

## What drives sustainability in businesses?

Why do companies get sustainability certification?

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## The 3CO project

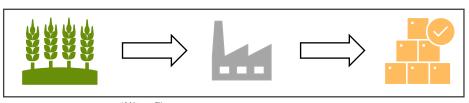
- 3CO: Concise Consumer Communication through Robust Labels for Bio-based Systems
- Goal: develop a supportive framework for Certification Schemes and Labels (CSLs) to enable and support consumers to make more sustainable purchasing choices
- 01 February 2023
- o 36 months
- 9 partners, 7 countries





## What is sustainability certification?

- Sustainability certification schemes and labels (CSLs) are guidelines that define a set of environmental, economic, and/or social requirements to enhance the sustainability of products or services
- Voluntary market-driven tools
- Used as co-regulation instruments in policy (e.g., in RED\*, EUDR\*)





















### **Benefits of certification**



<u>o Environmental benefits (reduced nega</u>tive e

General information

Benefits of FSC certification

- Economic benefits (increased market access
- o Social benefits (improved working condition regu**Benefits of FSC certification**

High standards of environmental protection, listening and involvement of interested stakeholder and economic sustainability are some of numerous benefits obtained by the FSC certification. Below we present some of them.

## BENEFITS OF RSPO CERTIFICATION

- Protection of workers ights and enhanced productivity
- Reduction of workplace accidents
- Smallholders inclusion
- Reduction of greenhouse gas emissions
- Better waste management
- 15 Reduced use of resticidesce with existing
- Improved compliance with regulatory requirements
- Market confidence





A Bonsucro certificate is internationally recognised and respected. By achieving a certificate, you can improve your image achieve sustainability procurement goals, build partnerships to tackle sustainability issues together.



## Why do companies get certified?

#### **External motivations**

- Market access
  - Expand to other markets
  - Competitive advantage
- Price premiums
  - Certified products sold at higher prices
- Improved image
  - With consumers
  - With external organisations (NGOs, activists, etc.)
- Legal motivations
  - Regulations, requirements

#### **Internal motivations**

- Moral motivation
  - Environmental sensitivity
  - Reduce negative social impacts of production
- Learning motivation
  - Improve quality of products
  - Improve management/production system

# Most important drivers? Example from literature







## Consumers interest in certified products

- Increasing interest in sustainable biobased products
- Mistrust in 'green' claims
- Certification as a tool to prove actual sustainability of products
- Higher willingness to pay (WTP) for certified products vs uncertified ones
- Importance of information to increase WTP

Want to know more? <u>Public Deliverables - 3CO project (3co-project.eu)</u> -> D 2.1



### **Barriers to certification**

- High certification costs, complex processes (bureaucracy, documents, etc.)
- Not enough expected benefits (e.g., no price premiums, market access)
- Proliferation of CSLs



## **Conclusions and next steps**

- Main drivers of certification for companies are improved image and expected economic benefits
- We are preparing a survey to compare expected vs real benefits of certification
- High upfront costs of certification = main barrier
- Key role of consumers



## Thank you for your attention!