

Best Practices and Challenges

# **Key Considerations**

- ♦ Scope
- $\diamondsuit$  Transparency
- ♦ Accessibility
- ♦ Governance
- ♦ Validation
- ♦ Monitoring
- Fee Structure
- ♦ Consumer Value
- ♦ Consumer Awareness



# Scope

# What does this certification do and not do?

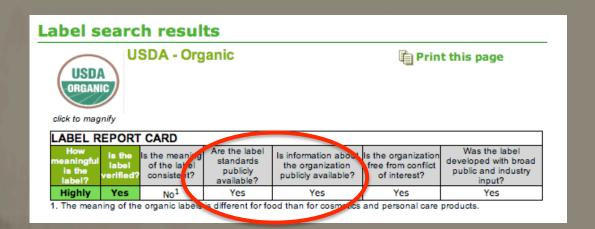


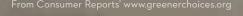
Lack of recognition/awareness and confusion around what "sustainable fishing" entails



## Transparency

Is information clearly communicated and publicly available?







## Accessibility

How do you create a system that is accessible to a range of businesses?



Fair trade for all



## Governance

How do you ensure third-party independence when the certification agency is supported by brands?



Handles compliance and audits for Fair Trade USA, MSC, FSC, and more...

- •Financial independence
- •Fee-for-service independent of volume
- Conflict of interest policy and structure





#### Validation

How do you create a validation system that is trustworthy?

- Self assessments
- Peer visits
- Monitoring audits
- •What happens to those found in violation?



# Monitoring

# How do you create a monitoring system that is not too costly or onerous?



•Self assessment every 2 years, audit every 2- 6 years depending on the risk category, peer visits every 2 - 6 years depending on the risk category



- •8 fee-based professional agencies perform analysis
- Audited annually, certificate lasts 5 years



•Companies annually renew the pledge, audits by an independent agency as needed only for those that use the logo



•Application with fee, document request and onsite audit, evaluation audits in year 0, 3, 6, and surveillance audit year 1-2 and 4-5



#### Fee Structure



Audit Fees every six years of estimated \$3,000 +, and nominal fees every three years



Annual membership fees to the CCIC and a one-time licensing fee, based on the company's gross annual sales, required for use of the trademarked logo (\$500 to \$4,500), no fee for those that don't use the logo



Varies according to geography, corporate form, and size of organization (sales and number of employees), logo free with certification



### Consumer Value





Measurable/observable return on investment or personal benefits



Consumer education, brand awareness and outreach are key



Point of sale signage reinforces certification message



#### Consumer Awareness

Consumers seem to be most familiar with seals sponsored by federal agencies and that represent frequently purchased items

Energy Star (87%), Recycling (89%) and USDA Organic (62%)







Consumers seem to be least familiar with seals sponsored by nongovernmental organizations, infrequent purchase, low use of logo by eligible companies, and no adoption by major companies

➤ Cruelty-free/Leaping Bunny (11%), Marine Stewardship Council (11%)







## **Additional Considerations**

#### ♦ Product

Frequent use or availability helps create mass market awareness

#### ♦ Partners

NGOs, government, or large retailers able to reach broad audience

#### ♦ Logo Design

Consistency of message and logo, simple, easy to replicate in a variety of formats and easy to attach to qualifying products

Competing & Complementary Standards



#### Resources

Nassauer, Sarah, "Busted by the Crafts Cops," The Wall Street Journal, April 17, 2012

Broder, John M., "Environmentalists' Complaint Exposes Rift Between 'Green' Certification Groups," The New York Times, May 31, 2013

Charles, Dan, <u>"Coffee For A Cause: What Do Those Feel-Good Labels Deliver?,"</u> NPR, April 24, 2013

A Schism over Fair Trade, <a href="http://www.marcgunther.com">http://www.marcgunther.com</a>, May 13, 2012

BBMG, "Conscious Consumer Report 2009"

http://www.greenerchoices.org/

