Product Sustainability Standard

Product Origin

Version 1.0: March 2022

Reason for Standard

The increased globalization of food systems and supply chains, coupled with a growing interest in sustainable and ethical shopping, means it is more important than ever to have transparency on where (and how) goods are grown, processed, and manufactured.[i,ii] The overall sustainability of a product involves the assessment of multiple variables, including raw materials extraction, greenhouse gas emissions from production and transport, disposal or end-of-use, energy and water needs for production, treatment of workers along the supply chain, and much more.[iii] Where a specific product, or ingredient, is produced can play a role in determining many of those variables as certain regions and industries may be at higher risk of slave labor or more likely to produce foods contaminated with heavy metals, pesticides, or other contaminants.[iv,v]

Accurate and clear labeling of where goods are made is not only important for consumer choice but also transparency and prevention of fraudulent or misbranded products being sold in stores. Transparency, in turn, helps ensure accountability that manufacturers and suppliers are truthful in their product sustainability claims.[vi,vii] Strong regulations and oversight, proper documentation, and leveraging supply chain traceability technology (e.g., blockchain) are essential tools to mitigate fraud and protect consumers from potentially unsafe, defective, or counterfeit products.[viii,ix] Third-party certifications, especially ones that conduct independent audits, can also help provide accountability for sustainability claims, protect against fraud, and improve traceability in supply chains.[x,xi]

Supporting local businesses has also become important to many shoppers, intersecting with the push for ethically produced goods.[xii] Transparent labeling of where ingredients are grown and where products are made allows shoppers to make informed choices about where they spend their money and shop.

PCC has developed a standard to articulate our commitment to transparent labeling, country of origin labeling, and identifying products to support local producers.

Scope

This standard applies to all products sold at PCC.

Standard

1. Labeling

1.1. In alignment with any and all legal requirements, PCC must disclose the Country of Origin for all fresh meat, seafood, peanuts, pecans, macadamia nuts, ginseng, and fresh or frozen produce, either at the point of sale or on the shelf tags.

1.2. Provided in alignment with domestic laws and international trade agreements, PCC encourages vendors to label where their products and ingredients were grown or manufactured.

2. Sourcing

2.1. All imported products should be sourced with consideration for labor practices, environmental and climate impacts, health risks, toxic contamination, and risk of fraud.

2.1.1. Should an imported product originate from a region, country, or location associated with verified and repeat instances of labor and human rights violations, negative environmental and climate impacts, health risks, toxic contamination, fraud, and adulteration, PCC may consider limitations on imported products based on country of origin.

3. Local Products

3.1. PCC prioritizes products that are organic[1] and grown and/or manufactured locally or regionally whenever commercially available and not cost prohibitive to the customer.

3.2. Products identified as "local" on PCC shelves must be grown, manufactured, or processed and packaged in WA, OR, ID, or lower British Columbia; ingredients may be sourced from local or non-local producers.

Standard-Specific Glossary

Blockchain is a system of record keeping or tracking that operates using a digital encrypted ledger of transactions on a decentralized network or database. Data are stored in blocks and as transactions occur, or product is transferred from the producer to the final point of sale along the supply chain, a chronological chain is built along the way. Through this process, items can be more easily traced back to their point of origin and there is less opportunity for tampering with record keeping compared to paper records.

Country of Origin Labeling (COOL) generally refers to the customer-facing, on-package, or container identification of the country where a food product originated. In the United States, retailers are required to identify country of origin on certain commodities, as defined by the Country of Origin Labeling (COOL) law.[xiii] Food products covered by the law include muscle cut and ground meats: lamb, goat, and chicken; wild and farm-raised fish and shellfish; fresh and frozen fruits and vegetables; peanuts, pecans, and macadamia nuts; and ginseng. COOL requirements have the added complexity of also being subject to World Trade Organization (WTO) rules and international agreements, which may sometimes lead to conflicts.[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.

Organic refers to the practices associated with organic food production and processing that prohibit the use of most synthetic inputs and pesticides, along with requiring other environmental and animal-friendly agricultural and food handling practices. Established by the Organic Foods Production Act (a federal law), the National Organic Program (NOP) within the US Department of Agriculture (USDA)

[1] PCC prioritizes organic certification for products where it is applicable. While supporting local companies is of great importance, PCC balances this with other guiding priorities related to criteria such as animal welfare, ingredients, genetic engineering, and packaging.

manages the organic certification standards, enforcement, and accreditation of independent certifying bodies. Many other countries also have organic certification programs.

[i] Paul McGrath et al., "Tools and Technologies of Transparency in Sustainable Global Supply Chains," *California Management Review* 64, no. 1 (November 1, 2021): 67–89, https://doi.org/10.1177/00081256211045993.
[ii] Michele Nash-Hoff, "Why It Is Important to Know Where Products Are Manufactured," IndustryWeek, September 6, 2013, https://www.industryweek.com/supply-chain/article/21961138/why-it-is-important-to-know-where-products-are-manufactured.
[iii] US EPA, "What Makes a Product 'Greener?,'" Overviews and Factsheets, United States Environmental Protection Agency, December 23, 2014, https://www.epa.gov/greenerproducts/what-makes-product-greener.
[iv] "Hidden Chains: Rights Abuses and Forced Labor in Thailand's Fishing Industry" (Human Rights Watch, January 23, 2018), https://www.hrw.org/report/2018/01/23/hidden-chains/rights-abuses-and-forced-labor-thailands-fishing-industry.
[v] Mom TatahMentan et al., "Toxic and Essential Elements in Rice and Other Grains from the United States and Other Countries," *International Journal of Environmental Research and Public Health* 17, no. 21 (November 2020): 8128, https://doi.org/10.3390/ijerph17218128.
[vi] Tam Harbert, "Supply Chain Transparency, Explained," MIT Sloan, February 20, 2020, https://mitsloan.mit.edu/ideas-made-to-matter/supply-chain-transparency-explained.
[vii] Tim Kraft, León Valdés, and Yanchong Zheng, "Consumer Trust in Social Responsibility Communications: The Role of Supply Chain Visibility," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, December 23, 2021), https://doi.org/10.2139/ssrn.3407617.
[viii] Paul McGrath et al., "Tools and Technologies of Transparency in Sustainable Global Supply Chains," *California Management Review* 64, no. 1 (November 1, 2021): 67–89, https://doi.org/10.1177/00081256211045993.
[ix] Tim Wilson, "Understanding the Origin of Products Is Key to Ending Supply Chain Scandals," *The Guardian*, August 22, 2014, sec. Guardian Sustainable Business, https://www.theguardian.com/sustainable-business/2014/aug/22/business-case-product-origins-horse-meat-supply-chain.
[x] Deanna Newsom, Talia Sechley, and Jeffrey C. Milder, "2019 Certification Impacts Report: Research Guides Our Way Forward" (The Rainforest Alliance, May 14, 2020), https://www.rainforest-alliance.org/wp-content/uploads/2021/07/Rainforest-Alliance_impacts_report_2019_4.pdf.
[xi] Lisa Yakas, "Navigating a World of Labels Through Third-Party Certification," Sustainable Brands, July 9, 2019, https://sustainablebrands.com/read/marketing-and-comms/navigating-a-world-of-labels-through-third-party-certification.
[xii] "COVID-19: New Habits Are Here to Stay for Retail Consumers," Accenture, August 13, 2020, https://www.accenture.com/us-en/insights/retail/coronavirus-consumer-habits.
[xiii] "Rulemaking and Regulations," Agricultural Marketing Service (U.S. Department of Agriculture), accessed January 25, 2022, https://www.ams.usda.gov/rules-regulations/cool/customs-rulings.
[xiv] "Appellate Body Issues Report on 'United States — Country of Origin Labelling Requirements,'" World Trade Organization, 2015, https://www.wto.org/english/news_e/news15_e/384_386abrw_e.htm.
[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.