

ISEAL Alliance

Making a real mark

The business benefit sustainability standards and their role in moving the CSR agenda forward

1 June , 2017

Norma Tregurtha, Director, Policy and Outreach



ISEAL: A Movement of Credible and Innovative Standards



Trends in the business sustainability agenda

- SDGs mean that sustainability has gone global
- 2020 sourcing commitments – challenges in reaching scale
- Pre-competitive collaborative platforms
- Focus on addressing underlying issues: from auditing to capacity building
- Finance sector engagement
- Considering a range of sustainability tools



Operationalising sustainability: Lots of tools, lots of standards



Workstream	What we said we'd do
Aircraft & fuel	Reduce CO ₂ emissions by 30% per Revenue Tonne Kilometre between 2007 and 2020
Noise	Reduce noise output per aircraft movement by at least 6dB (75% reduction in noise energy) on average between 2012 and 2020
Ground energy	Reduce UK ground energy use by 12.5% between 2008-9 and 2014-15. Reduce UK ground energy use by 20% between 2008-9 and 2020-21.
Ground transport	Increase the average fuel efficiency of our UK vehicles by 45% between 2009 and 2014. Reduce the average CO ₂ emissions of our UK vehicles by 35% between 2009 and 2014.
Water	Reduce our UK water use by 5% between 2012 and 2015.
Waste	Reduce the total amount of UK ground waste sent to landfill by 10% between 2008-9 and 2014-15. Reuse or recycle (or otherwise divert from landfill) 80% of UK ground generated by Virgin Atlantic-managed UK sites by 2015.
Design & buying	Design and source goods and services in a way that minimises damage to the environment and creates a positive impact on society.
Community investment	Support the work of the Virgin Atlantic Foundation. Manage staff fundraising and volunteering and partner with Free The Children to: - Educate, engage and empower young people in the UK. - Deliver real, long term improvements on social and environmental issues in our 'Adopt a Village' communities.

Policy ✓

Suppliers can also help us minimise our use of natural resources, by aiming to source all materials from sustainable or renewable sources. For example, **all paper/wood products should be either made from FSC certified or recycled paper.** Or through providing us with energy or energy efficient products e.g. energy efficient lighting, fuel efficient cars, renewable electricity or low water use appliances; We source meat, fish and dairy produce for our customers and employees and we expect suppliers to provide assurance that products use **credible animal welfare and sustainability standards, and aim for standards such as the UK's RSPCA Freedom Food Scheme for meat and poultry and Marine Stewardship Council certification for fish**

Businesses tell us about the benefits they receive from using credible standards.



Photo by Katha Haru courtesy of GoodWeave International

We capture companies' experiences in business stories:

Newest stories:

PANDORA (Danish affordable jewellery company)

Galaxy Surfactants (Indian specialty chemicals company)

Read about Klabin, IKEA, Bumble Bee, Mars, Wilmar, M&S, and more at www.standardsimpacts.org



We also survey business leaders:

7 out of 10

individuals said there is a
strong
business case


8 out of 10
using standards, said they are
considering
expanding their use

Findings of 2015 ISEAL online survey of business leaders engaged with ISEAL

Finding reinforced by

- Globescan online survey of 150 business leaders (2015) , and
- over 70 phone interviews in different sectors (2015-2016)

Specific business benefits in the Globescan survey that respondents identified:

1. Protect and enhance **brand and reputation** (55%)
2. **Benchmark or roadmap** for operationalizing sustainability (45%)
3. Deliver **transparency and traceability** (32%)
4. Provide **access to markets** (30%)
5. **Manage risk** in supply chain (27%)



We wondered: is there research evidence to back up what we are hearing from companies?

AidEnvironment commissioned to conduct a meta-review of research evidence on realized business benefits

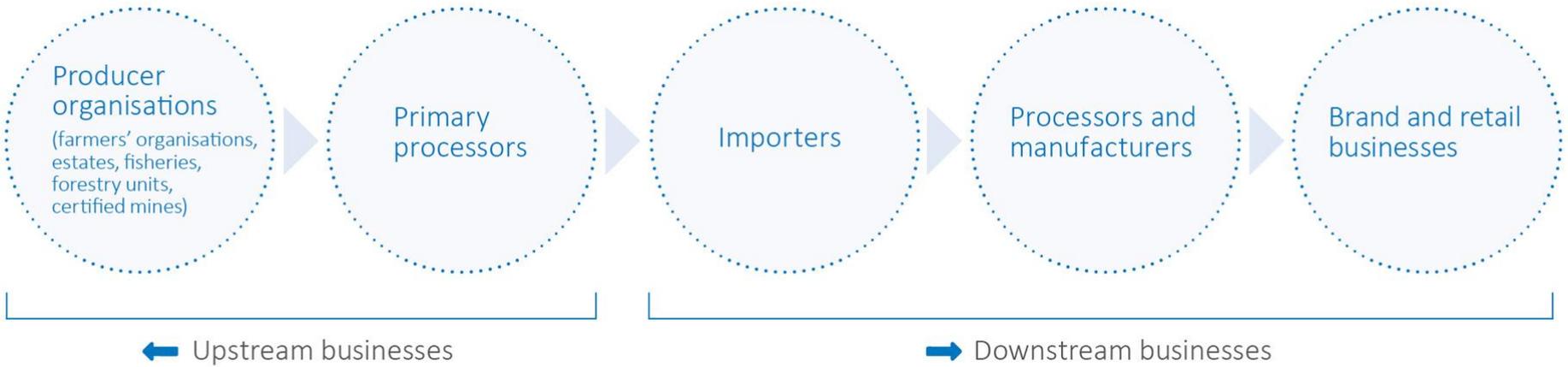
“The Business Benefits of Using Sustainability Standards”

J.W. Molenaar and J.J. Kessler (2017)

Evidence base:

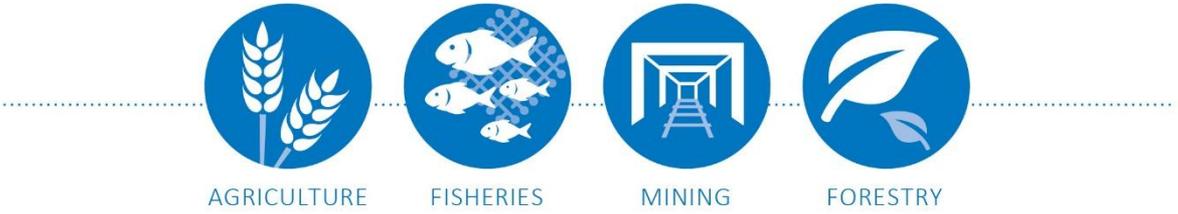
- › 40 studies, chosen from 140 identified
- › Literature reviews, surveys, interview-based research, and cost-benefit analysis
- › Company reports to validate findings

Both upstream and downstream businesses... in agriculture, fisheries, forestry, and mining



Evidence base: 27 studies

Evidence base: 26 studies



Top two early benefits ... for upstream and downstream businesses

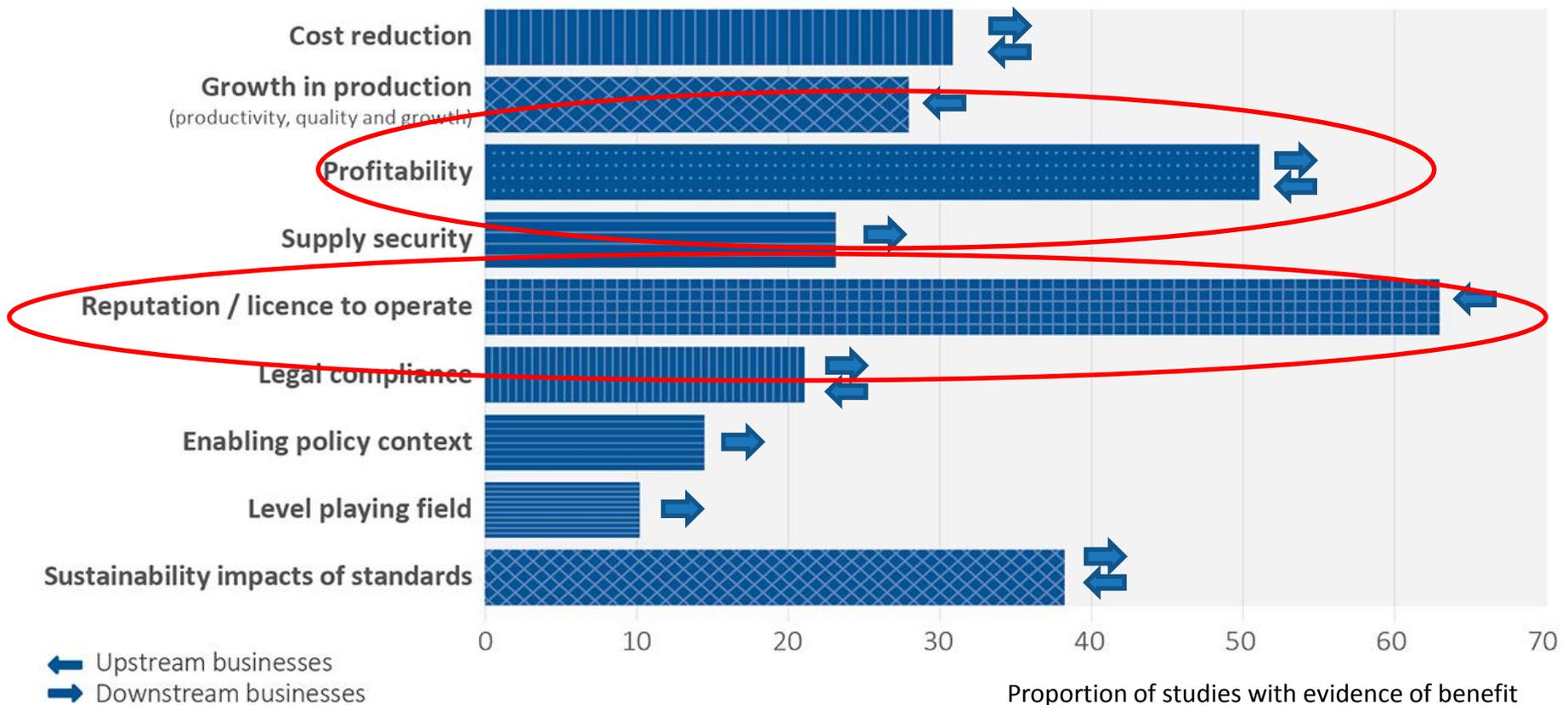


improved market access



improved business operations

AidEnvironment meta-review: Realized final benefits



The study also examines factors that can increase, or reduce, benefits for businesses

- › For upstream businesses (producers and primary processors):
 - › Ability to fulfill demands of international markets – high market-related benefits
 - › Starting from a lower benchmark – higher operational benefit
- › For downstream businesses (manufacturers and retailers):
 - › Businesses buying many products – lower cost than setting up own sustainability strategy
 - › High demand for sustainable products – higher market and reputational benefits
 - › Competition and concerns about supply – higher procurement and reputational benefits
- › For all
 - › Credibility of standard or label – greater sales, marketing, reputational benefits; greater access to finance

What governments can do to support the growth of credible standards....

- Prevent green washing and build awareness of what **credible, high quality standards look like**
- **Lead by example**: Certification of public bodies or assets
- Incentives to **encourage industry uptake**
- **Referencing credible standards** in guidance or legislation
- **Recognising certification** as proof of compliance with legislation
- Favours certified products in government purchases - **SPP**
- **Step approaches** between government-led standards and higher-bar international sustainability standards

Thank you!

Find studies and business stories at
www.standardsimpacts.org



Results, impacts, business case

Global Sustainability Standards Conference

The future of trust

Zürich | 27-28 June 2017

"Energetic, passionate, great experience"

"The place to be when you work with or
for voluntary standards systems"

Find out more at:
iseal.org/conference

