



VOLUNTARY  
SUSTAINABILITY  
STANDARDS

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iseal  
alliance

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# SUSTAINABILITY STANDARDS AND THEIR SYSTEMIC IMPACTS

**Sustainability standards have impacts that go beyond individual certified operations to influence whole production and consumption systems.**

Voluntary sustainability standards can help to reduce the negative environmental impacts of commodity production, while also bringing benefits for communities, workers and businesses. A growing body of evidence demonstrates that, although there are limitations, positive changes occur when farms, forests, fisheries and other enterprises are certified against credible standards. Documented positive impacts at certified operations include increased product quality, higher incomes, improved labour conditions, reduced water contamination and biodiversity conservation, while within value chains standards have been shown to reduce operational costs and improve reputation.

But the impact of standards goes beyond the individual certified operations. Standards also affect whole systems, in both large and small ways – by shaping government and private sector policies,

sharing knowledge and training, raising consumer awareness or improving coordination across landscapes and sectors. By doing so, they help to create an enabling environment for production and consumption practices that benefit people and planet.

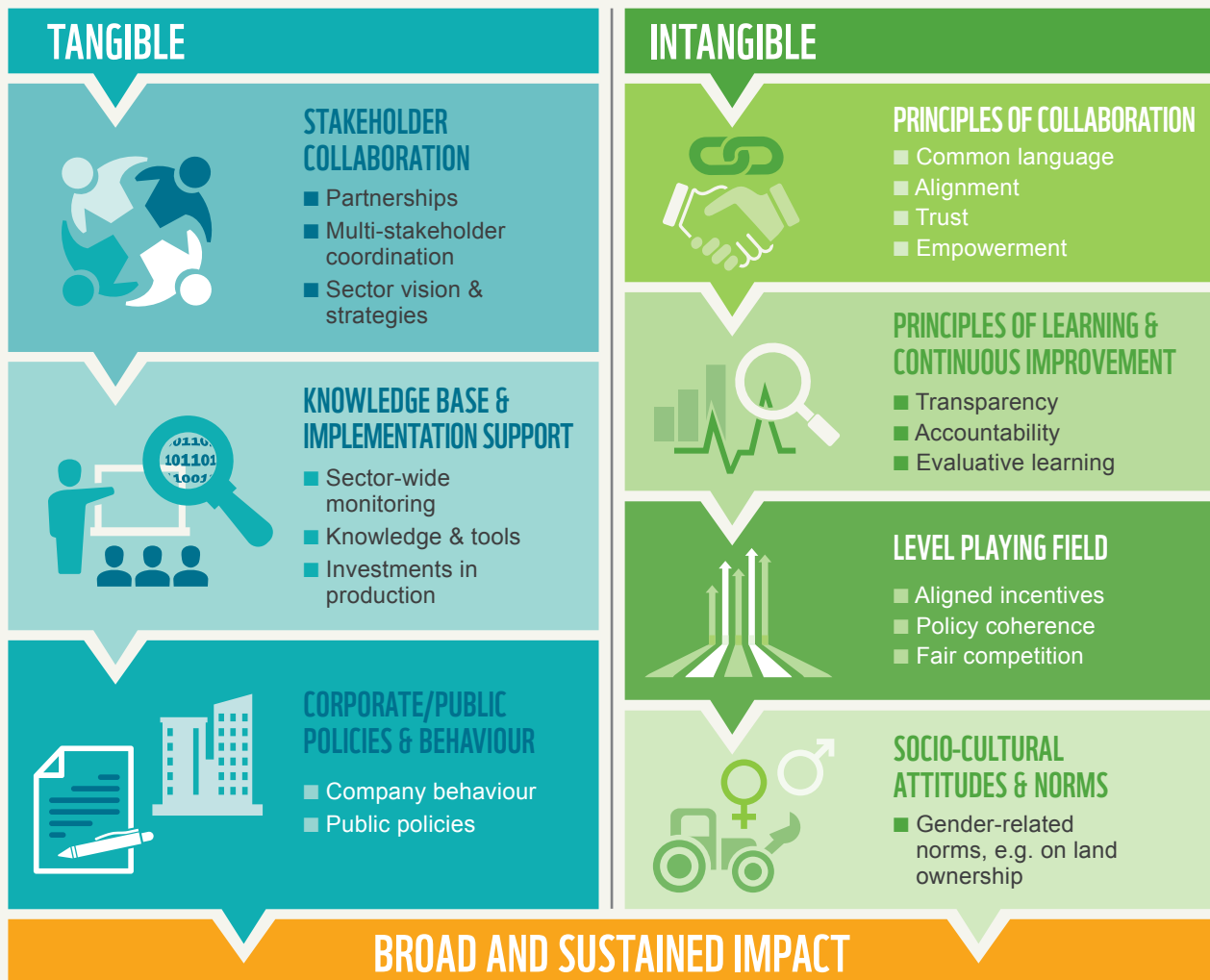
These systemic impacts can play a significant role in tackling the root causes of unsustainable practices and extending, deepening and sustaining the positive effects of certification. However, they can be challenging to identify and measure. WWF and ISEAL, the global umbrella organization of the world's leading sustainability standards, commissioned sustainability consultancy Aidenvironment to explore this largely uncharted territory, and to collect evidence of the systemic impacts of ISEAL member standards. This briefing provides a short summary of their review.



**SYSTEMIC IMPACTS**  
HELP TO CREATE AN ENABLING  
ENVIRONMENT FOR  
PRODUCTION AND CONSUMPTION  
PRACTICES THAT BENEFIT  
PEOPLE AND PLANET.

To read the full paper with more  
examples, please visit  
[www.panda.org/systemicimpacts](http://www.panda.org/systemicimpacts)

## Tangible and intangible systemic impacts of voluntary sustainability standards



## STAKEHOLDER COLLABORATION



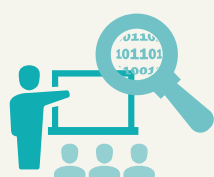
**Standards help to facilitate dialogue between multiple stakeholders across a sector. This can lead to improved coordination, strategies and partnerships to tackle key sustainability issues, while also helping to build trust, influence attitudes or empower those who are often excluded from decisions that affect them.**

**Scaling up sustainable palm oil:** The Roundtable on Sustainable Palm Oil (RSPO) brings together key actors in the palm oil value chain. In some countries, this has developed into wider coordination among government, industry and civil society. This has the potential to go beyond the traditional scope of standards and certification to scale up sustainable production to a jurisdictional level. In Sabah, Malaysia, the government plans to certify all palm operations to the RSPO standard by 2025, while the government of Ecuador has made a similar commitment on palm oil grown in the Amazon region.

**Collaborating to improve workers' health:** In Nicaragua, Bonsucro helped broker dialogue in a conflict between a major sugar mill and an NGO over the issue of Chronic Kidney Disease of undetermined causes (CKDu) among workers – a problem that affects workers in numerous sectors throughout Central America. The process built trust and led to the formation of the Adelante initiative with the Nicaraguan Sugar Producers Association. Adelante has researched farm labour practices and CKDu's root causes to gain insights on how to improve workers' health, which have been widely shared.

**Strengthening national fisheries management:** When the Suriname seabob fishery sought Marine Stewardship Council (MSC) certification, a working group was formed to address the gaps in meeting the MSC standard. The group, comprising the Surinamese government, a Dutch seafood company, WWF and local small-scale fishers, produced a countrywide stock assessment, a new national management plan and a website to make information more widely available. This unprecedented level of collaboration has strengthened fisheries management in Suriname and potentially in the wider region.

## KNOWLEDGE AND INVESTMENTS



**Standards have helped to expand the knowledge base around sustainable production and to develop tools that can be applied beyond their own certified supply chains. They have also helped funnel investment into training and capacity building that improves practices among large numbers of producers, not only those who are seeking certification.**

**Pioneering the HCV approach:** The concept of protecting areas of high conservation value (HCV) was pioneered by the Forest Stewardship Council (FSC). The approach is now widely used by other standards, within and outside ISEAL, as well as by businesses and public agencies. Over 160 consumer goods companies and financial institutions have committed to using the HCV approach, which has helped to protect millions of hectares of old-growth forest and other important natural habitats and cultural sites. FSC, the Rainforest Alliance, Bonsucro, the Better Cotton Initiative and RSPO participate in the HCV Resource Network, which develops common guidance for using the HCV approach.

**ISEAL and the Global Living Wage Coalition:** In 2013, a number of ISEAL members and Social Accountability International (SAI) formed the Global Living Wage Coalition (GLWC) to promote wages that enable workers and their families to afford a decent standard of living. The coalition's tools and studies, publicly available online, have helped develop benchmarks for a living wage in several sectors. This fills an important knowledge gap, enabling companies to plan strategies or governments to develop policies that promote paying living wages.

**Funding capacity building:** Several ISEAL members are investing in projects that support producers to adopt better practices, whether they are aiming for certification or not. For example, Fairtrade International partnered with Grameen Foundation and Incofin Investment Management to create the Fairtrade Access Fund, which supports farmers' organizations in making longer-term capital investments. Between 2012 and 2015, the fund grew to US\$10.2 million.

## POLICIES AND BEHAVIOUR



**By engaging with businesses, government and the finance sector, standards influence policies in both the public and private sectors. Their campaigns can also influence public opinion and corporate behaviour. Changes to public policy can be particularly significant, helping to eliminate the worst practices and create a level playing field for responsible operations.**

**Standards influencing government regulations:** In Vietnam, the Aquaculture Stewardship Council (ASC) is working with the Directorate of Fisheries to strengthen the assurance system of its mandatory VietGAP standard for agriculture and aquaculture – part of a step-wise approach leading to ASC certification. In Mozambique, the government has embedded BCI principles into national legislation, leading to a dramatic increase in the number of farmers producing Better Cotton – from 6,300 to 75,000. Peru's revised Forest and Wildlife Law also promotes sustainable forest management, and the government offers financial incentives to forest concession holders with FSC certification or equivalent. The presence of voluntary standards has also influenced some governments to develop their own standards, for example in the palm oil sector.

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**Tuna certification catalyses ocean-wide improvements:** For a fishery to be certified, the MSC requires well-defined harvest controls that cover the entire fish stock. This meant that, to maintain its MSC certification, the Maldives skipjack tuna fishery had to ensure these rules were in place not just in its own area of operation but right across the Indian ocean. The Maldives convinced other members of the intergovernmental Indian Ocean Tuna Commission to adopt science-based controls for the region's skipjack tuna. As well as helping to safeguard tuna stocks in the Indian Ocean, the move provides a model that can be replicated by other regional fisheries management organizations.

**Standards for sustainable procurement:** In some European countries, standards serve as a basis for sustainable public procurement criteria. For example, Sweden references various standards as a means to verify that products meet its advanced sustainability criteria.

**Corporate accountability:** Some standards have built corporate accountability into their governance structures. FSC's policy of association excludes companies that are directly or indirectly involved in illegal logging, destruction of HCVs, significant forest conversion or rights violations. RSPO members are bound to follow certain rules even for their non-certified operations, including submitting an annual public progress report. The RSPO can suspend members in the case of unresolved complaints, for example in the case of community rights violations by a subsidiary company.

**Driving change through the finance sector:** Financial institutions increasingly use sustainability standards as frameworks to identify or assess environmental and social risks, particularly in the forestry, mining and palm oil sectors. ABN Amro, Citibank Group, Credit Suisse, Deutsche Bank, HSBC, Rabobank and UBS all require customers to be certified or have time-bound plans to become certified. Finance sector policies help shape market behaviour and amplify the impact of voluntary standards.

### WHAT NEXT?

This briefing demonstrates that standards are achieving systemic impacts that go beyond the direct effects on certified operations and in supply chains. Systemic impacts can address the root causes of unsustainable practices, including capacities, policies, institutions and stakeholder relationships. Changes in the enabling environment can take time to realize, but have the potential to improve the performance of many more operations than standards and certification currently reach.

For WWF, ISEAL members and other stakeholders, putting more strategic emphasis on targeting and recording these systemic impacts is an opportunity to achieve broad and long-lasting benefits for people and nature.

Read more: [www.panda.org/systemicimpacts](http://www.panda.org/systemicimpacts)



**Why we are here**

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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