EXECUTIVE SUMMARY

ETHICAL LIFESTYLES

UK, JUNE 2018

MINTEL

NEXT

PRESS HEADLINES AND POPULAR TV SHOWS SUCH AS BLUE PLANET II HAVE HELPED TO RAISE PEOPLE'S AWARENESS OF THE EXTENSIVE HARM MANKIND HAS WREAKED ON THE EARTH. HOWEVER, PLATEAUING RECYCLING RATES AND RISING FOOD WASTE LEVELS SHOW THAT, DESPITE THEIR INCREASED AWARENESS, PEOPLE ARE FAILING TO MAKE THE LIFESTYLE CHANGES NEEDED TO PREVENT FURTHER ENVIRONMENTAL DAMAGE. FOR BRANDS THIS SIGNALS OPPORTUNITIES TO CREATE CAMPAIGNS THAT WILL SHOW HOW BUSINESSES AND THEIR CUSTOMERS MUST WORK AS A TEAM IF THEY ARE TO ESTABLISH A GREENER PLANET FOR THE FUTURE.

Jack Duckett, Senior Lifestyles Analyst

The market

The environmental impact of the growing population

The UK's population continues to increase, with the projection of sustained growth over the coming years set to put further strain on the environment.

In particular, the UK remains heavily reliant on importing food from other countries, with these incurring a high carbon footprint as a result. This underlines opportunities for more consideration of how the UK sources its food, and in particular to vastly improve its currently low self-sufficiency levels.

Household recycling rates stagnate

Recycling rates have plateaued in recent years, with the UK increasingly in danger of missing the EU's target of 50% of all waste being recycled by 2020. There are also serious concerns that changes in China's waste recovery industry could have a severely negative impact on recycling rates across Europe.

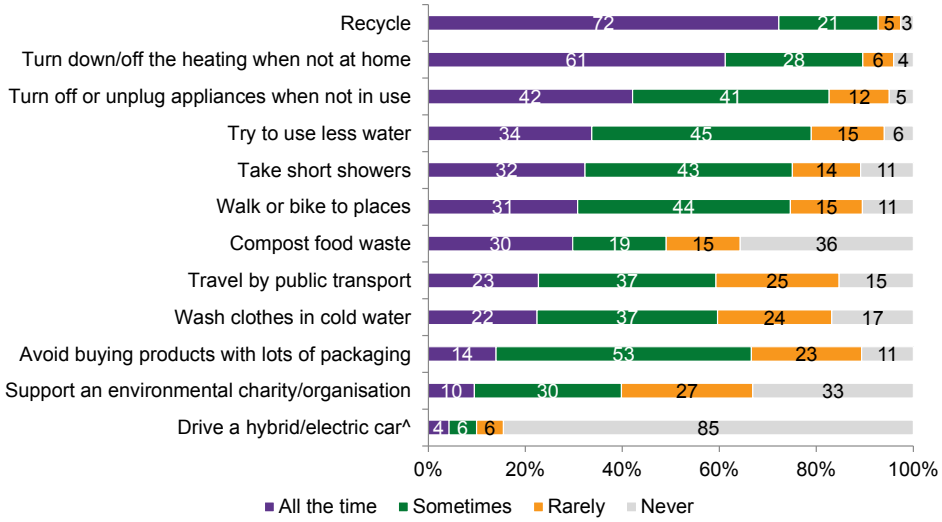
Income squeeze subdues

In February 2018, the UK saw a return to real wage growth as inflation levels fell and wages crept up. In theory, this could prove a positive for many ethical brands, with the so-called "green premium" likely to be less of an issue.

However, with predictions that any real wage growth will be limited across the year, ethical brands are likely to remain under pressure to encourage shoppers that it is worth spending more on their products.

FIGURE 1: FREQUENCY OF SELECTED ENVIRONMENTALLY FRIENDLY HABITS, APRIL 2018

"How often do you do the following?"



Base: 2,000 internet users aged 16+

^ filtered on 1,962 internet users aged 17+

Source: Lightspeed/Mintel

Obesity rates continue to cause alarm

Both the government and consumers are increasingly putting pressure on brands to improve the health profile of their products, with an ethical halo emerging for companies that are deemed to be playing their part in tackling the UK's obesity epidemic.

78% of UK companies pay men more than women

High-profile examples of unequal pay and sexual harassment in the workplace continue to pervade headlines, cementing gender equality as a leading consumer concern. Businesses are consequently being held accountable over gender inequality within their own organisation, from both their employees and their consumer base.

The consumer

Recycling proves top eco-habit

72% of all adults recycle all of the time, while just 8% do so rarely or never. However, while encouraging in isolation, when compared with stilted household recycling levels, it is clear that more must be done to ensure that Brits are recycling as much as they say they are.

The young in particular index as less conscientious recyclers, suggesting opportunities for campaigns to engage directly with this cohort.

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Three quarters of Brits plan meals to avoid food waste

76% of all adults say that they plan meals in order to avoid wasting food. But figures from the charity WRAP (Waste and Resources Action Programme) show that household food waste has continued to climb in recent years – albeit marginally – suggesting that both retailers and consumers can still do more to reduce the amount of food they throw away.

Press headlines drive awareness of plastic pollution

With the rising levels of plastic waste pervading headlines in the last year, it is little surprise that 47% of all adults cite plastic pollution as their top environmental concern.

There has been a surge in the number of initiatives designed to cut the amount of plastic entering the environment, while a number of brands from different industries are finding innovative ways to use existing plastic waste to make product packaging and even clothing.

City dwellers are amongst the most likely to include air quality in their shortlist of top environmental concerns, reflecting the particularly poor air quality recorded in Britain's cities. Beyond the need for brands to find new ways to cut their carbon footprint, consumer-facing businesses can also consider creating clean air spaces for consumers.

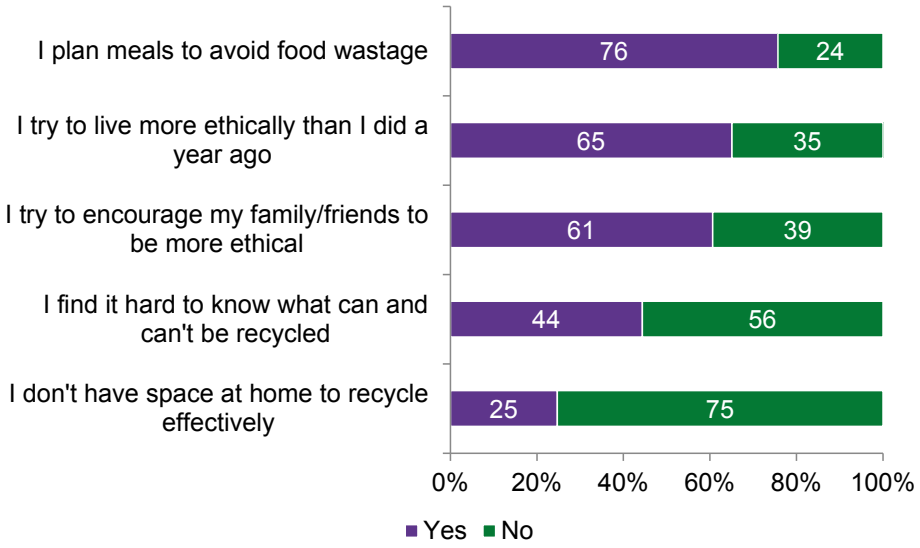
Highlighting British CSR

A third of all adults are influenced to buy products from companies that are British, reflecting the high level of faith that Brits have in home-grown companies and brands.

However, consumer sentiment around British companies suggests they are struggling to effectively promote an ethical image; data from Mintel's *British Lifestyles: Reinvigorating Brand Britain – UK, April 2018* Report shows that just 29% of adults agree that British businesses are amongst the most ethical in the world, while 27% agree that Britain is falling behind other countries when it comes to tackling environmental issues.

FIGURE 2: ENVIRONMENTALLY FRIENDLY BEHAVIOURS, APRIL 2018

"Do the following statements apply to you?"

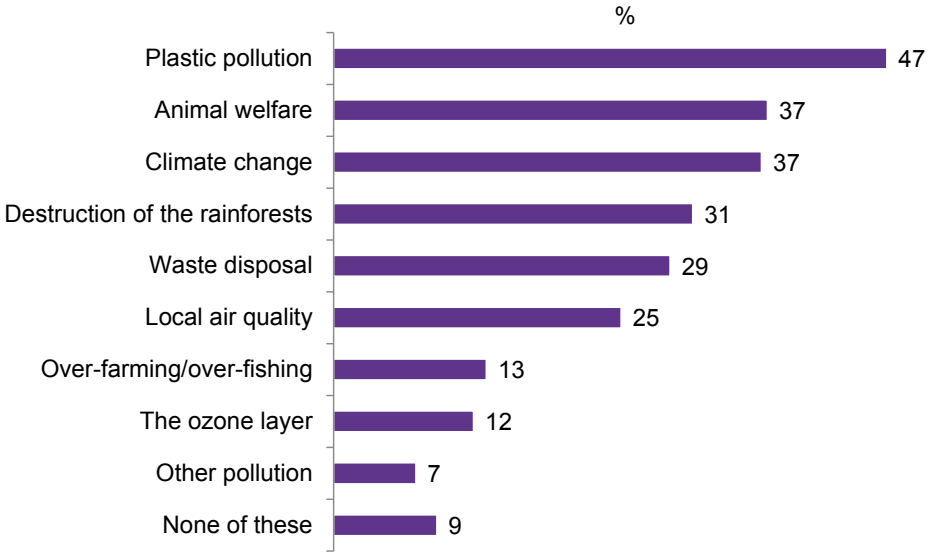


Base: 2,000 internet users aged 16+

Source: Lightspeed/Mintel

FIGURE 3: MOST IMPORTANT ENVIRONMENTAL ISSUES, APRIL 2018

"Which of the following environmental issues are most important to you? Please select up to 3."



Base: 2,000 internet users aged 16+

Source: Lightspeed/Mintel

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FIGURE 4: INFLUENTIAL FACTORS WHEN BUYING PRODUCTS, APRIL 2018

"I am most influenced to buy products from companies that…Please select up to 3."



Base: 2,000 internet users aged 16+

Source: Lightspeed/Mintel

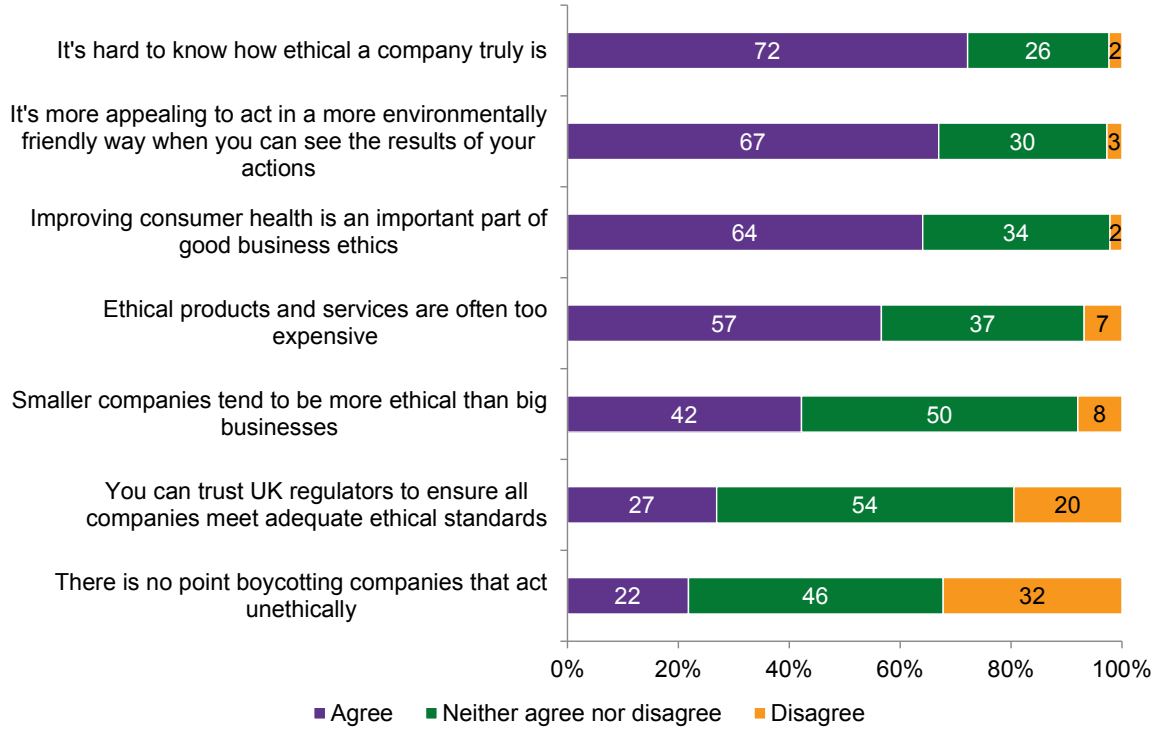
A call for transparency

Consumers are highly mistrustful of corporate ethics; 72% agree it is hard to know how ethical a company truly is. This dominant sense of cynicism has partly been fuelled by the media, with a number of businesses having become enshrouded in scandal due to unethical behaviour.

Increasing transparency can help brands to build people's trust, with campaigns taking an honest approach to any existing shortcomings they may have, and clearly promoting a plan of action for change.

FIGURE 5: ETHICAL AND ENVIRONMENTAL ATTITUDES, APRIL 2018

"Do you agree or disagree with the following?"



Base: 2,000 internet users aged 16+

Source: Lightspeed/Mintel

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Plastic concerns drive interest in plastic-free stores

As consumers have become more aware of the high levels of plastic pollution in the environment, there has been a correlating rise in the demand for brands and retailers to cut their use of plastic. Indeed, 51% of adults say that they would be interested in plastic-free stores, while 43% would be interested in shops that do away with packaging altogether.

What we think

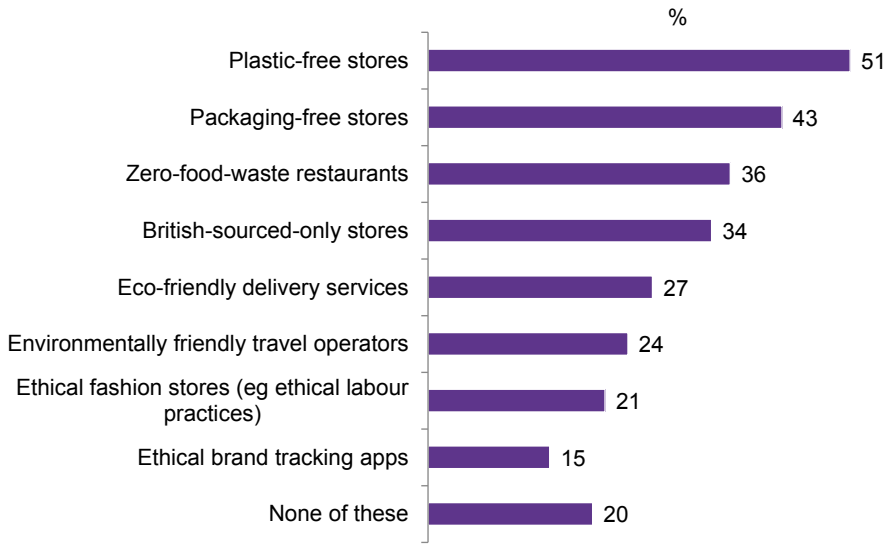
The UK media continues to drive people's awareness of the growing inventory of environmental and societal issues that the country – as well as the rest of the world – faces if it is to create a fairer, more sustainable future.

However, while it is undoubtedly encouraging that 65% of all adults say they are trying to live more ethically now than they were a year ago, plateauing household recycling rates and rising food waste levels tell a different story. There are therefore opportunities for brands to create marketing campaigns that will encourage all consumers to redouble their eco-efforts, as well as charting their own initiatives.

Looking to the future, Brexit raises many questions over what ethical and environmental legislation will look like outside of the EU. With the UK likely to be able to create its own trade deals in the near future, there are some concerns that this could mean a decline in current ethical standards in particular. However, for both the government and brands there are opportunities to further tighten their current ethical practices, helping to position the UK as a world leader when it comes to tackling green and ethical issues.

FIGURE 6: INTEREST IN ETHICAL AND GREEN PRODUCTS AND SERVICES, APRIL 2018

"Which of the following would you be interested in using in future? Please select all that apply."



Base: 2,000 internet users aged 16+

Source: Lightspeed/Mintel

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