

CO-OPERATIVE BANK INDEX SHOWS GREEN SPENDING UP 18 PER CENT

Spending on green products and services increased by a massive 18 per cent last year according to The Co-operative Bank which today (19 November) published the first ever Ethical Purchasing Index (EPI)

The Co-operative Bank EPI 2001 designed to act as an ethical spending thermometer, reveals that the growth in ethical purchases last year was six times greater than the increase in the market as a whole.

Focussing on seven key sectors from food to transport, the EPI research shows that ethical spending was worth £5.7 billion in 2000 an increase of £867 million. A further £7.8 billion was invested in ethical financial services bringing the total spending of consumers with a conscience to £13.4 billion.

The ethical purchasing "basket" included the following sectors:

Food: including free range and freedom food eggs, organic food, vegetarian meat alternatives and fair trade sales.

Fuel and Light: green energy sales

Housing: annual repayment to green mortgages

Household goods: Forest Stewardship Council sales; eco-labelled household appliances and cleaning products marketed as environmentally friendly

Personal items: cosmetics and toiletries not tested on animals

Transport: annual grant value to Liquid Petroleum Gas (LPG) vehicles: memberships to the Environmental Transport Association (ETA)

Subscriptions: annual voluntary income to UK top 500 charities, including charity shop sales

The increase came at a time of general economic growth and the total size of the seven consumer sectors grew by three per cent during the period. But the increase in ethical spending - more than six times as fast - means that green consumers grabbed a bigger share.

With a base of 100 in the previous year, the new 2001 index stands at 115, a 15 per cent increase on the previous 12 months. The index measures the growth in market share and not the absolute increase in spend of 18 per cent year on year.

Simon Williams, Director of Corporate Affairs at The Co-operative Bank, said: "We knew that ethical consumerism was growing but this is the first time we have been able to quantify it.

"The ultimate success for any ethical product is to become a mainstream item such as unleaded petrol. Therefore, it is encouraging that according to our research many ethical products have broken through the one per cent 'green ceiling' which had appeared to restrict many initiatives to a niche role.

"From the Co-operative Bank's point of view it is particularly satisfying to see that £7.8 billion was invested or deposited in values-based investments and bank accounts - a rise of 20 per cent year on year."

Anita Roddick OBE, Co-Chairperson and Founder of The Body Shop comments: "The Co-operative Bank's new ethical purchasing index proves that profit and principles can go hand-in-hand. It provides new ammunition to fire at the cynics in the business world and the media who have argued that consumers don't really care about ethics and the environment. In fact, this research confirms that green products and services are a huge business opportunity."

The Co-operative Bank, which last year launched a report entitled "Who are the Ethical Consumers?", intends to publish the Ethical Purchasing Index on an annual basis as an indicator of trends in this increasingly important market.

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