



Twenty Years of Ethical Consumerism

ethical
consumer Since
1989



It's what we do

Twenty Years of Ethical Consumerism

This year marks 20 years of our reporting on the size of the UK ethical consumer market. This report was introduced in 1999 to bridge the gap between consumers' claims to shop ethically and the actual impact of their consumption decisions. Now, 20 years on it's a good time to reflect on the changes that have taken place and the opportunities and challenges that lie ahead.

Back in 1999, the total size of ethical consumer markets in the UK was just £11.2bn. Today, on a conservative basis, the figure is almost four times that at £41.1bn. This represents an almost four-fold increase, while over the same period UK household expenditure has grown by just over 2%. In particular, we have seen the most significant growth in Ethical Food and Drink and on Green Home expenditure.

Ethical Consumerism	1999 £m	2018 £m
Ethical Food and Drink	1,037	11,964
Green Home	1,387	10,287
Eco-Travel	301	5,806
Ethical Personal Products	362	1,616
Community and Charity	8,065	11,469
TOTAL ETHICAL SPEND	11,152	41,142
Ethical Boycotts	761	4,571
Ethical Money	5,171	41,262

We should rightly celebrate the growth that we've seen in ethical markets in the UK over the last 20 years.

UK businesses and NGOs have pioneered many of these developments and today we have multi-billion pound markets that either didn't exist or if they did, most mainstream businesses were unconvinced, if not cynical, of their potential to succeed.

Going forward, consumers will continue to play a pivotal role in the growth of markets for more sustainable products and businesses. There is an expectation that these markets will continue to grow as we enter an unprecedented time of awareness on the challenges people and the planet face. As a result, consumers will expect more action from businesses on these issues than ever before.

If we want to have any chance of addressing the challenges that we face, be it of climate pollution or inequality, then it's not going to just be about market

growth going forward but about systemic change to our homes, our travel, diets, leisure and clothing.

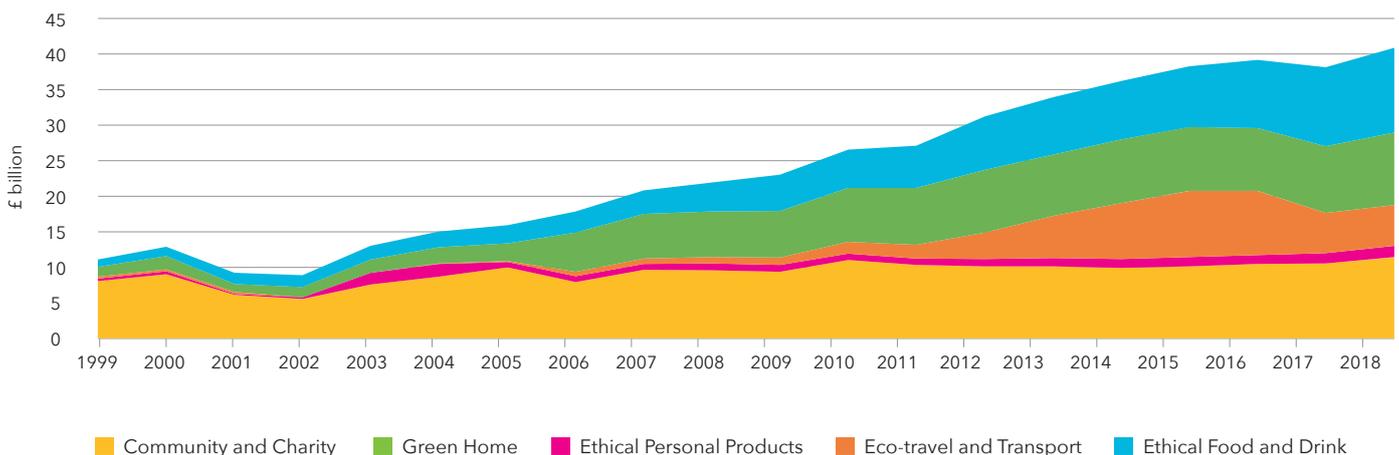
The problem is compounded by the fact that some of the options that we may consider more ethical or sustainable now, won't be in a few years' time. So, energy efficient gas boilers will be superseded by electric heating systems. Hybrid vehicles will be overtaken by electric vehicles.

As always, progress will only be achieved with the right combination of effective government intervention, responsible business leadership and engaged consumers to deliver the necessary rapid and effective change. Co-op is committed to being part of that change.

Jo Whitfield
Co-op Food Chief Executive



UK Ethical Economy 1999 - 2018



Key Findings

Ethical Food and Drink

Ethical Food and Drink includes Fairtrade, organic, vegetarian and plant-based alternatives, and free-range eggs. It remains the largest segment of the market with an annual spend of £12bn last year compared with just over £1bn in 1999.

To put that into perspective, 20 years ago the retail Fairtrade market was £21.8m and today it is estimated that UK consumers retail spend is almost £290m on Fairtrade bananas alone, and the total retail market is estimated to be worth £1.6bn.

Free-range eggs were one of the pioneering ethical choices back in 1999 when sales were £172m, compared to £758m in 2018. Free-range now accounts for around 63% of total retail egg sales.

Green Home

Spending on Green Home includes energy efficient appliances, energy efficient boilers, ethical cleaning products and green electricity tariffs. It has increased eight-fold from over £1bn 20 years ago to in excess of £10bn last year.

The past 20 years has seen significant increases in spend to improve energy efficiency in the home. This is an area where progressive government intervention has, from time to time, made sure that healthy markets exist and consumers have responded by spending some £7bn in 2018, against £0.4bn back in 1999.

Green electricity tariffs are set to break through the £1bn barrier. The markets for both energy efficient appliances and boilers are both in excess of £3bn and the markets for sustainable paper and card is £1.3bn.

The markets for microgeneration have grown from nothing, peaking in 2015 at £925m, thanks to government support via incentive schemes such as Feed-In-Tariffs. However, the withdrawal of this support has seen the market fall back to £138m in 2018.

Eco-travel and Transport

Eco-travel, measured primarily by sales of alternative fuel vehicles, has grown from a market of some £3m to a market of £4.9bn. While this still only represents a small proportion of UK vehicles, the market is set to explode over the next few years and reach one million electric vehicles in the UK by the early 2020s. Government support has been critical to this growth and recent changes to the provision of grants may hamper this along with continued challenges around 'range anxiety' and access to charging points.



Ethical Personal Products

The market for ethical clothing is one area where the market has not materialised in the way that campaigners had hoped. Today it represents an annual spend of just £49.9m, a figure less than the weekly spend on women's shoes, which is £62m.

At the same time, many people buy vintage and second hand clothing and that is reflected in charity shop sales that have increased four-fold from £133m to £732m in 20 years.



Ethical Consumerism in the UK, 1999 - 2018

Ethical Food and Drink	1999 £m	2017 £m	2018 £m
Organic	390	2,000	2,208
Fairtrade*	22	1,720	1,603
Rainforest Alliance	-	2,955	3,243
Free-range eggs	173	724	758
Vegetarian and plant-based alternatives	452	885	1,000
RSPCA assured (Freedom Food)	-	2,050	2,190
Sustainable fish	-	902	962
SUBTOTAL	1,037	11,236	11,964

*Estimated UK retail sales figures only

Green Home	1999 £m	2017 £m	2018 £m
Energy efficient appliances	136	3,010	3,003
Energy efficient boilers	212	3,575	3,713
Microgeneration	-	147	138
Energy efficient light bulbs	10	136	149
Ethical cleaning products	2	56	59
Sustainable timber and paper	351	1,306	1,308
Buying for re-use: household products	672	751	943
Green electricity tariffs	4	483	974
SUBTOTAL	1,387	9,464	10,287

Eco-travel and Transport	1999 £m	2017 £m	2018 £m
Alternative fuel vehicles	3	3,077	3,599
Cars under 100g CO ₂ / km	-	1,699	1,282
Bicycles	298	910	925
SUBTOTAL	301	5,686	5,806

Ethical Personal Products	1999 £m	2017 £m	2018 £m
Ethical clothing	4	43	50
Buying for re-use: clothing	195	625	734
Ethical cosmetics	-	793	832
SUBTOTAL	362	1,461	1,616

Community and Charity	1999 £m	2017 £m	2018 £m
Local shopping	1,586	2,291	3,477
Charity shops	133	703	732
Charity donations	6,346	7,581	7,260
SUBTOTAL	8,065	10,575	11,469

TOTAL	11,152	38,422	41,142
--------------	---------------	---------------	---------------

Average Ethical Spending per Household



Ethics and Sustainability at the Co-op

The story of ethical consumerism in the UK cannot be told without reference to the Co-op. Co-op has supported Fairtrade for 25 years and boasts many Fairtrade firsts including selling the first Fairtrade banana in the UK and being the first supermarket to start selling Fairtrade products in every store. The retailer has continued to increase its commitment ever since and is proud to be the UK's largest retailer of Fairtrade products and the world's largest seller of Fairtrade wine. More recently, Co-op has introduced compostable carrier bags, committed to be carbon neutral by 2050 and will have 100% recyclable packaging in 2020.

About this report

The Ethical Consumer Markets Report has been produced annually since 1999 and acts as a barometer of ethical spending in the UK.

In this report, ethical consumerism is defined as personal allocation of funds, including consumption and investment, where choice has been informed by a particular issue – be it human rights, social justice, the environment or animal welfare.

Community and Charity expenditure includes a combination of charity shop sales and donations to charities involved in activities such as human rights or animal welfare. Local shopping includes consumer expenditure in what they consider to be 'local shops' within their community, e.g. independent stores.

Further information

Twenty Years of Ethical Consumerism was produced by the Co-op, in partnership with Ethical Consumer.

This booklet represents the authors' personal opinions and interpretation of the subject and not the views, opinions or policies of Co-op. This booklet may not be reproduced without the express permission of Co-op or the authors.

Previous reports are available at:

www.ethicalconsumer.org/research-hub/uk-ethical-consumer-markets-report

For further information contact: orla.waters@coop.co.uk

With thanks to: ABCUL, British Egg Information Service, Charities Aid Foundation, DVLA, Ecovia Intelligence, EIRIS Foundation, GfK Marketing Services, Kantar Worldpanel, Irish League of Credit Unions, Mintel, MSC, Ofgem, Rainforest Alliance, RSPCA Assured, SEDBUK, SMMT, Suma Wholefoods, The Fairtrade Foundation, The Soil Association, YouGov.