Voiz

Evaluating Product Sustainability
Curriculum Outline

Course Approach

Goal: Get students up and running as sustainability analysts. This skill enables them to evaluate the sustainability of products and services, as well as firms and projects.

Learning Objectives:
- Students will learn a framework for evaluating sustainability and repeatedly put it into practice
- They will learn how to incorporate values and empathy into their assessments
- They will learn about the landscape and evolution of sustainability, which will set the context for their work and help in charting a path for their future careers

Philosophy: Fast-cycle earning involves learning analytical frameworks, hands-on practice, and, crucially, getting feedback in a real-world context.

Method: Weekly 2-hr classes (with the exception of the longer Class 1) held in parallel with evaluating products/services and writing reviews at a rapid pace. The two intersect as students will be asked to present and refer to their reviews as is relevant to class topics, and also critique the reviews of others.

Instructor: Diego Espinosa and guest lecturers. This class is modelled after a similar class the instructor has taught on analyzing and evaluating investment opportunities. He has been an Adjunct Professor at the University of San Diego, and a impact venture CEO, money manager, management consultant and sustainability entrepreneur.

Class 1. On-boarding Training (3hrs)

Goal is to get you up and running as a reviewer.

    a) Intro to our human-centered philosophy: empathy for the consumer's problem and the planet

- How should we measure sustainability?
  - The current corporate approach:

- Corporate social responsibility (CSR): *incremental progress and striving for standardization (measure, reduce, offset); financially constrained and motivated; rarely values-driven*
            - Expert view: what meets my checklist of requirements; what are my peers accomplishing at other brands; balancing what is "right" with what is feasible
            - Indie innovation: re-arrange the supply chain to set the brand apart from competitors
        - The consumer approach: what aligns with my (changing) values; how can I limit my impact

- Why adopt the consumer view?
    - Comes from a *theory of change*
        - Consumers are more values-driven than firms
        - Firms respond to consumer choices
        - As more firms respond, they create fear of missing out among peers
        - As more firms respond, more consumers become aware of sustainable options
    - Return on investment-focused (ROI) CSR has not produced enough progress
    - Need a big lever to drive change at scale: buying decisions of millions of consumers

- What do consumers need?
    - Design thinking starts with empathy for the user, understanding their problem and frustrations
    - Consumers are time-constrained
    - Used to accessible in-app product info (ratings/reviews)
    - Used to seeking advice from trusted, relatable peers
    - Why should sustainable shopping be harder/different?

b) Introduction to the Voiz review framework
- What the product is made of
    - Materials impacts (emissions, biodiversity, toxicity, waste, recycled content)
- How the product is made/shipped/recycled
    - Production impact (emissions, toxicity, waste)
    - Packaging (amount, materials)
    - Circularity (repairability, reusability, recyclability)
- Who makes it (considering the brand as a whole)
    - Corporate values (including social equity)
    - Key trade-offs and sacrifice
    - Sustainability innovation
    - Transparency (including supply chain)

c) Grading: how to create your own spectrum and map it to Voiz
- Root evaluation in empathy for consumer and their values

- Use your values to weight, prioritize, make trade-offs
- Gauge whether your average rating will be helpful to consumers and brands

d) Writing and voice development

e) Practice review

f) Feedback and discussion

Class 2. The landscape: overview of consumer and corporate sustainability evaluation

a) Sustainability
- The corporate sustainability landscape: successes and failures
- The non-profit and regulatory landscape: successes and failures
- Consumer awareness and buying power: successes and failures
- What's at stake: climate; biodiversity; water; waste; etc.
- SDG progress report - read the exec summary
- What grade does humanity get?

b) The next generation of solutions
- Scalable
- Values-driven
- Effective
- Democratic

c) How do we determine what products and brands are "sustainable?"
- Three critical concepts in evaluation/analysis
    o Materiality
    o Theory of change
    o Human-centric (values-based) judgement

d) What do consumers say they want? What factors affect their perspectives?

e) The landscape of sustainable reviews
- Sustainable e-commerce sites, curated "tabs", other rating sites, influencers, others
- What did they get right? wrong?
- How did they do on materiality, theory of change, human-centeredness?

f) Consumer-oriented certifications
- What specific problem do they attempt to solve?
- How did they do on materiality, theory of change, human-centeredness?

g) ESG scores: the biggest success story?
- $23tr managed according to "socially responsible principles"
- Investor pressure is the force behind Corporate Social Responsibility
- The problem of greenwashing

Class 3. Drilling down: what it's made of

We look at the *materials* that go into a product (including packaging) and how they impact sustainability both in production, use and disposal. Throughout, we use two cases studies: a printer and a ski jacket.

a) How to help (in a human-centric way) consumers that don't have time
- Materiality: what's most important by impact and why? i.e.
  - There's a lot of it in the product/package
  - There's not a lot but a tiny amount matters a lot
- Communication: how to communicate complexity

b) Gauging sustainability of the pieces
- How a non-expert can shed light on toxicity, the most expert-level topic
  - Avoid the "chemistry checklist" (long list of risks with no context)
  - What are the key areas of risk, and how is the company addressing/not?
  - Look for visible, quantified investment the firm has made/sacrificed to move the needle
  - Are claims specific enough to cause fall-out if inaccurate?
  - Is there a theory of change?
  - Gets easier the more reviews you do
- Evaluating emissions, recyclability, repair, and other factors
- Leveraging materials-oriented certifications (without falling into chemistry checklist trap)
- Transparency: sometimes it's how they talk, and what they don't talk about, that's important

c) Making trade-offs, probably *the* key skill
- Most progress is not free
- Examples of trade-offs we'll encounter (e.g., recycled fleece releases microplastics, wool production is water-intensive, and organic is not affordable for the average consumer)
- Use your values and judgement to weigh and decide
- Keep empathy for the consumer in mind

Class 4. Drilling down: how it's made

How does the firm's own product production process impact sustainability? What are they doing about it, and how does it stand out from peers and also achieve results?

a) Your job: Not to measure their carbon emissions, but to evaluate their story
- Critical thinking is key
- Read, observe, question, weigh and judge

b) What are their *material* initiatives with respect to emissions, waste, cradle-to-cradle?
- Are they able to talk about it at the product level?
- What's hard about what they are doing? (i.e. sacrifices)
- What's easy because it's innovative?
- Is there a "take the easiest steps" mentality, or something better?
- Materiality, the best defense against greenwashing
  - Most greenwashing is true BUT is incremental, for show
  - Ignores or even hides grave flaws

c) Does the firm have a theory of change?
- At what level (micro/macro)? If not, how does
- How does it fit into your theory of change?

d) The price of sustainability
- Are consumers paying a steep price for sustainability (relative to other products)?
- Is it worth it?
- Are there quality trade-offs that the consumer must live with?

e) How do you prioritize, value, and make trade-offs?

Class 5. Drilling down: who makes it

How does the firm manifest its sustainability values?

a) Labor equity
- Certifications
- Corporate policies, including for suppliers
  - Pay equity: levels and gaps (i.e. ceo pay/average employee pay)
  - Healthcare and other benefits, and use of contract/PT workers to avoid
  - Gender and racial equity

b) Community impact and materiality

c) Corporate culture and values, and how those are communicated (i.e. authenticity)

d) Attitude towards transparency

e) Major trade-offs/sacrifices the firm has been willing to make

f) How do you prioritize, value, and make trade-offs?

Class 6. SDG's, what they are and how to use them

a) Overview of the goal categories

b) Deeper dive into progress report
- Have we made progress?
- Are the SDG's working?
- If they are universally cited and we're making progress, why not?
- What would it take to meet the goals?

c) how do they map onto our review framework?
- Check the list vs, check the boxes
- Values, materiality and weights

d) what can we (as Voiz and as individuals) do about failing to meet the SDG's?
- Pretend it's okay?
- What the SDGs are missing: a theory of change
- Exploring alternate TOC's
  - Voiz: values-aligning consumers
  - GND: engaging the political process
  - Markets: price on carbon emissions
  - Silicon Valley: innovation leads the way

Class 7. Innovation and the sustainability venture landscape

a) B2B, process technology, including bio, clean tech and others

b) Fashion/apparel trends

c) Other consumer products

d) Re-commerce and platform e-commerce

e) VC approaches

Class 8. Guest from large corporate sustainability space

a) What trends are they seeing (what's changing the fastest)?

b) how does sustainability get absorbed into corporate culture?

c) What are they proudest of, and, what do they want to see change the most?

d) Are evaluations of their progress fair?

Class 9. Guest from indie brand sustainability space

a) What are the challenges of being a sustainable indie brand, and how do they deal with them?

b) Is there a point at which scale makes it harder to be sustainable?

c) are consumers paying attention? what channels work best for reaching them?

d) how big will the sustainable indie brand space be in 5 years?

Class 10. Sustainable investing

a) The landscape: ESG vs. impact
   - Roles and agendas: asset managers, investors, firms and raters
   - ESG and the drive for values-less quant/passive
   - Scaling impact

b) The emerging greenwashing backlash
   - Generational change in investor attitudes
   - Plan sponsors and asset managers under increasing scrutiny

c) Direct integration into the investment process
   - Of sustainability
   - Of values

d) How are the big asset managers adapting?

e) What are the scores getting right, and wrong?