

## **Sustainability Measurement and Reporting System (SMRS) Use Cases**

The Sustainability Consortium (TSC) is developing a Sustainability Measurement and Reporting System, or SMRS. The SMRS will be a global and scientifically-based platform for companies to measure the environmental and social impacts of their products, identify and pursue improvements, and share that information across the supply chain. Companies will use SMRS to design better products, better manage the sustainability of their upstream supplies and suppliers, and communicate product sustainability downstream to their customers.

In order to guide the development of the SMRS, the Board of Directors directed that the goal of the SMRS be to support four “use cases”: Understand, Share, Differentiate, and Declare. Additionally, the development of capability to address these use cases was organized into two logical “levels”. Level 1 SMRS, consisting of Understand and Share, develops knowledge about the environmental and social hotspots and associated improvement opportunities associated with product categories. Level 2 SMRS, consisting of Differentiate and Declare, develops rules for how the performance of specific products can be measured and shared.

The following describes the four use cases. Note that these are also the use cases that the Consumer Goods Forum has adopted as goals for a global product reporting system.

### Use Case 1

- Category opportunity identification through category typical life cycle assessments, made transparent and available at minimum cost (non-commercial) to all industry members.
- Example: Market typical life cycle model for a product category is made available, allowing all retailers and suppliers to understand its areas of opportunity.
- Value: Common industry understanding of major issues in a given category life cycle and a common LCI model to get started, reducing cost/time of product assessments.

### Use Case 2

- Manufacturers/Retailers disclose company efforts to reduce impacts in those areas of opportunity based on agreed-on attributes and practices or through company specific initiatives.
- Example: Adoption of key pre-competitive attributes, technologies or best practices in the category areas of opportunity disclosed by manufacturers (off-the-shelf or supplier initiatives).
- Value: Retailers/suppliers able to communicate progress in a consistent and credible way and retailers able to create meaningful buyer / supplier dialogue and recognize meaningful progress, accelerating industry learning and dissemination of best practices and technologies.

### Use Case 3

- Retailers/suppliers who wish to differentiate the impact (e.g. carbon) of a single product do so based on common PCRs and leveraging category typical life cycle models for scale and practicality.
- Example: Supplier/Retailer X modifies the baseline model, based on changes in product characteristics or primary data collection, that demonstrates material improvement in product performance based on credible, agreed upon standards.
- Value: Credible, cost effective and practical product differentiation enables credible business-to-business product claims that are life cycle based and follow accepted industry category rules.

### Use Case 4

- Retailers/suppliers who wish to communicate product, product family or category footprints to consumers or other stakeholders can do so in a credible way based on agreed upon standards and made cost effective by category life cycle models.
- Example: Supplier/Retailer X opts in to a verification or peer review scheme and communicates to their customer about the (e.g. carbon, water) impacts of products (through leadership marks, footprint results or other means).
- Value: Cost effective and credible communication of life cycle based information, increasing consumer awareness about sustainable consumption.