

Sustainable by Design? Lessons in Circularity From Seventh Generation

By Wayne Visser

The CSR 2.0 principle of circularity has roots in life cycle assessment, cleaner production, sustainable consumption and cradle to cradle concepts. In *The Age of Responsibility*, I explore various well known multinational examples, from Interface's carpets and Nike's Considered Design shoes to Coca-Cola's water neutral initiative and Tesco's carbon neutral programme. But there are also smaller, more nimble companies, like Seventh Generation, that are able to go much further much faster. What can we learn from these companies that are intentionally sustainable 'by design'?

Seventh Generation, an American household cleaning products business started more than twenty years ago by Jeffrey Hollender, took inspiration for its name and philosophy from the Iroquois Confederacy (a council of Native American Indian tribes), which included the admonition that 'in our every deliberation, we must consider the impact of our decisions on the next seven generations'. From the beginning, this meant thinking in a circular way about the impact of their products.

To begin with, this meant swimming upstream. 'When Seventh Generation told executives at the old Fort Howard Paper Company that we wanted to market bathroom tissue made from unbleached recycled fibre, they laughed,' recalls Hollender. Despite such early resistance, however, Seventh Generation has remained steadfast in its commitment to 'becoming the world's most trusted brand of authentic, safe, and environmentally-responsible products for a healthy home.' And indeed, it now has an impressive catalogue of cradle to cradle designed products, and has been doing extremely well, showing strong growth even through the recession.

However, ensuring that Seventh Generation lives up to their promise of authenticity is something that requires constant vigilance. For example, in March 2008, the company was 'exposed' by the Organic Consumers Association for having detectable levels of the contaminate 1,4-dioxane in their dish liquid. In fact, Seventh Generation's product was declared the safest of those available and they had been working with suppliers for more than 5 years to remove it. They have since eliminated the contaminate completely, but, as Hollender later declared 'our effort was simply not good enough. Our real mistake was to exclude consumers and key stakeholders from our ongoing dialogue about dioxane. In short, we flunked the transparency test.'

Of course, the very foundation of transparency is information and the most basic kind is a full list of product ingredients, which, unbelievably, is not required by US law for household products. Consequently, Seventh Generation launched a 'Show What's Inside' initiative, which included an educational website and an online Label Reading Guide, downloadable to shoppers' cell phones, which helped them interpret labels at the point of purchase, especially any associated risks. As Hollender and Bill Breen report in their book, *The Responsibility Revolution* (2010), not long after, SC Johnson launched a cloned version called 'What's Inside'. 'That's just what we had hoped for,' declared Hollender and Breen. 'When a \$7.5 billion giant like SC Johnson puts its brawn behind ingredient disclosure, it's likely that the rest of the industry will follow, regardless of what the regulators do.'

Despite its green image, Seventh Generation also knows that it needs to create virtuous cycles in its social as well as its environmental impacts. As a result, in 2009, the company joined Women's Action to Gain Economic Security (WAGES) – an organisation committed to building worker-owned, cooperatively-structured, eco-friendly, residential cleaning businesses in San Francisco – to launch Home Green Home, WAGES' 4th worker-owned cooperative. This unique social enterprise, serves the city of San Francisco, and is creating healthy, dignified jobs for women in an industry known for long hours and low pay. The women who own and work in the business earn wages that average 50% more than their non-coop counterparts, and receive health care and paid vacation benefits. In

future, Seventh Generation and WAGES hope to expand the innovative practice beyond San Francisco.

Hollender is under no illusions about how far we collectively still have to go. In his Foreword to *The Age of Responsibility*, he confesses that 'corporate responsibility in its present incarnation has been an enormous disappointment at best. It has not lifted people out of poverty. It has not protected the environment. It has not boosted community wellbeing. It has been too little, too late and at most has succeeded in getting some companies to aspire to simply do less damage than they did before. Instead of changing the world, corporate responsibility merely evolved into a baseline requirement in every company's license to operate. Where it succeeded, it only managed to slow the rate of decay, which is hardly enough to do much more than maintain the status quo.'

And yet, he remains optimistic, saying that, 'though much has changed in the last 25 years, one thing hasn't: business is still the only force with the reach and resources to do what needs to be done as quickly and efficiently as possible. The hour may be late and the clock loudly ticking,' he concedes, 'but the story of responsible business is not over yet. There's still room for a happy ending. And the time has come for us to write it for ourselves.'

It is examples like these and many others that show that the principle of circularity is not wishful thinking, but a practical strategy for achieving sustainability and responsibility, economically, socially and environmentally. And together with the other principles of CSR 2.0 or Transformative CSR – creativity, scalability, responsiveness and glocality (touched on in the previous blogs) – these inspiring innovations and bold actions are ushering in the new Age of Responsibility and with it, a new kind of 'susponsible' capitalism.

Without a doubt, however, achieving this vision requires change on a scale and with an urgency that has seldom been witnessed in human history. So the question remains, how do we make change happen? This is the subject of the next two blogs, which will recommence in January.

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