Consumption, Commerce and Citizenship: Values Transformation To Build a Sustainable World

People 4 Earth
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EXECUTIVE SUMMARY

The People 4 Earth vision is both bold and urgent: a healthy future for people and the planet built on the values of transparency, simplicity, truth, and oneness.

The initiative seeks to achieve this vision by mobilizing the latent consumer power to vastly expand into mainstream markets the supply and demand of sustainable products. People 4 Earth will achieve this vision through a three-pronged approach: an open-source platform that encourages new levels of collaboration among consumers, business, NGOs, and government; creation of a foundational standard for certifying sustainable products that complements existing product-specific standards; and support to companies—large and small, in developed and emerging economies—to design a new generation of products aligned with the principles of sustainability.

Two decades ago, the seminal 1987 Brundtland Report positioned sustainable development squarely in the center of debates about global futures. Years later, Earth’s vital signs remain deeply troubling. It is a time of high vulnerability, high anxiety, and high risk for both people and the Earth. The rapid march toward an interconnected, globalized world must be accompanied by a values transformation that ingrains stewardship into the mindset of consumers, business, NGOs, and government.

From the vantage point of sustainable consumption, transformational change signifies a move from uninformed consumption oblivious to the impacts of purchasing choices to consumption behavior aligned with a deepening sense of ecological and social responsibility. Production and consumption must be redefined as acts of citizenship. This is the essence of the challenge, and opportunity that lies ahead.

People 4 Earth’s value proposition is multifaceted:

Consider the value proposition from the vantage point of various stakeholders, each of which is integral to People 4 Earth’s platform for driving change:

**For business:** Trust and reputation are the foundation of successful enterprise. It takes years to create, but may be lost in minutes. A generally-accepted, high integrity standard signifying sustainability excellence is a powerful instrument for building and sustaining these two attributes. Its absence only leads to confusion and distrust in the market. This is true as much for global brands as for small and medium-size enterprises (SMEs) that represent an integral component of the global value chain.

**For consumers:** All people, regardless of occupational affiliation or social status, are consumers. A rising tide of consumer readiness to buy products that meet high standards of sustainability is discernible. A key to unlocking this power is credible, comprehensive and low/no-cost information at the point of purchase. A trusted sustainable product standard will enable consumers to achieve their full potential to transform markets.
For NGOs: NGOs are opinion leaders whose views, many studies show, are highly trusted by citizens and consumers. They provide society with a moral compass for issues to which people emotionally connect—animal rights, biodiversity, fair wages, safe workplaces. A trusted sustainable product standard will enhance the capacity for collaboration among themselves as well as for partnerships with business and government. It will provide a common language and common metrics to advance NGO’s sustainability agenda.

For Government: Governments have long been involved in product labeling, both creating their own and importing those labels that have gained widespread market acceptance. By providing technical and financial support for capacity-building, by reference in regulation, by integration into procurement processes, and by citation by national and multilateral government or quasi-governmental entities, governments are in a position to amplify the impact of labeling schemes in both the developed markets of North America and Europe and the emerging markets of Asia, Africa, and Latin America.

Three key impediments stand in the way of accelerating sustainable consumption:

- the absence of easily understandable labels,
- the absence of trusted labels, and
- a belief (sometimes based on reality) that the price premium is unaffordable.

The result of these conditions is that demand for sustainable food, apparel, furniture, buildings, home and personal care products remains a tiny fraction of the market for each product group usually in the range of one percent or less. Though steadily expanding, such purchases have not entered the mainstream. While millions of consumers regularly avoid sustainability-unfriendly products—45 percent in a recent survey of 17 countries—far fewer make the switch to sustainable products owing to the information, integrity and economic barriers identified above. A chaotic landscape of labels—as many as 800 in the EU alone—leaves consumers conflicted and confused, wishing to do the right thing but uneasy about trying.

Mainstreaming sustainable products faces a quandary. If demand were to rise sharply, prices will fall owing to competition and economies of scale. This would make significant inroads in mitigating the price premium typically associated with sustainable purchases. However, for demand to substantially expand, consumers must be able to access trusted, timely, and understandable information that differentiates sustainable from conventional products.

People 4 Earth is poised to overcome this quandary through a three-pronged approach: Collaboration with key partners, including the many trusted, product-specific labels already in the market; leverage, based on a strategic assessment of targets of opportunity for making early inroads into key consumer markets in both developed and emerging markets; and legitimacy, a process for differentiating People 4 Earth in the chaotic market for labels by continuously improving its open-source, inclusive engagement process.
People 4 Earth’s four pillars represent the building-blocks of the standard: **Pure** (healthy and safe products, authenticity, transparency); **Fair** (workers’ rights, education and personal development, fair price/value); **Life** (biodiversity, animal welfare, ecological product quality); and **Renew** (energy and greenhouse gas conservation, waste reduction, clean air, water and soil). Under each pillar is a set of principles that articulate the essence of the concept in relation to product sustainability. Level of compliance with the standard spans three tiers: Core, Progress and Advanced. Each indicates the progress of a product over time toward higher standards of sustainability excellence. Finally, an independent affiliate, Cert 4 Earth, will develop and oversee the product audit and certification scheme.

Sustainable Consumption is at a crossroads. Globalization of commerce has translated into globalization of burdens on ecosystem and social systems. Reversing these trends will require a major shift in the behaviors of consumers, companies, NGOs, and government worldwide. All must recognize that there is no alternative to collective action—the world is simply too interdependent to permit problem-solving by any one stakeholder group. For all stakeholders, the act of consumption must be defined as an act of citizenship.

People 4 Earth aspires to play a pivotal role in bringing to life the informational, behavioral, and value shifts that will enable this transformation. A trusted, foundational sustainable product standard is a critical step in the journey toward empowering consumers and producers to make a difference in the global development trajectory that will define the next generation and the generations beyond.
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Consumption, Commerce and Citizenship: Values Transformation to Build a Sustainable World

“…the next wave in ecological transparency will be far more radical—more inclusive and detailed—and come in a flood...Radical transparency will introduce an openness about the consequences of the things we make, sell, buy and discard...As control of data shifts from sellers to buyers, companies would do well to prepare ahead for this informational sea change.”

Daniel Goleman, Ecological Intelligence

“There is a movement afoot that has the potential to transform the way global corporations do their work. It is also capable of affecting producers positively at all levels, from artisanal fishermen, farmers, miners, and loggers to larger companies producing myriad products all around the world. ...I will refer to this movement as the ‘certification movement.’ It produces what I call the ‘certification revolution’.”

Michael Conroy, formerly of the Ford Foundation and Rockefeller Brothers Fund in Branded: How the Certification Revolution is Transforming Global Corporations.

Imagine...

The year is 2015. The world is shedding the pessimism of a decade earlier and beginning to see a values shift toward a deep sense of ecological sustainability, social justice, and solidarity in the form of global citizenship. A Great Transition is taking root.¹

One manifestation of this historic transformation of consumer behavior. Millions of shoppers in Amsterdam, Chicago, Sao Paulo, Johannesburg, Mumbai, and Shanghai routinely seek products and services with a People 4 Earth certification of sustainability. The label signals that the product meets the highest standards of sustainability throughout its supply chain. Those shoppers wishing more detailed information on the environmental, social, and economic attributes of the purchase scan its bar code with their mobile phones, instantly yielding a rating that allows comparison of similar products and services; e.g., shampoo, laptop computers, and building

materials. Upon departure from the retailer, an electronic summary of the shopper’s market basket is calculated and compared with earlier shopping experiences. A customized report card informs the purchaser on his/her progress toward sustainable consumption and human footprint.

Across the globe, a wave of sustainable consumption is taking hold. The economic and social turmoil of the early years of the 21st century is giving way to a sense that, for the first time, sustainability is moving from the aspirational to the possible. It is driving business to rethink the nature of its products and services, giving rise to a new generation of commerce that is simultaneously elevating human well-being and unleashing the full potential business as an agent of public benefit. In the marketplace, sustainable consumption has moved from the extraordinary to the exceptional to the expected. It is making a difference in advancing the global sustainability agenda to a level well beyond the earlier expectations of business, NGOs, government, and even ethical consumers themselves. The People 4 Earth standard and platform, and its global network of partners and allies, has played a vital role in achieving this outcome.

The Vision

The People 4 Earth vision is both bold and urgent: a healthy future for people and the planet built on the values of transparency, simplicity, truth, and oneness. It seeks to achieve this through the mobilization of latent consumer power to vastly expand the demand of sustainable products leading to an unprecedented response of business to design a new generation of products aligned with the principles of sustainability. This market transformation is accelerated and deepened by the action of NGOs through advocacy, collaboration and education, and by government through incentives, procurement and regulation. The structure for realizing this vision is the creation and continuous improvement of a generally-recognized, global standard for products and services\(^2\) built on an inclusive platform that connects all parties committed to mainstreaming sustainable consumption worldwide.

The Imperative

Progress toward a just and sustainable world, now universally regarded as the highest aspiration of the 21st century and beyond, is proceeding at a rate that is falling short of the needs of the planet and its people. Critical ecosystems—atmospheric, forests, fisheries—are in danger of irreversible damage. Economic systems, as the recent global crisis has demonstrated, are fragile. And social structures—organizational governance, income distribution, dispute resolution mechanisms—are in many instances failing to deliver against societal needs and expectations.

\(^2\) People 4 Earth’s first phase focuses on products, with services to follow in a subsequent phase of the initiative.
It is a historic moment that challenges us to rethink our values, institutions, and behaviors. This is a challenge in
equal measure for consumers and producers whose choices today will play a fundamental role in shaping the
society of tomorrow. Like all challenges of this magnitude, it is a moment of opportunity for consumers
to connect with the consequences of their choices and, by so doing, dramatically increase their sense of well-
being and bring a sense of global citizenship to such choices. In equal measure, it is a historical
moment for business to tap a vast pool of latent demand for sustainable consumption that
promises both financial and social rewards. Creatively responding to such forces of change is
part of the larger trends that are changing societal expectations about the role of business in society and, along the way, rethinking the social contract between citizens, government, and companies.3

Two decades ago, the seminal 1987 Brundtland Report positioned sustainable development squarely in the center of debates about global futures. Years later, Earth’s vital signs remain deeply troubling. Ecosystems are under relentless assault and degradation. Profound social inequities persist within and between nations, and the world’s economy is mired in a recession that has affected the lives of millions with job and income loss.

It is a time of high vulnerability, high anxiety, and high risk for both people and the Earth. The rapid march toward an interconnected, globalized world has shown its dark side wherein risks to human and ecological well-being spread virally across nations and regions. The promise of a prosperous and fair planetary civilization is threatened by a series of ecological, social, and economic crises.

Muddling along in the hope of finding technological fixes to urgent societal problems is likely to be a recipe for ecological and social breakdown. By 1950, the world reached a $7 trillion economy. Since then, every decade has added approximately that same amount to global economic activity. To fuel such extraordinary expansion has required unrelenting and accelerating levels of both extraction and processing of resources, leading to ecological footprints that are accelerating each year as hundreds of millions of consumer
s enter the marketplace. About half of the world’s wetlands, 90 percent of predator fish, and half the world’s temperate and tropical forests have disappeared, not to mention the acceleration of carbon emissions to the atmosphere that threatens both human and ecological disruption through warming temperatures and atmospheric volatility at a global scale.

Indicators of this nature can lead only to one conclusion—that consumption as we know it must undergo a fundamental shift. Enlarging an already unsustainable footprint by adding millions of new Western-style consumers every year is untenable. Doing so runs the risk of accelerating irreversible damage to critical ecosystems as well as elevating the possibility of massive dislocation of “climate refugees” and other forms of human suffering and social unrest. At the same time, studies demonstrate that such a trajectory would fail to enhance the well-being of

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those whose consumption levels exceed by orders of magnitude the level required to meet human needs and a reasonable level of human wants.  

Grappling with the complexity and depth of these conditions poses immense challenges to government, business, and civil society. In their own way, all are seeking to address urgent problems such as climate change, fair wages, and the loss of trillions of dollars of wealth associated with excessive risk-taking by financial institutions. However, progress toward resolving such concerns is, at best, uneven.

Where structural changes are needed, symptoms are treated. Where new institutions and governance structures await creation, old ones remain wedded to the status quo. And where conventional wisdoms regarding environmental, social, and economic systems need transformation, entrenched interests prevail. At the same time, durable long-term solutions demand more than innovative policy and business actions. They also require a values shift rooted in what Gus Speth calls “a new consciousness.”

From the vantage point of sustainable consumption, transformational change signifies a move from uninformed consumption oblivious to the impacts of product choices to consumption behavior aligned with a deepening sense of ecological and social responsibility. Consumption in the future must be more than an act of self-gratification or prestige. In the words of Ricardo Young, President of Instituto Ethos (Brazil), one of the world’s leading responsible business associations, “…the act of consumption must be redefined as citizenship.” This is the essence of the challenge, and opportunity that lies ahead.

The Value Proposition

The perils and opportunities of future global development lie at the heart of People 4 Earth’s value proposition. The perils, outlined above, are undeniable. Global sustainability cannot be achieved without a major shift in how we value, protect, and enhance the full range of assets that are the building-blocks of a sustainable future. When natural capital, human capital, and social capital are neglected, threatened, or irreversibly damaged, the prospects for a healthy planet are commensurately reduced. From a global perspective, the earth’s ecological and social vital signs are transmitting an urgent message to all constituencies—change course or face the threat of a future of untenable ecological and social instability. Exclusive reliance on market forces and incremental policy reform, while necessary in the near term, are insufficient in the long term to achieve the values transformation essential to an agenda of organizational and personal transformation.

While the perils are undeniable, so too are the opportunities. Few organizations or individuals oppose the vision of a just and sustainable world. At the same time, the link between achieving

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this vision and the creation of a generally-accepted, global standard for sustainable products is neither immediately obvious nor widely recognized. But it is real.

Consider the value proposition from the vantage point of various stakeholders, each of which is integral to People 4 Earth’s platform for driving change:

**Business:** Trust is the foundation of any successful enterprise. It takes years to create, but may be lost in minutes in the wake of management or operational missteps that are transmitted at “CNN speed” to millions worldwide. Thus, reputation, the greatest of all intangible assets from the vantage point of consumers and investors, is perennially at risk. And because transparency is no longer an option but a reality, successful companies continuously and proactively must attend to market perceptions. This is especially true for consumer goods producers. This sector, more than any other, depends on trust and reputation. A generally-accepted, high integrity standard signifying sustainability excellence is a powerful instrument for building and sustaining these two attributes. Its absence only leads to confusion and distrust in the market. This is true as much for global brands as for small and medium-size enterprises (SMEs) in developing countries whose prosperity depends on a predictable customer base—often the global brand—that pays a fair price for SME products. The People 4 Earth label promises to make a major contribution to building trust throughout the global supply chains.

**Consumers:** All people, regardless of occupational affiliation or social status, are consumers. A meta-analysis of recent studies, illustrated below, depicts a rising tide of consumer readiness to buy products that meet high standards of sustainability. They are part of a global trend that is challenging conventional views of companies as primarily agents of shareholder enrichment to entities with a higher social purpose. Yet this trend, if it is to achieve its full potential, must enable consumers to exercise the power of their purchasing dollar to favor sustainable and safe products (see Box 1). They are ready to mobilize markets to reward sustainability leaders and penalize sustainability laggards. A key to unlocking this power is credible, comprehensive, and low/no-cost information at the point of purchase. This is a future in which People 4 Earth is poised to play a major role.
BOX 1

Case Study: Bottled Water

A Pennsylvania company makes compostable water bottles from corn that uses less then half the energy of a petroleum-based bottle. Another water company purchases carbon offsets for its water yet ships the water all the way from Fiji. Another company claims to use 30 percent less materials then any other brand through an innovative bottle design. Several companies list that their bottles are BPA-free and are truly safe and to be trusted. Another company uses reverse-osmosis technology to deliver pure water that is touted to be superior to others. Meanwhile, many researchers—and many consumers—question the superiority of bottled water altogether, arguing that tap water from regulated public sources is at least equal in quality to that found in the unregulated U.S. bottled water industry.

NGOs: NGOs are opinion leaders whose views, many studies show, are highly trusted by citizens and consumers. They provide society with a moral compass for issues to which people are emotionally connect—animal rights, biodiversity, fair wages, safe workplaces. More than government or business, citizens tend to trust NGOs as sources of information to guide their daily choices, including their purchasing decisions. NGO campaigns regarding food safety, rainforest protection, and animal rights attract millions of dollars and abundant press attention. In recent years, NGOs and companies alike have recognized that their interests may contain elements of complementarity. Organizations such as Greenpeace, WWF, and Oxfam now engage companies through partnership initiatives aimed at addressing their shared interests. The number and quality of such partnerships stand to benefit greatly from creation of a generally-accepted sustainable product label and the comparable, standardized information that such a label would provide. For these reasons, NGOs will form a critical component of the People 4 Earth platform.

Government: Governments have long been involved in product labeling. The EU-Ecolabel and U.S. Organic Foods label are two prominent examples. In other cases, governments may sanction labels developed through multistakeholder processes at the point such labels achieve broad uptake in the market and trust among key user groups. Further, by reference in regulation, by integration into procurement processes, and by citation by national and multilateral government or quasi-governmental entities such as the OECD, stock exchanges, and UN agencies, governments may amplify the impact of labeling schemes that already have achieved strong market acceptance. A generally-accepted sustainable product standard can provide a new element in advancing national and international sustainability commitments. It also can help open new opportunities for SMEs in both developed and emerging markets to position themselves in global fair/ethical trade markets. For these reasons, People 4 Earth views government as a key strategic partner.

In sum, the value proposition for People 4 Earth’s program is multi-pronged; different for each key stakeholder that plays a role in accelerating sustainable consumption. It recognizes that this
goal is too big and too complicated for any one group to achieve by acting alone. Collective action that optimizes, synergizes, and mobilizes joint resources is the only viable approach to achieving long-term success.

The Pathways

Sustainable consumption describes purchasing behaviors that meet human needs with the least possible adverse environmental and social damage and the most possible positive outcomes to human well-being. There is no single pathway to sustainable consumption. Instead, at least three mutually reinforcing approaches offer various routes to transform consumer and business practices such that they align with sustainable development. All involve some combination of shifts on both the supply and demand side of sustainable consumption through a combination of personal values shifts, business innovation, government policy, and NGO activism. People 4 Earth, through an inclusive, open-source platform, seeks to play a role in achieving all these changes.

Consider three key pathways toward accelerating sustainable consumption:

1. **Redesigning products** so that they are cleaner and safer, produced with renewable resources, pay fair wages to employees working in healthy workplaces, operate in environments that treat animals humanely, and alert consumers to such offerings through a rigorous, trusted, and understandable labeling scheme. This is People 4 Earth’s focus during its first phase.

2. **Shifting consumption from products to services**—that is, replacing physical materials with human intelligence—in ways that meet customer needs but result in a reduced environmental and social footprint. Labeling and certifying such services will be a part of People 4 Earth’s expansion into the domain of consumer services.

3. **Conscious consumption**—that is, diminished consumption of a good or service when such diminution represents no marginal addition to well-being. This pathway is rich in opportunities for public education in which People 4 Earth partners with NGOs and government to explore and educate consumers on the link between consumption and well-being.

As the concept of sustainable consumption has gained traction in the last decade, the first of these three pathways has commanded by far the most attention. While much has been achieved, much work remains. To be sure, markets for sustainable products are steadily expanding, as described below, but this expansion has been largely confined to niche, green consumers, falling short of achieving acceptance by mainstream consumers. Technological innovation in packaging, decreasing the weight of materials, miniaturizing components, and advancing cradle-to-cradle design through material reuse and remanufacturing continues apace.

While some progress is observable, the resulting gains in reduced footprints of products are often overtaken, or even reversed, by the effects of rising incomes (and associated consumerism, especially in emerging economies) and rising populations. Thus, this first pathway, which relies on a shift in both business practices and consumer preferences, must be vastly accelerated and
scaled up, and penetrate the mainstream if it is going to meet the urgent ecological and social challenges of the 21st century. This pathway is the focus of People 4 Earth’s mission during its early phase.

The second pathway, shifting from physical products to services that yield the same functional outcome, holds great promise. Indeed, it already is visible in many business sectors and consumer choices.\(^6\) Consider the cases of mobility, energy, and certain aspects of personal hygiene, all human needs in which innovative organizational, management systems and human intelligence are providing consumers with well-being but with a much reduced ecological burden compared with business models dependent on physical materials.

In the case of mobility, the creation of “car-share” companies in Europe and North America is reducing the ecological footprint by eliminating the need for second autos by families, raising use rates (i.e., capacity factors) of existing vehicles, and reducing driving per capita overall. Enabled by advances in IT to manage access to and maintenance of car share companies, the outcome is reduced consumption of private vehicles while meeting mobility needs with a substantially reduced footprint per mile driven.

In a similar vein is the case of household energy use. Most consumers (and many institutions) are indifferent to the sources of energy which deliver heating, cooling, and lighting. It is the functionality that matters—safe, reliable, and affordable heating, cooling, and lighting. Based on this premise, energy services companies for many years have offered fixed-price contracts based on, for example, the total residential space in question. With the vendor facing a fixed price per unit of space, a powerful incentive exists to achieve maximum efficiency with the energy provided. This means more efficient lighting, more efficient heating, and more efficient cooling systems achieved through both hardware and software innovation. The result: continuous pressures on the value chain to reduce physical inputs (e.g., oil, gas, light bulbs) to achieve the same quality and quantity of energy services.

Clean clothing is yet another example of this kind of functionality-oriented business model. Consumers need clean clothing in the most affordable, least cost and highest quality possible. Owning home washing machines and dryers is an up-front expense and maintenance burden that consumers would happily avoid if a comprehensive cleaning service were available. Imagine a manufacturer that, instead of or in addition to producing washing machines and dryers, offers clean clothes services at a fixed price per pound or kilo. Under these circumstances, the company is incentivized to use the highest performing, most durable machines that use the least detergent and maintenance during the equipment’s operating life. From the consumer perspective, clean clothes—a service that meets a human need for good health and comfort—are delivered free of upfront costs for equipment, with zero maintenance costs, all of which are rolled into the fixed, per-kilo charge. Like the energy example above, this kind of “performance contracting” is a

proven pathway to reducing the ecological footprint of consumption while delivering equal or greater well-being to the consumer.

The third pathway to sustainable consumption is in a fundamental sense the most transformational. This is conscious consumption; that is, a recognition that endlessly increasing consumption of material goods per capita is no guarantee of—and may be antithetical to—the enhancement of human well-being. Much has been written about so-called “Afflenza,” the feeling of unfulfillment that comes from over-consumption of material goods.\(^7\) For champions of this concept, well-being actually may be undermined by over-consumption. In contrast, a simpler, less-material-centered lifestyle that emphasizes intangibles such as community and friendship is the pathway to well-being. Moreover, GDP, the most widely used measure of prosperity, has the perverse effect of signaling that every dollar spent contributes in equal measure to prosperity. That is, dollar for dollar, economic activity that produces weapons and hazardous chemicals contributes to well-being equal to the production of soap and organic food. Just as research shows that endlessly increasing income fails to produce greater happiness,\(^8\) values shifts that lead to less non-essential consumption hold the promise of enhancing both personal and societal well-being.

Achieving sustainable consumption through diminished per-capita consumption is an idea with greatest applicability to the developed world. For the billions living on less than $2/day who are concentrated in the emerging and poor countries, reduced consumption is neither politically, socially, nor morally plausible. At the same time, for the hundreds of millions in countries like China, India, and Brazil who leave poverty behind and achieve middle-class status, Western standards of the “good life” based on endlessly increasing material consumption are not a tenable route to global sustainability. Thus, in the developing world, spreading the idea of sustainable consumption will be best served by a message that blends all three pathways.

Redesigning products, shifting from products to services, conscious consumption—all three represent pathways to sustainable consumption. Each pathway requires increasingly deeper transformation in both organizational and personal values. While People 4 Earth is focused on the first of these, its higher purpose of building a healthy planet leaves ample space for contributing to all facets of sustainable consumption through the pursuit of movement-building, education, and training.

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The Market

Returning to the first pathway toward sustainable consumption—the production and consumption of safe, healthy, and reusable goods—it is essential to understand how large the market for sustainable goods is today and what its trajectory looks like in both the developed and less developed nations. For the wealthy nations, building a culture supportive of sustainable consumption requires overcoming behaviors and values that perpetuate the idea that more is always better. For the poorer countries, where consumption mindset is more fluid, major opportunities exist for both consumers and producers to leapfrog the unsustainable consumption practices of the wealthy nations and put in place the foundation for a mindset that aligns with values necessary to achieve long-term sustainability.

An expanding body of studies points to one overarching conclusion: in Europe and the U.S. a growing number of consumers are poised to make ethical choices. With the right information—timely, trusted, and easily understandable—we can expect to see a “powerful alignment of consumers’ values with their purchasing choices [that] will foster a hot new arena for competitive advantage, a financial opportunity sounder and more promising than our present-day ‘green marketing.’”9 Indeed, if recent evidence holds up, such a trajectory will be sustained even in recessionary times.10

Consider the many studies that attest to the growing market for sustainable consumption, a/k/a ethical consumption, eco-consumption, or responsible consumption. One U.K. study11 estimates that 25 percent of shoppers are “conflicted” consumers, avoiding products of unethical companies and ready to shift their purchases to sustainable products yet slow to do so because of:

- the absence of easily understandable labels,
- the absence of trusted labels, and
- a belief (and sometimes reality) that the price premium is unaffordable.

A related study of retailers concludes that over 50 percent of consumers are considering sustainability as one of their decision-making factors in product and store selection.12

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From the vantage point of sustainable consumption, not all products are created equal. That is, the propensity for ethical purchasing varies widely across products. Above all else, the majority of consumers are concerned about **cost and the functionality** of a product. As a result, they are often more willing to buy and try relatively inexpensive sustainable products such as groceries, paper products, cleaning products, or compact fluorescent light bulbs (CFLs) instead of big-ticket items like TVs or laptops, even if such durable goods are sustainability-certified. This is because it is easier for consumers to rationalize trying a sustainable good when only a few dollars are at stake and the product can easily be replaced if it fails to live up to the consumer’s performance expectations. Further, consumers are more likely to buy sustainable versions of the products they use often (e.g., sponges, paper towels, laundry detergent) because it is easier to see the direct impact on the environment when using a product regularly.  

This principle of immediacy and visibility of impacts is equally, perhaps more, relevant to markets in Asia, Africa, and Latin America. Lower per-capital incomes in these regions means that a larger fraction of disposable income is spent on non-durables, the cosmetics, cleaners, and food products that represent the bulk of daily purchases. Thus, it is these product groups that are the frontline of opportunity in terms of sustainable product labeling.

**Easy access to sustainable options** is also a powerful determinant of sustainable consumption. One recent study found that consumers were more likely to buy sustainable goods in grocery stores than in value discount stores or specialty retailers, which likely had fewer sustainable options at higher prices. The consumers who bought sustainable products tended to buy everyday grocery items (33 percent) or produce (31 percent) as opposed to electronics (8 percent) or apparel (3 percent). The interplay of cost, availability, and performance is crucial to a consumer’s decision to buy or not to buy a sustainable product.

Further insight into the multi-faceted behavior of consumers is contained in a Wal-Mart analysis of the adoption rates of five eco-friendly products in April 2007—CFLs, organic baby food and formula, organic milk, extended-life paper products, and concentrated/reduced-packaging liquid laundry detergents. These were chosen because of their environmental and cost-saving benefits in comparison to other products in the same category. The adoption rate of these products among Wal-Mart’s 200 million annual customers increased an impressive 66 percent from 2007 to 2008, indicating a growing demand for everyday green products. Extended-life paper products and concentrated/reduced-packaging liquid laundry detergents were the main drivers of these increased adoption rates.

Other evidence supports the steady expansion of sustainable consumption in the non-durables market. Fairtrade Labelling Organizations International, a leading fair-trade certifier, also

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14 “Wal-Mart consumer behavior shows buying green is going mainstream,” April 21, 2008.  
[http://www.livebetterindex.com/pressrelease08.pdf](http://www.livebetterindex.com/pressrelease08.pdf)
claimed that fair-trade products experienced strong growth in 2008, led by a doubling of sales of fair-trade tea and cotton products, as well as double-digit demand increases in Australia, New Zealand, Canada, Finland, Germany, Norway, Sweden, the U.K., and the U.S.\textsuperscript{15}

**Organic and natural food and beverage** sales are the largest component of sustainable consumption in the United States and most areas worldwide. Easiest to try, most likely to be available, with a clear health benefit and sometimes—though not always—cost-competitive, organic food and beverages are often the logical stepping-stone for sustainably-minded consumers. In 2007, the global market for organic food and beverages was estimated at $23 billion, more than doubling since 2002. Though impressive, it still represents less than one percent of the global retail food market, estimated in 2005 at $3.4 trillion. The U.S. accounted for 45 percent of that market. In 2007, food and beverage sales in the United States made up 82 percent of total retail sales of ethical products, compared to 41 percent in the U.K.\textsuperscript{16} In that same year, organic personal care product sales in the U.S. totaled $9 billion, making up 15 percent of the personal care market.\textsuperscript{17}

In 2008, overall growth in global demand for organic food and beverages slowed, with Germany’s increase in organic food sales dropping from 14 percent in 2007 to 10 percent, and France expecting a similar slowing of demand growth. As of November 2008, growth in sales of organic food in Britain had slowed drastically, down to 2 percent from 16 percent in 2007. December told a similar story in the U.S., with 2008 growth in organic food sales at 5.6 percent compared to 25.6 percent in 2007.\textsuperscript{18} Despite the recession, demand for organic food is still increasing, albeit at a slower pace.

Two key caveats exist with respect to the food and beverage sector. The first is that, while growth rates may be impressive, absolute figures remain minuscule. A long journey lies ahead before organics penetrate the mainstream market and reach double digits in terms of market share. The second caveat is that organic labels themselves tell only a partial story about the product’s lifecycle sustainability. Coverage of issues such as renewable energy and fair wages is frequently absent in organic labeling schemes. It is precisely this sort of inconsistency that the People 4 Earth standard seeks to mitigate through it labeling and certification framework.

Apart from food and beverages, household cleaners are also among the fastest growing segments of the sustainable product market. Growing from $17.7 million in 2003 to $65 million in 2008,
The cost-saving qualities of sustainable products also make consumers more likely to buy sustainably. Energy Star certified products are on the rise in the U.S., with over 2.5 billion Energy Star certified products sold since 2000. CFLs, which use 75 percent less energy and last up to 10 times longer than normal light bulbs, are environmentally friendly and save money by reducing energy bills. The comparable price of CFLs to normal light bulbs makes switching to CFLs a decision that makes financial as well as environmental sense. As a result, CFL sales are rapidly accelerating, doubling from 2006 to 2007 and accounting for roughly 20 percent of the total U.S. light bulb market.

The opportunity to marry financial considerations and environmental consciousness, a powerful accelerator of sustainable consumption, is evident in the marked increase in green buildings and energy efficient homes. In 2005, the green building market was 2 percent of nonresidential and residential construction, valued around $10 billion. As of 2008, the market was valued between $36 billion and $49 billion, an extraordinary increase given the state of the housing market. The EPA announced in July 2009 that close to 17 percent of all single-family homes built in the U.S. in 2008 qualified for its Energy Star label, up from 12 percent in 2007. 25 percent more commercial properties qualified for an Energy Star rating as well in 2008, demonstrating a clear shift towards more energy-efficient and environmentally sustainable buildings.

Sustainable apparel is one of the smallest sectors of the sustainable product market, and has made little headway into the larger apparel market. Retail sales of sustainable apparel were estimated in 2007 to be around $3 billion worldwide, less than one percent of the $450 billion global apparel market. In the case of one major brand generally recognized for its responsible business practices, jeans contain only about three percent organic cotton, a fact that is not revealed in its product labeling. In another, GAP, a recent change in jeans labeling now indicates that “The water used in the process of washing & dyeing these jeans has been specially treated to ensure it is safe & clean when it leaves the factory.” These two examples reinforce the earlier observation that progress toward labeling sustainable products is characterized by partial, rather than comprehensive, coverage of the full spectrum of sustainability issues. Moreover, product makers are often reactive to public pressure resulting in labeling that reflects “the issue du jour” rather than systematic and integrated approach to its labeling program.

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In general, time and demographics are on the side of rapid expansion of markets for sustainable products. An aging population characteristic of virtually all Western nations (and Japan and China as well) likely will fuel this expansion. This is because sustainable consumers are concentrated in the older baby boomers generation, roughly 55 to 70 year olds. Women 55-59 years old and men 65-69 years old are the most likely to buy sustainable products, nearly twice as likely as the average consumer. The youngest groups, particularly 25-34 year olds, are least likely to buy sustainable products despite having a high sensitivity to sustainability issues. This is most likely due to price sensitivity, an issue that also affects the oldest generation of consumers (70+ years) who are constrained by fixed incomes.  

In sum, the market for sustainable products, while widely variable across product classes, shows every indication of continuing steady expansion in the coming years. In the U.S. alone, the market is likely to exceed $400 billion by 2010, with home and personal care products and green buildings continuing especially strong growth. Yet even figures of this magnitude represent the tip of the iceberg of a huge latent market. While millions of consumers regularly avoid sustainability-unfriendly products—45 percent in a recent survey of 17 countries—far fewer make the switch to sustainable products owing to the information, integrity, and economic barriers identified above.

Thus, mainstreaming sustainable products faces a quandary. If demand rises sharply—even more so than the steady rise already underway—prices will fall owing to competition and economies of scale. This would make significant inroads in mitigating the price premium typically associated with sustainable purchases. However, for demand to substantially accelerate, consumers must be able to access trusted, timely, and understandable information that differentiates sustainable from conventional products. Consumer surveys regularly find that current labels lack one or more of these attributes. The situation is further exacerbated by competing labels in many product groups; Consumers International, the world’s leading voice of consumer interests, finds that multiple labels for the same product feed consumer skepticism:

> A common problem is the confusion caused by the large numbers of logos and claims about sustainable products. For example, when trying to buy sustainable coffee products, there are currently five different certification schemes, each measuring different aspects of sustainability. Therefore the challenge of comparing or deciding to support the ethical benefits of a product can be a daunting one.  

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At the national level, the plight of the U.S. consumer is indicative. Nearly a quarter of U.S. consumers indicate that they have “no way of knowing” if a product is green or actually does what it claims. At the same time, most actively seek such information to verify claims, but are able to do so in ways that usually often fall short of point-of-purchase delivery.26

The picture is clear: distrust and confusion remain powerful forces in suppressing rapid market expansion of sustainable consumption. The evolution of labels and certifications has yet to build confidence and capacity among the millions of potential consumers of sustainable products. To unlock this vast market will require a concerted effort to transform a chaotic landscape into one in which sustainable consumption becomes essentially frictionless—so easy and so affordable that consumers will be hard pressed not to exercise their clout in driving both demand and supply of sustainable products in the coming decade.

The Landscape

Just how chaotic is the landscape for sustainability–oriented labels and certifications? As one rough metric, a Google search of “sustainability labels” yields about 2.5 million sites; a search of “sustainability certifications” yields over 1 million. Even if only a tiny fraction of these sites represent discrete labels and certifications per se, the message is clear—the field is a very busy one. To this point, the European Commission estimates 800 labels are operational in the EC region.

That such conditions exist is both good news and bad news. The good news is that interest, innovation, and initiatives are spiraling upward. The bad news is that for business, government, NGOs and, of course, consumers—all of which have a stake in creating a manageable and trusted domain of sustainability labels and certification—proliferation is problematic. If such conditions persist, or worsen, information overload will have little effect on changing consumer and business behavior.

To illustrate the range of programs, consider the illustrative set in Figure 1. (See Appendix A for brief descriptions of each.)

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http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=103504
Figure 1
Overview of Illustrative Sustainable Product Programs
(see below for definitions)

<table>
<thead>
<tr>
<th>Program</th>
<th>Products</th>
<th>Sustainability Scope</th>
<th>Life Cycle</th>
<th>Open Source</th>
<th>Global Reach</th>
<th>Multistakeholder Governance</th>
<th>Certification</th>
<th>Independently Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Newcomers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People 4 Earth</td>
<td>All products and services</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>GoodGuide</td>
<td>Consumer products</td>
<td>Yes</td>
<td>Yes</td>
<td>Partial</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Wal-Mart Sustainability Index</td>
<td>All Wal-Mart sold products</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Existing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrefour Quality Lines</td>
<td>Fresh food</td>
<td>Partial</td>
<td>Yes</td>
<td>No</td>
<td>Partial</td>
<td>No</td>
<td>Yes</td>
<td>Unknown</td>
</tr>
<tr>
<td>Earthmark</td>
<td>Consumer products</td>
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<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Partial</td>
</tr>
<tr>
<td>EU-Ecolabel</td>
<td>Any products and services</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Fair Labor Association</td>
<td>Apparel industry working conditions</td>
<td>No</td>
<td>N/A</td>
<td>Unknown</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Partial</td>
</tr>
<tr>
<td>Fairtrade Labeling</td>
<td>Coffee, Tea, Cocoa, Dried &amp; Fresh Fruit &amp; Vegetables, Fruit Juices, Herbs &amp; Spices, Nuts, Quinoa, Sugar, Honey, Rice, Vanilla, Flowers, Wine Grapes, Ornamental Plants, Seed Cotton, Sport balls</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Forest Stewardship Council</td>
<td>Forestry products</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>SA8000</td>
<td>Working conditions</td>
<td>No</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sustainable Agriculture Network</td>
<td>Bananas, Coffee, Cocoa, Citrus, Flowers, Foliage</td>
<td>Partial</td>
<td>No</td>
<td>Yes</td>
<td>Partial</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Utz</td>
<td>Coffee, Tea, Cocoa</td>
<td>Yes</td>
<td>Partial</td>
<td>Unknown</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
DEFINITIONS

*Program*: name of standard setting body  
*Products*: products covered by the standard  
*Sustainability scope*: the program encompasses all aspects of sustainability, (for example, P4E’s four pillars: **Pure**: product quality/nutritional value; **Fair**: social aspects such as labor rights and fair trade issues; **Life**: respect for life such as animal welfare and biodiversity; **Renew**: energy conservation, waste reduction, clean air and clean water)  
*Life Cycle*: the standard makes explicit reference to coverage of all phases of the value chain  
*Open source*: the standard is open for revision and continuous public feedback  
*Global reach*: operational in multiple countries spanning all or most continents  
*Multistakeholder governance*: diverse stakeholders are in positions of authority in overseeing the program  
*Certification*: the program systematically assures compliance with a standard in the form of labeling process  
*Independently audited*: whether or not the certifying program is separate from the standard setter
An illustrative set of 11 initiatives is divided into two major categories: Newcomers and Existing initiatives. For the three Newcomers, information in the chart is based on statements, goals, and commitments since none have substantial operating experience. For the Existing group, information is based more on a mix of statements/goals/commitments and practices actually in place, as compiled through public sources. Note that the selected programs do not represent a scientific sample, but do offer reasonable coverage of the large universe of the wide range of possibilities numbering in the many hundreds of possibilities. The columns cover a set of attributes that describe core aspects of a high-performing, generally-recognized standard. Definitions of each attribute appear below the matrix. Our best professional judgment is applied to assessing the degree of adherence (“yes,” “no,” or “partial”) of each program to each attribute.

Figure 1 offers three perspectives on the state-of-play of a small sample of programs:

1. **Benchmarking** individual programs **against key attributes** which collectively comprise excellence in sustainable product standards.
2. A profile of general **progress** toward high performance against key attributes that describe all programs.
3. A general **comparison** across programs.

Beginning with the first, consider the case of People 4 Earth. Looking across the relevant rows reveals a “yes” response across all. The People 4 Earth standard by design is a “foundational” or “meta” standard applicable to all products and services using a lifecycle approach and an open-source platform that invites continuous input from all stakeholders. Its goal is global in scope; that is, it aims to be operational in a large number of countries spanning all continents. Multistakeholder governance is evolving in terms of the make-up of its legal Board of Directors and Board of Inspiration, as well as its Technical Committee. Development of certification protocols is underway and will be independently audited.

In the case of other Newcomers, a mixed picture emerges. Both GoodGuide and Wal-Mart are committed to methods that cover all aspects of sustainability applied within a lifecycle framework. However, at this juncture other attributes (with the exception of Wal-Mart’s “partial” score on global reach) are not evident in their public statements, goals, or commitments. GoodGuide, for example, focuses on products available in U.S. markets and has no plans for a certification system. Wal-Mart is a new, primarily business-driven initiative supported by expertise of a network of academics.
For Existing programs, a similarly mixed picture emerges. To begin, this cluster is a heterogeneous mix of company/industry-driven (e.g., Utz and Carrefour), government-driven (e.g., EU-Ecolabel) and multistakeholder-driven (e.g., Forest Stewardship Council (FSC)) programs. About half are connected to food products. Some—e.g., EU-Ecolabel, FSC, and FLO—score well across all or most attributes, whereas others demonstrate underperformance for a majority of attributes (e.g., Carrefour and Earthmark). This is not surprising. The array of attributes that define the matrix are rooted in the values of transparency, diversity, and independence. These generally are values associated with government and multistakeholder initiatives more so than those led by companies or sectors.

The second perspective offered by Figure 1 is insights into overall progress of all programs against various attributes. Reading down the columns provides such a profile. The overall impression is that all programs score either a “yes” or a “partial” on at least half, and often two-thirds of the attributes. The relatively weakest showings are on the use of a lifecycle approach, the presence of an open-source input platform, and the global reach attribute. In contrast, certification and related independent auditing are attributes of over two-thirds of the programs.

As an overall profile, Figure 1 suggests that at least among the dozen programs it covers, sustainability product certification programs are making steady progress toward rigor, inclusiveness, and integrity, a reflection of the rising quality among market leaders.

Finally, the third perspective of Figure 1 is a general comparison across programs. If the products column is counted as an attribute (and all or virtually all products is the implied highest score), the People 4 Earth standard emerged as the highest level in this composite analysis. This comes as no surprise—though a Newcomer among standards, it has sought to both learn from market leaders and to fill gaps where they exist even at this highest level of standards organizations. Further, as a foundational, or meta-standard, it must strive to set a high benchmark for the field as it seeks to both raise the bar and complement other respected standards that have emerged in the last decade.

Comparing the overall performance of others in Figure 1 reveals some in approximately the same league as People 4 Earth. The Forest Stewardship Council, widely regarded for its excellence, and the Sustainable Agriculture Network fall into this category. In these, and other cases like SA8000, falling short of a perfect score in part flows from the limited purview of the standard, that is, a focus either on specific product groups or specific aspects of sustainability such as working conditions. These cases in particular open ample opportunity for People 4 Earth to pursue partnerships since a high degree of
complementarity exists. Such partnerships may take the form of co-labeling and/or mutual citation of each group’s standard by the other.

The Strategy

Bringing People 4 Earth to a global stage, with applicability to all products (and later services), built on a multistakeholder platform and lifecycle structure is what may be called a “360-degree” strategy. Narrowing any of these features, of course, would make People 4 Earth’s task easier. At the same time, it would compromise the vision of inclusiveness that is a core value of the program. The commitment to a 360-degree strategy will take time to roll out. But over the long term, it will serve as a benchmark for excellence not just for People 4 Earth but, hopefully, for all those engaged in building trusted, product-specific labels and certification for a global market.

People 4 Earth’s four pillars seek to capture the initiative’s commitment to simplicity and rigor (Appendix B). They represent the building-blocks of the standard: Pure (healthy and safe products, authenticity, transparency); Fair (workers’ rights, education and personal development, fair price/value); Life (biodiversity, animal welfare, ecological product quality); and Renew (energy conservation, waste reduction, clean air, water and soil). Under each pillar is a set of principles that articulate the essence of the concept in relation to product sustainability. The third dimension of the structure is level: Core, Progress and Advanced, indicating the progress of a product over time toward higher standards of sustainability excellence. This dimension adds a critical element of dynamism and continuous improvement to the standard, inviting companies to achieve increasingly higher levels of product performance over time once certification at the Core level is achieved.

The hierarchy of pillars/criteria/level is designed to combine rigor with simplicity. As in any standard, the tendency to endlessly expand the list of indicators of progress inevitably is present, particularly when a program actively engages all stakeholders in its technical process and governance. People 4 Earth commits to managing this tendency, maintaining the continuity of the four pillars while continually reviewing and enhancing—but not endlessly expanding—the principles under each pillar. An approach of “key performance indicators” rather than “maximum performance indicators” undergirds the process. An open-source platform will provide the infrastructure for continuous feedback such that the goals of simplicity and rigor are sustained over the long term. As experience with the standard evolves, feedback is received and new scientific knowledge develops, adjustments will occur in the criteria and/or in the protocols that People 4 Earth will develop over time.
Accompanying the standard, but governed independently as a separate legal entity, is a process of certification. Here a four-step procedure, already in beta testing, will apply (Appendix B):

1. Quick Scan—by the company;
2. Self-assessment—by the company and its suppliers;
3. Audit—by an independent, approved auditor;
4. Certification—by Cert 4 Earth, an independent affiliate of People 4 Earth.

The certification process is designed to create a low barrier to begin the certification journey with increasing demands put in place moving from quick scan to final certification. Further, certification itself will be renewable every three years to ensure integrity of the standard. Along the way, companies may take advantage of various People 4 Earth tools and training to enable progress from Core to Advanced stage of performance certification.

People 4 Earth’s strategy, and its ultimate success, hinges on three critical issues: collaboration, leverage, and legitimacy. All these are closely aligned with its aforementioned core values: transparency, simplicity, truth and oneness.

The last decade of standard setting—whether for sustainable products or any other sustainability-oriented issue—demonstrates that collaboration among business, civil society, labor, accounting and other professional bodies, and other stakeholders is essential to the surest pathway to technical excellence and market credibility. Even in the case of ISO’s emerging 26000 social responsibility standard, slowly but steadily the normally business-dominated process opened its doors to NGOs and labor interests. In ISO’s case, and it many others, it has been essential to do in order to attract the best minds to the process as well as to create credibility for the product that will eventually be released. In the case of the Global Reporting Initiative (GRI), the de facto global standard for sustainability reporting by organizations founded in 1997, collaboration—notably including UNEP as a key partner—has been a signature element of GRI’s technical and governance activities. Indeed, in its early years and continuing today, GRI’s budget allocated substantial financial resources to ensure that multistakeholder engagement would be more than a lofty aspiration.

People 4 Earth takes its commitment to collaboration seriously. It is not “window dressing” but, instead, stems from a belief that innovation, trust, and uptake all are served continuous collaboration. As one powerful signal of this commitment, People 4 Earth envisions a future where co-labeling with other trusted programs will be commonplace.

Leverage is a second key aspect of People 4 Earth’s strategy. In some respects, the justification for leveraging is rooted in the same rationale underlying collaboration—
global standard-setting is simply too complex and too costly for any one sector to pursue alone. Beyond this, another dimension of leveraging is equally important. People 4 Earth’s strategy seeks to establish a presence early and prominently in the U.S. and Europe, but also in emerging economies led by China and India. Gaining a foothold in the latter holds enormous promise for accelerating uptake in countries where consumer behavior is undergoing rapid change. Tens of millions of Chinese and Indians are entering the middle class every year, presenting a historic opportunity to introduce a “sustainability gene” into consumer behavior in this formative stage. The prospect of doing so holds enormous promise for helping to shape how responsibly these vast pools of new consumers will spend their newly obtained wealth. This, in turn, will have an impact well beyond the boundaries of the two nations whose populations represent more than a third of humanity. They have the power to influence the global course of sustainable consumption through the practices of their companies and consumers.

In addition to collaboration and leverage, building legitimacy is the third key aspect of People 4 Earth’s strategy. Legitimacy is directly linked to other values covered earlier, e.g., inclusiveness, technical excellence and, of course, collaboration. With the landscape of product-related standards so cluttered and the competition for uptake so intense, legitimacy must be earned and continuously replenished. This will require clarity, innovation, and simplicity in People 4 Earth’s messages and practices, creating a powerful open-source platform, and maintaining agility in absorbing new knowledge into both its process and content.

These, then, are three key elements of People 4 Earth’s strategy. Collaboration, leverage, and legitimacy are attributes for the long term. As a learning organization, any one element may receive more or less emphasis at a particular point in time. But all are so fundamental to People 4 Earth’s success that they must be firmly entrenched in the organization’s mindset and, over time, deeply and irreversibly embedded in its culture.

The Road Ahead

Sustainable Consumption is at a crossroads. Globalization of commerce has translated into globalization of burdens on ecosystem and social systems owing to the growing and unsustainable appetite for extraction, processing, transporting, and consuming non-renewable resources. As emerging economies witness the rapid expansion of middle-class consumption, already unsustainable burdens will bring a new wave of pressure on the global ecology, triggering new waves of dislocation and social unrest that threaten the future health of the planet. A future of per-capita consumption in poor countries at levels equal to wealthy nations is a future fraught with perils of ecological and social stress and
breakdown. It is a future incompatible with the aspirations and values for building a sustainable future.

To reverse these trends will require a major shift in the behaviors of consumers, companies, NGOs, and government worldwide. All must recognize that there is no alternative to collective action—the world is simply too interdependent to permit problem-solving by any one stakeholder group. The oneness of the Earth’s systems must be matched by a holistic approach to problem-solving. For all stakeholders, the act of consumption must be defined as an act of citizenship, wherein a new consciousness of the effects of personal choices are fully integrated into the purchasing decision.

As a first step in accelerating sustainable consumption, the full lifecycle ecological and social impacts of products must be made accessible and digestible to the purchaser through a point-of-purchase system of certified labeling. This is the “radical transparency” and the “certification revolution” that are the themes of this paper. At the same time a new generation of information builds trust in the market, the social cost of purchasing decisions must be fully integrated into the price of products such that the premium—real or perceived—associated with sustainable products gradually disappears.

Companies with foresight will see the vast opportunities embodied in these changes, and move swiftly toward product and process redesign and dematerialization to establish a leadership position in global markets. At the same time, government must exercise its moral and policy authority to create the enabling environment to align incentives, taxes and subsidies, and environmental and social regulations with the goal of sustainable consumption.

People 4 Earth aspires to play a pivotal role in bringing to life all of these informational, behavioral, and value shifts, beginning with the most basic—delivering timely, trusted, and digestible information to consumers at the moment of purchase. It is the first step in the journey toward empowering consumers and producers to make a difference in the global development trajectory that will define the next generation and the generations beyond.
APPENDICES

Appendix A

SHORT DESCRIPTIONS OF ILLUSTRATIVE SUSTAINABLE PRODUCT PROGRAMS

Newcomers:

People 4 Earth/People 4 Earth Standard:
People 4 Earth is an independently funded international non-profit organization focused on creating a more sustainable and fair world. To this end, People 4 Earth has created a global sustainability standard for goods and services, covering all aspects of sustainability throughout the product chain. The Technical Committee, which reviews and approves the People 4 Earth standard, ensures that all stakeholder concerns are addressed.

The standard is built on four core pillars, each with three core principles; Pure and Fair, which deal with health and social issues, and Life and Renew, which address environmental issues. These twelve core principles include healthy and safe products, workers’ rights, biodiversity and waste reduction. Proposed indicators for each principle include both core and additional measurements. The standard is currently open for public consultation.

As the standard is still in the early stages of formation, certification of companies and products to the standard is still a ways away.

http://www.people4earth.org/

GoodGuide/GoodGuide Ratings:
GoodGuide is a U.S.-based independent for-benefit organization that provides information on the environmental, social and health impacts of consumer products online. GoodGuide currently rates around 70,000 toys, food, personal care & household products through health hazard, environmental impact, and social impact assessments using over 600 criteria. GoodGuide currently rates only selected products that are sold in the United States, but is continually expanding.

The criteria used by GoodGuide to rate products and companies include absolute quantitative measures as well as relative and binary assessments. Some issues addressed by the criteria include climate change policies, labor concerns, product toxicity, human rights practices and environmental management systems. Each measure is converted into a score on a scale of 0 to 10, with the average of all measurements becoming the
company or product’s score. The ratings are also weighted relative to the performance
products or companies in the same industry.

The criteria chosen and the weight given to each measurement reflects the
judgment of the scientists and experts who work with GoodGuide. GoodGuide is
currently developing tools to allow consumers to screen data according to their own
personal preferences and values to address this concern, but has not revealed when the
tools will be made available. The organization is open to suggestions and comments,
but has no formal channel for communication with stakeholders. GoodGuide’s overall focus
is on information-sharing, and as a ratings organization it does not certify or audit the
companies and products it rates.

http://www.goodguide.com/

**Wal-Mart and the Sustainability Consortium/Wal-Mart Sustainability Index:**

Major retailer Wal-Mart Stores, Inc. is initiating the creation of a worldwide sustainable product index. As the index is in a very early stage it is difficult to tell what the end result will be, but early indications suggest that the index will focus on suppliers rather than individual products.

The index is being rolled out in three stages, beginning with a survey of Wal-
Mart’s 100,000 suppliers worldwide. The 15 question survey focuses on four major
areas—energy and climate, material efficiency, natural resources, and people &
community—and functions as a tool for suppliers to evaluate their own efforts. Top tier
U.S. suppliers have been asked to complete the survey by October 1, 2009 with
international timelines set on a country-by-country basis. What Wal-Mart will do with the
results of this survey is as yet undetermined.

As a second step, Wal-Mart has provided the initial funding for the Sustainability Consortium, a task force of academics, retailers, NGOs, and governments working to
develop a database of information on the lifecycle of products. Eventually, this database
will be hosted openly, allowing for a single source of data for evaluating the
sustainability of products. Wal-Mart would then translate that product information into
ratings and product labels for its consumers, leaving the operation of the database to an
independent non-profit.

http://www.sustainabilityconsortium.org/;

**Existing:**

**Carrefour Group/Carrefour Quality Lines (FQC)**

Carrefour Group is an international France-based hypermarket chain. Since the
early 1990s it has been expanding its Carrefour Quality lines of products, which focuses
on working with suppliers to provide fresh food products in Carrefour stores that meet
specified standards regarding product quality and the environment. The Quality lines
address issues such as regional sourcing, sustainable economic and social community
development, animal welfare, integrated farming approaches, chemical treatments and
additives, and long-term relationships with suppliers. Products that achieve Quality line
standards are marked with an FQC label. There are currently over 400 Quality product
lines in 15 countries.
Earthmark Institute/EcoFutures/EarthMark

EcoFutures is a private Australian company that helped to develop an accreditation program called EarthMark, based primarily on environmental criteria for products in Australia. Offering many different levels of standards and certifications from non-GMO to Organic, Recycled, Greenhouse-Neutral, Green Energy and Plantation Timber, the EarthMark Institute certifies products but takes into account other practices of the company in its decision-making. Auditing by an independent third-party assists the Earthmark Institute in making ultimate decisions on certification. Certification lasts for three years. Earthmark’s main focus has been on non-GMO labeling, and has not been widely successful.

http://www.ecofutures.com/ecofutures.nsf

EU/Ecolabel:

The European Commission, the executive branch of the European Union, has created an Ecolabel to help consumers discern products and services that are environmentally friendly. Overseen by the EU Ecolabelling Board, the Ecolabel is applicable only to goods and services produced or marketed in the EU, Norway, Iceland, and Lichtenstein. Competent Bodies oversee the application of the Ecolabel and certify products at the national level. The Board, which develops and publishes criteria, is composed of Competent Bodies from each member state as well as representatives from the Consultation Forum, including industry and service providers, business organizations, trade unions, traders, retailers, importers, environmental protection groups and consumer organizations.

The EU Ecolabel focuses exclusively on the environmental aspects of a product or service through its entire life cycle. Criteria and standards are determined on an individual basis by product or service type; there are currently 23 established product groups from tissue paper to campsite services and footwear. Both Ecolabel regulations as well as the individual product criteria are reviewed openly on a regular basis. Certification of a product or service is carried out by a Competent Body in one of the countries in which the product or service is made or sold; Competent Bodies are usually organizations affiliated with the national government, such as Lithuania’s Environmental Protection Agency. Certification last for three years and the Competent Body reserves the right to make as many auditing visits as it sees fit.

http://ec.europa.eu/environment/ecolabel/index_en.htm

Fair Labor Association/FLA Code:

The Fair Labor Association (FLA) is a non-profit organization focused on labor rights that had its roots in, and is still largely focused on, the apparel industry. The FLA has taken a multi-faceted approach to eradicating sweatshops through collaborative action and an active application of the FLA Workplace Code of Conduct through FLA 3.0, a multi-media self-assessment tool designed to help factories assess their own level of labor compliance and build capacity to address problem areas. The FLA’s Board of Directors includes six representatives apiece from companies, colleges and universities, and civil society organizations.
Based on ILO standards, the FLA Workplace Code of Conduct addresses many issues related to workplace rights including forced and child labor, harassment or abuse, discrimination, health and safety, freedom of association and the right to collective bargaining, wages and benefits, hours of work, and overtime compensation. FLA-affiliated companies are required to enforce this code in the factories that supply their products and to submit to unannounced independent external monitoring audits.

Being granted accreditation recognizes that a Participating Company’s workplace standards program is substantially in compliance with the FLA Code. Companies are assessed on the basis of the 10 Obligations of Companies as described in the FLA Charter, including adopting and communicating the FLA Code, training staff to monitor and remediate noncompliance issues, conducting internal monitoring of facilities, and providing workers with confidential reporting channels. The FLA does not certify or accredit the company itself, but the company’s labor compliance program for a specific period of time. Only nine companies are currently FLA-affiliated and certified.

While certified, companies undergo continual evaluation and external auditing to gauge compliance and continued improvement; certifications only last three years. External monitoring is done by FLA-accredited monitors, often NGOs based in the countries where FLA-affiliated companies have factories or suppliers.

http://www.fairlabor.org/

Fairtrade Labelling Organization International/Fairtrade Standards:

The Fairtrade Labelling Organization International (FLO) is an organization of 24 producers and promoters of Fairtrade products worldwide. The FLO Board is elected by all members and includes five representatives from Fairtrade labeling initiatives, four representatives from Fairtrade certified producer organizations, two representatives from Fairtrade certified traders, and three independent external experts. The FLO coordinates Fairtrade labeling at an international level, primarily through the development and revision of the Fairtrade Standards.

Fairtrade standards apply to both producers and marketers of Fairtrade products. The standards are designed to support and promote the interests of small-scale producers and agricultural workers in the world’s poorest countries. The standards are set in line with the requirements of the ISEAL Code of Good Practice for Setting Social and Environmental Standards, meaning that the standards are open to revision and set on the basis of consultation with stakeholders. The Fairtrade standards cover both generic and product-specific standards and focus on three major principles: social development, economic development, and environmental development.

Fairtrade certification is overseen by a separate company called FLO-CERT, which is owned by the FLO but operates independently. FLO-CERT is certified with ISO 65, which is a leading, internationally-recognized quality standard for bodies operating a product certification system. FLO-CERT is audited by an independent third-party to ensure compliance with ISO 65. FLO-CERT certifies that interested producers and traders are in compliance with the Fairtrade standards and runs annual on-site audits to ensure that certified organizations remain compliant. Certifications must be renewed every three years, and certified products are allowed to have the Fairtrade label.

[The FLO Fairtrade label is different from the Fairtrade-certified label seen in the United States. The U.S. Fairtrade-certified label is applied by U.S.-based]
TransFair, which is a member of the FLO and certifies according to FLO standards, but has chosen to retain its original fairtrade label.]
http://www.fairtrade.net/

Forest Stewardship Council/FSC Standard:
The Forest Stewardship Council (FSC) is an international multi-stakeholder non-profit organization that promotes responsible management of the world’s forests. The FSC has developed a set of principles and criteria for forest management that are applicable to all FSC-certified forests throughout the world. Members of the FSC Board of Directors represent business and non-business interests related to economic, social, and environmental issues.

The FSC standard covers ten principles and 57 criteria that address legal issues, indigenous rights, labor rights, and environmental impacts surrounding forest management and the sustainability of individual forests. The Forest Stewardship Council requires that national and regional standards be reviewed and revised at least every five years, and are open to public consultation.

The management of the world’s forests can be certified by FSC accredited, independent, third-party certification bodies. In addition to forest management certification, FSC accredited certification bodies also certify “chain-of-custody” or forest products tracking certification for companies that manufacture or trade FSC certified products. There are 12 FSC certifiers around the world. Certification contracts are good for five years, supplemented by annual audits.

http://www.fscus.org

SAI/SA8000:
Social Accountability International (SAI) is an international non-profit organization dedicated to promoting worker’s rights worldwide. Their main focus is on improving and disseminating SA8000, their performance standard and system for measuring and promoting ethical workplace conditions. The Advisory Board, which is tasked with reviewing the SA8000, accreditation procedures, and providing advice regarding other policy and operational matters related to the future of the SAI, is composed of up to 25 advisors split equally between business leaders and representatives from non-governmental organizations/trade unions/socially responsible investors and governments.

The SA8000 standard focuses exclusively on workplace conditions and is rooted in international workplace norms including International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. The SA8000 standard is applicable to all workplaces worldwide and certification is available to all companies, NGOs, consulting firms, suppliers, and subcontractors in any industry in any country except Myanmar. Major elements of the standard include standards related to child and forced labor, discrimination, health and safety, freedom of association and the right to collective bargaining, discrimination, discipline, working hours, compensation, and management systems.

SA8000 certification is done by independent organizations accredited by Social Accountability Accreditation Services (SAAS). SAAS began as a department within SAI, but is now its own independent non-profit and also accredits organizations looking certify
in accordance with social performance standards besides SA8000. Firms seeking certification must apply to one of the SAAS certified auditing organizations, of which there are currently 18. Certification lasts for three years, with periodic audits to ensure compliance and improvement. As this is a workplace standard, individual products cannot be labeled.

http://www.sa-intl.org/

**Sustainable Agriculture Network/ Sustainable Agriculture Standard:**

The Sustainable Agriculture Network (SAN) is a coalition of independent non-profit conservation organizations that promotes socially and environmentally sustainable agriculture and biodiversity, primarily in tropical regions. Currently composed of ten organizations based in Central and South America, SAN’s primary focus is creating criteria for responsible farm management. To this end, they have created the Sustainable Agriculture Standard. The composition of the International Standards Committee, tasked with reviewing and revising the Standard, ensures that all stakeholder concerns are taken into account. Revisions to the Standard include a period of public consultation.

The Standard has been created and is reviewed periodically in accordance with ISEAL’s Code of Good Practice for Setting Social and Environmental Standards. Focusing on ten major principles including ecosystem conservation, fair treatment and good working conditions for workers, community relations, and wildlife protection, the Standard applies to farms producing bananas, coffee, cocoa, citrus, and flowers and foliage.

All producers from large agribusinesses to small cooperatives are eligible for certification in accordance with the standards. Certification is carried out by an independent international certification company, Sustainable Farm Certification International. Farms that are certified are allowed to place the Rainforest Alliance-certified label on their products. Certification must be repeated every three years, punctuated by annual audits by authorized inspection bodies to ensure continued compliance and improvement.

http://www.rainforest-alliance.org/agriculture.cfm?id=san

**Utz Certified:**

Utz Certified is an industry-led coffee certification program. It has recently expanded into cocoa certification, and is working on a system for palm oil. Utz’s Board of Directors includes representatives from NGOs, coffee growers, traders and roasters.

Utz’s Standards for socially and environmentally sustainable coffee are based on a Code of Conduct approved by stakeholders involved in the certification program. The Code of Conduct is reviewed every year through a set of internal and external processes involving producers, agronomists and certifiers as well as stakeholder consultations. The Code is based on good agricultural practices, tailoring the EUREPGAP Protocol to coffee production and adding ILO conventions.

Certification against the Code is carried out by independent Utz-approved certifiers and is valid for one year. Certifiers are located in Latin America, Asia, Africa and Europe. Annual audits by auditors from third-party certifiers are required for recertification.

http://www.utzcertified.org/
The People 4 Earth standard is comprised of four pillars: Pure, Fair, Life, and Renew. Each pillar is broken down into three principles (twelve in all), which are further subdivided into nine criteria to create the overall organization of the standard.
There are three levels to each principle: core, progress and advanced, with the criteria for each level becoming progressively more rigorous. The structure is designed to enable products and services to achieve the level of certification, encourage progress (required to maintain certification after three years) and recognize those that reach an advanced level of sustainability by offering more rigorous criteria.

Principles under Pure address overall product quality from the perspective of the user. The first principle is that a product is healthy and safe. Criteria under this principle look at the level of toxicity of the product’s ingredients, levels of pesticide residues, and nutritional content (in the case of food).

The second Pure principle is authenticity; i.e. the product is what the consumer expects it to be with regard to materials and their origins. Criteria under this principle refer to whether ingredients are processed or natural (e.g. freshly pressed juice versus juice from concentrate) and the extent of disclosure on the label. People 4 Earth expects that all information is accurate, backed by documented evidence, and specifies the origin of the ingredients.

The third Pure principle is transparency. This means that information regarding sustainability, as well as information about the company including its legal structure, is readily available to the public.

Principles under the Fair pillar connect labor rights and ethical trading to product sustainability. The criteria for workers’ rights prohibit child labor, forced labor, and discrimination; all core human rights provisions codified in the ILO conventions. At the core level, a company must be able to prove that laws such as minimum wage are followed and that employee health and safety plans are in place. Progress and advanced criteria look for the existence of complaint mechanisms, programs to advance traditionally disadvantaged groups and the payment of a living wage.

For the education and personal development core level, People 4 Earth ensures that companies provide their employees sufficient training to perform their job safely and effectively, as well as provide opportunities for professional development. At the
progress and advanced levels, companies must show that they support suppliers and provide economic opportunity including employment to members of local communities.

Fair price/value asks for management commitment to ethical trading, as evidenced by long-term cooperation and contracts with suppliers, and the payment of an appropriate price to all parties involved. At progress and advanced levels companies shall provide education, training and financing to suppliers as needed.

The Life pillar stands for the respect of life at both the individual animal and ecosystem levels. The first principle is biodiversity. The key issues assessed are that a company is aware of the potential impacts its actions could have on biodiversity and that measures are taken to ensure a minimal impact on surrounding ecosystems. Any waste or chemicals that could be hazardous to the environment must be managed and disposed of properly. For managed lands, farmers or property owners must leave a portion of the land uncultivated to enhance natural habitat.

The second principle is animal welfare. People 4 Earth ensures that any animals involved in the product chain are well-fed and well-treated. These criteria address feeding and sheltering of the animal as well as their grazing area and overall quality of life. Animal testing is prohibited except where required by law for the pharmaceutical sector.

The final principle under Life is Ecological Product Quality. This principle is also connected with the final pillar, Renew, in that it addresses the preservation of our natural resources. Criteria here refer to minimizing resource consumption such as water, and minimizing the use of non-renewable materials in the product, packaging and processing.

The fourth pillar, Renew, focuses on energy use and pollution. The three principles under Renew are energy and greenhouse gas (GHG) minimization, waste reduction, and clean air, water, and soil. The goal of the energy preservation principle is to produce goods and services as energy-efficiently as possible and to minimize the GHG emissions that contribute to climate change. Core criteria require that an organization
take an inventory of its GHG emissions and implement a plan to reduce them. Progress and advanced criteria ascertain that the GHG reduction plan is embedded throughout the supply chain and that the company has shifted to renewable sources of energy.

The waste reduction criteria promote processes that generate less waste and minimize or eliminate toxic waste altogether. These criteria, as well as the energy preservation criteria, are connected to the clean air, water, and soil principle. This principle requires a risk assessment of emissions to the air, water, and soil, and an implementation program to minimize and eventually eliminate these emissions as much as possible.

The Certification Process

The certification process is comprised of four stages. For the Quick Scan, companies answer a questionnaire (on the People 4 Earth website) intended to give the organization an idea of how close the product intended for certification is to meeting the requirements of the core criteria.

After a company has become a member of People 4 Earth they get access to tools to help in the process of growing more sustainable. One important tool is the ICT self-assessment for each pillar Pure, Fair, Life, and Renew. People 4 Earth guides the organization through the self-assessment of more detailed questions intended to assess the present sustainability of the product. Beyond product-specific information, the assessment will review the company’s policies and management systems and their implementation. Once this information has been gathered and required documentation provided, if the company appears ready for certification, it is referred to the certification body for an audit. Finally, if the audit results are favourable, the product will be certified and the company may use the People 4 Earth seal on that product. If not, People 4 Earth will partner with the organization to develop strategies and plans to move towards fulfilment of the core criteria.