#### This report looks at the following areas:

- The impact of COVID-19 on ethical retailing.
- Key ethical concerns for consumers.
- Importance of shopping ethically across categories.
- Awareness surrounding ethical certification of products and brands.

COVID-19 has caused shoppers to change habits; prior to the pandemic nearly half (48%) of all shoppers used a reusable cup when purchasing drinks outside, however, since COVID-19 this has fallen back with just 37% of people doing so.

Hygiene concerns have undoubtedly played a part in the setback of sustainable habits such as abandonment of reusables, with 35% of people uncomfortable handling products in-store. Additionally, more people are now shopping online, a process that involves excess packaging and a larger carbon footprint with deliveries and returns.

Younger shoppers appear to be less concerned about environmental issues than the older generation – 27% of Generation Z and Millennials are worried about excess waste that ends up in landfill compared with 44% of Baby Boomers. Complacency is a threat to ethical retailing as shopping ethically often comes with a higher price tag. It is important that consumers see the value in ethical and sustainable policies and will therefore be willing to pay more to take on more ethical shopping habits.

There remain, however, many opportunities. Many retailers are moving on from a purely sustainable focus to various other ethical initiatives. The last year has highlighted the need for retailers and brands to become more diverse and in 2021 retailers including Travis Perkins and Lululemon upped their diversity efforts by educating staff about LGBTQIA+ rights and promoting body positivity. With so many more people now concerned about their communities and the treatment of people, retailers will need to showcase what they are doing to improve equality.



"Ethical retail practices have been very much in the spotlight since the start of the COVID-19 pandemic.
Attention was drawn to how retailers treated both staff and members of the public during the pandemic. In addition, shoppers across all age groups are increasingly concerned about the effect their shopping habits might be having on the environment."

— Chang Baram Senior Retail

# – Chana Baram, Senior RetailAnalyst

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