Product Sustainability Standard

Inclusive Trade

Version 1.0: June 2023

Reason for Standard

Centuries of harms perpetuated by the dominant culture in the United States have resulted in a current society of disproportionate wealth accumulation, educational opportunities, and representation in certain fields of work.[i] Our laws, policies, systems, and institutions created by those in power have been used to subjugate and marginalize women, queer individuals, People of Color, veterans, and individuals with disabilities.[ii,iii] Political, legal, social, and economic systems continue to hinder the fundamental human rights of individuals within such historically and currently excluded communities.[iv,v] And deeply embedded structural biases restrict access to resources necessary for economic and social advancement.[vi,vii] By extension, members of historically and currently excluded communities also experience greater challenges and barriers to advancing in the field of business and entrepreneurship. The result is a lack of market share or business ownership, along with less revenue and representation in supply chains for businesses that are owned by those individuals.[viii,ix]

Through intentional work around social justice, diversity, inclusion, and equity, businesses can play a role in supporting the advancement of communities the dominant culture excludes and begin to address some of the systemic barriers and inequities within our supply chains. Not only is this the "right thing to do" but there is strong evidence supporting the benefits that inclusion and diversity bring, such as innovation, market competition, and economic growth.[x,xi,xii]

Part of PCC's commitment to justice, diversity, equity, and inclusion is to acknowledge our role in perpetuating inequity and structural discrimination and to work to improve the system. Collaborating with our cooperative food market community across the country and National Co+op Grocers (NCG), PCC's Inclusive Trade Program is an active step towards creating an intentional space for better recognition, elevation, and inclusion of historically and currently excluded communities within the marketplace. We understand it is just one step on a long journey of learning and working towards systemic changes. We look forward to working with our suppliers and communities to continuously improve and evaluate our Inclusive Trade standard to ensure it is serving a beneficial purpose in building a more inclusive food system for all.

Scope

The following standard applies to all products sold at PCC that are made by businesses participating in the Inclusive Trade Program.

Standard

The Inclusive Trade Program is an optional program offered by PCC to businesses of individuals who identify as members of historically and currently excluded communities.

1. General Criteria

1.1. Businesses may self-identify in one or multiple Inclusive Trade Program Categories that apply but must meet the requirements for self-identification as defined in section 1.2.

1.2. To self-identify, businesses must be at least 51% legally owned, operated, and controlled by individual(s) who identify as being from historically and currently excluded communities (often identified within federal classifications as diverse or a part of a minority group) or from one or more of the categories outlined in section 2 below. *(See Appendix-Section A for NCG's Diverse Supplier Categories as differentiated from PCC's categories.)*

1.3. Businesses must be formed in and have their principal place of business located in the United States (US) or US territories to participate in the Inclusive Trade Program.

1.4. Businesses must adhere to applicable [PCC product sustainability standards](#).

> NOTE: *If needed, suppliers are encouraged to reach out to PCC for support on aligning products with PCC standards.*

1.5. PCC must respect a business's choice to not participate in the Inclusive Trade Program and must not use any Inclusive Trade Program promotional materials identifying a business as an Inclusive Trade brand without prior consent.

2. Inclusive Trade Categories

2.1. Women-Owned

2.2. Black, Indigenous, and People of Color (BIPOC) or Persons of Color (POC)-Owned

2.3. Lesbian, Gay, Bisexual and/or Transgender (LGBTQIA+)-Owned

2.4. Veterans and Service-Disabled Veterans-Owned

2.5. Persons with Disabilities-Owned

3. Certification and Verification

3.1. Local businesses must provide verification or assurance that their business is owned by individuals who have self-identified as one or multiple categories outlined in Section 2 of the standard above.

3.1.1. Local businesses may seek third-party certifications to identify as an Inclusive Trade supplier, but it is not a requirement for enrollment in the PCC Inclusive Trade Program.

3.2. Non-local businesses must also provide verification and obtain third-party certification available for business owners who identify as members of historically and currently excluded communities. *See Appendix-Section B for details on certifications.*

Standard-Specific Glossary

Control is the primary power to direct the management of a business as evidenced through the governance documents and actual day to-day operation.

Diverse Supplier is defined by NCG as a business that is at least 51% owned and operated by an individual or group that is part of a systemically underrepresented or underserved group; including businesses that are women-owned, BIPOC-owned, LGBTQIA+-owned, veteran/service-disabled veteran-owned, or owned by persons with disabilities.

Heterosexism is the marginalization and/or oppression of people who are lesbian, gay, bisexual, queer and/or asexual, based on the belief that heterosexuality is the norm. For the purposes of this standard, the term is used to also encompass oppression and prejudice against anyone who does not identify as the binary male or female genders or is transgendered.

Historically and currently excluded communities are groups of people who have and continue to be excluded from the political, economic, and social activities of the mainstream population. Laws or policies that restrict housing choices, access to education, economic opportunities, or other activities that enable individuals to gain wealth and resources perpetuate their continued exclusion. Racism, sexism, and other forms of discrimination also play a role in perpetuating marginalization of individuals through social and cultural systems.[xiii]

Institutional Racism, or systemic racism, refers specifically to the ways in which institutional policies and practices create different outcomes for different racial groups. The institutional policies may never mention any racial group, but their effect is to create advantages for whites and oppression and disadvantage for individuals from groups classified as People of Color.[xiv]

Local can have many different interpretations, especially regarding the distinction between locally grown ingredients and local companies who produce goods made with ingredients imported from various locations around the world. The United States Department of Agriculture (USDA) established a definition for local agricultural goods under the 2008 Farm Bill that many USDA programs still reference, which states that local goods are those grown or raised within the state they are sold or within 400 miles.[xv] Products at PCC with a "local" shelf tag include those from Puget Sound, Washington, Oregon, Idaho, and southern British Columbia. "Local" product ingredients may originate somewhere else but be processed or manufactured locally. For instance, coffee roasters can be designated "local" on PCC shelves even though the beans are grown outside the United States, since climate and weather make growing coffee beans in the Pacific Northwest implausible.

Minority is the smaller part of a group. According to the US Equal Employment Office Commission, minority is used to mean four particular groups who share a race, color, or national origin. The four groups are American Indians or Alaska Natives, Asian or Pacific Islander, Black or African American, and Hispanic.

National Co+op Grocers (NCG) is a business services cooperative for retail food co-ops located throughout the United States. Founded and owned by the member cooperatives, NCG's purpose is to support and enhance the market share of co-op grocers because of the community and environmental benefits of cooperative economies. It offers a variety of purchasing, management, development, marketing, and retail support services. NCG also advocates on behalf of co-ops on a number of issues, prioritized by our owners.

Operate refers to the activity of overseeing and managing the day-to-day tasks required to successfully run and operate a business.

Ownership refers to an individual or group of individuals that has an enforceable claim or title to and beneficial ownership of stock, membership interests, or other equity in a business.

Persons with disabilities are those with body or mind conditions that make it more difficult to engage in certain activities or interact with the environment. Disability stems from the idea that certain conditions make it more difficult to succeed or have an adequate quality of life in our society designed and optimized for individuals who do not have such conditions. Physical disabilities, like blindness or paralysis, and conditions like Down Syndrome or Autism that impact development or neurological function may impede one's ability to live independently, communicate, and work. How disability is defined is certainly not definitive and there are many individuals with disabilities who are highly successful in life, despite the challenges presented by a society that is not built for how they experience and interact with the world.[xvi,xvii]

Principal place of business is where individuals who manage the business's day-to-day operations spend most working hours and where top management business records are kept.

Redlining can be defined, according to the [Cornell Law School](#), as a "discriminatory practice that consists of the systemic denial of services such as mortgages, insurance loans, and other financial services to residents of certain areas, based on their race or ethnicity." The origins of redlining stem from government homeownership programs in the 1920s and 1930s wherein the government mapped out areas and properties that were approved for government-backed mortgages to help families and the economy recover from the great depression. In the process, the so-called undesirable neighborhoods were color coded red, and those areas were the neighborhoods in which the majority of residents were Black, which meant that Black residents were denied the government issued loans.

White supremacy is an "ideology where white people are believed to be superior to nonwhite people. This fallacy is rooted in the same scientific racism and pseudo-science used to justify slavery, imperialism, colonialism, and genocide at various times in throughout history. White supremacist ideologies and their followers continue to perpetuate the myth of white racial superiority."[xviii]

Appendix A: NCG Diverse Supplier Categories

PCC's Inclusive Trade Categories are modeled after the NCG "Diverse Supplier Categories" framework, but with slight modifications to terminology to better reflect the interests of our stakeholders and communities. For comparison, NCG's categories are identified as the following:

- Women Business Enterprise (WBE)
- Minority Business Enterprise (MBE)
- Lesbian, Gay, Bisexual and/or Transgendered Owned Business Enterprise (LGBTBEs)
- Veteran Business Enterprise (VBE)
- Disability Owned Business Enterprise (DOBE)

Appendix B: Inclusive Trade Supplier Business Development and Certification Agencies

The following are some common certification agencies:

- **Federal and State Government Certifications** — There are a number of certifications available at the federal and state levels of government, allowing suppliers to obtain certifications for little or no cost. For example, the [Washington State Office of Minority and Women's Business Enterprises](#) offers a Washington State certification along with a federal certification run through the US Department of Transportation. The US Small Business Administration (SBA) offers certification programs for women-owned businesses.

- [**National Minority Supplier Development Council**](#) **(NMSDC)** — Founded in 1972, the NMSDC is the oldest business development agency and network to support systematically excluded communities of color (Asian-Indian, Asian-Pacific, Black, Hispanic, and Native American). Their mission is to serve as a growth engine for NMSDC-certified minority businesses and enable members to advance economic equity. Their vision is to be the leading organization for driving socioeconomic equity and generational wealth in communities of color.

- [**Women Business Enterprise National Council**](#) **(WBENC)** — As the most widely recognized national certification for women-owned businesses in the United States, WBENC provides a vast network of support and mentorship, targeted business opportunities, increased visibility in corporate and government supply chains, and education and development programs to increase capacity and growth.

- [**National LGBT Chamber of Commerce**](#) **(NGLCC)** — Founded in 2002, the NGLCC is a national advocacy organization dedicated to being the business voice of the LGBT community. Through networking events, scholarship programs, mentorship, and other business development tools, the NGLCC serves as a platform to support LGBT+ business owners.

- [**National Veteran Business Development Council**](#) **(NVBDC)** — Established in 2013, the NVBDC focuses on identifying and certifying both service disabled and veteran owned businesses (SD/VOBs) in the government and commercial (corporate) marketplace.

- [**National Veteran-Owned Business Association**](#) **(NaVOBA)** — Established in 2015, the NaVOBA's mission is to create corporate contracting opportunities for US veterans through certification programs, advocacy, outreach, and education. Their two certifications, "Certified Veteran's Business Enterprise™" and "Certified Service-Disabled Veteran's Business Enterprise™" are

mirrored after the certifications for Minority Business Enterprises and Women's Business Enterprises.

- **United States Hispanic Chamber of Commerce** **(USHCC)** — Founded in 1979, the USHCC is the largest Hispanic business association, advocating and providing resources and opportunities for economic growth and development of more than 4.7 million Hispanic-owned businesses across the nation. This work is guided by a mission to "build an ecosystem to accelerate Hispanic business growth and prosperity" and a vision to "be the leading voice to advance Hispanic business potential to drive our American economy."

- **Pan Asian American Chamber of Commerce** **(USPAACC)** — Founded in 1984, the USPAACC educates, trains, and advocates for equal opportunity for Asian American businesses, professionals, and business organizations in the corporate and government procurement market. The USPAACC's vision is "to be recognized as the premier educational, training and networking organization that connects business to business to government, and that opens doors to contract, professional and educational opportunities to Asian Americans and their partners in Fortune corporations, government, nonprofit organizations and the small and minority business community."

- **Disability:IN** — Formerly known as the US Business Leadership Network (USBLN), Disability:IN has become the leading nonprofit resource for business disability inclusion worldwide, working towards a vision of an inclusive global economy where people with disabilities participate fully and meaningfully.

---

[i] Reem Nadeem, "STEM Jobs See Uneven Progress in Increasing Gender, Racial and Ethnic Diversity," *Pew Research Center Science & Society* (blog), April 1, 2021, https://www.pewresearch.org/science/2021/04/01/stem-jobs-see-uneven-progress-in-increasing-gender-racial-and-ethnic-diversity/.

[ii] Meilan Solly, "158 Resources for Understanding Systemic Racism in America," Smithsonian Magazine, June 4, 2020, https://www.smithsonianmag.com/history/158-resources-understanding-systemic-racism-america-180975029/.

[iii] "Gay Rights," HISTORY, June 15, 2022, https://www.history.com/topics/gay-rights/history-of-gay-rights.

[iv] Danyelle Solomon, Connor Maxwell, and Abril Castro, "Systematic Inequality and American Democracy," *Center for American Progress* (blog), August 7, 2019, https://www.americanprogress.org/article/systematic-inequality-american-democracy/.

[v] "School to Prison Pipeline," ACLU of Washington, August 16, 2017, https://www.aclu-wa.org/school-prison-pipeline.

[vi] Zinzi D. Bailey, Justin M. Feldman, and Mary T. Bassett, "How Structural Racism Works — Racist Policies as a Root Cause of U.S. Racial Health Inequities," *New England Journal of Medicine* 384, no. 8 (February 25, 2021): 768–73, https://doi.org/10.1056/NEJMms2025396.

vii Amy K. Matsui, Kathryn Menefee, and Amy Royce, "Advancing Gender and Racial Equity by Taxing Wealth" (National Women's Law Center, April 12, 2022), https://nwlc.org/resource/advancing-gender-and-racial-equity-by-taxing-wealth/.

viii Keyonna Summers, "Study: Black Entrepreneurship in the United States," University of Nevada, Las Vegas, July 24, 2020, https://www.unlv.edu/news/release/study-black-entrepreneurship-united-states.

ix Rod Robinson, "Council Post: Why Diverse And Inclusive Supply Chains Are Needed And Three Tips To Make It Happen," Forbes, August 6, 2021, https://www.forbes.com/sites/forbesbusinesscouncil/2021/08/06/why-diverse-and-inclusive-supply-chains-are-needed-and-three-tips-to-make-it-happen/.

x Alexis Bateman, Ashley Barrington, and Katie Date, "Why You Need a Supplier-Diversity Program," *Harvard Business Review*, August 17, 2020, https://hbr.org/2020/08/why-you-need-a-supplier-diversity-program.

xi Andre M. Perry and Carl Romer, "To Expand the Economy, Invest in Black Businesses," *Brookings* (blog), December 31, 2020, https://www.brookings.edu/essay/to-expand-the-economy-invest-in-black-businesses/.

xii "A Business Guide to Diversity, Equity, and Inclusion," September 14, 2021, https://www.uschamber.com/diversity/business-guide-to-diversity-equity-and-inclusion.

xiii "Racial Equity Tools Glossary," Racial Equity Tools, accessed October 14, 2022, https://www.racialequitytools.org/glossary.

xiv Ibid.

xv Collin Peterson, "Food, Conservation, and Energy Act of 2008," Pub. L. No. H.R. 2419 (2008), https://www.govinfo.gov/content/pkg/BILLS-110hr2419enr/pdf/BILLS-110hr2419enr.pdf.

xvi "Disability and Health Overview," Centers for Disease Control and Prevention, September 15, 2020, https://www.cdc.gov/ncbddd/disabilityandhealth/disability.html.

xvii "Disability," World Health Organization, accessed November 17, 2022, https://www.who.int/health-topics/disability#tab=tab_1.

xviii "Whiteness," National Museum of African American History and Culture, accessed October 24, 2022, https://nmaahc.si.edu/learn/talking-about-race/topics/whiteness.