforest Alliance, FSC, and Fair Trade—substantively address issues outside the environmental domain. If one scales up Figure 1 by a factor of at least 20, the vastness and complexity of global sustainability standards comes into focus.

Market uptake of label product, though still minute in relation to overall global commerce, continues to make slow but steady progress. As a fraction of total

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6 A recent, and not atypical controversy regarding the validity of product labels—in this case, food labeling—appears in [http://www.washingtonpost.com/wp-dyn/content/article/2010/03/03/AR2010030303119.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/03/03/AR2010030303119.html).
market share, coffee, the most widely certified food product, represent less than 10 percent of global trade. Even smaller figures apply to other consumer goods such as organic foods and apparel. Still, Fairtrade-certified producer organizations in 58 countries represent over one million farmers and workers, while certified products have grown almost 40 percent annually to reach 2.9 billion Euros. Forest Stewardship Council (FSC) has certified over 100 million hectares worldwide in 62 countries, representing about 5 percent of the world’s productive forests and $20 billion in product sales. And the Rainforest Alliance has certified 580,000 hectares, and nearly 50,000 farms worldwide that translate into $20 billion annually in certified product sales.

Figure 1. Selected Major North-American Product Eco-labels

While growth is impressive, absolute figures speak to the long journey ahead for sustainable products to move from niche to mainstream markets. Nonetheless, the movement continues unabated, attracting the resources of companies, consumers, NGOs, and governments motivated by commercial, ecological and social objectives. All players to some degree share a common belief: that the supply and demand for sustainable products may be approaching an inflection point, poised to scale up owing to the convergence of growing market demand, increasing readiness of business to react to and grow sustainable product markets, NGO pressure, and government programs that incentivize the production of healthy and safe goods produced under

“All players to some degree share a common belief: that the supply and demand for sustainable products may be approaching an inflection point...”
conditions of fair labor practices.

Specifically, what perspectives do various stakeholders bring to these emerging markets?\(^7\)

**Business:** Retailers, brand owners, and producers in each segment of the value chain are feeling pressure and seeking opportunities in the market for sustainable products. To tap these opportunities requires both commitment to and tools for shifting to sustainable production and products. Meanwhile, all companies face a world in which transparency is no longer an option, but a reality, with profound consequences for building and retaining trust among consumers and investors. This is especially true for consumer goods producers. High quality, comprehensive sustainability data across the value chain also supports financial firms in assessing risks and opportunities in their investment portfolios. Creating a common language and metrics of sustainability applicable to all products is a key instrument for accelerating the transition to sustainable production.

**Consumers:** All people, regardless of occupational affiliation or social status, are consumers. Numerous studies document a rising tide of consumer readiness to buy products that meet high standards of sustainability. Yet this trend, if it is to achieve its full potential, must empower consumers to apply their purchasing dollars to sustainable products. They are ready to mobilize markets to reward sustainability leaders and penalize sustainability laggards. A key to unlocking this power is credible, comprehensive, high integrity, easily understandable information delivered to consumers at the point of purchase.

**NGOs:** NGOs are opinion leaders, providing society with a moral compass for issues to which people emotionally connect—animal rights, biodiversity, fair wages, and safe workplaces. More than government or business, consumers tend to trust NGOs as sources of information to guide their daily lives, including their purchases. NGO campaigns regarding food safety, rainforest protection, and animal rights attract millions of dollars and abundant press attention. In recent years, NGOs and companies alike have recognized that their interests may contain elements of complementarity. Organizations such as Greenpeace, WWF, and Oxfam now regularly engage companies through partnership initiatives aimed at addressing their shared interests. Such partnerships stand to benefit greatly from a common

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\(^7\) Allen L. White, “Consumption, Commerce and Citizenship: Values Transformation To Build a Sustainable World,” People 4 Earth, September 2009.
sustainability language that enables parties to communicate, measure, and monitor improvement in ways that align with the social purpose of the civil society partner.

**Government:** Governments, by design or default, create the enabling environment for the advancement of sustainable production and consumption. Through mechanisms such as securities and environmental regulation, tax policy and subsidies, and product standards, governments exercise a powerful influence on the speed and direction by which sustainable production and consumption are evolving. In the domain of labeling alone, governments are active in shaping the field. The EU-Ecolabel and US Organic Foods label are two prominent examples. By reference in regulation, by integration into procurement programs, and by citation by national and multilateral government or quasi-governmental entities such as the OECD, stock exchanges and UN agencies, governments may amplify the impact of labeling schemes that already have achieved strong credibility in the market. Such effects may be accelerated if integrated data bases based on common language and metrics are available to support the government policy process.

In short, different players and different motives, collectively and interactively, are reshaping the sustainability landscape. But even in the face of such progress, major challenges remain. Principal among these is the absence of a common sustainability language that will help lubricate the transactions among the multitude of players in the supply chain. In addition, the paucity of integrated management information systems impairs progress toward infusing sustainable practices and materials in the value chain. Further, learning platforms for both standard setters and standard users could be vastly improved to accelerate a “race-to-the-top” in terms of best practices.

Nonetheless, the coming decade is an historic opportunity to meld these disparate players and forces into a change agent more powerful than the sum of individual standards programs. Such synergies promise to drive systemic changes in global markets, melding the power of consumers, the problem-solving skills of business, the passion of civil society, and the guiding hand of government to spearhead economic, social, and environmental futures that align with the principles of sustainable development.

Realizing the full potential of such a movement will require a mix of new values and systemic thinking at the conceptual level and innovative management tools and a value chain perspective at the operational level. All this is within reach. Indeed, recent developments in the standards field provide a glimpse of the creativity and energy that already is moving markets toward a sustainability ethic.

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In Search of Harmonization

Among the wide spectrum of strategies and instruments to advance the sustainability agenda are standards for product performance and the certification and labeling programs that flow from such standards. Michael Conroy, a leading thinker in the field, describes the power of standards in this way: 9

There is a movement afoot that has the potential to transform the way global corporations do their work. It is also capable of affecting producers positively at all levels, from artisanal fishermen, farmers, miners, and loggers to larger companies producing myriad products all around the world. ...I will refer to this movement as the ‘certification movement.’ It produces what I call the ‘certification revolution.’”

In their best form, standards serve multiple functions. On the supply side, they provide companies with guidance on the design, sourcing, processing, transport, and retailing of products—that is, on managing a product’s value chain to optimize its sustainability performance. On the demand side, respected standards guide consumers to preferred products and assure them that claims of product makers embodied in certifications can be trusted. By sharpening management and design practices of product makers and strengthening trust and confidence among consumers, standards hold great promise in the transformation of markets that is essential to re-tracking the course of global development.

While the promise of standards as market movers is substantial and their achievements to date are impressive, the field has been hampered by inconsistency and confusion. Proliferation, a sure sign of vitality, has created a playing field characterized by complexity and disorder. To date, there has been little progress in structuring the hundreds of standards into a coherent whole such that companies, consumers, NGOs, and other stakeholders can optimally utilize these valuable tools in decision-making surrounding product design, supply chain management, purchasing, procurement policy, and advocacy activities.

“By sharpening management and design practices or product makers and strengthening trust and confidence among consumers, standards hold great promise in the transformation of markets...”

Some progress in bringing unity and coherence is noteworthy. ISEAL, the global alliance of social and environmental standards groups, has made a major contribution in improving the quality of standards through its Code of Good Practice. In a similar vein, an effort to organize the universe of standards into a single database is underway via the Trade for Sustainable Development (T4SD) Project. A partnership of UNCTAD, ISEAL, the International Institute for Sustainable Development, and others active in the standards field, T4SD seeks to enhance the transparency of standards and increase their contribution to sustainable global trade. In addressing the linkage between standards and fair trade, T4SD is inserting itself into one of the most controversial aspects of standards development: do standards help or hinder small landholders and SMEs in developing countries in terms of their capacity to access markets in the wealthier countries? In a similar vein, Canada-based Big Room Inc. offers an online database of the entire world’s ecolabels and presents standardized data for each label to provide information to grow the market of ecolabelled products and services.

The UN and European Union (EU) also are playing a role in bringing coherence to the standards field. Discussion about the need for harmonization of product standards has occurred under the leadership of the UNEP-affiliated Marrakech Process and the EU Sustainable Consumption and Production roundtable. However, substantive progress is slow, manifested primarily in the form of shared understanding that oversight and consolidation is needed to advance the standards field and agreement that rigorous scientific assessments of environmental impacts are needed. A range of academic studies, meanwhile, have contributed to debates surrounding the effects of sustainable product standards on particular industries or products (i.e., forestry or salmon), international trade and developing countries, firm behavior, consumer behavior, innovation, environmental policy, global civil society, and law.

10 www.isealalliance.org
13 www.ecolabelling.org
All these initiatives reflect a shared view that sustainable product standards are more than a technical exercise. Instead, they are part of a larger system of issues and actors whose interests stand to benefit or suffer from the emergence of hundreds of standards worldwide. The work of standard-setters has brought to the field enormous intellectual capital. Yet, while gaps remain in product coverage, even bigger gaps remain in bringing cohesion and accessibility to a field where the value of standards is struggling to keep pace with quantity of standards. This situation presents a need and an opportunity for a framework that, at once, respects the years of work of standard-setters while, at the same time, provides an organizing framework, common language, and decision-support tools that will harness the full potential of the leading standards that comprise an increasingly crowded marketplace.

**Ordering the Marketplace**

Bringing order to the standards landscape may begin with a taxonomy based on the scope of product standards. Figure 2 illustrates a simple, single-attribute approach; namely, the coverage of the standards in terms of product-specific, group-specific, and cross-cutting nature. The latter is defined as a standard designed to encompass all products.

Using this simple three-tier taxonomy, product-specific standards such as coffee, palm oil, or tilapia aquaculture appear at the top level of the hierarchy. Next are product group standards encompassing, for example, home furnishings, apparel, and tourism. At the bottom tier are standards designed to cut across all products and product groups, regardless of their specific production processes, materials content, and social and environmental impacts.
An illustration of a cross-cutting standard has been proposed by Ben Cashore of Yale University. In this proposed scheme, "Better World" would function essentially as a certification of certifications, providing consumers with a co-label (e.g., Better World-FSC, Better World-Fair Trade, Better World-SA8000) on products that (a) qualify for a product-specific or group-specific label, and (b) such label itself meets a set of four quality criteria established by Better World:

Governance: the process behind the label is multi-stakeholder and is characterized by dynamic, adaptive learning, and democratic participation, and business interests do not dominate;
Behavior: the firm behind the product must demonstrate on-the-ground behaviors that adhere to those established by Better World;
Verification: the subject certification must be subject to independent third-party verification; and
Supply chain: the subject certification must track the product throughout its supply chain in assessing its sustainability impacts.

Figure 2 is useful as a first step in illuminating differences among the hundreds of standards in the market. Of course, boundaries are not always as clearly delineated as the figure suggests. An apparel group standard may be applicable to some but not all articles of clothing. Similarly, a food group standard like UTZ covers tea, coffee, cocoa, and palm oil, but not other types of food products. Nonetheless, Figure 2 is a useful first step in seeking an underlying structure across the hundreds of standards in the market.

Extending the single dimension of product coverage to a two-dimensional taxonomy that includes product + issue coverage provides a nuanced look at the market. “Issue” coverage refers to the breadth of sustainability issues—e.g., fair wages, child labor, toxic materials, animal rights—covered by a specific standard.

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Some standards, both company and non-company, are relatively narrow in product coverage but high in issue coverage. Examples of this group are Fairtrade and Rainforest Alliance, as well IKEA’s IWAY. In contrast, standards such as SA 8000 and the EU Eco-label are designed to apply to a broad range of product groups but do so with a focus on one or a few aspects of sustainability. SA8000, for example, centers on decent work as applied to any product or product grouping while the EU-Ecolabel encompasses many products and services—tourism, textiles, cleaning products—with primarily an environmental focus. Similarly the City of San Francisco’s anti-sweatshop procurement ordinance (in effect, a certification program) is generally applicable across all product groups purchased by the City, from computers and food to firefighter and police uniforms. Finally, the aforementioned “Better World” concept is designed to cross all products and product groups as well the full range of sustainable issues.

Clusters of this nature suggests opportunities for collaboration across standards. For example, a retailer or brand owner using a standard with relatively narrow issue coverage may wish to signal consumers that a specific product attains both a minimum level of overall sustainability performance throughout the product chain as measured by a sustainability index as well as strong performance on, say, labor rights or the environment by virtue of its certification against an issue-specific standard. In this case, co-labeling using both the issue-specific standard and the broader sustainability standard makes sense from both the seller and the buyer side.

**The Value of Value Chain Analysis**

In the world of product standards, product chain analysis stands out as one of the most critical differentiators between leading standards and those that have yet to achieve that level of excellence. Leading to the point of purchase of every product is a set of activities each with its unique impact profile. The nature and extent of a product’s social and environmental impacts—whether linked to coffee or forest products, electronics or cosmetics—cannot be rigorously assessed without taking into account the various stages of the value chain. This reality is both a challenge and an opportunity for standard-setters and the companies that seek to penetrate the expanding market for sustainable products worldwide.

In the best case, value chain analysis delivers multiple benefits to each participant in the chain, from small growers of food and fiber to multinational processors and
manufacturers of final consumer goods. Because the players of global value chains are so intertwined with each other, interdependencies are deep and dense. Primary producers rely on wholesalers, who in turn connect with processors, manufacturers, and brand owners, all of whom are bound together by logistical firms responsible for moving material throughout the chain. This web of interdependency creates limitless opportunities for identifying opportunities for continuous improvement in product design, material choices, transportation, and resource extraction. Tapping these opportunities can and should be a primary function of sustainable product standards.

Beyond the technical assessments of this type, an equally valuable contribution of product standards pertains to building trust, knowledge, and sense of common purpose across the value chain. By providing a holistic framework that binds together the activities and interests of all players, a carefully designed standard provides a platform for conversation, joint assessment and, as needed, reconciliation of sometimes divergent interests, real or perceived. The sense of shared purpose and joint problem-solving of this nature may result in substantial long-term benefits for all parties, including greater reliability in the flow of intermediate inputs, greater price stability, and creation of long-term relationships that reduce uncertainties, and enhanced learning for both sellers and buyers.

All these observations point to an undeniable reality: product sustainability in a globalizing economy is spread across far-reaching and complex value chains. Product standards that recognize this reality and embed it in the structure of their respective frameworks will, in the long term, rise to the top echelon of a crowded field. Doing so is a form of insurance policy against loss of credibility of a standard. Embracing the product chain is an instrument of risk management, protecting a standard’s reputation from unwanted surprises of a social or environmental nature that, in very little time, may undermine years of effort in building a world-class standard.

An Agenda for People 4 Earth

The sustainable product standards market is at a point where the need for collaboration, cohesion and movement toward a common language and metrics stands in the way of realizing the full potential of standards to move markets. It is this reality and opportunity that animate People 4 Earth’s focus on creating a cross-cutting standard, common language and sustainability index that serve as a glue to the proliferating number of standards in the marketplace.\textsuperscript{16}

By playing the role of integrator and organizer, People 4 Earth seeks to elevate the impact of all standards in driving market transformation. It views its contribution as a package of interconnected, mutually-reinforcing elements:

- To help create a cross-cutting standard and common language for sustainable production and consumption;
- To provide participants in the value chain with decision-support tools that enrich collaboration and trigger innovation in materials and processes; and
- To build a product index that provides consumers a credible, comprehensive and readily digestible index for measuring how sustainable a product is.

Figure 3. A Common Language throughout the Product Lifecycle

\textsuperscript{16} www.people4earth.org.
Building a Common Language.  Figure 3 depicts the first of these elements. The standard and common language begins with sustainability issues divided into four categories: Pure, Fair, Life and Renew. Each of these categories contains sub-elements that collectively cover the ecological and social dimensions of product sustainability. FAIR, for example, covers worker rights, education and professional development, and fair trading practices. Then a third tier (not included in the diagram) is added which further unbundles each aspect into nine criteria, or indicators, for a total of 108 (4 categories x 3 aspects x 9 criteria).

This framework is applied to each step of the value chain, depicted as a set of links beginning with primary production and ending with consumer purchase. Thus, as a food, apparel, or electronics product moves from its earliest stage of materials extraction through its point of purchase, the framework provides each player with common lens through which to view the sustainability performance of the product. The intended result is that communication, measurement and labeling, over time, becomes unified by a common vocabulary.
measurement and labeling, over time, becomes unified by a common vocabulary that facilitates interaction among all players in the system.

While the overall architecture is viewed as stable over time, the details pertaining to aspects and criteria may evolve as field-testing and collaboration provides the basis for continuous improvement. As in the case of all standards and indices, the challenge is to balance continuity and stability with innovation and dynamism, much the way many spoken languages maintain their core structure and vocabulary but allow for adjustments over time to reflect the introduction of new scientific and material changes in the world.

It is the second element of People 4 Earth’s activities, the creation of decision-support tools that enrich collaboration and trigger innovation for all players in the value chain. These may include, for example, management information systems (MISs) for organizing data generated by application of the People 4 Earth standard and other relevant standards to a specific product. A flexible MIS might enable brand owners or retailers to conduct in depth analyses of a product’s performance using a combination of databases and to do so using the super-structure offered by People 4 Earth’s framework.

**“...the challenge is to balance continuity and stability with innovation and dynamism”**

**Enriching Collaboration.** Seeking synergies across standards is an ongoing process whose success depends on all market players. For commodity producers, processors, manufacturers, and retailers, sustainable product standards will add value only insofar as they provide a coherent framework that achieves widespread acceptance in global commerce. Achieving such coherence, in turn, depends on a shared framework for use in business-to-business (B-to-B) relations. In other words, when one player in a product chain seeks assurance that a supplier is treating workers fairly, such assurance should be based on a common assessment and measurement tool widely recognized by both sides of the business relationship. By the same logic, as a product moves into the marketplace for purchase by consumers (B-to-C), buyers seek the confidence—the trust—that a label signaling fair treatment or workers or climate-friendliness is grounded in generally accepted definitions of those terms.

Consider the case of B-to-B relationships. As demand for sustainable products grows, repercussions appear throughout the product chain. Each player—and especially retailers and brand owners—utilizes standards to ensure that the concerns of sustainability-minded consumers are embedded in their business relationships with suppliers of all sizes and functions, including SMEs, processors, transporters, and other links in the product chain. Assuming People 4 Earth’s four pillars rise to the level of widespread acceptance in B-to-B markets, a common sustainability framework will provide buyers with guidance on selecting which standards are best suited to meet their business objectives.
This concept is illustrated schematically in Figure 4. The hypothetical product standard on the left is “filtered” through the four pillars (108 criteria) that lie at the heart of the People 4 Earth framework. The filtering process yields a score that reflects the degree of congruence between standard X and the People 4 Earth framework. In this hypothetical case, standard X demonstrates strong congruence with the Fair and Renew pillars, somewhat less for the Pure pillar, and least for the Life pillar. For a buyer seeking assurance that a supplier’s inputs adhere to strong levels of fairness and/or renewability, standard X is a sensible choice. On the other hand, if Life and Renew aspects of sustainability are a buyer’s principal concerns, standard X would not be a wise choice.

**Figure 4. B-to-B Decision-Support Tool**

If, over time, this screening approach becomes the “lingua franca” of B-to-B transactions, the value chains for sustainable products would benefit from convergence around a common language and associated product assessment process. Certain standards would emerge as particularly strong on certain aspects of sustainability. Others that initially are weaker performers would be induced to strengthen their content with the aim of joining the top tier of standards widely recognized for their strengths in capturing various aspects of product sustainability.
Designing an Index. The third element of People 4 Earth activities focuses on the business to consumer (B-to-C) or business to business (B-to-B) relationship, a somewhat different structure is depicted in Figure 5. This demonstrates the application of the People 4 Earth standard to create an index that describes how sustainable a hypothetical product is based on its performance against the standards four pillars. In this case, the product receives a composite score of three checks, reflecting a strong but not excellent conformance with the criteria contained in the standard. For interested consumers (or businesses interested in benchmarking) specific scores for each pillar are available, for example, 60 percent against the PURE pillar criteria and 47 percent for the Fair pillar. Various scoring methodologies are possible. In general, the index should take into account performance within pillars as well as performance across all pillars, the latter ensuring that producers attend to all aspects of sustainability to a minimum, acceptable level. The score is graphically depicted on a product and available electronically on both the internet and at the point of purchase and will be a major contribution to driving sustainable consumer choices.

**Figure 5. Prototype of a Product Sustainability Index**

Taking the index concept on step further, the People 4 Earth index may be juxtaposed with certification by another standard in a co-labeling format (Figure 6). Here a consumer encounters a label that captures two, complementary pieces of information for food product: (1) the product's performance in relation to the People 4 Earth index and (2) a label indicating certification of a relevant, complementary standard. The objective of this co-labeling scheme is provide the consumer with an overall appraisal of the product's sustainability (the People 4 Earth index) and, separately, an indication of the product's conformity with a specialized label that focuses on, for example, fair labor practices and prices for primary producers. If presented in a simple, readily digestible form, information of this nature elevates consumer confidence at the same time it provides a mechanism to express the complementary nature and collaborative actions of two standard setters working in the same product domain.
In sum, a common language, shared tools and an index system that invites collaborative consumer labeling are three key areas of the People 4 Earth agenda. Achieving any one objective would represent a major contribution to bringing cohesion to a field that is increasingly prone to inconsistency and inefficiency to the disadvantage of both producers and consumers. Achieving all three objectives would substantially elevate the value and impact of sustainable product standards in transforming markets. This is why concerted action on all three fronts should be pursued, and done so in way that stresses collaboration and collective learning on the part of People 4 Earth and its partners, mutual learning and continuous improvement.

**Moving Markets: The Journey Ahead**

The urgency of accelerating sustainable production and consumption has never been greater. To do so will require action on both the demand and supply sides: conscious consumers increasing their demand for cleaner, healthier, fairly-produced goods coupled with producers with the information, know-how, and incentives to transform their processes and supply chains to meet such consumer demand. From both perspectives, sustainable product standards have a pivotal role to play. They are instruments for defining the characteristics of a sustainable product, for guiding consumers and producer choices, for building trust and collaborative learning across all segments of the value chain.

Realizing these goals is a formidable challenge that is confounded by the complexities of a highly fluid standards marketplace. Continuing proliferation
coupled with periodic lapses in integrity produce confusion and distrust rather than enlightenment and confidence.

Notwithstanding such barriers, a globalizing economy needs innovations like those offered by People 4 Earth. In a borderless world rich in information and intricate value chains, new forms of governance must rise to the occasion and play the role of integrator, intermediary and agent of convergence in order to advance the common good.

The product standards field is not unlike the challenges facing financial accounting and reporting. If each company used its own rules without regard to others’ practices, capital markets, investor decision-making and, ultimately, prospects for wealth-producing global commerce would be severely undermined. This is why the world is moving toward harmonization of financial accounting and reporting and, beyond that, toward integrated reporting in which a company’s sustainability reporting should be seamlessly blended with its financial disclosure in a “one report” superstructure.17 And, by analogy, it is why global commerce in sustainable products will benefit from convergence toward a common language that reduces the noise, enhances value chain relationships, and strengthens the impact of product standards as an instrument of sustainable development.

People 4 Earth and its collaborators need not reinvent the wheel—ample experience is available to design and execute a process that will gradually lead to greater harmonization, efficiency, and impact. Indeed, numerous leading standards have demonstrated exactly those capabilities. Now it is the task and opportunity of People 4 Earth to apply these experiences to make its standard & Index an innovative and collaborative player in shaping the future of sustainable product standards.

The Earth’s vital signs are in urgent need of repair. Business-as-usual is untenable. Sustainable product standards can, and must, be part of a game-changing realignment of production and consumption essential to securing just and sustainable societies in the decades ahead.

17 The International Accounting Standards Board and the Global Reporting Initiative are at the forefront of this movement. See Robert Eccles and Michael Krusz, One Report: Integrated Reporting for a Sustainable Strategy. 2010.
Dr. White is a Vice President of Tellus Institute where he directs the Corporate Redesign Program. He has 30 years of experience in the area of corporate responsibility, advising multilaterals, foundations, corporations, and NGOs on strategies and policies for elevating the contribution of corporations to sustainable development. He co-founded the Global Reporting Initiative and served as its Director from 1999-2002. In 2004, he co-founded Corporation 2020, an initiative focused on designing future corporations to sustain social purpose. Dr. White has served on advisory boards and committees of ISO, Civic Capital, a social investment fund, the Institute of Responsible Investment at Boston College, and Instituto Ethos (Brazil). He is the Chair of the Board of Directors of GAN-NET, a non-profit dedicated to capacity building and movement building of global action networks that address critical issues of health, education, environment, trade and transparency. Dr. White has published and spoken widely on corporate responsibility, sustainability, and accountability. Earlier in his career, Dr. White held faculty and research positions at the University of Connecticut, Clark University and Battelle Laboratories, and was a Fulbright Scholar in Peru and Peace Corps volunteer in Nicaragua.

Dr. White received a Ph.D. in geography from Ohio State University in 1976.