



Ethical Consumer
Markets Report 2015

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ethical
consumer

Foreword

Ethical Spending

Each and every one of us has a role to play in tackling the pressing social and environmental challenges facing us and helping to create the society we want to see. And making conscious choices about how we use our money - the products we buy, the companies we buy from and the banks we entrust it with - is one of the most powerful ways each of us can make a difference.

We are delighted to be sponsoring this year's Ethical Consumer Markets Report, which demonstrates that despite continuing economic hardship, people are making those conscious choices, and at a growing rate. The value of ethical sales grew by 8%, during a period when inflation barely rose above 0.5%. And the overall value of the ethical market grew from £35bn to £38bn showing a continued commitment from consumers across all sectors to support more ethical products and services.

The value of money held ethically fell by 2%, largely caused by accounts being closed or moved from the Co-operative Bank. All other elements in the sector - including savings and investments with Triodos Bank - showed year on year growth. Combined ethical money and ethical spending totals rose from £78bn to £80bn.

In the food and drink sector, 2014 saw the first ever fall in a value of Fairtrade sales (4%) since the scheme began. The sector grew overall with a revival in organic sales, strong growth in sustainable fish sales, and a good performance in other ethical food sectors.

The report's findings are a very positive sign for ethical consumption, and for the growing movement of people who are making conscious choices with their money. And who, in doing so, are actively addressing the social and environmental challenges facing us today rather than relying on others to come up with the solutions.



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Charles Middleton
Managing Director, Triodos Bank



Key Findings

Food and Drink

Sales of Ethical food and drink grew by around 1% in 2014 in a year when inflation barely rose above 0.5%. There was particularly strong growth in sales of sustainable (MSC labelled) fish, but also an impressive showing from free range poultry.

The fall in Fairtrade sales is the first time in its 20 year history that the brand has not seen growth.

There is no simple explanation, but rather a range of likely factors including:

- falling sales at the Co-op and Sainsbury's (Fairtrade's biggest supporters in the retail sector)
- rising sales at Aldi and Lidl which have smaller Fairtrade ranges
- greater competition from other schemes like Rainforest Alliance
- declining sales generally in core Fairtrade markets such as tea, sugar and chocolate.

The one factor we are pretty sure it is not likely to be is the slightly higher price of Fairtrade goods. Sales of Organic food, normally even more expensive than Fairtrade products, have returned to growth in the same period.

Green Home

Green spending in the home rose by 4%.

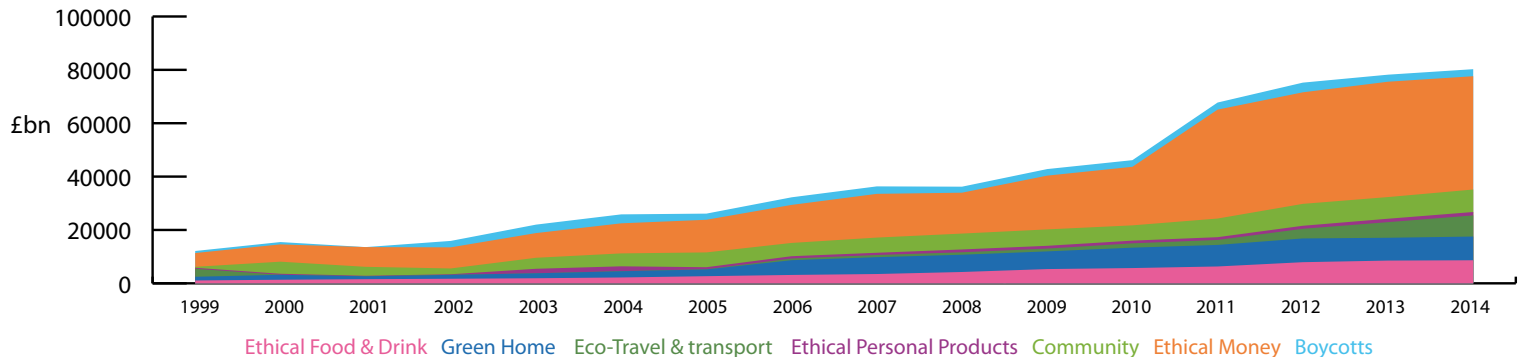
Interestingly, spending on solar panels rose by nearly 25%, despite no rise in the FIT scheme incentives in this period. A key factor will be the fall in panel prices which also occurred during this period.

Further cuts in the FIT scheme proposed in 2015 have been widely opposed by all environmental groups - particularly after the December Paris international agreement on emissions reductions (COP21).

Transport

There was strong growth in the sale of Tax Band A rated cars from £5bn to £7bn encouraged by tax incentives now to be removed for reasons which make no sense environmentally.

Ethical spending in the UK, 1999-2014



Total £m	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	13,046	15,477	13,577	15,900	21,998	25,841	26,125	32,238	36,333	36,220	42,819	46,157	67,755	75,211	78,197	80,257

Ethical Spending Tables

Ethical Food and Drink	2000 £m	2013 £m	2014 £m	% Growth 2013 - 2014
Organic	605	1,660	1,669	1%
Fairtrade	33	1,710	1,649	-4%
Rainforest Alliance	n/a	1,976	2,048	4%
Free range eggs	182	622	632	2%
Free range poultry	44	268	290	8%
Vegetarian products	479	668	672	1%
Freedom Food	n/a	1,209	1,221	1%
Sustainable fish	n/a	412	462	12%
Subtotal	1,343	8,525	8,643	1%

Green Home	2000 £m	2013 £m	2014 £m	% Growth 2013 - 2014
Energy efficient appliances	229	2,204	2,367	7%
Energy efficient boilers	214	2,833	2,901	2%
Micro generation	n/a	574	716	25%
Energy efficient light bulbs	12	70	79	13%
Ethical cleaning products	3	49	49	0%
Sustainable timber and paper	629	1,410	1,378	-2%
Buying for re-use	759	1,189	1,189	0%
Green electricity tariffs	6	220	206	-6%
Subtotal	1,852	8,549	8,887	4%

Transport	2000 £m	2013 £m	2014 £m	% Growth 2013 - 2014
Cars	4	4,978	6,976	40%
Bicycles	348	876	956	9%
Subtotal	352	5,854	7,932	35%

Ethical Personal Products	2000 £m	2013 £m	2014 £m	% Growth 2013 - 2014
Ethical clothing	5	134	128	-4%
Buying for re-use – clothing	218	520	520	0%
Ethical cosmetics	175	626	618	-1%
Subtotal	398	1,280	1,266	-1%

Community	2000 £m	2013 £m	2014 £m	% Growth 2013 - 2014
Local shopping	1,620	1,805	1,805	0%
Charity shops	141	510	529	4%
Voluntary income of top 500 charities	2,764	5,804	6,094	5%
Subtotal	4,525	8,119	8,428	4%

Boycotts	2000 £m	2013 £m	2014 £m	% Growth 2013 - 2014
Subtotal	873	2,640	2,640	0%

Total ethical spending	9,343	34,967	37,796	8%
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Ethical Money

The Ethical Consumer Markets Report has included a figure for 'Ethical Money' since its inception in 2000. As we can see from the table below it includes information on banking, investment, credit unions and ethical share issues, which cover small projects such as local energy schemes.

Ethical money	2000 £m	2013 £m	2014 £m	% Growth 2013 - 2014
Ethical banking	2,594	28,863	26,784	-7%
Ethical investment	3,702	12,200	13,350	9%
Credit unions	183	2,040	2,197	7%
Ethical share issues	4	126	129	2%
Subtotal	4,525	43,230	42,462	-2%

The value of money held ethically in 2014 fell by 2%. This was caused by accounts being closed or moved from the Co-operative Bank following its financial crisis on late 2013. All other elements in the ethical money sector showed year on year growth.

Who's behind this report

Ethical Consumer Research Association is the Manchester-based research co-operative behind Ethical Consumer magazine. It has compiled the sales data for this annual report since 2006.

Triodos Bank, this year's sponsor, is one of the leading providers of ethical banking and investment products in the UK.

Many organisations have been extremely helpful in providing data for this report including:

ABCUL, British Egg Information Service, BUAV, DVLA, EIRIS Services Ltd, Energy Saving Trust, Freedom Foods, FSC, GfK Marketing Services, Kantar Worldpanel, Irish League of Credit Unions, Lush, Mintel, MSC, Organic Monitor, Rainforest Alliance, SMMT, The Fairtrade Foundation, The Soil Association, Vegetarian Society, Wilmington Group Plc, YouGov.

The 2015 Ethical Consumer Markets Report was compiled by Heather Webb with assistance from Joanna Long and Rob Harrison at Ethical Consumer. Thanks also to Adele Armistead at Moonloft for design and layout.

Open data

In 2014 the Ethical Consumer Markets Report began a collaboration with the Consumer Data Research Centre, a project run by the University of Leeds, University College London, University of Liverpool and University of Oxford.

Historic data and some background data is now available free to registered users on the CRDC website. Go to <http://data.crdc.ac.uk/dataset> and search 'ethical market'.

Personal boycotts in 2015

For this 2015 report we have not conducted a fresh survey, but re-used the February 2015 boycott survey data carried out late for the 2014 report.

This survey showed that nearly 20% of the UK population boycott specific products or outlets as a result of ethical concerns. Boycotts were slightly more prevalent amongst younger people and those living in Wales and London.



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Previous reports are available at: <http://www.ethicalconsumer.org/researchhub/ukethicalmarket.aspx>

For further information contact: enquiries@ethicalconsumer.org

