

# Sustainability in an unaffordable world

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Is the global cost-of-living crisis changing how people and brands look at sustainability?



The world is currently facing a global cost-of-living crisis that is putting financial stress on all of us. While many are worried about their finances, a significant number of people are still concerned about the environment and are looking for sustainable alternatives. According to our latest global study\*, only one-third of people are not willing to change their lifestyle for a better planet, indicating that even with pressure on their wallets, most people are eager to make a difference.

During the global pandemic, the importance of sustainability grew as people began to revalue nature. Two-thirds of people globally even named climate change an 'equally serious crisis compared to Covid19'. Today, almost one in two consumers globally chose 'global warming and climate change' as one of the top three issues they would solve if they had the power to do so. Environmental concerns are clearly not weakening, but global price inflations for daily utilities are challenging people's purchase criteria.

## Eco-anxiety versus financial stress

Although climate change is seen as an important stress factor for almost one in five people, financial worries are currently a more substantial stressor. In South Africa, 62% indicates economic burdens compared to 47% in the US and 43% in Asia. One-third of Australians and 27% of people in Europe are also struggling with this financial anxiety.

"This does not mean that consumers are giving up on sustainability," says Joeri van den Bergh, sustainability expert at Human8. "Instead, affordability of more sustainable alternatives is the innovation challenge for most companies in the next few years, as there is still a high demand for products and services that limit the usage of planet resources."

One in two people say they check for a low or limited ecological footprint when considering brands. Transparency about sources and ingredients is important to about 60% in Europe, Australia and the US. In Asia and South Africa, even 75% indicates they find this important when choosing a product. Half of them (compared to one-third in the US, Europe and Australia) say they would even refuse to buy from brands that are not sustainable. Flipside shopping, where people double check the backside of packaging not only looking for ingredients but also for eco-labels, is still omnipresent. But many consumers are confused by the growing number of certifications and unclear sustainability jargon manufacturers are

using. Global standardised systems such as a traffic-light ratings would limit greenwashing and not only end consumer distrust; there's even [scientific evidence](#) they would increase environmentally friendly buying behaviour.

### More than green claims

Another effect of both the pandemic and the cost-of-living crisis on sustainability is the increased attention to employee fairness and social inclusion. "Millennials and Gen Z want brands to actively challenge social issues, give back to society, and use inclusive practices," says Van den Bergh, "they are growing up in a more diverse world and have experienced big life marking events such as #metoo and BlackLivesMatter".

(very) important when purchasing product/service/brand...	EU	US	AU	ASIA	SA
brand actively challenges social issues	43%	42%	39%	53%	59%
brand gives back to society (e.g. charity donations)	46%	57%	53%	62%	67%
brand is inclusive (e.g. embraces all people regardless of race, gender, sexual orientation or religion)	53%	60%	56%	64%	73%

### Minority of eco-fatalists

One third of people in Europe and the US don't feel they should change their own lifestyle to guarantee a more sustainable world for the next twenty years. In Asia and Australia this group is slightly smaller: 25%, and in South Africa 19%.

On the positive side, at least two-thirds (up to 75% in Asia and Australia and 80% in South Africa) understand they will need to live, work, consume, and behave differently to ensure a sustainable future. In most regions, three out of ten are the real eco-active consumers who are conscious they will have to make drastic changes to their way of living, while the others feel everyone will have to make small efforts. About 10% shows signs of eco-fatalism, believing it is already too late to solve the climate crisis.

### Brands should do what matters

"Brands have the responsibility to further educate and remind and reward their customers on sustainable and regenerative behaviours," says Van den Bergh. "They should also keep sustainability high on both their innovation radar and consumer's agenda. Not participating in ESG conversations is not an option anymore." In fact, almost half believe that brands that don't communicate about sustainability, are simply not sustainable. In many markets, this number is higher among millennial and Gen Z consumers.

While the global cost-of-living crisis is putting financial stress on consumers, sustainability remains important to most people. Brands need to offer affordable sustainable alternatives and increase transparency to meet the demand of eco-conscious consumers. They also need to actively challenge social issues, give back to society, and use inclusive practices, especially to meet the expectations of the next generation consumers.

*\* Human8's proprietary global human understanding survey among 18,590 respondents in Asia, Australia, Europe, the US and South Africa executed January-December 2022.*

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