



# SUSTAINABILITY CERTIFICATIONS: A GUIDE TO ASSIST COMPANIES IN THEIR DECISION-MAKING PROCESS

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## Background

The sensitivity for social issues and the natural environment has never been this high and companies are increasingly facing the question of how they can become better corporate citizens. Therefore it is becoming more important for companies to measure their sustainable performance and to communicate it to the outside world. One possible solution for this are sustainability certifications. Therefore, more and more certificates, labels and quality marks are appearing on the market. This variety creates confusion not only among consumers, but also among companies.

## Objective

The aim of this research was to find out how a company's decision-making process of a sustainability certification might look like and what factors are most important when choosing a certification to measure and communicate their sustainable performance. Additional recommendations in the form of a short step by step guide are developed, which will be of help to other companies.

## Introduction

The wide range of certificates on the market does not make it easy for companies to decide which certification might be most suitable for their company. This problem led to the following research question: *What factors influence the choice of a sustainability certification and how can a company decide on the most suitable one?* After differentiating between the various terms, two aspects were addressed in which certification can help: Performance measurement and sustainability communication.



Exemplary Certifications

## Methods

To answer this study's research question a qualitative approach was chosen to best follow the decision-making process of the company under research. Two focus group meetings were held online with six key stakeholders from the company. The first meetings' purpose was to find out what factors play the most important role when choosing a new sustainability certification. The second meeting served to present six selected certifications and to let the participants discuss about the respective certifications. At the end of the second meeting, two certifications were preliminarily agreed upon.



## Results

### Drivers that push the company to obtain a certification

Internal Benefits	External Benefits	Pressure
Acquisition of knowledge	New positioning of the brand	Regulations by policy makers
Constant development	Differentiation on the market	NGOs
Orientation tool	Attracting new talent in the labour market	Society/Consumers
	Comparability with other companies	Competitors

### Barriers that might be encountered in obtaining certification

- Resources
  - Time
  - Personnel
  - Costs
  - Data
- Risks
  - Choosing the wrong certification
  - Unintended greenwashing accusation

### Expectations of a sustainability certification

- Good reputation
- Clear definition and a seal that can be communicated
- Fits to the companies' scale
- Evaluate the holistic sustainability of the company

## Conclusions

There is still no uniform certificate for every company. This short guideline should therefore help companies to choose a certification accordingly.

1. Should the certification measure sustainability for internal purposes or communicate it to the outside world?
2. Which dimensions of sustainability should be covered by the certification?
3. Which geographical area should be covered?
4. Should the certification be a one-time event or accompany a continuous process?

These are the main aspects in which sustainability certifications differ. The certifications that remain after these criteria can then be listed by their reputation and chosen accordingly.