

Affecting Sustainable Consumption

Some key issues and challenges

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About Consumers International

- Global federation of consumer organisations
- Over 220 member organisations in 115 countries
- Independent and not-for-profit
- Global research and campaigns through and for our members

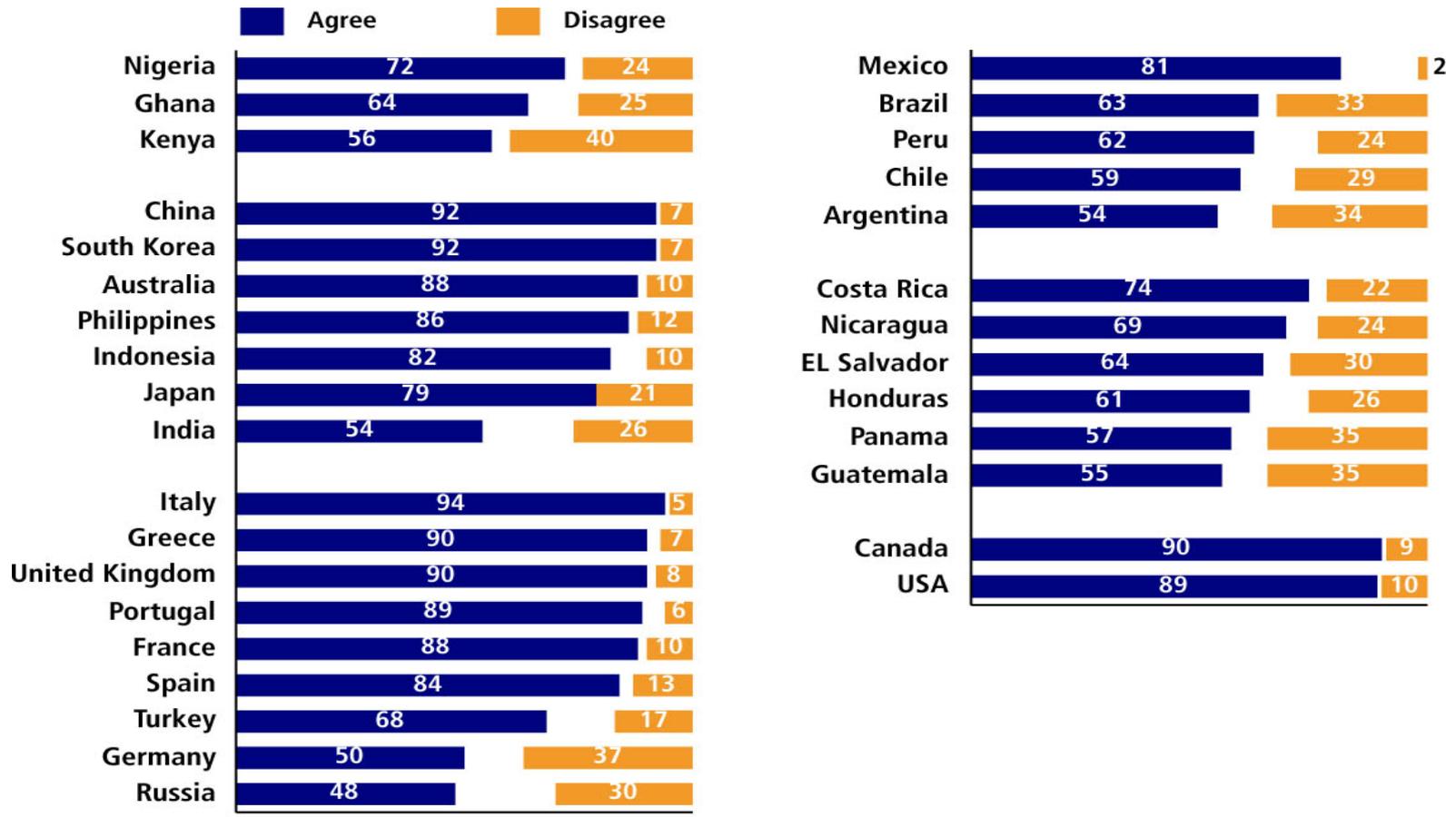
Moving towards sustainable consumption

- Consumer awareness and understanding of the impact of their choices needs to be raised
- Changes in consumption choices need to follow
- Behavioural changes need to be maintained
- Consumer power must be recognised and mobilised in order to progress towards sustainable consumption and production

Ultimately choice should only be between one sustainable product and another

Consumers across all markets express strong intention to purchase from responsible companies

Try to Purchase Goods/Services from Responsible Companies Whenever Possible, "Agree" vs "Disagree," by Country (CSR Monitor 2009 ,Globe Scan)



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How easy is it for consumers to make sustainable consumption choices?

Consumers need

- Information about companies credentials on sustainability
- Clear information about products at point of sale
- Assurance that what they are buying is a better choice than the (often cheaper) alternative
- Encouragement and incentives
- Access to sustainable products

Consumers International's work in Sustainable Consumption & Production

Consumer Education

Working with membership to provide consumers with independent, clear and transparent information in relation to sustainable consumption:

- targeted awareness-raising campaigns
- consumer education
- communicate the impact of consumer choice in global supply chains

Holding to account

- **Corporations** by highlighting the connections between corporate activities and violations of human rights, corruption, environmental destruction and the products and services that reach the end consumer.
- **Governments** for the implementation of progressive sustainable consumer protection policies in line with the UN Guidelines for Consumer Protection

Building capacity of member organisations

The work of CI member organisations

- Awareness raising
 - World Consumer Rights Day
 - FOMCA, Malaysia 'Buy Nothing Day'
- Consumer education
 - BOZP, Belarus Materials for schools
 - OPTION Consommateur , Canada
- Investigation
 - NCC, South Africa Supermarkets
 - IDEC, Brazil Beef supply chains
- Campaigning
 - IDEC National campaign on sustainable consumption
- Information and assurance
 - Consumer NZ , New Zealand Labels and consumer assurance on illegally logged timber products

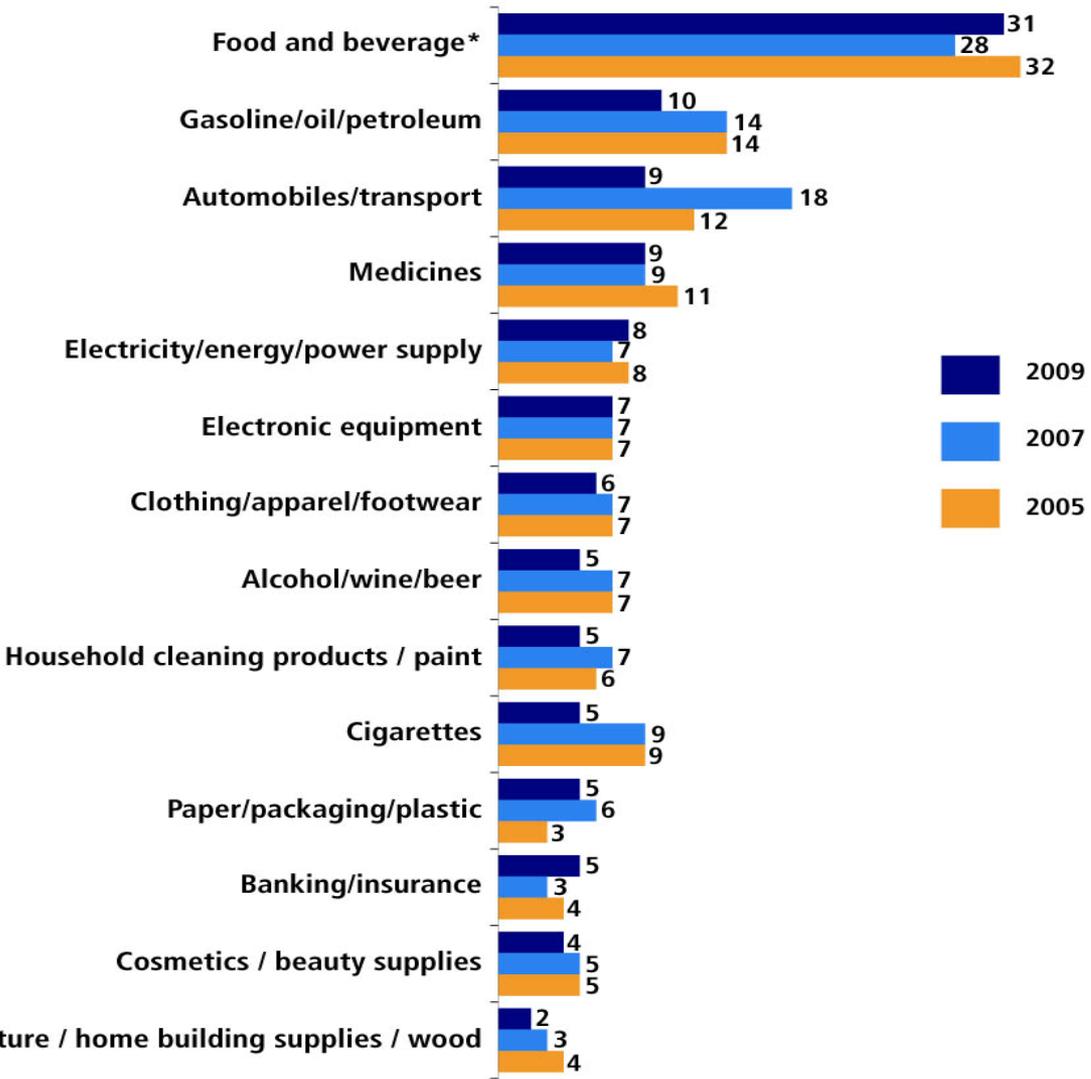
European supermarkets – a case study

Research undertaken in 8 European countries as part of a current public awareness project run by CI member organisations & funded by the EC.

- Why supermarkets?
- Supply chains originating in developing countries
- Social impacts on these supply chains
- Emphasis on the interface between the retailer and the consumer
- Why food?

Demand remains strongest for responsible food/beverage product offerings

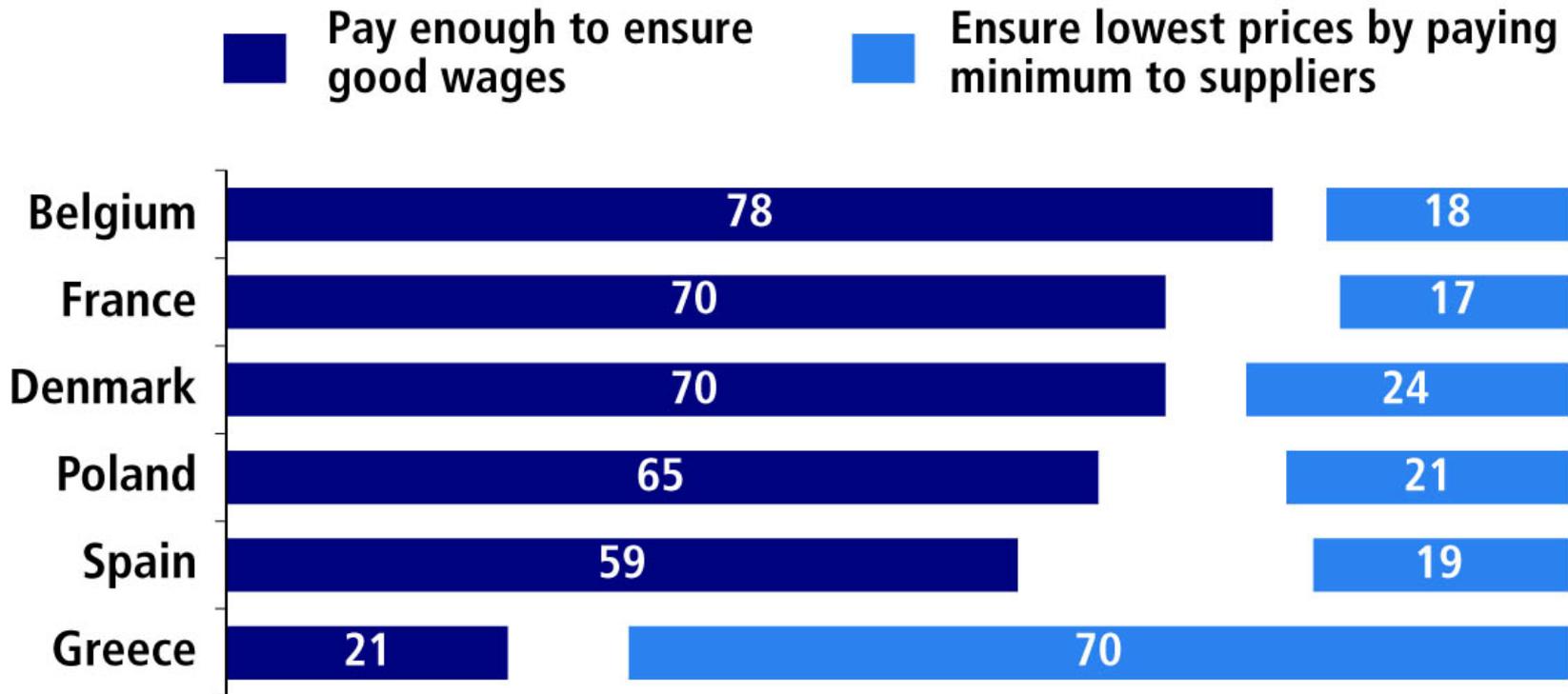
SCP Product Offerings Most Wanted, Unprompted, Combined Mentions
 2005–2009 (CSR Monitor 2009 ,Globe Scan)



Project Approach

- What do consumers think? → Consumer survey
- What do supermarkets tell consumers? → Public reporting
- How committed are companies [in policy] to positive social and economic impact in their supply chains? → Supermarket survey
- What sustainable consumption choices do supermarkets offer consumers? Do they actively promote them? → Fairly traded products
- Perspective of producers in developing countries? → Supplier survey

Consumers willing to pay more to ensure fair wages and contribute to economic and social development



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How committed are supermarkets to contributing to sustainable development through their supply chains?

- Corporate commitment to social responsibility
- Good working conditions
- Fair trading relationships
- Support for fairly traded products

A: Corporate commitment to social responsibility

...and what information do they give consumers?

Involvement in CSR initiatives

→ Despite involvement in a wide range of initiatives:

- Lack of information on enforcement
- Limited application to relevant supply chains
- Commitment to international initiatives does not always result in verifiable application

Location of responsibility for CSR within the company?

→ Varied approach:

- Integrated approach → external relations

Public reporting on CSR and transparency

→ Overall failure to report clearly on progress vs targets

- Existing information highly aggregated
- Very limited information on relevant supply chains

Cooperation with the survey

→ Cooperation with the survey reflects different levels of consumer pressure for accountability

B: Good working conditions in the supply chain:

What do supermarkets do to ensure they have a positive social impact?

Policies to promote good working conditions

→ Policies covering all elements relating to core ILO conventions widespread

- 32% commit to a living wage
- 16% reported complaints mechanism
- 21% carry out full risk assessment

Application of policy and verification of compliance

→ Difficult to establish:

- application of policy in relevant supply chains
- independent verification of compliance

Application mainly limited to first level of the supply chain

Support and training offered in the application of policy

→ Isolated examples of training and support

C: Fair trading relationships

Do supermarkets integrate a commitment to social responsibility into their relationships with suppliers?

- Policies to ensure trading relationships are fair
- Implementation, compliance, training and incentives
- Communication and terms of trade
- Price and payment
- Stability of relationships with suppliers
- Support for small-scale producers

Is there policy coherence between labour standards and procurement?

Abuse of Buyer Power

Power concentrated in the hands of few retailers



Transfer of risk, price squeeze & additional costs down supply chain



Reduced ability within the supply chain to:

improve labour standards

invest

innovate

Policies to ensure trading relationships are fair

- ➔ Very few companies have specific policies to:
 - prevent the abuse of buyer power
 - promote stability in relationships with suppliers
 - include small scale suppliers/producers in supply chains

- ➔ Existing policies not implemented beyond the first level

- ➔ Isolated examples of good policies include:
 - incentives for compliance and policy coherence
 - complaints mechanisms

- ➔ Suppliers perspective?

D: Support for fairly traded products

To what extent do companies offer and promote sustainable alternatives to consumers?

Stocking

→ Considerable variation

- between participating countries
- Stores & countries of operation within the same company

Some examples of conversion of brands

Promotion

→ Promotion at the cost of the supermarket

- Generally one off events
- Variation between countries within the same company
- Staff knowledge generally very low

Trading relationships

→ Some examples of preferential treatment of suppliers

What does this mean for European consumers?

There is widespread support for acting more sustainably,
but...

- Consumers need independent and accessible information to guide their purchases
- Consumers cannot act unless sustainable products and services are available

What does this mean for producers in developing countries?

More attention needs to be paid to the processes between production and consumption

- Accountability
- Policy coherence

Multi-stakeholder cooperation is needed to ensure that policies are fair, effective and coherent

What does this mean for SCP?

- Role of consumers essential – but often overlooked
- Voluntary initiatives are not delivering rapid and consistent progress
 - International/multi-stakeholder solutions are needed
 - There is an important role for international regulation in creating a conducive environment for SCP such as an international convention on corporate accountability



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Definitions

Corporate Social Responsibility (CSR)

The responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that:

- Contributes to sustainable development
- Is in compliance with applicable law and international norms of behaviour
- Is integrated throughout the org and practised in its relationships

Fairly traded

Products produced and traded according to set standards and which are identifiable to consumers through the labels they carry. We are concerned here only with aspects that relate to social and economic aspects of production and how they are traded. Standards and levels of assurance vary.