

Product sustainability standards – friend or foe?

As the world starts to accept that most organisations need to deliver their sustainability goals through their supply chains, there is a growing trend to set rigid product sustainability standards. Does this help or hinder progress towards a more sustainable world?

My personal history in sustainable procurement goes back to 1995, when I was working on ways to engage small, local minority owned businesses into the supply chain at Heathrow Airport. In 2000 I developed one of the UK's first corporate carbon strategies. In 2005 I was a member of the UK Government's Sustainable Procurement Task Force and in 2006 I started Action Sustainability and took a supposedly "part time" role as Chair of the Commission for a Sustainable London 2012. Happy days but busy ones.

The report from the UK Task Force "[Procuring the Future](#)", published in 2006 recommended a Flexible Framework, an early attempt at a maturity matrix to describe a strategic framework to embed sustainable procurement into any organisation, large or small, public or private. This morphed over time into BS 8903 in 2010 and finally into [ISO 20400](#) in 2017. I have been using this approach for 20+ years, as a practitioner and consultant, I know it works.

In a parallel universe, the type of which exists in most governments. UK Gov decided to implement "[Government Buying Standards](#)" despite the advice of the Task Force.

Do these two approaches compliment each other and can you do one without the other?

My brief answer would be Yes and No.

Product standards have their role to play and, if rigorously applied they will make a difference. However, simply applying the blunt instrument of product standards will achieve improvements but the approach has risks and limitations:

- **Careful what you wish for. It can stifle innovation** – If you set rigid standards for your supply chain, that is what you will get. Suppliers will compete on price and do as little as possible to comply with the standards you set. It is very unlikely that you will be offered any innovation. For example, Phillips has recently introduced a range of LED lighting which uses a fraction of the energy of "old" LEDs, which offered a fraction of the energy consumption of traditional lighting. Setting a standard would miss out on this innovation, or if you specify the new solution there will be no competition and the price will go up. A better approach could be to tender based on whole life cost including energy consumption and disposal at the end of life. Better still, tender a service contract to provide illumination and leave the market to innovate.
- **Do you know everything?** – It would be arrogant to assume that a procuring organisation understands a product better than a supplier. Keeping up with technology across a wide range of markets can be resource intensive and ultimately exhaustive.
- **The complex world of standards** – There are thousands of standards in the world and thousands of Certifying Bodies. You will need to understand if standards are subject to first, second, or third-party certification, and whether the Certifying Body is accredited. If not

accredited, you will need to understand the robustness of the certification scheme and what is being certified. For example, the London 2012 Olympics developed a Food Vision for catering at the Games, McDonald's responded very well to this, and it was instrumental to changing their offer in many ways. However, there was disagreement over coffee. London 2012 required Fair Trade and McDonald's maintained their coffee was certified by Rainforest Alliance. In this case London 2012 conceded but these standards do different things. Fair Trade is primarily about pricing, Rainforest Alliance is primarily about environmental impacts. You will need to understand if the standard you want to apply supports your sustainability goals.

- **Audit schemes can be variable** – Even the best audit schemes can be flawed. Any audit is a snapshot of practice on the day, auditors can be deceived and, sadly in some cases, can be bribed. In another London 2012 example, the London Organising Committee of the Olympic Games, LOCOG, developed an excellent assurance scheme based on the Ethical Trading Initiative Base Code. Despite this, NGOs put undercover workers into 2 factories in China making pin badges and cuddly mascots. They produced evidence of breaches of all ten principles of the code in both factories. A better approach could be to engage with the supply chain over the long term, exemplified by businesses such as [Marshalls](#) in the Indian stone industry.
- **Procurement is not just about goods** – Organisations often find the biggest environmental impacts and ethical risks are in services and construction, not goods. These services are often procured in a very different way. Sustainability impacts are addressed in tender questions, evaluation, supplier relationship management and performance incentives.

Integrating product standards into a strategic framework

[ISO 20400](#) provides a strategic framework for sustainable procurement. Very broadly, these are the steps:

- **Set your goals** – This can be done at an organisational level based on your key drivers and values.
- **Translate your goals for your supply chain** – Usually with a high level Charter such as this example from [Land Securities](#)
- **Prioritise by category** – Understand which category of supply plays most strongly into which sustainability impact, we call this process [Heat Mapping](#)
- **Research your standards** – Research standards for the most impactful products and ensure they meet your needs. Use robust standards that align with your priorities. Use alternative procurement methods where appropriate.
- **Upskill your staff and supply chain** – Invest in learning for your staff and suppliers. The [Supply Chain Sustainability School](#) is an example of best practice.
- **Manage performance** – Ensure your contracts have robust performance requirements and hold your suppliers to account for delivery. The [Sustainability Tool](#) is an example of a software solution.



We should not ignore product standards#, but we need to recognise that they are part of a strategic approach, not a “One size fits all” solution.

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