

February 2022

# Research Institute

The young consumer and  
a path to sustainability



Thought leadership from Credit Suisse and the world's foremost experts

# Editorial

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We are delighted to present to you The Credit Suisse Research Institute's latest study "The young consumer and a path to sustainability."

While the need to create a more sustainable future may appear obvious to many, the question is whether consumers are genuinely motivated to play their part to drive the change needed and adopt a more sustainable lifestyle. Younger generations have the opportunity to be the agents of change. Hence this report throws a spotlight upon their attitudes toward sustainability and their environmental awareness when it comes to spending priorities.

To tackle this, the Research Institute has conducted unique market research surveying 10,000 younger consumers spanning developed and emerging economies, and analyzing what drives their spending decision-making across a wide range of goods and services. The findings confound some of the accepted wisdom.

We hope the report provides you with new insights and perspectives and enhances the discussion on the role that consumers need to play on the path to a more sustainable future.

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# Executive summary

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## **The young consumer matters most in our view**

In “Treeprint: When emissions turn personal”<sup>1</sup> we showed how consumers impact emissions through their daily activities. This report provides a deep dive into the attitudes that young consumers have toward sustainability and the environment, and assesses how sustainable their future lifestyle is likely to be.

We focus on young consumers aged between 16 and 40 years because they represent the ultimate drivers for change in our view. They currently make up 54% of the world’s population, but importantly, their share in total global consumer spending is set to rise from 48% in 2020 to 68% by 2040 according to our estimates.

## **What have we done?**

In order to understand the consumer profile of younger consumers, we conducted a unique market survey in which we interviewed 10,000 consumers across ten developed and emerging economies. We collected over 500,000 responses to questions focused on awareness about sustainability, willingness to make a change and spending intentions in relation to food, fashion, travel and housing.

## **Emerging consumers appear more environmentally engaged**

One of the key conclusions from our analysis is that engagement around the topic of sustainability is markedly higher for Generation Z and millennial consumers in emerging economies than for those living in developed countries. The share of consumers who are (1) environmentally conscious, (2) accept that tighter regulation might be needed, (3) are willing to pay more for sustainable products, and (4) willing to switch consumption to more sustainable products is highest in Mexico, India and China. The opposite appears true for those living in France, Germany and the USA.

## **End markets that could see the greatest impact**

We asked our consumers whether sustainability concerns are likely to change their consumption of a range of products and services. Our survey suggests strong future growth potential for a range of sustainable products, including solar panels, housing insulation, electric vehicles and hybrid cars, second-hand clothing and plant-based food. At the same time, we also observe a strong intention from the consumers surveyed to reduce consumption of unsustainable or unhealthy products including petrol or diesel cars, fast food, meat and alcohol.

Despite their concerns about sustainability, we note that the young consumers surveyed do not yet appear to embrace a more sustainable lifestyle in every aspect of their lives. For example, the intention to reduce the amount of flying appears mostly focused on long-haul travel rather than trips closer to home. In addition, the intention to reduce spending on fast fashion appears low across the consumers in emerging economies.

## **Education is key to achieving a sustainable society**

Our survey strongly supports the argument that creating a more sustainable world requires greater focus on educating consumers about the environmental intensity of consumer products and services.

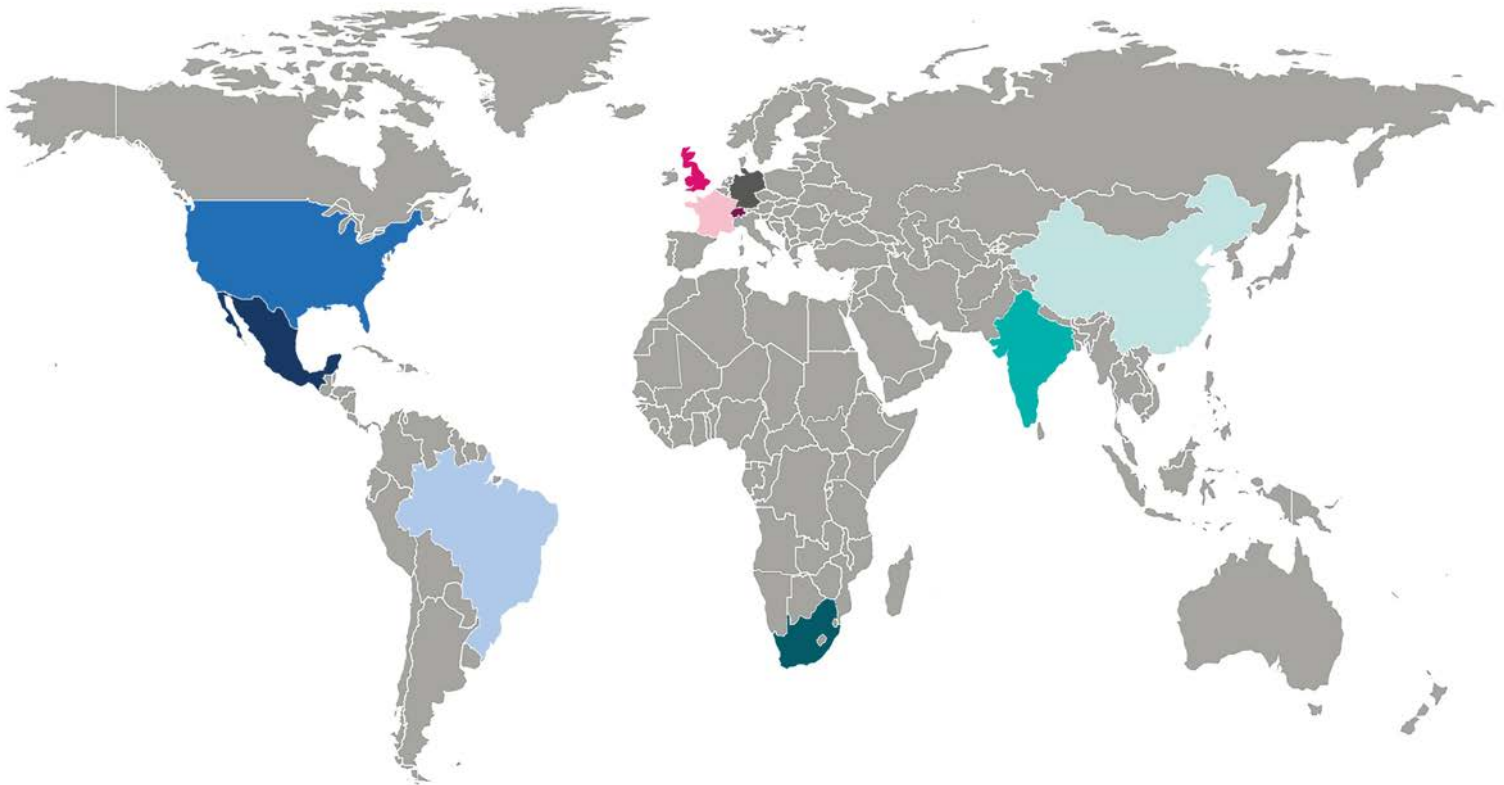
Across all of our questions we find a consistent positive correlation between consumers’ engagement with sustainability and levels of education. Some 60% of our surveyed consumers say that more focus on sustainability in education is needed to increase sustainability.

1. <https://www.credit-suisse.com/sustainability/en/reports.html>

# Credit Suisse Sustainable Young Consumer Survey

Number of respondents:  
 10,000 across ten countries\*  
 50% in emerging economies and 50% in developed economies  
 50% from Generation Z, 50% from millennials\*\*

<b>USA</b>	<span style="color: blue;">■</span>	<b>Mexico</b>	<span style="color: darkblue;">■</span>	<b>UK</b>	<span style="color: magenta;">■</span>	<b>Germany</b>	<span style="color: grey;">■</span>	<b>China</b>	<span style="color: lightblue;">■</span>
Age 16–20:	19%	Age 16–20:	18%	Age 16–20:	22%	Age 16–20:	18%	Age 16–20:	12%
Age 21–24:	31%	Age 21–24:	32%	Age 21–24:	29%	Age 21–24:	32%	Age 21–24:	38%
Age 25–30:	17%	Age 25–30:	21%	Age 25–30:	15%	Age 25–30:	13%	Age 25–30:	23%
Age 31–34:	13%	Age 31–34:	13%	Age 31–34:	13%	Age 31–34:	12%	Age 31–34:	11%
Age 35–40:	20%	Age 35–40:	16%	Age 35–40:	23%	Age 35–40:	25%	Age 35–40:	15%



<b>Brazil</b>	<span style="color: lightblue;">■</span>	<b>South Africa</b>	<span style="color: darkteal;">■</span>	<b>France</b>	<span style="color: pink;">■</span>	<b>Switzerland</b>	<span style="color: darkpurple;">■</span>	<b>India</b>	<span style="color: teal;">■</span>
Age 16–20:	15%	Age 16–20:	16%	Age 16–20:	25%	Age 16–20:	18%	Age 16–20:	18%
Age 21–24:	35%	Age 21–24:	34%	Age 21–24:	25%	Age 21–24:	32%	Age 21–24:	32%
Age 25–30:	20%	Age 25–30:	24%	Age 25–30:	14%	Age 25–30:	16%	Age 25–30:	25%
Age 31–34:	13%	Age 31–34:	11%	Age 31–34:	13%	Age 31–34:	13%	Age 31–34:	11%
Age 35–40:	17%	Age 35–40:	15%	Age 35–40:	23%	Age 35–40:	20%	Age 35–40:	14%

\* 10% of respondents surveyed in each country

\*\* Generation Z refers to respondents from age bracket 16–24 years; millennials from age bracket 25–40 years



Photo: GettyImages, PeopleImages

# The relevance of young consumers

Eugene Klerk, Bahar Sezer Longworth, Akanksha Kharbanda

While the need to address climate change appears obvious to most, the question is whether this will be achieved. Focus is often placed on what governments and corporates say or do; however, we believe this avoids addressing the ultimate driver of all emissions: the consumer. Specifically, we believe that younger consumers aged between 16 and 40 years will determine whether long-term emissions are likely to be met. Based on our estimates, they make up 48% of global consumer expenditure today, but we believe this figure could reach 68% by 2040.

## Consumers and climate change

Over the past few years, companies and governments have come under growing scrutiny with regard to their targets and plans for reducing greenhouse gas (GHG) emissions. In our view, further action is needed to limit global warming to around 1.5°C above pre-industrialized levels. According to Climate Action Tracker (CAT), temperatures look set to rise 2.7°C by the end of this century based on current policies. Even after the promises made at the COP26 conference in Glasgow last October, and assuming all announced targets will be met, global warming is still set to reach at least 1.8°C (Figure 1).

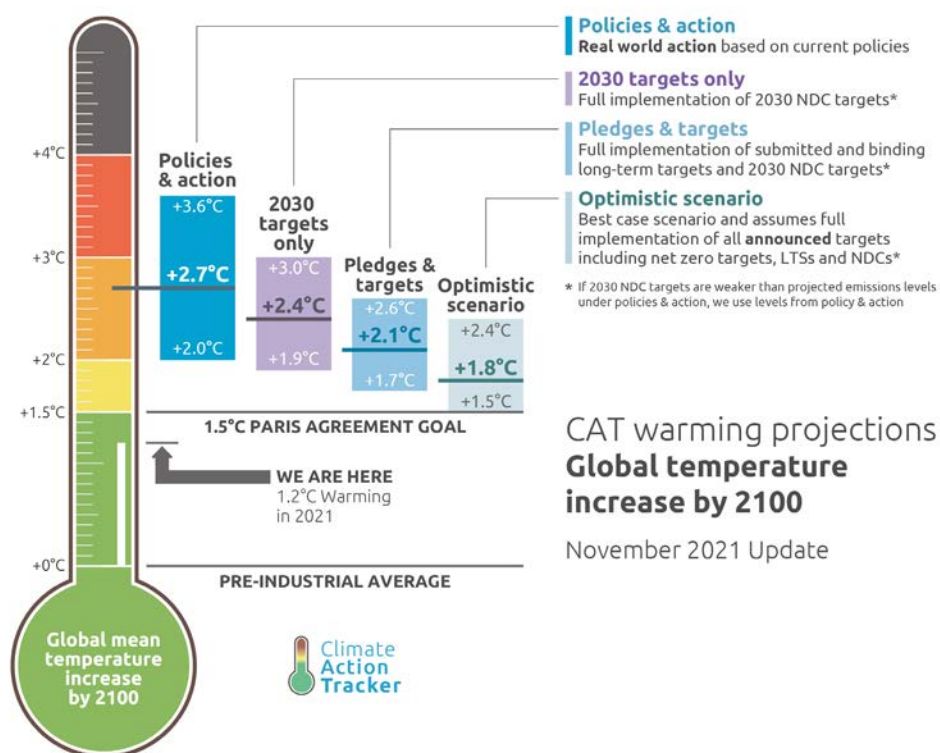
While the focus on corporate and political action in relation to climate change is justified, we note that consumption is ultimately the key driver. Some of our recent Research Institute work such as “The global food system: Identifying sustainable solutions,”<sup>1</sup> showed that a change in diets can meaningfully reduce greenhouse gas emissions. One of the key challenges in relation to the topic of climate change in our view is the fact that it is

difficult for consumers to fully understand or comprehend their personal emission footprint. In order to address that issue, Credit Suisse last year launched the concept of “Treeprint,” which stands for the number of trees needed to offset the emission profile of a certain consumer product or service. In “Treeprint: When emissions turn personal” we showed how many trees were needed to offset a wide range of consumer activities. Furthermore, we outlined the impact that certain changes in consumer spending would have on a consumer’s overall emission profile.



1: <https://www.credit-suisse.com/sustainability/en/reports.html>

Figure 1: Global warming scenarios in a post-COP26 world



Climate Action Tracker (2021). The CAT Thermometer. November 2021. Available at: <https://climateactiontracker.org/global/cat-thermometer/> Copyright © 2021 by Climate Analytics and NewClimate Institute. All rights reserved.

The key question, in our view, is whether these solutions are likely to be adopted given that they typically require consumers to make meaningful changes to the way they live. In this report, we aim to provide insight into this debate by discussing the results of a proprietary survey conducted among 10,000 consumers aged between 16 and 40 years (Generation Z and millennials, respectively).

### Climate change: Young people matter most in our view

Some readers may be surprised that we focus only on millennials (born between 1981 and 1996) and Generation Z (born between the late 1990s and early 2010s) when trying to assess whether climate change targets are likely to be met. We have a number of arguments for believing that today's young consumer plays a central role in the fight against climate change:

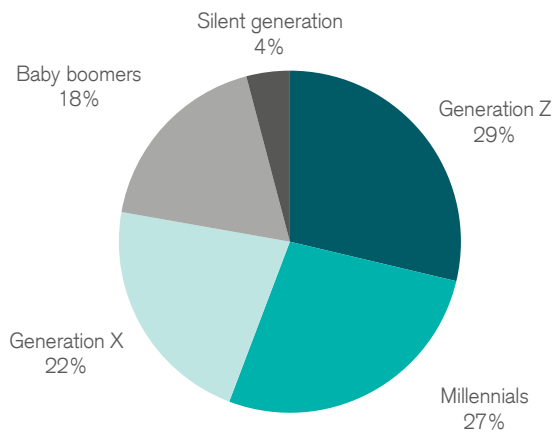
- First, we note that Generation Z and millennials (or Generation Y) make up 56% of the current global population (**Figure 2**). Members of Generation X (born between 1965 and 1980), baby boomers (born between 1946 and 1964), and the silent

generation (born before 1946) together make up 44%. Their share in current total consumer spending is lower than that since income typically rises with age (**Figure 3**). However, even correcting for this, we estimate that the global Generation Z and millennial community today already accounts for about 48% of overall consumer spending.

- Second, the relative importance of the current Generation Z and millennial community is obviously going to rise going forward. As they get older, they will increasingly replace today's older consumer and make up a more significant percentage of the population that drives consumer spending in the future. For example, today's Generation Z consumer will be 30–44 years old by 2040, while today's millennial consumer will be 45–59 years old by then. **Figure 3** therefore illustrates that, all else being equal, the highest earners and therefore potentially the biggest spenders in 2040 will be today's Generation Z and millennial consumers.
- Another reason for focusing on Generation Z and millennials is that they are mostly located in developing, higher-growth economies. Those living in Asia and Africa make up 80% and 77% of the global

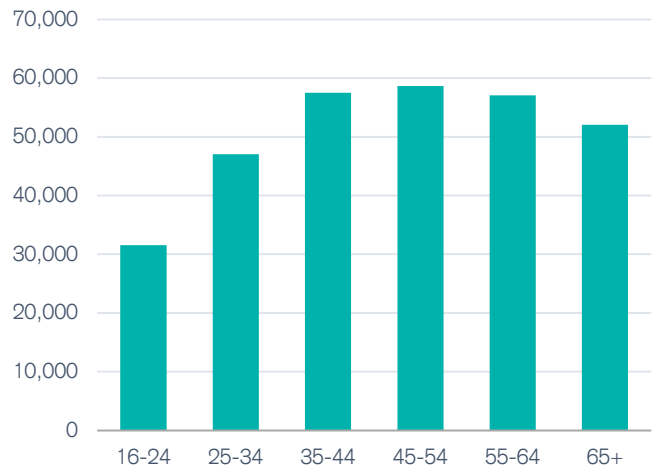


**Figure 2: Global population by demographic (2020)**



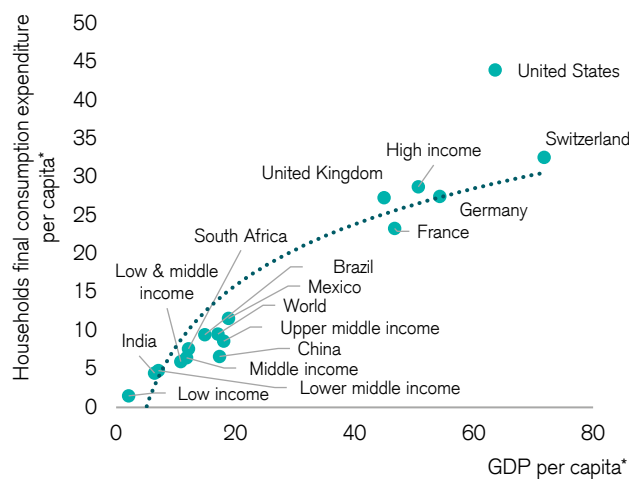
Source: United Nations, Credit Suisse Research

**Figure 3: Median income in the USA by age (USD)**



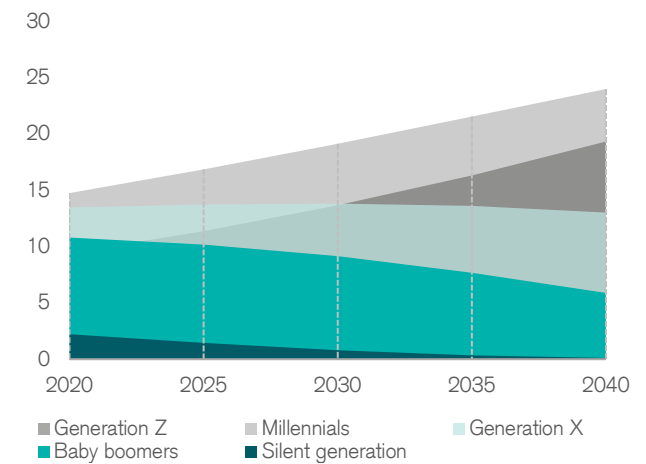
Source: Consumer Expenditure Surveys, U.S. Bureau of Labor Statistics, Credit Suisse Research

**Figure 4: Household consumption set to rise rapidly across developing countries as wealth increases**



\* PPP (current international USD '000) 2019  
Source: World Bank, Credit Suisse Research

**Figure 5: Total estimated final consumer spending (USD trn)**



Source: United Nations, Credit Suisse Research

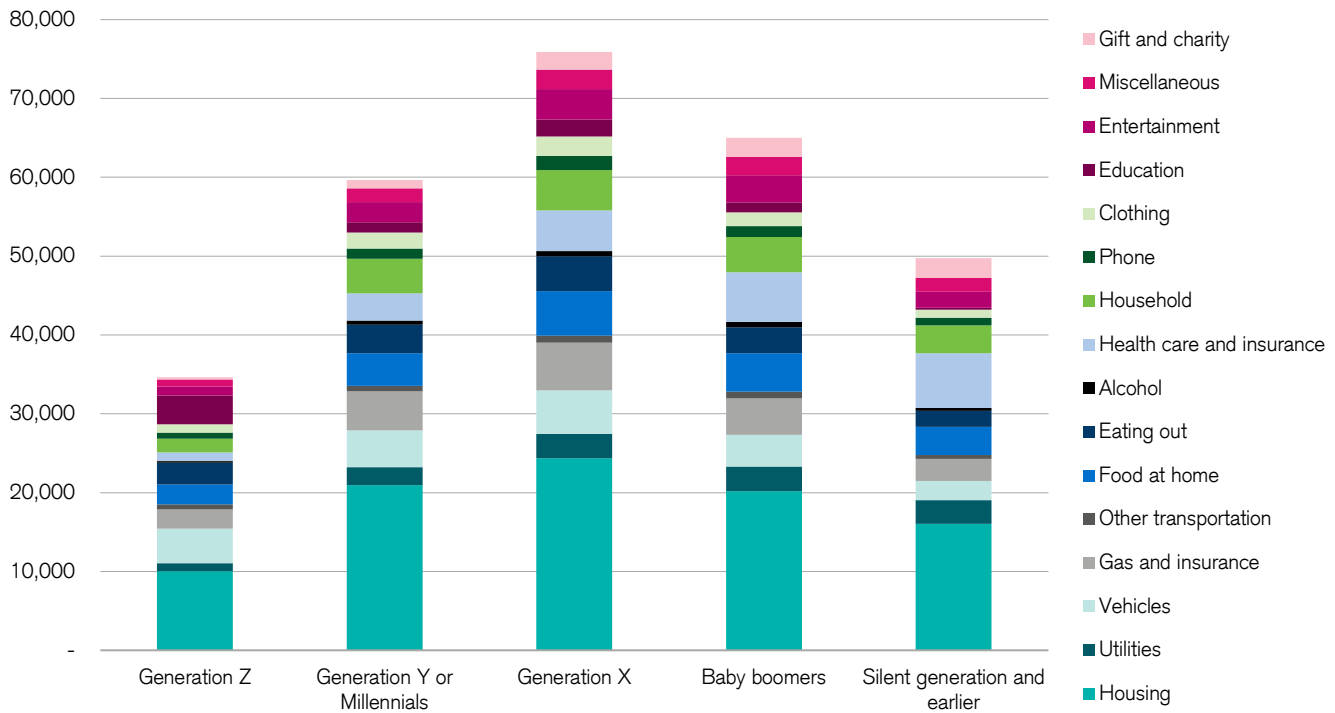
Generation Z and millennial community, respectively. We expect that income growth across the emerging world will remain higher than in the developed world and that this is likely to remain driven mostly by younger consumers. **Figure 4** shows that a clear relationship exists between average household consumer spending and GDP per capita. The greatest percentage change in spending per household in the next few decades is likely to be generated by younger households based in the developing world.

To support our statements in relation to our focus on younger consumers, we have estimated global consumption expenditure using data on population growth from the United

Nations and income distribution figures by age group. Our estimates indicate that, between 2020 and 2040, spending from the current Generation Z and millennial community will almost double to just over USD 43 trillion by 2040 (**Figure 5**).

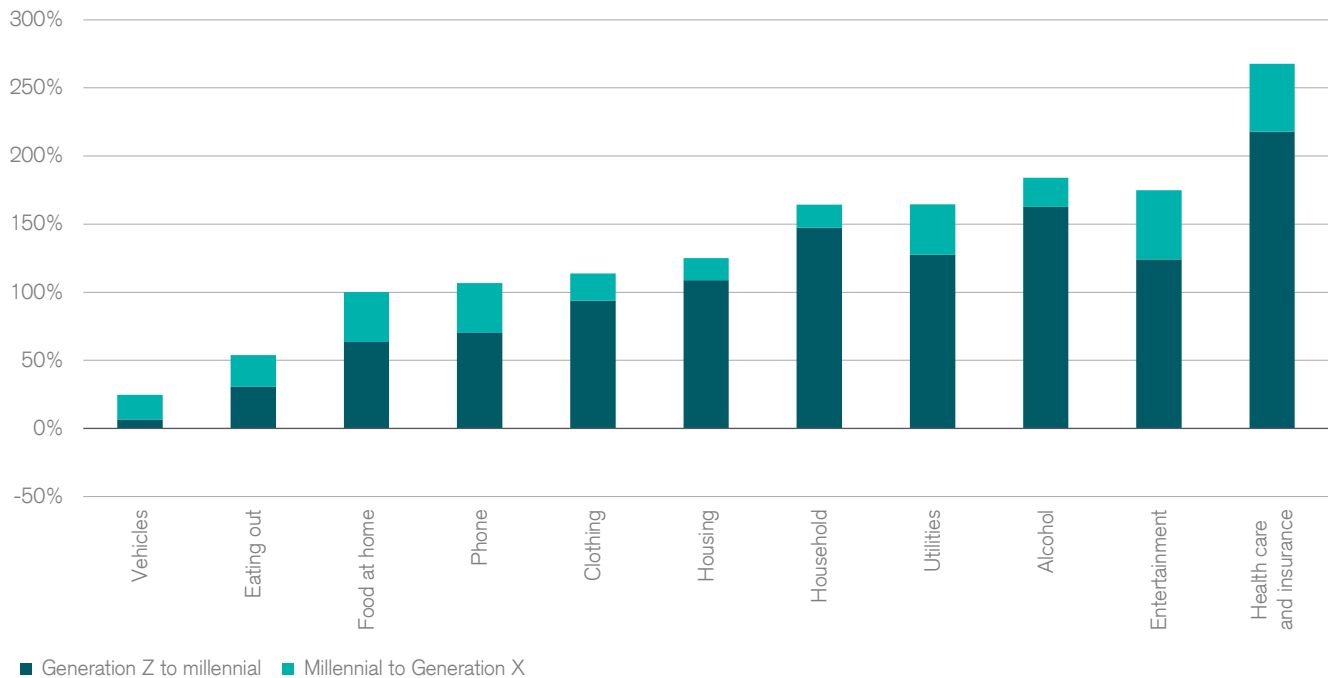
Furthermore, as a share of spending from all consumers aged 16 to 94, these two cohorts will make up 69% in 2040 compared to 48% today. Our estimates also indicate that millennial-related spending is already higher than that of Generation X (born between the mid-1960s and the early-1980s), whereas Generation Z is likely to overtake current Generation X consumers in terms of spending around 2031, based on our estimates.

**Figure 6: Spending patterns by generation: USA, 2019 (USD)**



Source: Consumer Expenditure Surveys, U.S. Bureau of Labor Statistics, Credit Suisse Research

**Figure 7: Average percentage change in spending on products and services between different age groups**



Source: Consumer Expenditure Surveys, U.S. Bureau of Labor Statistics

Of particular importance in this regard is the role of the young emerging consumer, given the potential rise in spending power across the emerging world and the fact that, demographically, developing countries are skewed more toward younger consumers. Supply-side constraints could emerge when their income rises and spending patterns change, which in turn could provide growth opportunities for new companies or sectors. Past work by the Research Institute on the emerging consumer has corroborated that view.

### **Understanding what consumers buy is important**

From an emission perspective, it is not only important to know which cohort drives consumption going forward, but also how consumption patterns change as consumers age or income grows. **Figures 6 and 7** show how much US consumers spend on certain products and services and how this changes from one age group to the next. Historically, the greatest percentage change in spending is recorded when Generation Z consumers in the USA enter the millennial cohort. Furthermore, per capita spending on most key consumer items looks set to double during the next 20–30 years assuming that the US experience holds for younger consumers globally.

The combination of (1) our estimates for future consumption expenditure across the age groups with (2) the data on how consumption profiles change with income, and (3) our understanding of the emission footprint for different consumer products and services (see “Treeprint – When emissions turn personal”<sup>2</sup>) provides a stark message in our view.

Reaching long-term climate change targets is probably going to be very difficult unless today’s Generation Z and millennial consumer is willing to adopt a lifestyle that focuses much more on

2. <https://www.credit-suisse.com/sustainability/en/reports.html>

consuming sustainable products and services compared to previous generations. Whether this is likely is what we have aimed to answer with our survey.

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### **Survey structure**

In order to be able to assess whether sustainability is important for younger consumers and if they are likely to make a change, we teamed up with the leading global consumer research firm Nielsen, which conducted the survey on our behalf.

In terms of geographies, our survey covers ten countries. Five of these are developed nations (the United States, United Kingdom, Germany, France and Switzerland), while the remaining five are some of the key countries across the developing world (China, India, Brazil, Mexico and South Africa). These ten countries combined represent about USD 47 trillion or close to 60% of global GDP.

To perform our analysis of consumer behavior and sustainability across as many variables as possible, we ensured that we had an equal share of Generation Z respondents (16–24 years of age) and millennial respondents (25–40 years of age) in order to be able to compare these two cohorts properly.

The findings presented in this report reflect the responses from 10,000 consumers, 1,000 per country. In over 50 questions, we assess the level of engagement or concern that consumers have with the topic of sustainability and what their attitude is toward those consumer areas that have significant emission footprints. These include food, travel and transport, fashion and housing. Our questions aim to not only identify current behavior, but also the likelihood of change. Moreover, we also seek to understand the willingness to pay more for sustainable products and services.



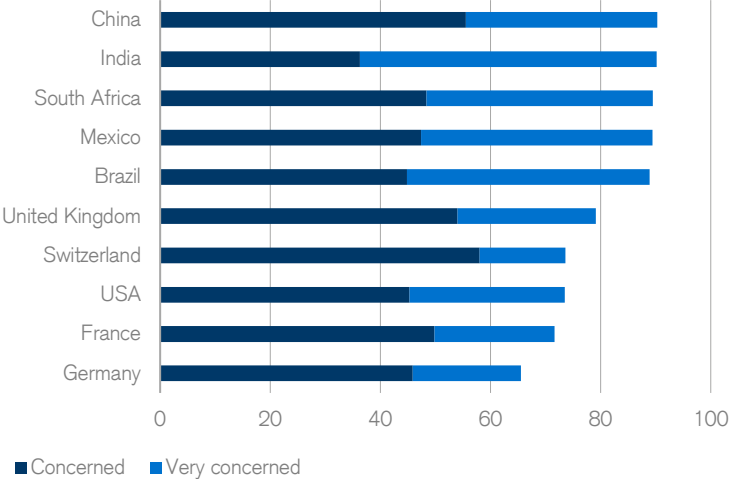
Photo: GettyImages, Westend61

# How sustainable are young consumers?

Eugene Klerk, Betty Jiang, Akanksha Kharbanda

Our overall survey readings point to a high level of anxiety among younger consumers in relation to sustainability: 65%–90% of consumers in all ten countries are concerned or very concerned about the environment. At the same time, we find a considerable degree of skepticism toward the likelihood that longer-term climate-change targets will be achieved. In contrast, around 75% of younger consumers with environmental concerns aim to live sustainably going forward, while 25% will try to convince family and friends to do the same. Young consumers show a strong willingness to increase spending on sustainable products such as solar power, home insulation and electric vehicles. Products that might experience the greatest decline in interest include fast food and meat.

**Figure 1: “How concerned are you about the state of the overall environment?”**



Source: Credit Suisse Sustainable Consumer Survey

## Sustainability is a key concern for young consumers

A number of questions in the survey aim to assess the current level of concern that consumers have with regard to sustainability. It is clear from the data that the majority of young consumers across all countries surveyed are either concerned or very concerned. This is particularly true for countries such as China and India, where nine out of ten consumers surveyed feel this way. Germany scored lowest on this question even though almost two out of three consumers indicated their concerns (Figure 1).

To assess how optimistic consumers are about sustainability in the future, we asked whether long-term climate change or emission targets were likely to be achieved. Our survey shows a distinct level of pessimism across a wide range of countries. In eight of our ten countries,

we found that less than 30% of consumers believe that a net zero emission target will likely or definitely be achieved by 2050 (Figure 2). Interestingly, we note that the countries with the greatest level of concern about the current state of the environment (China and India) also have the highest share of consumers who believe that sustainability targets will be achieved in the longer term. We wonder whether this increased belief that long-term climate change targets will be achieved simply reflects hope on the part of consumers in China and India given their more pessimistic view on the current sustainability landscape.

### Sustainability concerns drive behavioral change

Given the relatively high share of younger consumers' concerns about sustainability, we asked whether their consumption behavior had already changed because of environmental concerns. We found that this was the case for the majority of young consumers across developing countries (Figure 3). In fact, more than 15% of young consumers in China and India said that they now only buy sustainable products.

In the case of developed countries, on the other hand, we found that the overall share of young consumers indicating that their lifestyle had changed was lower than in the case of our emerging consumers, although still significant at more than 42%. Countries with the highest share of young consumers indicating that environmental concerns have no impact on their consumption profile were Germany (14.7%) and the United Kingdom (13.2%).

The fact that a substantial share of young consumers have already changed their consumer profile to a more sustainable one is positive. However, in order to address climate change challenges, it is relevant that consumers are increasing their focus on sustainability. With that in mind, we asked respondents about their overall future buying intentions and whether they are likely to try and influence others to follow suit.

Figure 4 shows that, among young consumers with environmental concerns, almost 80% intend to buy only sustainable products or at least as much as possible. We also find that more than 20% of these consumers will also try to persuade others to do the same. While this is clearly positive from a sustainable perspective, we also note that the appetite to buy sustainably in the future among consumers who are indifferent to environmental concerns or who do not have these concerns at all is much lower.

Figure 2: Percentage of consumers who believe that long-term climate change targets will be met is low in most countries

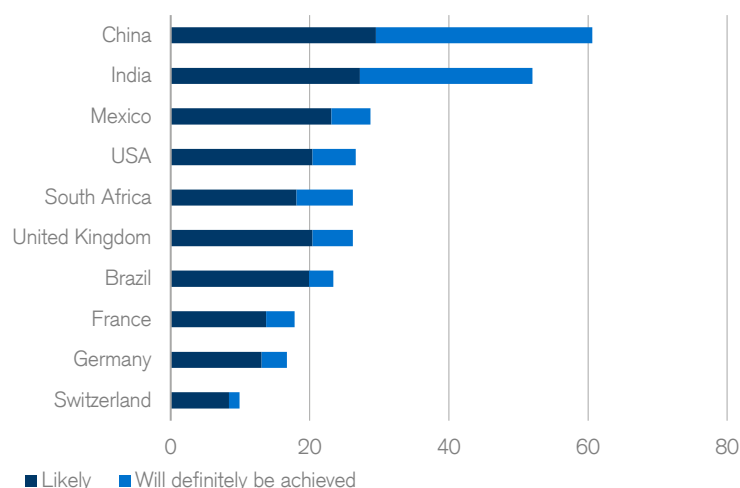


Figure 3: "To what extent has your consumption profile changed because of environmental concerns?"

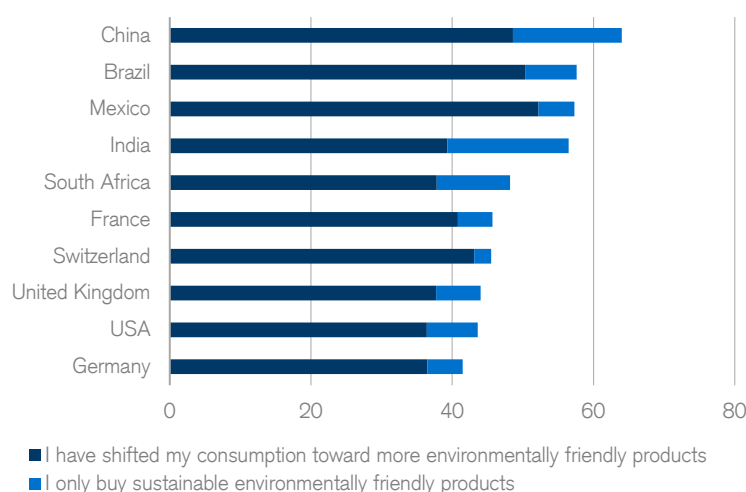
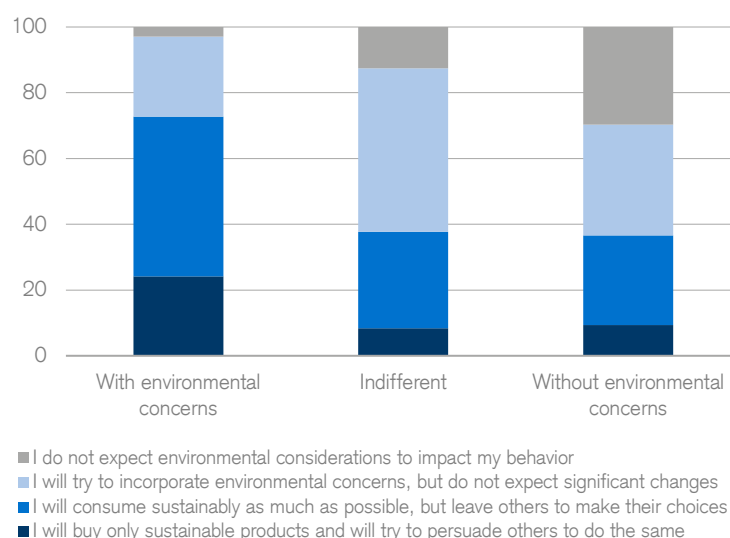
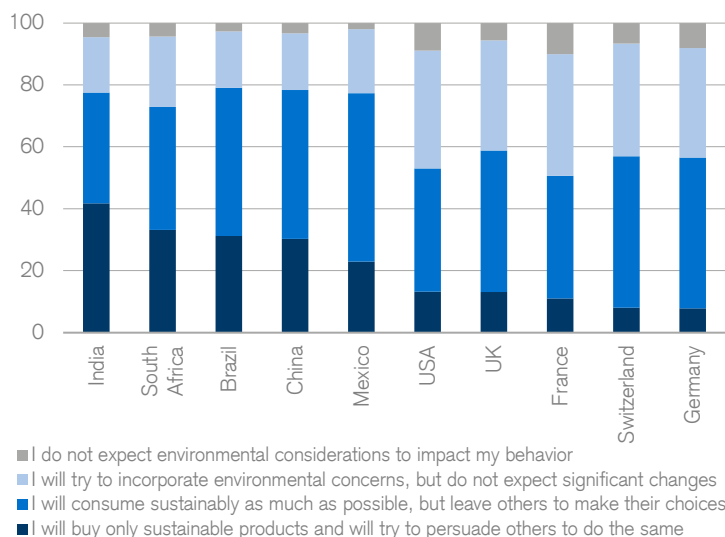


Figure 4: Consumers with environmental concerns are more active in trying to create behavioral change



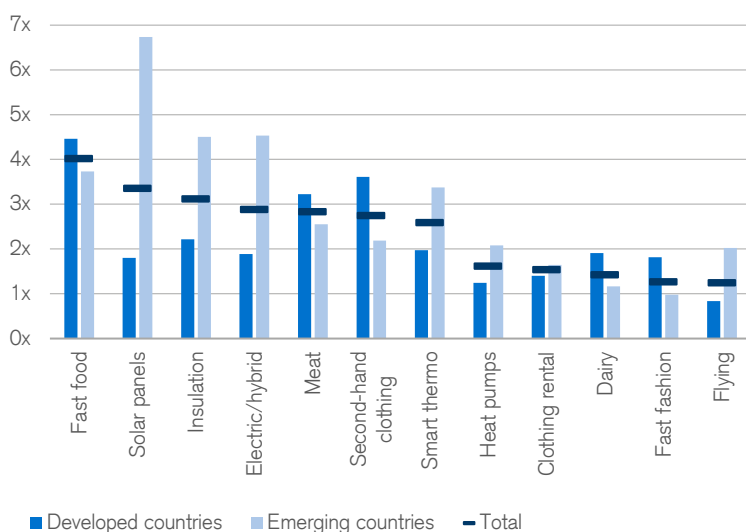
Source Figures 2-4: Credit Suisse Sustainable Consumer Survey

**Figure 5: “Looking ahead, which of the statements on the screen best describes your future consumption profile in relation to addressing environmental concerns?” (by country)**



Source: Credit Suisse Sustainable Consumer Survey

**Figure 6: Percentage of consumers who intend to increase consumption of sustainable products relative to those who intend to decrease consumption**



Source: Credit Suisse research

In fact, almost 30% of consumers who do not have environmental concerns do not believe that environmental considerations will play any role in their future behavior.

When reviewing the sustainability of future consumption of our consumers by country, we find that those located in developing economies are most likely to (1) consume sustainably and (2) try to persuade others to do the same. The degree of “activism” on the part of consumers in terms of trying to get others to also live sustainably appears lowest among younger German and Swiss consumers (Figure 5).

**Potential industry impacts differ widely across developed and emerging countries**

Another way we analyzed the results of our survey was to look at whether young consumers are moving overall toward a more sustainable lifestyle and the specific product areas that are likely to experience the most/least momentum as a result. To do this, we selected from the list of survey questions across 12 product categories those that capture a likely change in consumer behavior going forward. We then assess the momentum of this change by looking at the ratio of respondents indicating their consumption preference is moving toward more sustainable lifestyles relative to those moving in the opposite direction.

The specific measures used for this high-level assessment vary by product category. For example, we found that about 48% of respondents indicated they plan to decrease their fast food consumption, while about 12% of respondents noted they plan to increase their fast food consumption, implying around a 4-to-1 shift away from fast food consumption and suggesting, in our view, a desire to move toward a more sustainable lifestyle as far as health is concerned. Similarly, for solar panels, we compared the ratio of respondents indicating they were likely or very likely to purchase solar panels versus those who were unlikely or very unlikely (3.4-to-1); for road transport, we compared the ratio of respondents expecting to buy electric or hybrid vehicles versus those with plans to buy fossil fuel vehicles (3-to-1), see Figure 6.

Broadly speaking, a ratio >1x indicates movement toward a more sustainable lifestyle, while <1x indicates movement toward a less sustainable lifestyle. We note that we did not factor in responses that indicated no change/preference in the future as this does not capture the rate of change.

Overall, we found that all 12 product categories had a ratio of >1, which suggests sustainability is influencing behavior changes in all industries – housing, food, road transport and fashion – in that order, at a high level. Interestingly, there

are also wide variances between respondents from developed and emerging countries. We found consumers in developed countries are driving greater sustainability change in food/fashion, while emerging countries are leading in the housing/travel categories. Some key observations across the four high-level categories are as follows:

- **Food:** Movement toward more sustainable food (i.e. less fast food and meat consumption) was among the highest ratios overall and, perhaps more notably, most consistent across both developed and emerging countries, particularly in the former. However, our young consumer respondents seem relatively less willing to move away from traditional dairy products. This is also supported by responses to other (related) questions, such as fast food and meat being classified as among the most “environmentally unsustainable” categories, while dairy was the least. However, we also note that around 65% of respondents expect to increase their consumption of plant-based meat and dairy alternatives in the future.
- **Housing:** While the overall likelihood of investing in solar panels and insulation (i.e. energy-saving technologies) screened relatively high, this was overwhelmingly driven by respondents from emerging countries where we saw roughly 2–4x higher ratios than in developed countries. Responses on investing in smart heating/cooling monitoring and heat pumps tell a similar story, although the ratios for both of these are more middle of the range relative to other areas.
- **Travel:** Transitioning from traditional internal combustion engine (ICE) vehicles to electric and/or hybrid vehicles looks quite promising, although again much more driven by respondents from emerging countries. The chances of respondents minimizing personal flying, however, was among the least likely to occur relative to all 12 categories across both developed and emerging countries, particularly in the former where the majority do not intend to minimize or eliminate personal flying due to environmental concerns. This was the only instance where the ratio was actually <1x.
- **Fashion:** Increasing use of second-hand clothing was the second-highest ratio (after fast food) among respondents from developed countries, but markedly lower among those from emerging countries (albeit still >2x). Similarly, decreasing use of less environmentally friendly fast fashion clothing seems more likely to occur in developed versus emerging countries. In fact, this was the lowest ratio (~1x) among respondents from the latter group. While also screening relatively low overall, the increasing use of renting clothes was the

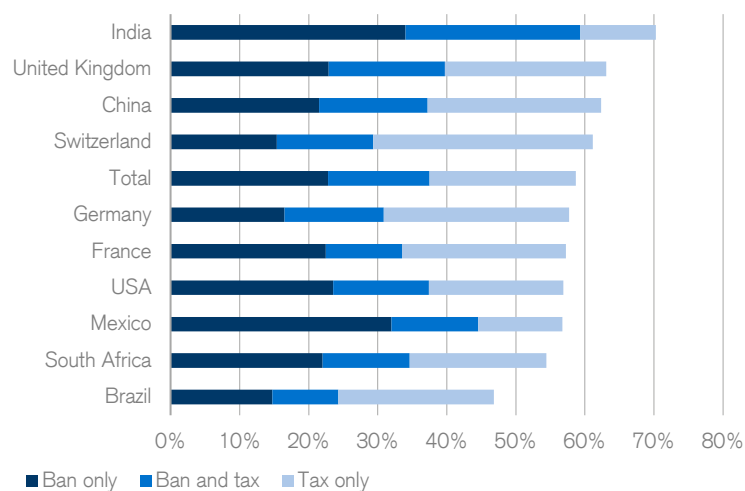
one fashion area that respondents from emerging countries seem more likely to adopt compared to their counterparts from developed countries.

### What our consumers believe needs to happen next

The survey questions were designed to assess whether younger consumers are engaged with sustainability both in terms of current and future consumption. We also wanted to identify what external actions these consumers feel need to be adopted or introduced to help create a more sustainable environment. Our questions focused on governmental actions such as banning the sale of unsustainable products or making them more expensive. Furthermore, we asked respondents about the relevance of education and the role that corporates play.

- Significant support exists for government legislation around sustainability: almost 35% of our surveyed consumers feel that governments should ban the sale of unsustainable products. In addition, a similar percentage (around 33%) felt that they need to be made more expensive. When we break down the answers between consumers who are concerned about the environment and those who are not, we find that 59% of the former are in favor of banning or taxing unsustainable products by governments or both (**Figure 7**). Young consumers that are most in favor of these actions can be found in India, the United Kingdom and China.

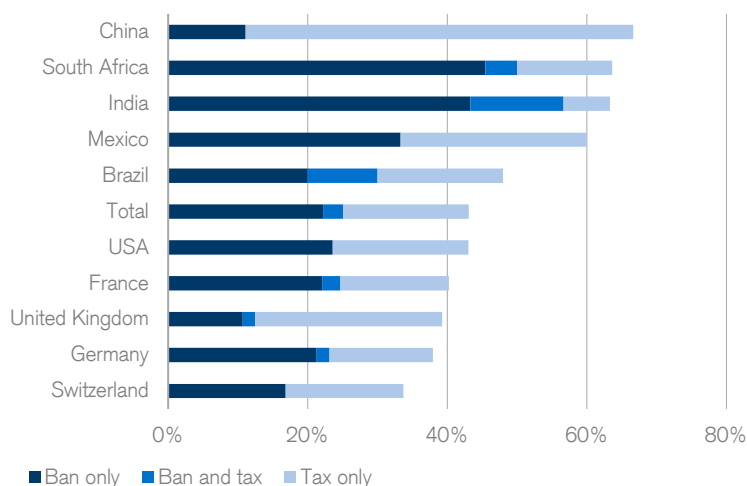
**Figure 7: Percentage of concerned young consumers who want governments to ban unsustainable products or make them more expensive**



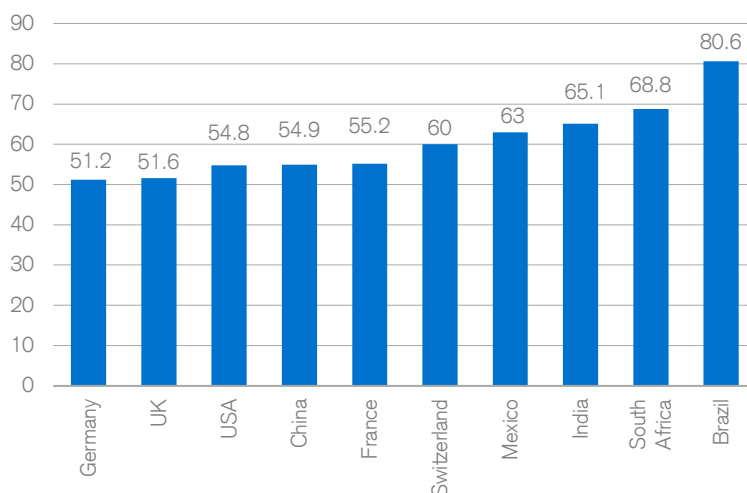
Source: Credit Suisse Sustainable Consumer Survey



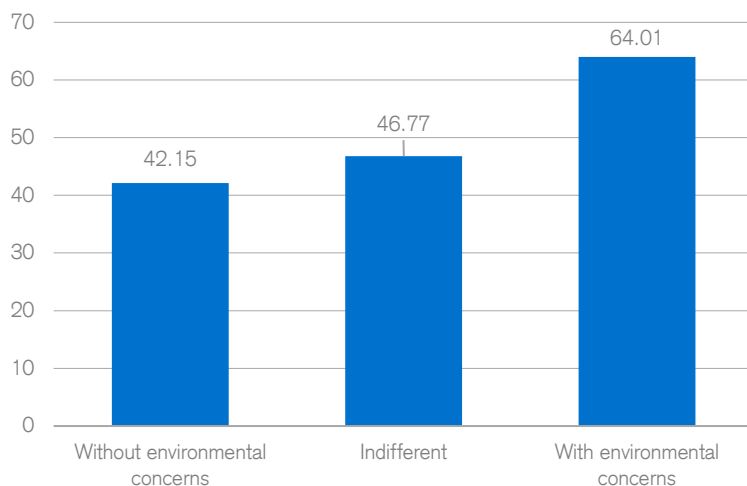
**Figure 8: Support for banning unsustainable products or making them more expensive among unconcerned young consumers**



**Figure 9: Percentage of young consumers who feel more focus on environmental sustainability in education is needed (by country)**



**Figure 10: Percentage of young consumers with/without environmental concerns who feel more focus on environmental sustainability in education is needed**



Source Figures 8–10: Credit Suisse Sustainable Consumer Survey

Among consumers that are not concerned about sustainability we find that those living in emerging countries are much more in favor of banning or taxing products (Figure 8).

- Education matters and young consumers think it is needed. Throughout this survey we will show that education correlates with environmental concerns and the willingness to make a change. Also, on a number of occasions, we identify inconsistencies in the answers that we believe might be due to a lack of awareness on the part of our consumers about the environmental impact of certain products and services, suggesting a lack of education related to this. In short, we believe that educating people about sustainability plays a vital role in addressing the challenges associated with it. Our consumers appear to strongly agree with us on this point. When asked what is needed to create a more sustainable environment, over 60% of young consumers noted that more education was necessary. On balance, this view was held more by respondents in developing economies (Figure 9), although a majority of young consumers in all countries feel that this action needs to be taken. Interestingly, we find that this view is most strongly held by young consumers with environmental concerns (Figure 10). Their views on sustainability might have been formed by greater access to information on the topic. Therefore, they probably feel that, if this information were available more broadly, it would influence others too and thereby help speed up the actions necessary to address climate change.

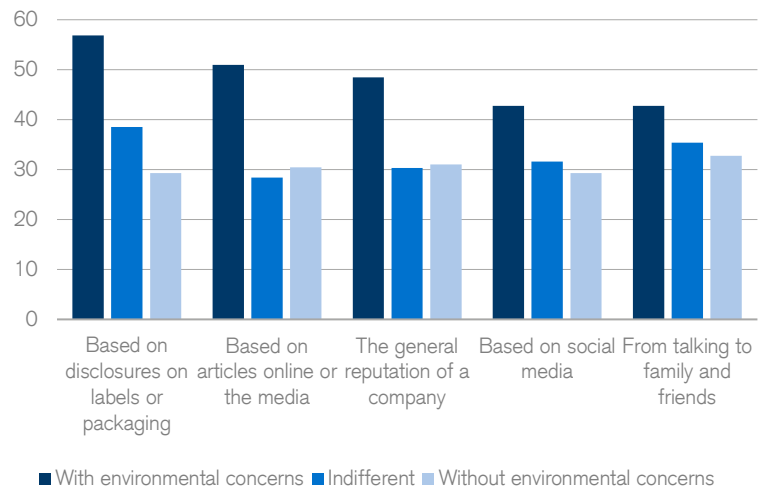
**Corporates play a key role according to our consumers**

In addition to what governments can or must do, we have also asked our consumers what role they believe corporates play in relation to sustainability.

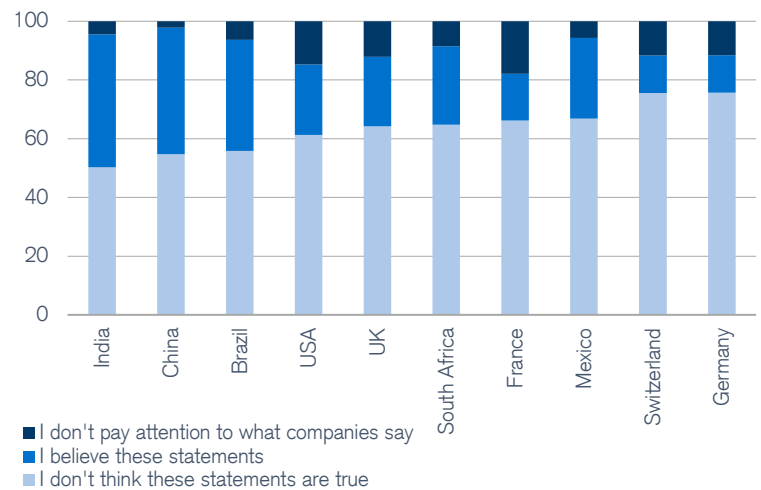
- First, companies need to know that consumers with a greater level of concern about the environment are more focused on assessing the sustainability of products than those who do not share those concerns (Figure 11). Moreover, when trying to form an opinion about the sustainability of a product or service, environmentally conscious consumers rely mostly on the information provided by corporates on labels and packaging. This is more relevant to our younger consumers than information received from social media, online sources or input from family or friends. Consumers without environmental concerns have the lowest likelihood of checking the sustainability of products and do not seem to differentiate between what sources they use if they do want to form an opinion about sustainability.

- Second, we note that consumers, while relying more on corporate disclosure about the sustainability of their products, do have a reasonable degree of skepticism toward corporate claims in relation to sustainability. For example, 63% of our consumers do not believe what corporates say about the sustainability of their products, compared to just 27% of consumers who say they do believe what companies say. Breaking the data down by age indicates that around 67% of our Generation Z consumers do not believe what companies claim, compared to around 60% for our millennial survey participants. Interestingly, we also find that skepticism about corporate disclosure is not related to whether a consumer has concerns about the environment. Consumers with the greatest degree of skepticism are found in Germany and Switzerland, where more than 75% do not believe what companies say (Figure 12). In India, China and Brazil, this share is lower, albeit still above 50%. We see this as a key issue that corporates need to tackle in order to help educate consumers and help achieve a more sustainable society.
- Third, we find that a majority or 54% of our consumers believe that managements of companies should be judged directly on their environmental and social achievements. Worrying for companies selling unsustainable products, in our view, is that the share of young consumers who feel sustainability needs to be linked to corporate and management pay is significantly higher for those with environmental concerns. Figure 13 shows that it is around 60% or higher in India, Brazil, South Africa, Mexico and the USA. With a possible future rise in the share of consumers who have environmental concerns, we believe that pressure on management teams of companies with environmentally or socially unsustainable products and policies is likely to rise.

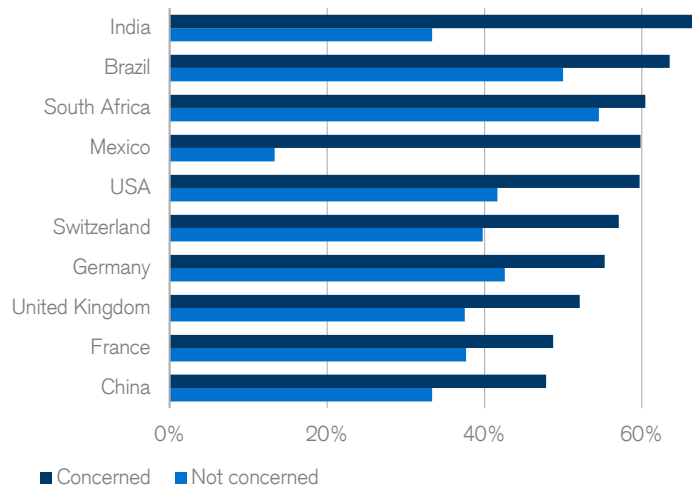
**Figure 11: “What sources help you form your opinion on the sustainability of a company’s brand or product?”**



**Figure 12: “Companies often provide opinions about the sustainability of their products and businesses. Which of the statements best describes your view on this?”**



**Figure 13: Percentage of respondents stating that managements of companies should be rewarded based on their environmental and social achievements**



Source Figures 11–13: Credit Suisse Sustainable Consumer Survey

## Who is our most sustainable consumer?

In this chapter, we showed that the younger consumers surveyed have a substantial degree of engagement with the broad topic of environmental sustainability. The following chapters assess how this engagement manifests itself in the areas of our daily lives that have the highest emission footprints. Based on the survey responses, we also wanted to develop a sustainability ranking that shows relative engagement with the topic of sustainability across different demographics. To do this, we have drawn from a number of questions in order to generate a sustainability ranking of young consumers by country, age and level of education.

### Our ranking approach

We appreciate that ranking consumers in terms of their engagement in sustainability is as much an art as it is a science. That said, we have constructed an approach that focuses on four sustainability-related areas:

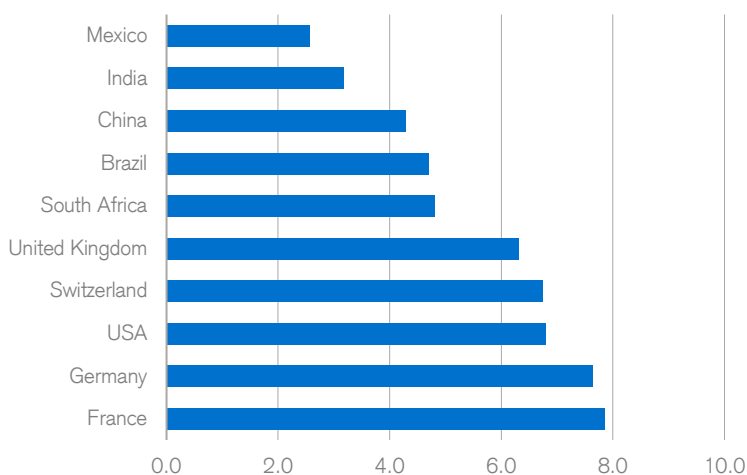
- Environmentally conscious: We use three questions to assess the level of concern or awareness that consumers currently have in relation to the sustainability of the

environment, and whether their consumption pattern has already shifted or is likely to shift because of these concerns.

- Acceptance of greater regulation: Increased government intervention may be needed to achieve a sustainable environment. We asked our consumers whether they believe sustainable products should be banned or made more expensive (i.e. increase taxation). We also assessed whether governments should regulate corporates more to make them more sustainable.
- Willingness to pay a premium for sustainability: While consumers may want a more sustainable future, this may come at a price. For four different consumer areas, we asked our consumers about their willingness to pay more for sustainable products if these were available.
- Willingness to change behavior: Finally, to achieve a sustainable future, consumers may have to shift their consumption profile toward products and services that have a lower emission footprint. We review this for 14 different product categories across food, travel, fashion and housing.

To calculate our rankings, we used an equally weighted approach for each of the four areas as described above. A simple average of the scores achieved for these four areas then provides us with the overall ranking of our consumers by country, age and level of education.

**Figure 14: Overall ranking of consumer engagement in sustainability. Consumers in Mexico appear most engaged while those in France score lowest**



Source: Credit Suisse Sustainable Consumer Survey

### Sustainability by country: Emerging markets lead developed markets

Based on the responses from our consumers to the 25 questions used for our ranking, we find a striking difference between those located in emerging economies and those located in developed countries. The former appear more engaged with sustainability, are generally more accepting of greater regulation, show an increasing willingness to pay for sustainable products and show a greater intent to change their behavior. In other words, we find that consumers in emerging economies appear more engaged with the topic of sustainability in all four sustainability-related areas. The countries where this was most prevalent are Mexico, India and China. Countries where, relatively speaking, sustainability appears to be less of a factor influencing the behavior of younger consumers are France, Germany and the USA (**Figure 14**).

When we review the ranking by category, we find that there is a large degree of consistency in terms of the relative ranking for our countries (**Table 1**). Across emerging economies, we find a higher share of consumers who engage with each of our four categories than when we review the results for developed countries.

**Table 1: Ranking of countries by area of focus (1 = best, 10 = worst)**

	Mexico	India	China	Brazil	South Africa	United Kingdom	Switzerland	USA	Germany	France
<b>Overall rank</b>	1	2	3	4	5	6	7	8	9	10
Environmentally conscious	1	3	2	5	3	6	6	8	10	9
Believe that regulation is needed	1	2	8	5	3	6	10	4	8	7
Prepared to pay more for sustainability	2	1	3	4	4	6	7	9	7	10
Intends to change personal behavior	1	4	3	2	5	7	5	9	10	8
Food	1	6	3	2	5	7	4	10	9	8
Travel	3	1	2	3	5	5	10	5	8	8
Fashion	1	6	5	2	9	8	3	10	7	4
Housing	7	2	1	5	3	5	8	4	10	9

Source: Credit Suisse Sustainable Consumer Survey

Results that do appear to deviate somewhat from a country’s overall ranking include the relatively high share of US consumers who believe that regulation is needed. In China, on the other hand, this share is lower than we would have expected based on how these consumers score on our other metrics.

As for changing personal behavior, we note that younger Swiss consumers feel less inclined to opt for more environmentally friendly travel patterns. Consumers in China and India, however, show a lower propensity to change their fashion-buying behavior than we would have expected based on their overall scores elsewhere.

**Sustainability ranking by age group: Millennials lead Generation Z**

In addition to reviewing our results by country, we also wanted to see what the data show when we analyze it by age. Is Generation Z more sustainable than the millennials? The simple answer to this question is “no” (Figure 15). Our data suggest that the youngest millennials or those between 25 and 30 years of age show the greatest allegiance to the sustainable agenda. The lowest ranking of our five age groups is actually recorded by our youngest consumers between 16 and 20 years old.

Reviewing the rankings for each of our four key sentiment areas (Table 2) suggests that the overall lower ranking of Generation Z consumers occurs pretty much across the board. Generation Z consumers do show an above-average propensity to engage with moving to more sustainable fashion and willingness to pay more for sustainability. On all other areas, however, they score lower than the millennials.

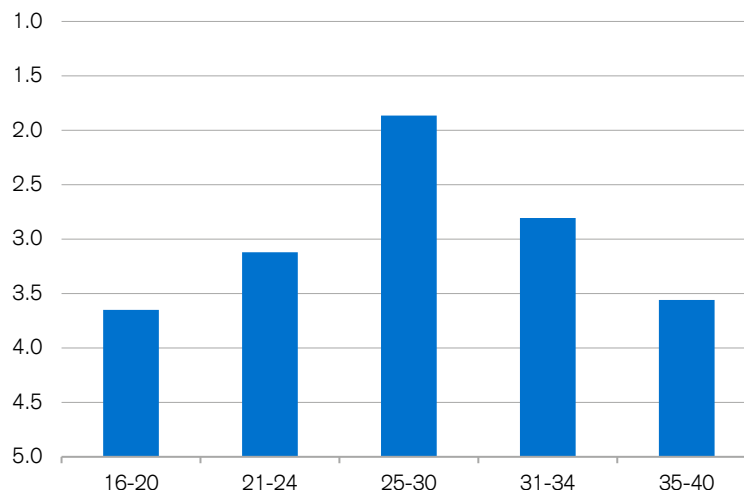
Our survey results appear to contradict the view often portrayed in the media that younger consumers are the most environmentally conscious. One possible explanation for

this contradiction might be that younger consumers voice their opinions on the topics they care about really well, but that this disguises a broader lack of awareness about the environmental footprint of other activities. Table 2 shows that respondents aged 16–20 years score below average on food, travel and housing, while they score above average on fashion. Fashion is perhaps an area that younger consumers are more engaged with than, say, heating and cooling technologies around the house.

**Sustainability ranking by level of education**

Finally, we analyze the responses of our consumers when we group them based on their highest level of education achieved. We highlighted earlier that a lack of awareness around the environmental intensity of certain products or services might cause some consumers to be less engaged with the topic of

**Figure 15: Overall sustainability ranking by age (1 = best, 5 = worst)**



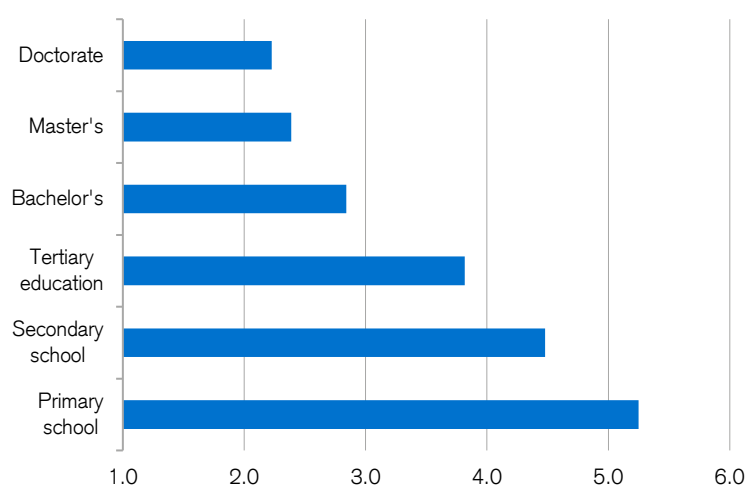
Source: Credit Suisse Sustainable Consumer Survey

**Table 2: Ranking of age groups for each of our key sentiment areas**

	Generation Z			Millennials	
	16–20	21–24	25–30	31–34	35–40
<b>Overall rank</b>	5	3	1	2	4
Environmentally conscious	5	4	1	2	2
Believe that regulation is needed	4	4	3	1	2
Prepared to pay more for sustainability	3	2	1	4	5
Intends to change personal behavior	5	3	1	2	4
Food	5	3	1	2	4
Travel	5	3	1	2	4
Fashion	3	2	1	4	5
Housing	4	3	1	2	4

Source: Credit Suisse Sustainable Consumer Survey

**Figure 16: Engagement in sustainability correlates with the level of education**



Source: Credit Suisse Sustainable Consumer Survey

sustainability. If this is true, we expect there to be a positive correlation between the engagement in sustainability and level of education achieved. Our thinking is that more highly educated people are more likely to have read or been taught about the relationship between the production and use of certain consumer products and services, and the impact of this on the environment or health. Our results show a very clear relationship between the level of education achieved by the consumers surveyed and their relative engagement in sustainability (**Figure 16**). Consumers with a minimal level of education show a below-average level of concern, whereas those with a master's or doctorate degree show the greatest level of concern.

Interestingly, our overall education-based conclusions show a very strong consistency with the ones we arrive at when reviewing the individual categories (**Table 3**). Less-educated consumers score lowest on each of our key ranking areas, whereas the opposite appears to be the case for consumers with a master's or doctorate degrees.

**Table 3: Sustainability ranking based on level of education**

	Primary school	Secondary school	Tertiary education	Bachelor's	Master's	Doctorate
<b>Overall rank</b>	6	5	4	3	2	1
Environmentally conscious	6	5	4	2	2	1
Believe that regulation is needed	6	3	4	2	1	4
Prepared to pay more for sustainability	6	5	4	3	2	1
Intends to change personal behavior	6	5	4	2	3	1
Food	6	5	4	2	3	1
Travel	6	5	4	3	1	1
Fashion	6	5	3	1	3	2
Housing	5	5	4	3	1	2

Source: Credit Suisse Sustainable Consumer Survey



Photo: GettyImages, AsiaVision

# Food and the young consumer

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Eugene Klerk, Akanksha Kharbanda

Food consumption and production play a central role in the fight against climate change given that the entire food system from farm to fork accounts for over 30% of GHG emissions. Eating too much and eating the wrong food are also associated with a range of health issues that we estimate cost the global economy an annual total of over USD 5 trillion. Our survey shows that young consumers show a strong desire to switch to a more sustainable diet, particularly focused on cutting consumption of fast food and meat. Countries with the greatest potential shift toward a healthier diet include Switzerland, Brazil and Mexico. The opposite appears to be the case for the USA and United Kingdom.

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## Food is central to sustainability

Last year, we published a number of reports in which we showed the central role played by the food system in relation to sustainability. In our earlier CSRI publication “The global food system: Identifying sustainable solutions<sup>1</sup>” we showed that improving the food system was necessary not only to improve sustainability in terms of the environment, but also in terms of health and wellness.

The current food system, from farm to fork, accounts for a substantial share of global greenhouse gas (GHG) emissions. Estimates from Poore and Nemecek (“Reducing food’s environmental impacts through producers and

consumers”) published in 2018 put this share at 26%. More recently, work from Crippa et al. (“Food systems are responsible for a third of global anthropogenic GHG emissions”) published in *Nature Food* in March 2021 suggested that 34% of GHG emissions were linked to the global food system.

Analysis from the Center for Sustainable Systems at the University of Michigan in the USA (“Carbon Footprint Factsheet” September 2021)<sup>2</sup> states that 10%–30% of a household’s carbon footprint is driven by food. Not all food, however, has an equal impact from a carbon footprint perspective. Emissions from an average diet in the USA, for example, are dominated by meat (56%) and dairy (18%), see **Figure 2**.

1. <https://www.credit-suisse.com/about-us/en/reports-research/csr.html>

2. <https://css.umich.edu/factsheets>

The global food system and what we eat is not only relevant as far as environmental sustainability is concerned, but also in terms of health sustainability. For example, overweight and obesity are significant health issues driven not only by how much we eat, but also by the type of foods we consume. The share of adults globally who are overweight or obese has more than doubled since 1975 and now stands at over 40% based on estimates from the World Health Organisation (WHO). The health implications of this are very significant. In our earlier report on the global food system, we highlighted work from the Global Burden of Disease Study in 2019, which showed that around 35 million years of life were lost in 2019 due to metabolic risks, largely from a combination of eating too much, eating the wrong food and not exercising enough (**Figure 3**). We also estimated that the cost of overweight and obesity to the global economy was around USD 5 trillion.

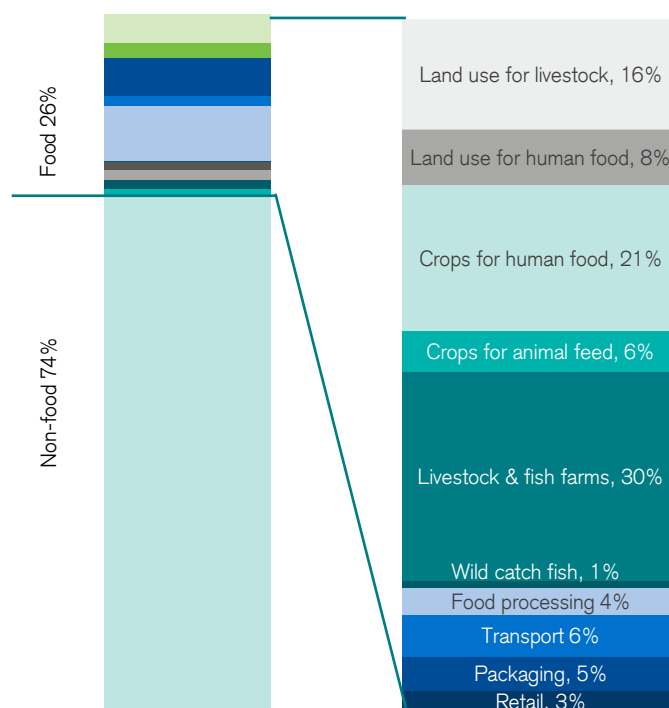
### Changing what we eat can make a big difference

The need to change what we eat, how much we eat and how we produce it becomes clear when taking potential future scenarios into account. In our report on the global food system, we showed that food-related emissions could increase by close to 45% in the next 30 years if historical patterns around food consumption and growth in spending power across the emerging world continue (**Figure 4**). Clearly, such a “no-change” development would be at odds with the overall desire to reach a net-zero world by 2050. In “The ROE of a Tree,” we calculated that a change in dietary habits would provide significant potential to reduce carbon emissions. This could be achieved in two ways:

- First, a shift in consumption from an animal protein-based diet to one that is more heavily weighted toward plant-based products would be less emission-intensive.
- Second, such a shift would free up land that could be used for reforestation and increase natural carbon sequestration (**Figure 5**).

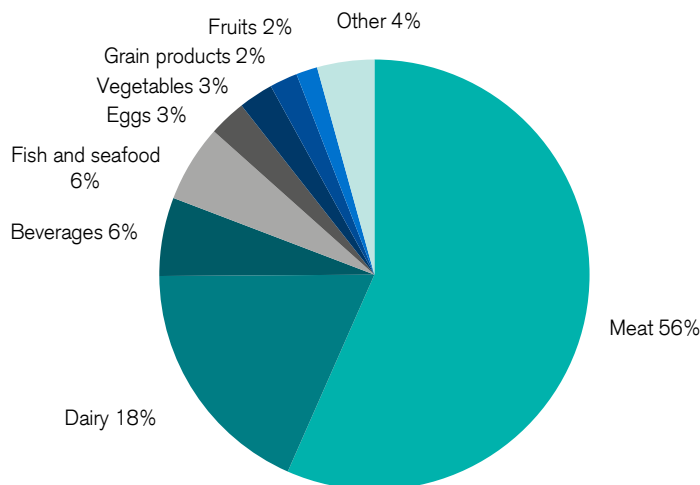
Overall, our calculations in “The ROE of a Tree” suggested that more than 80% of current anthropogenic emissions could be captured through reforestation if diets were to shift and smart agricultural solutions were adopted. Changing what we eat can therefore make a big difference.

**Figure 1: Food-related GHG emissions by source globally**



Source: Poore and Nemecek (2018), Credit Suisse Sustainable Consumer Survey

**Figure 2: Contribution of greenhouse gases by food type in average diet**

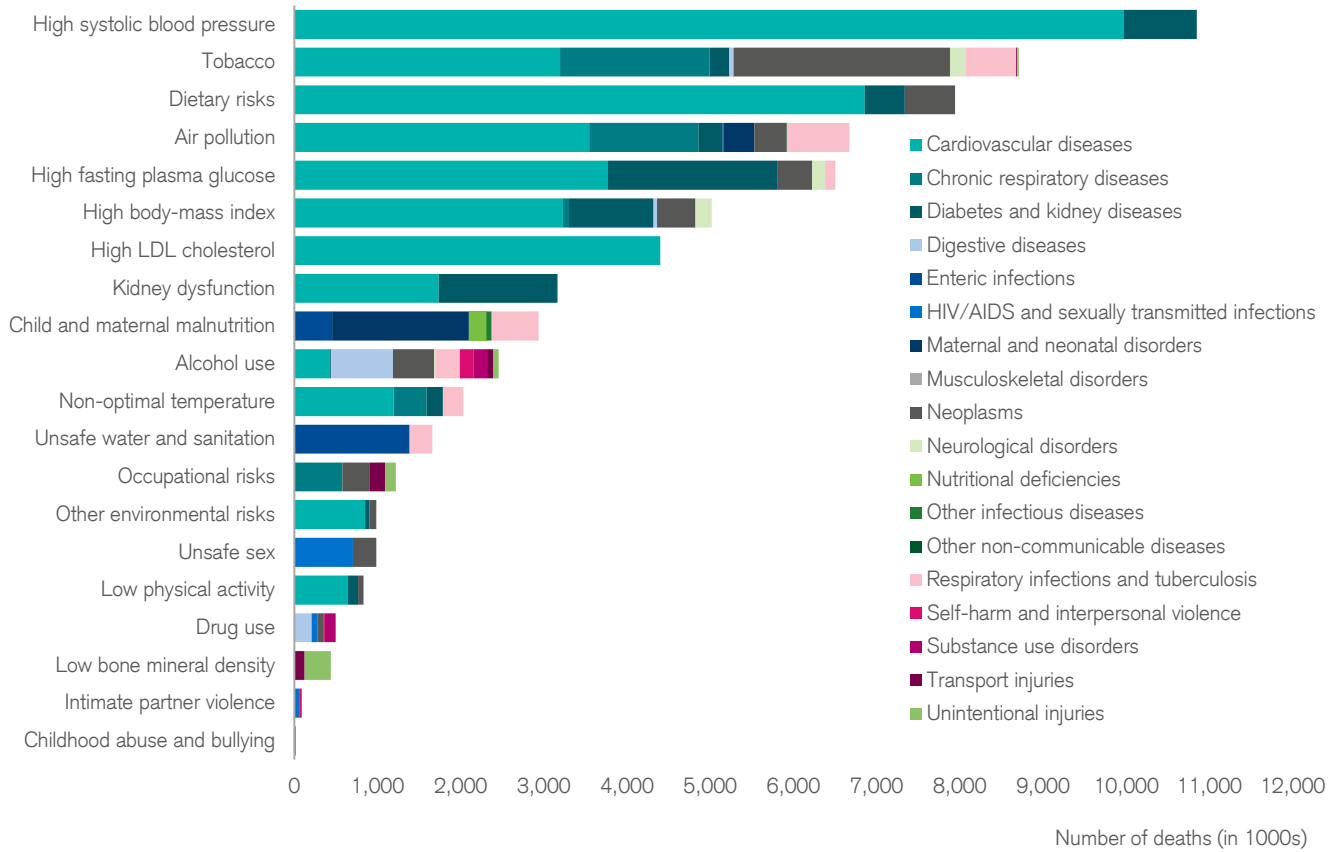


Source: Center for Sustainable Systems at the University of Michigan, USA



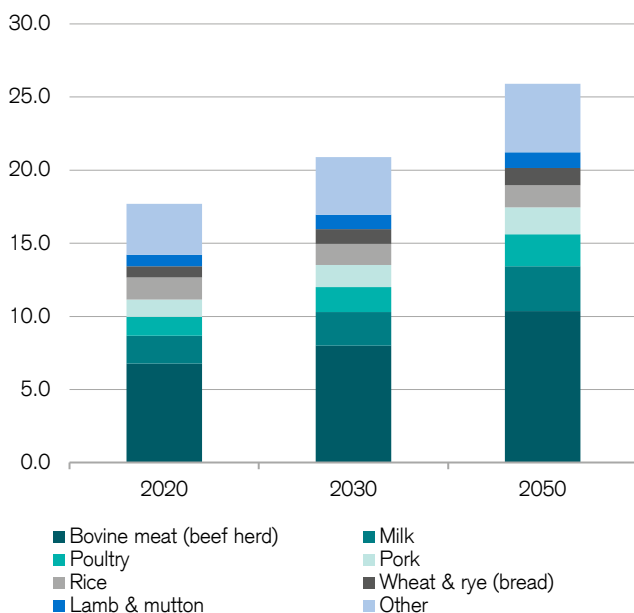
**Figure 3: Key leading risk factors**

Global attributable deaths from Level 2 risk factors in 2019



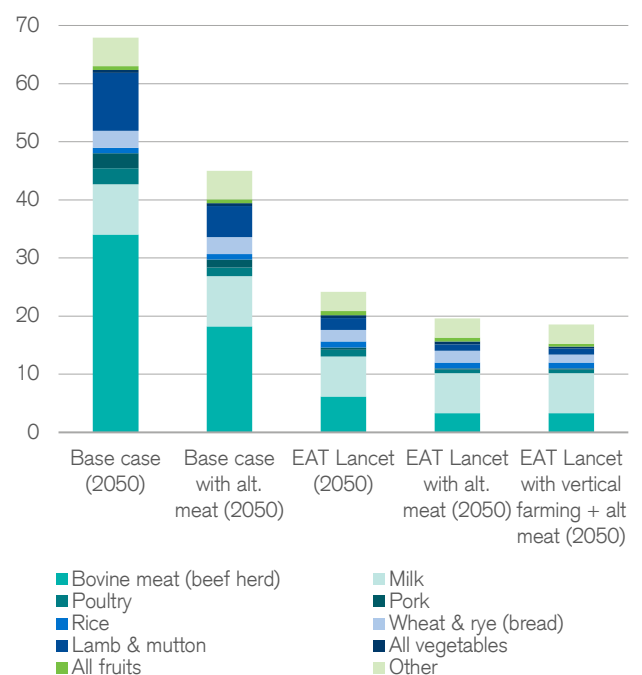
Source: "Global burden of 87 risk factors in 204 countries and territories, 1990–2019, a systematic analysis for the Global Burden of Disease Study 2019," GBD 2019 Risk Factors Collaborators, Credit Suisse Research

**Figure 4: Food-related emissions could increase by 45% if consumer attitudes do not change, population growth continues and the emerging middle class expands further (Gt CO<sub>2</sub> eq)**



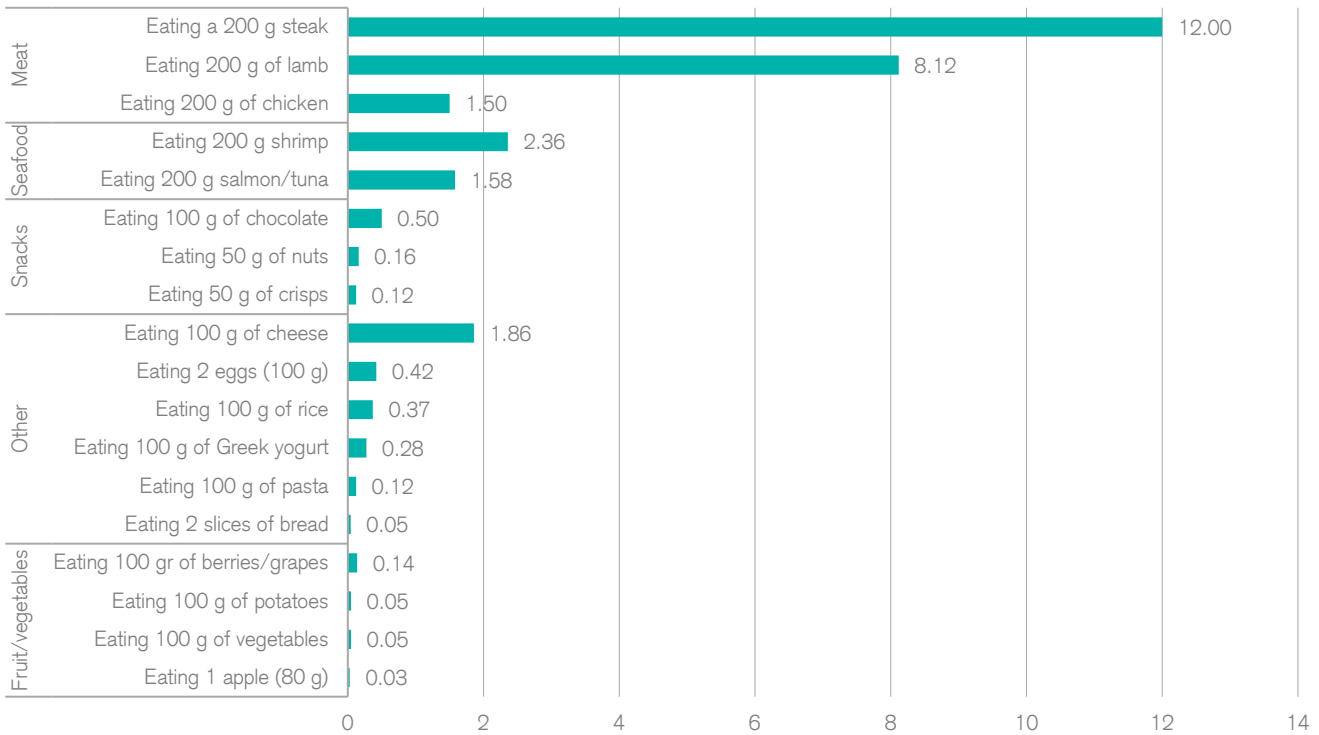
Source: World Bank, Poole and Nemecek, Credit Suisse estimates

**Figure 5: The amount of land needed to feed the global population will drop as people change diets, adopt alternative meat and use vertical farming (Gt CO<sub>2</sub> eq)**



Source: World Bank, Poole and Nemecek, EAT Lancet, Credit Suisse estimates

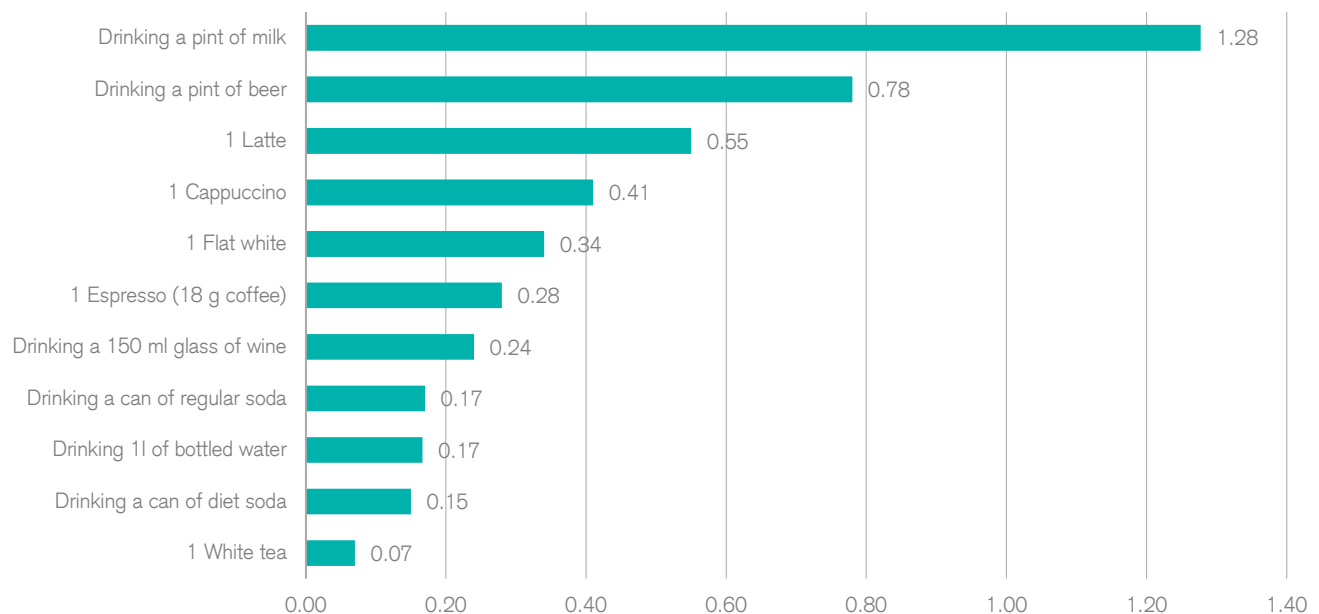
**Figure 6: Median carbon footprint of different food servings (kg CO<sub>2</sub>)**



In our survey of younger consumers, we asked a range of questions focused on food to assess whether our consumers were conscious of the environmental footprint from what they eat and drink and whether they were willing to change their habits. The way different food items have different carbon footprints can be seen in **Figure 6**.

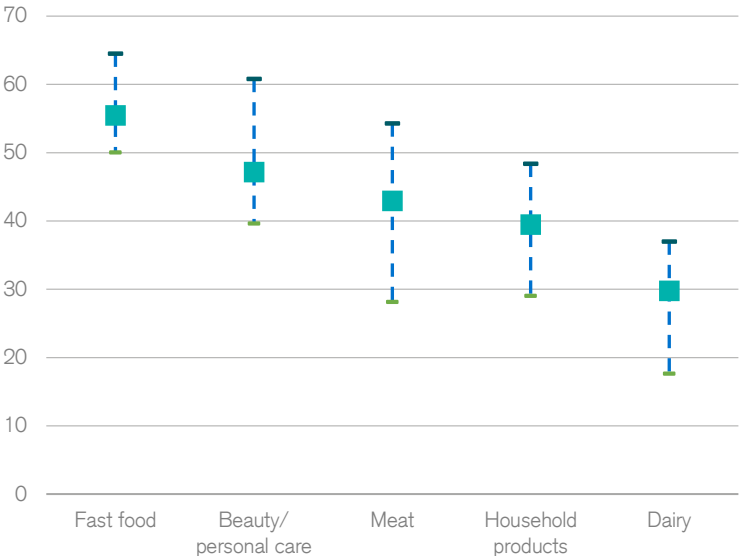
It is not just food that is relevant in this regard. Beverages also have different emission footprints. In **Figure 7**, for example, we show that drinking a latte has a carbon footprint almost eight times larger than drinking a tea with milk. With all this in mind, we review our questions to assess whether young consumers have a sustainable approach toward what they eat and drink.

**Figure 7: Carbon footprint of different drinks (kg CO<sub>2</sub>)**



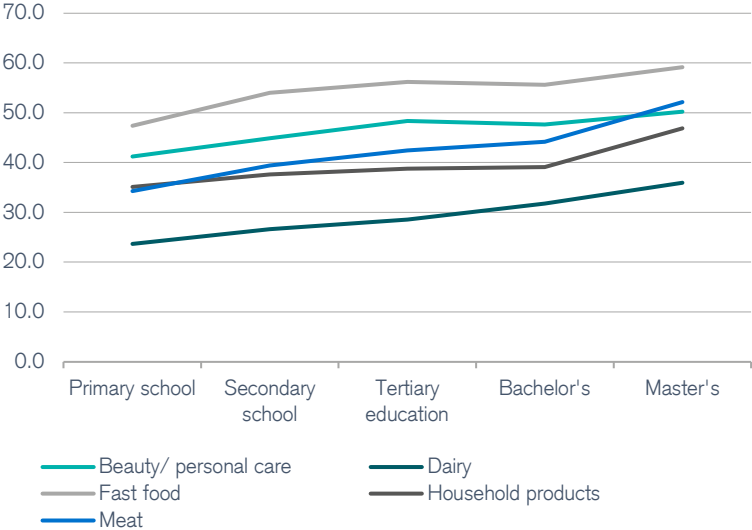
Source Figures 6 and 7: Credit Suisse Sustainable Consumer Survey, Credit Suisse estimates

**Figure 8: Percentage of respondents who believe that consumer categories are environmentally unsustainable** (lowest to highest percentage across all ten countries; square = average)



Source: Credit Suisse Sustainable Consumer Survey

**Figure 9: Percentage of respondents by degree of education who believe that certain products are unsustainable**



Source: Company data, Credit Suisse estimates

**Sustainability and the young consumer's diet**

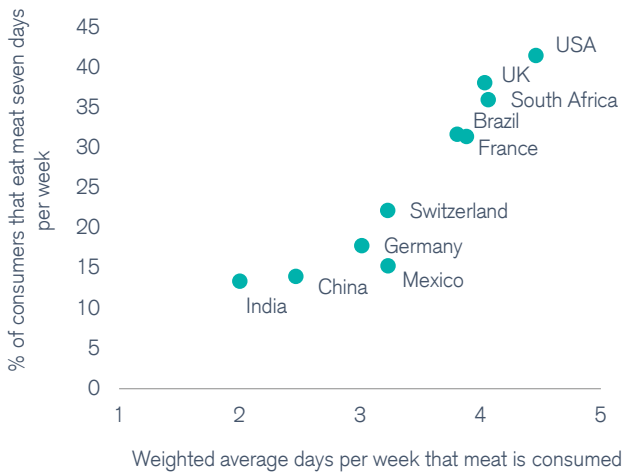
Before analyzing what the attitude of our consumers is toward a potential change in dietary habits, it is probably worth showing first how concerned they are about the sustainability of food relative to other staple products. When asked whether they felt that certain items were unsustainable, we found that, on average, 55% thought that fast food is environmentally unsustainable. More than 40% held a similar view in the case of meat, while this dropped to 30% for dairy. In **Figure 8**, we show the averages plus the range based on responses from all ten countries. We can see that there is strong consistency across all countries in relation to the views around the environmental sustainability of key consumer items. Our data suggest that consistent readings are similar across age groups too. The data do show, however, that consumers with a higher degree of education tend to have a less positive view on the sustainability of consumer products than those with a lower degree of education (**Figure 9**).

**Figures 6 and 7** suggest that meat products, on average, have the highest emission footprint of all food and beverage products consumed. Therefore, in some of our previous work, we have highlighted that a reduction in meat consumption toward a vegetarian or vegan diet would be very helpful from a sustainability perspective.

The young consumers that we interviewed appear to already have a frequency of meat consumption that is quite sustainable. For example, across the sample of 10,000 consumers surveyed, we found that, on average, they eat meat around 3.8 days per week (**Figure 10**). Consumption is highest in the USA, where just over 40% of consumers eat meat every day and where, on average, meat is eaten 4.5 days per week. Consumption of meat is lowest in India and China.

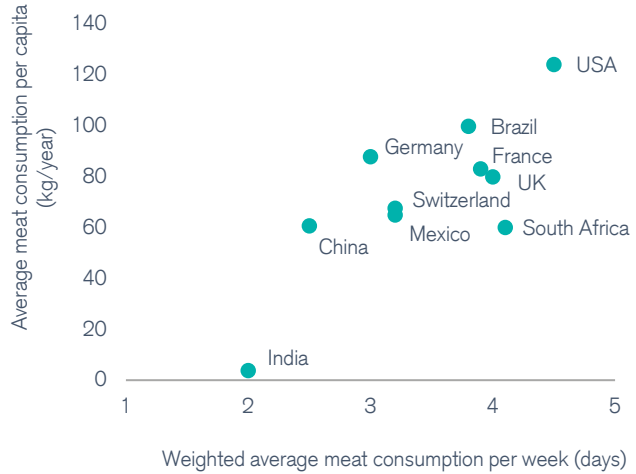
The FAO publishes average meat consumption per capita data for a wide range of countries based on total population. Moreover, when we compare our survey data with the FAO data, we find a strong correlation (**Figure 11**). In our view, this suggests that our survey data are significant at least on a cross-country comparison basis. Interestingly, our data suggest that meat consumption is not necessarily correlated with age. However, there does appear to be a correlation with education. More highly educated consumers in all ten survey countries tend to consume less meat (**Figure 11**). This raises the question as to whether education itself plays a role in raising awareness around sustainability.

**Figure 10: Frequency of meat consumption per capita**



Source: Credit Suisse Sustainable Consumer Survey

**Figure 11: Meat consumption for survey participants and meat consumption per capita using FAO data**



Source: Credit Suisse Sustainable Consumer Survey, FAO

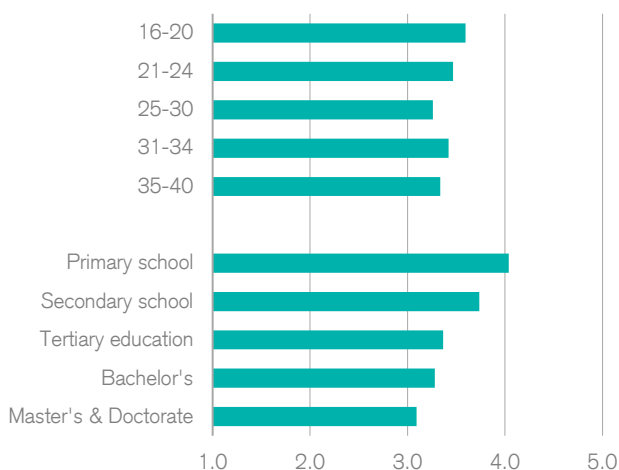
**What changes in food consumption are likely?**

The key to understanding consumer behavior and sustainability, in our view, is to assess whether a change toward a more sustainable lifestyle is likely. To that end, we reviewed what our consumers believe will happen to their consumption of key food and beverage items. Our survey data suggest that the lifestyle of our young consumers is likely to become more sustainable judging by their intentions toward the consumption of certain food items. For example, **Figure 13** shows that between 40% and 50% of the consumers surveyed want to reduce their intake of alcohol, meat and fast food. At the same time, more than 60% intend to eat more vegetables. If these trends were to happen, this would not only reduce the food-related emission

footprint of these consumers, but should also help and improve their general health, in our view, thereby aiding sustainability more holistically.

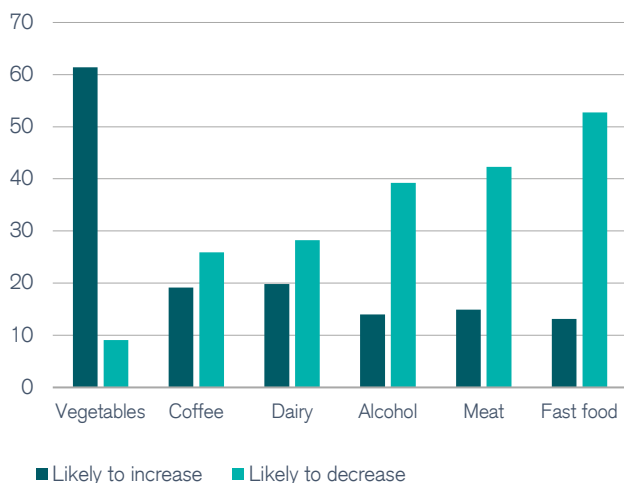
Although the general implication of **Figure 13** is that younger consumers intend to improve the quality of their dietary habits, there are significant differences between the various countries. In **Table 1**, we show the ratio of our consumers who intend to decrease their consumption of certain food items relative to those who intend to increase their consumption of the same items. The table shows that the outlook for alcohol, fast food and meat consumption appears to be challenged the most as the ratio of consumers who intend to reduce their intake of these items is substantially greater than the share intending to increase consumption of these items in each country surveyed.

**Figure 12: Average frequency of meat consumption per week grouped by education level and by age**



Source Figures 12 and 13: Credit Suisse Sustainable Consumer Survey

**Figure 13: "In the future, how is your consumption of the following food and beverage products likely to change?"**

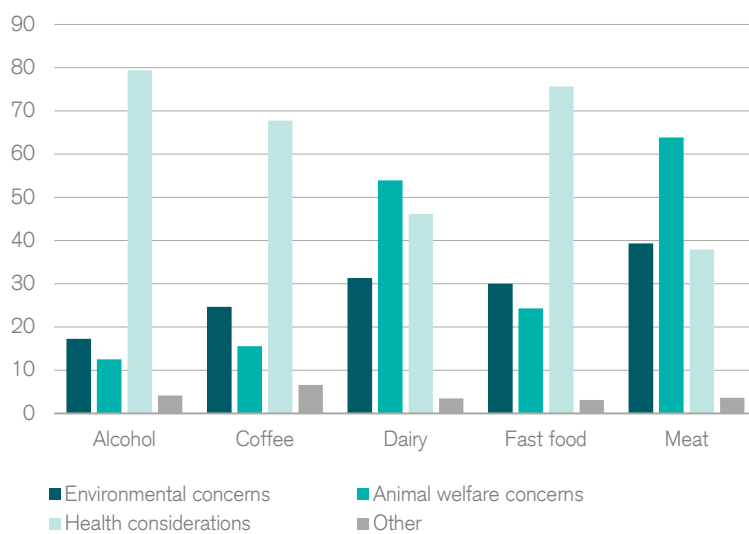


**Table 1: Ratio of consumers who intend to decrease their intake of certain items to those that intend to increase consumption**

	Brazil	China	France	Germany	India	Mexico	South Africa	Switzerland	United Kingdom	USA	Average
Alcohol	3.0	3.4	2.1	2.0	2.8	5.8	3.3	3.0	2.2	1.9	3.0
Coffee	1.2	2.0	1.8	1.1	0.8	2.2	2.7	1.3	1.1	0.7	1.5
Dairy	2.6	1.1	1.7	2.2	0.4	4.5	0.8	3.5	1.8	1.2	2.0
Fast food	3.6	3.3	5.6	4.1	2.8	7.0	3.6	8.3	3.8	3.0	4.5
Meat	3.9	2.9	4.5	4.0	1.2	6.1	1.6	6.8	3.1	1.2	3.5
Vegetables	0.07	0.51	0.22	0.21	0.08	0.07	0.07	0.11	0.16	0.14	0.16

Source: Credit Suisse Sustainable Consumer Survey

**Figure 14: Percentage of consumers highlighting different concerns**

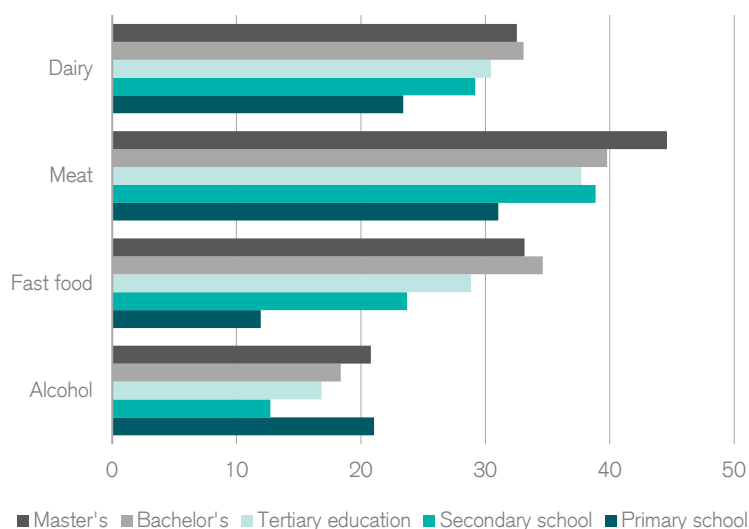


Countries where the tendency for a shift toward a healthier diet appears stronger than average include Mexico, Switzerland and Brazil. Younger consumers in the USA, however, show the lowest propensity to reduce their intake of food with a poorer environmental or health footprint and increase their intake of better quality food.

**Why do consumers want to change their behavior?**

The survey data suggest that younger consumers across both developed and emerging economies want to improve the sustainability of their diets. The question we asked next is what would be the reasons for changing their behavior. When we asked our consumers why they would decrease their future consumption of key food items, we found that health considerations appear to be the overarching driver for cutting consumption of alcohol, coffee and fast food. Animal welfare concerns were cited by most respondents as the prime reason for reducing the intake of dairy and meat (Figure 14).

**Figure 15: Percentage of consumers citing environmental concerns as a reason to reduce the intake of certain food and beverage items by level of education**



**Greater environmental awareness could trigger a greater dietary shift**

Interestingly, in our view, environmental concerns are highlighted by less than 40% of younger consumers as a reason to reduce intake of dairy and meat, despite the fact that the agricultural sector is a prime contributor to greenhouse gas emissions. The question arises as to whether this low score is due to a lack of awareness and, if so, whether greater awareness would potentially create a more significant shift in future dietary habits.

When reviewing our data, we found no correlation between age and the propensity to reduce meat consumption. However, we did find a relationship to the level of education. Consumers with higher levels of education had a greater likelihood of citing environmental concerns for reducing their consumption of meat, dairy and fast food (Figure 15). People with higher levels of education may be more aware of the link between food production and its environmental footprint.

Source Figures 14 and 15: Credit Suisse Sustainable Consumer Survey

Our survey also allows us to test whether better insight into the environmental footprint of food would have an impact on the future food consumption of our young consumers. First, we note that between 60% and 90% of consumers in all the countries surveyed say that they consider the environmental sustainability of food and beverages when deciding whether to buy them (Figure 16). When we review these results by age group, we find that more than 60% in every age cohort interviewed also incorporate environmental issues in their buying behavior (Figure 17). If true, it means that greater awareness of a product's environmental footprint would likely impact the buying behavior of more than 60% of our consumers.

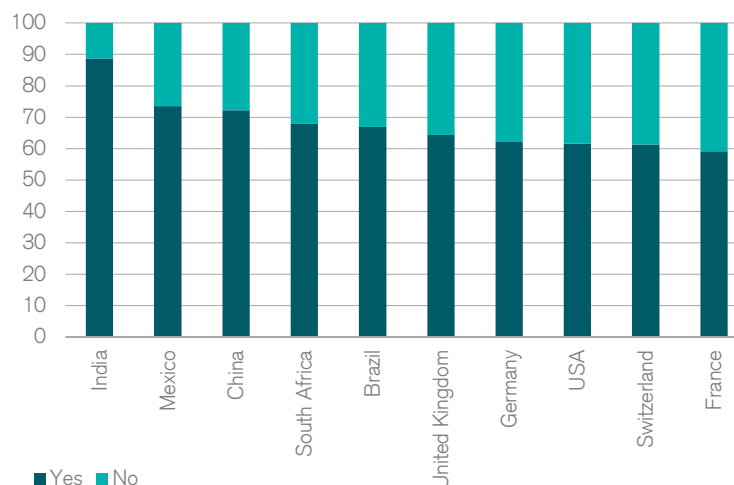
Our data again show that education plays a role here given that some 80% of younger consumers with a master's degree consider the environmental sustainability of a product before buying it. In contrast, this figure is between 51% and 58% for those consumers who only finished secondary school.

Consumers not only try to take the environmental sustainability of products into account when buying food and beverages, but they are also willing to pay a premium for products that they believe are more sustainable. Across the overall survey, we found that consumers were willing to pay an average premium of around 9% for sustainable food. Interestingly, young consumers in developing countries appear willing to pay a higher premium than those located in developed countries (Figure 18).

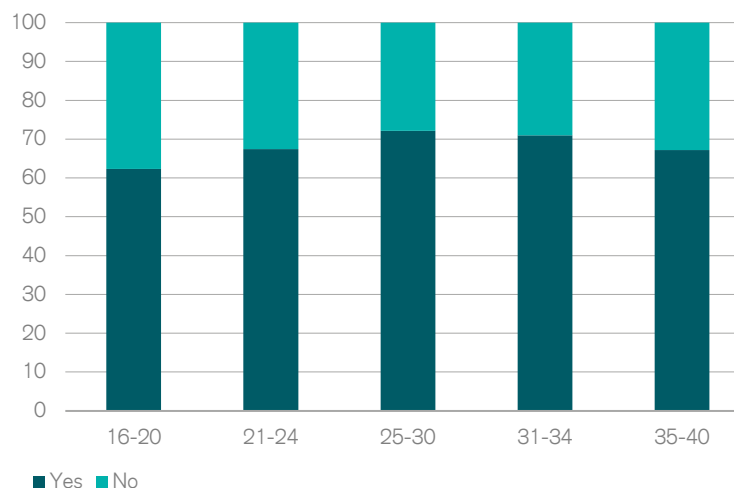
When we break down the willingness to pay for sustainable food and beverages between those respondents who are concerned about the environment and those who are not, we find (perhaps not surprisingly) that consumers who are more concerned about the environment are more inclined to pay more for sustainability than those who claim not to be concerned about the environment (Figure 19).

We believe that the general awareness about the environmental footprint of food is likely to increase over time and, in turn, increase the share of consumers with environmental concerns. Our survey data indicate that this would provide a tailwind for the sustainable food industry since consumers with environmental concerns appear to be willing to pay more for sustainable food products than consumers who do not have these concerns.

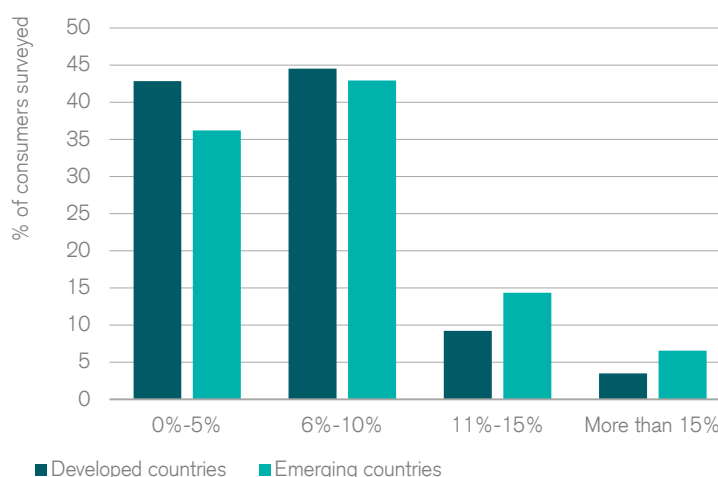
**Figure 16: "In deciding what food or beverages to buy, do you consider the environmental sustainability or footprint of these products?" (by country)**



**Figure 17: "In deciding what food or beverages to buy, do you consider the environmental sustainability or footprint of these products?" (by age)**

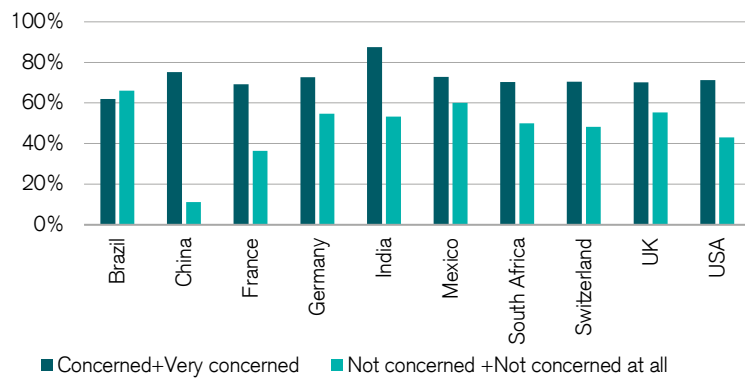


**Figure 18: "How much more are you prepared to pay for sustainable consumer products such as food and beverages?"**

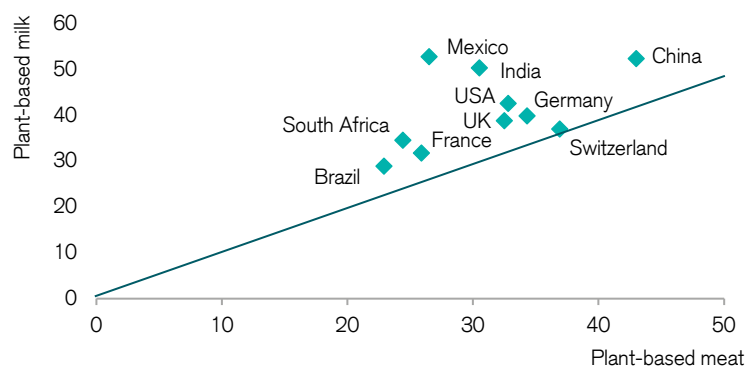


Source Figures 16-18: Credit Suisse Sustainable Consumer Survey

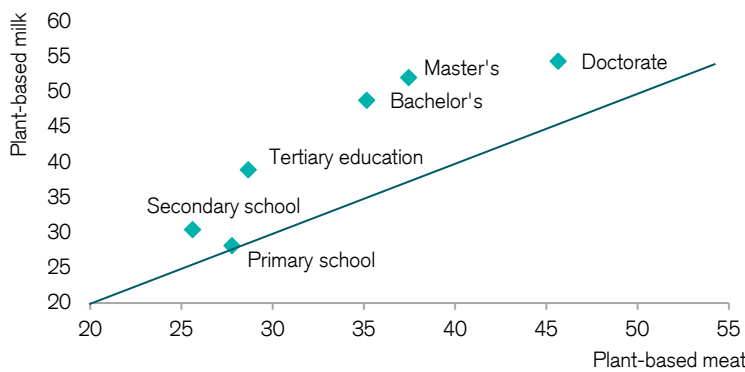
**Figure 19: Percentage of consumers willing to pay more for sustainable products**



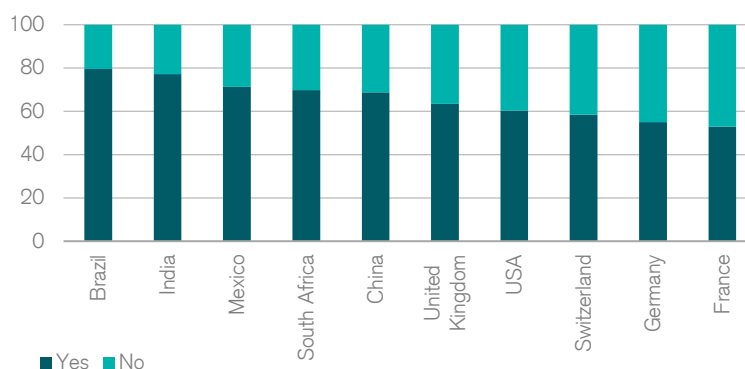
**Figure 20: Percentage of respondents that consume plant-based meat or milk (by country)**



**Figure 21: Percentage of respondents that consume plant-based meat or milk (by level of education)**



**Figure 22: "Do you expect your consumption of plant-based meat and dairy alternatives to increase in future?" (by country)**



Source Figures 19–22: Credit Suisse Sustainable Consumer Survey

**Alternative protein market rapidly expanding**

In our work on sustainable food, we have highlighted a number of potential solutions that would make the food system more sustainable. A shift from an animal-based diet toward a plant-based diet is one of these solutions and, as we showed in **Figure 13**, such a shift appears likely for today's younger consumers.

One of the potential developments that may help accelerate the shift away from a more traditional animal-based diet is the emergence of plant-based protein products. These can serve as alternatives to animal-based products. Over the past few years, the market for alternative protein products has rapidly expanded. For example, in the USA, sales of plant-based products increased by 43% between 2018 and 2020. Plant-based food sales grew almost 2.5 times faster than total food sales in the USA between 2018 and 2020 according to the Good Food Institute. The growth outlook for plant-based food alternatives appears strong. For example, estimates from Bloomberg Intelligence indicate that the global food alternatives market could grow almost five times between 2020 and 2030.

We asked our consumers a number of questions related to plant-based products in order to assess whether these products could provide a realistic alternative to traditional meat and dairy and help bring about a more sustainable food system.

We found that around 41% of our consumers buy plant-based milk, which makes it the most popular plant-based product including plant-based meat, yoghurt and ice cream. The popularity of plant-based milk versus meat is consistent by country (**Figure 20**) and by level of education (**Figure 21**). Furthermore, our data show that plant-based food consumption increases according to the level of education.

**Growth outlook for plant-based products.**

Our survey suggests that the growth outlook for plant-based products is positive. Across all the countries, we find that 66% of consumers surveyed intend to increase spending on plant-based products in the future. Although this percentage is high, we note that there is a marked difference between the various countries. **Figure 22** shows that spending intentions of young consumers in emerging countries appear far stronger than those of young consumers in developed economies.

To gauge the growth outlook for plant-based food, we analyzed the spending intentions of our consumers based on whether they already consume plant-based products. **Figure 23** provides more support for our view that the share of consumers willing to eat plant-based looks set to increase given that at least 20% of consumers who do not yet eat plant-based food intend to start spending on it in the future. These intentions appear strongest across the emerging world and especially in Brazil, Mexico, India and South Africa.

### Why consumers eat plant-based food

We have also reviewed the reasons why our consumers buy plant-based products in order to judge their growth potential, and found that the superior environmental footprint of plant-based products is the most important reason for most young consumers (**Figure 24**). The fact that no animals need to be killed and that plant-based products are seen to be healthier are also key reasons. The results are fairly uniform whether broken down by age or by country (**Table 2**). We believe that plant-based products, on average, have a superior environmental footprint to animal-based products. However, the health argument given by 40%–50% of the survey participants as a reason for buying plant-based products may be more controversial, in our view.

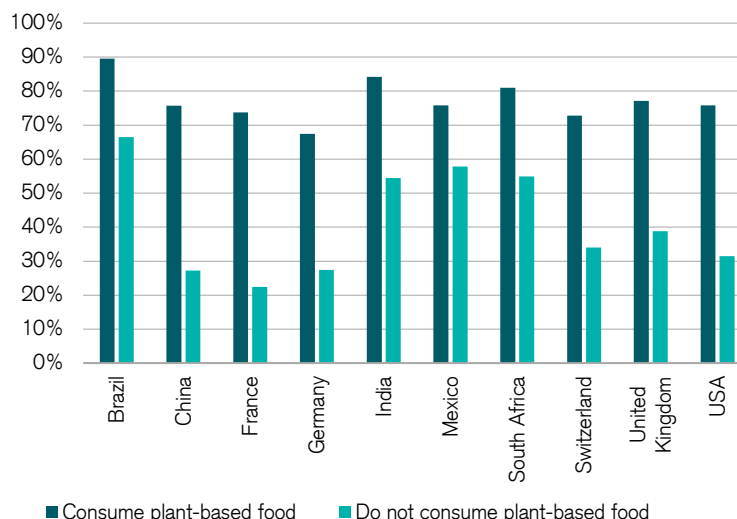
While increased consumption of animal-based protein products is often shown to have a positive correlation to various diseases, this does not necessarily mean that switching to plant-based meat alternatives improves someone's health prospects. The reason may be that plant-based meat products can be highly processed with added preservatives or a high salt content which has been linked in academic research with negative health conditions.

### Reasons why consumers do not eat plant-based food

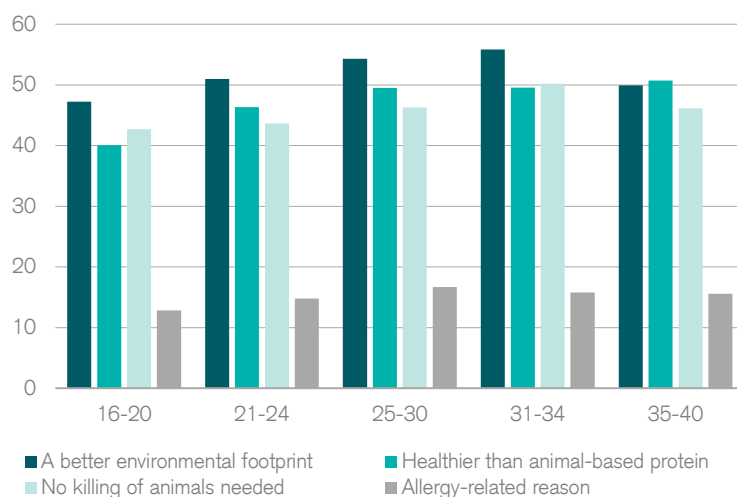
Understanding the reasons why consumers do not eat plant-based products is also important to understand what needs to happen for the growth profile of plant-based food to improve. Of the options we provided to the survey participants, "taste" was clearly the main reason why young consumers across the developed world chose not to buy plant-based products (**Figure 25**). In the emerging world, the story is somewhat different. Although taste is one of the top two reasons mentioned, we find that price is often an equally or more important factor in driving the decision-making process (**Figure 26**).

From our survey, we find that the appetite for plant-based food is significant, but that driving growth forward requires an improvement in taste and lower prices.

**Figure 23: "Do you expect your consumption of plant-based meat and dairy alternatives to increase in the future?" (depending on current consumption of plant-based food)**



**Figure 24: "What are the reasons behind your consumption of plant-based food and beverage products?" (by age)**



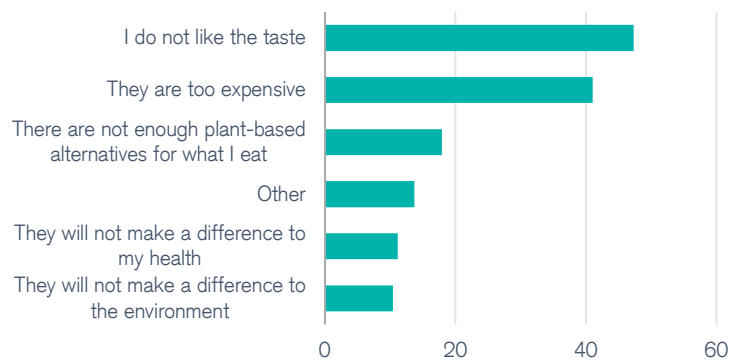
**Table 2: "What are the reasons behind your consumption of plant-based food and beverage products?" (by country)**

	A better environmental footprint	Healthier than animal-based protein	No killing of animals needed	Allergy-related reason
Brazil	53	46	48	14
China	60	56	46	13
France	43	43	37	13
Germany	45	38	54	13
India	65	53	57	17
Mexico	48	48	36	13
South Africa	50	52	39	20
Switzerland	49	34	51	14
United Kingdom	48	44	42	17
USA	50	55	42	18

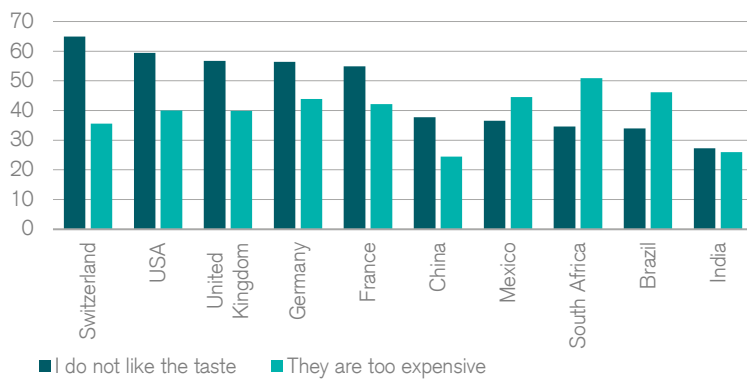
Source Figures 23, 24 and Table 2: Credit Suisse Sustainable Consumer Survey



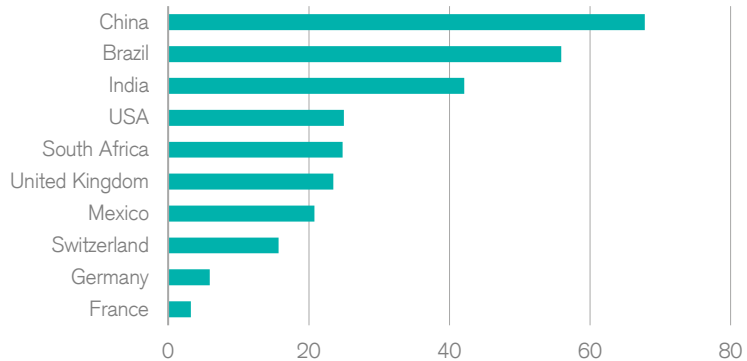
**Figure 25: “What are the reasons for not consuming plant-based food and beverage products?” (based on all responses)**



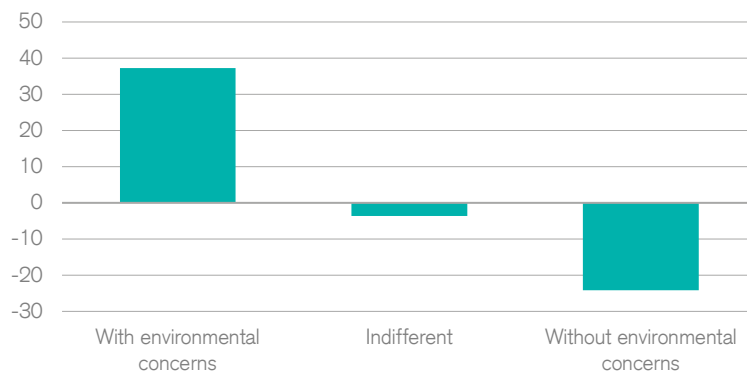
**Figure 26: The relevance of taste and price as reasons why young consumers choose not to buy plant-based food**



**Figure 27: Net percentage of consumers that are likely to try cultivated meat (by country)**



**Figure 28: Net percentage of consumers that are likely to try cultivated meat (by environmental concern)**



Source Figures 25–28: Credit Suisse Sustainable Consumer Survey

**Potential long-term solutions**

In addition to plant-based food, we note that cultivated (sometimes called lab-grown) meat provides another potential long-term solution to a sustainable food system. Cultivated meat is based on animal protein, but does not require killing animals and has a superior environmental footprint to animal-based protein, particularly if renewable energy sources are used to produce the meat. Cultivated meat is not a realistic option in the short term considering that most companies involved are in the early phases of development. A lack of scale means that cultivated meat is currently substantially more expensive than regular meat. Finally, we note that regulatory approval has so far only been given for the sale of cultivated meat in Singapore.

Despite the fact that cultivated meat is currently only a long-term possibility, we did ask our consumers whether they would be willing to buy the product if it were to become available.

**Figure 27** shows that, across all the countries surveyed, a net positive share of young consumers would be willing to try cultivated meat if it became available and if it were to taste the same as regular meat. Although this is clearly a positive result, we highlight that the appetite for cultivated meat appears greatest in China, India and Brazil, and that all three countries are also among the largest beef producers in the world. Consumers in France and Germany, on the other hand, appear least likely to switch from traditional meat to cultivated meat.

This chapter is all about trying to identify whether consumers care about sustainability in relation to food and beverage consumption. To that end, it is worth investigating whether potential demand for cultivated meat differs among consumers depending on their concerns about the environment. **Figure 28** clearly shows that young consumers concerned about the environment are much more likely to try cultivated meat, which suggests that cultivated meat could become a true alternative for traditional meat if or when consumers become more aware of the challenges to the environment and those associated with traditional meat production in particular.

This chapter has shown that younger consumers with higher levels of education or greater environmental concerns tend to have a more proactive approach toward sustainable food. Hence a successful shift toward a more sustainable food system and the consumption of more environmentally friendly food and beverages requires a strong focus on explaining or increasing awareness among the general public about the environmental impact of the current food system and products.



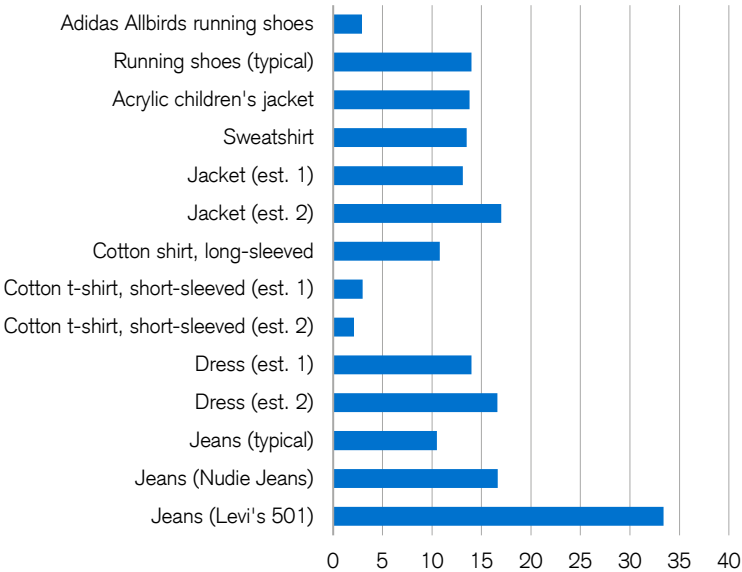
Photo: GettyImages, Johnner Images

# The young consumer and fashion

Bahar Sezer Longworth

The textile industry involves millions of producers and billions of consumers globally. The past decade has seen the rise of “fast fashion,” where clothes are cheaper and disposed of faster, with serious repercussions for the environment and climate. In this chapter, we explore the young consumer’s attitude toward sustainability of fashion products. Our findings show that over 40% of the consumers we surveyed believe the fashion industry is unsustainable with, on a net basis, a greater number of respondents who expect to decrease their consumption of fast fashion and luxury brands. A closer examination of the data, however, reveals there are more complex dynamics at play

**Figure 1: Carbon footprint estimates from various studies for common clothing items (kg CO<sub>2</sub>-e)**



Source: Levi Strauss, WRAP, Roos et al. (2015), Adidas, Mistra Future Fashion, KTH Royal Institute of Technology, TreePrint; multiple estimates for the same garment due to different estimates from multiple studies

## The cost of “fast fashion”

In our Treeprint reports mentioned earlier, we reviewed the environmental impact of the fashion industry and we reviewed the emission footprint of a range of clothing items (Figure 1). Estimates from various sources such as the United Nations, McKinsey and the Ellen MacArthur Foundation put the contribution of the fashion industry to global greenhouse gas emissions at up to 10%. To put this into context, the European Parliamentary Research Service (EPRS) and the UN estimate that the fashion industry’s emission intensity is greater than that of all international flights and maritime shipping combined.

Fashion does not just have a sizeable carbon footprint, it is also often associated with social, labor-related, issues. Furthermore, it has a significant environmental impact in terms of water and pesticide usage. For example, the United Nations Environment Programme (UNEP) estimated in 2019 that the fashion industry was the second-largest consumer of water

and produced 20% of global wastewater. The increased rate of fast fashion purchases adds to the above-mentioned challenges. According to the UNEP, if current trends do not change, global consumption of clothing will increase from 62 million metric tons in 2019 to 102 million tons in ten years, and the industry's emissions are set to surge by more than 50% by 2030.

Niinimäki et al. show that the fashion supply chain is complex as it is characterized by vertical disintegration and global dispersion of sequential processes ("The environmental price of fast fashion," 2020). These range from agriculture (to source natural fibers) and petrochemicals (to source synthetics) to manufacturing, logistics and retail, often involving different countries and even continents (Figure 2). According to Niinimäki et al., at each stage of the supply chain, the fashion industry creates high environmental costs from water and chemical use during fiber, yarn and textile production to emissions during the manufacture, distribution and consumption of clothing.

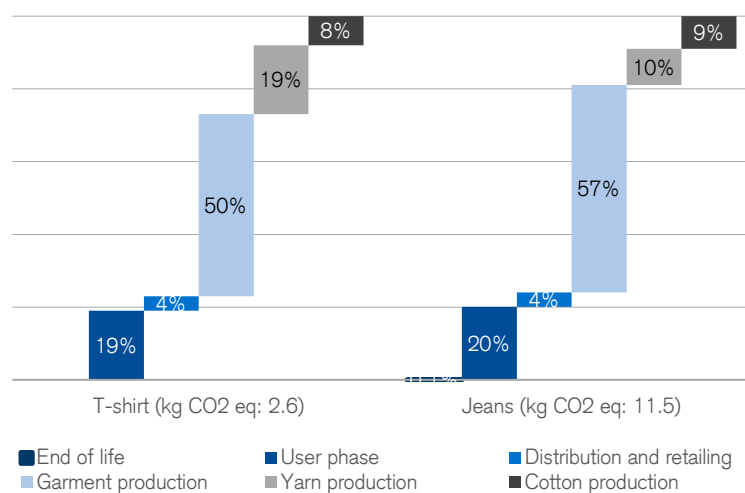
### Fast fashion is awash with plastics

Data from the Royal Society of Arts, Manufactures and Commerce (RSA) recently showed that fast fashion is filled with plastics ("Fast Fashion's Plastic Problem," 2021). The RSA analyzed over 10,000 recently added items from leading online fast fashion brands in the United Kingdom. While the United Kingdom is not the only origin of a number of fast fashion brands, the Environmental Audit Committee finds that, on average, consumption of clothing per person is higher in the United Kingdom than in any other European country at 26.7 kg (16.7 kg in Germany, 16 kg in Denmark, 14.5 kg in Italy, 14 kg in the Netherlands and 12.6 kg in Sweden).

The RSA study revealed that, on average, 80% of recently listed items from the United Kingdom's leading online fashion brands contain new plastics, rising to 88% for some websites. The organization also finds that nearly half of the clothes listed on these websites are fully produced from new petrochemicals such as polyester, acrylic, nylon and polyamide. Yet only a small fraction of the items listed are produced from recycled materials. Furthermore, the companies in scope will typically feature their sustainable ranges prominently on their websites, despite only making up a small fraction of the overall number of products that they list.

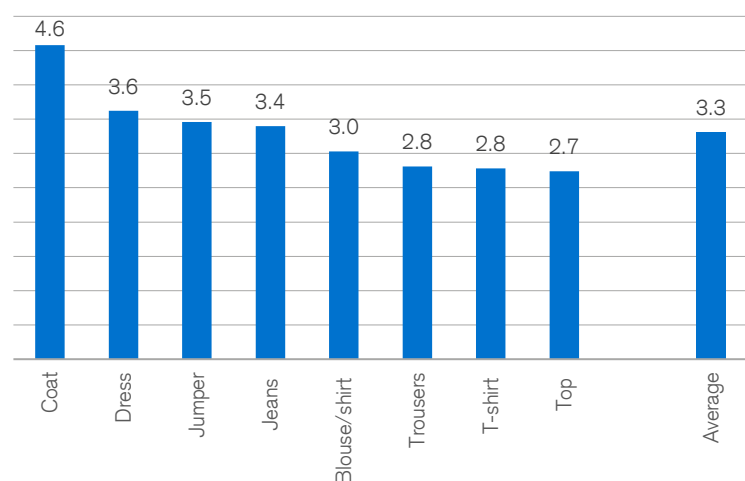
Our survey findings show that plastic pollution is the environmental issue that the young consumer is most concerned about, as shown in Figure 4. However, this may not necessarily correspond or lead to greater concerns about the fashion industry. Earlier research from RSA highlights

**Figure 2: The environmental impact of a cotton shirt and a pair of jeans (% of CO<sub>2</sub> production)**



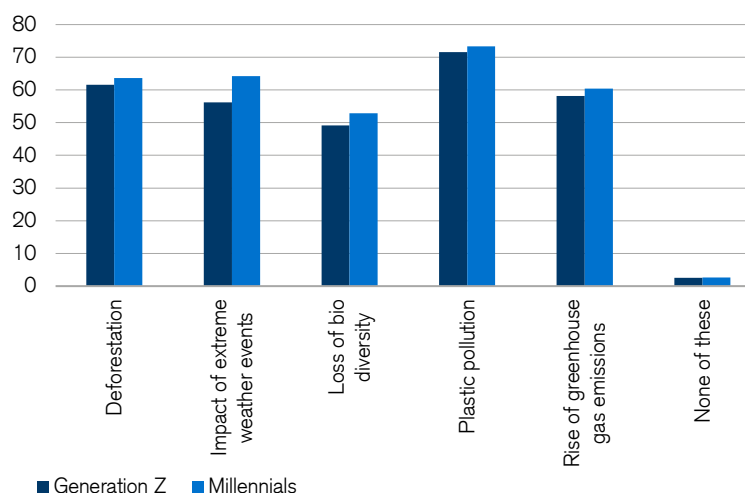
Source: Niinimäki et al. (2020)

**Figure 3: Projected life of items of clothing in years**



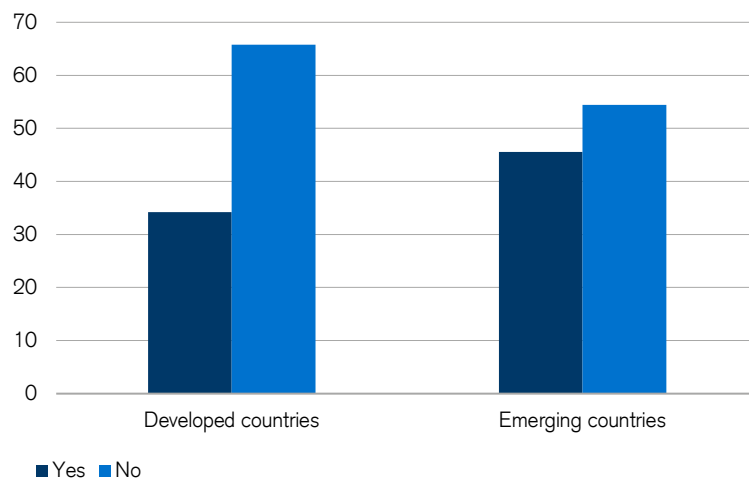
Source: WRAP SCAP Sustainable Textiles Consumer Tracker Survey (2015)

**Figure 4: Environmental issues that the young consumer is most concerned about (% of respondents)**

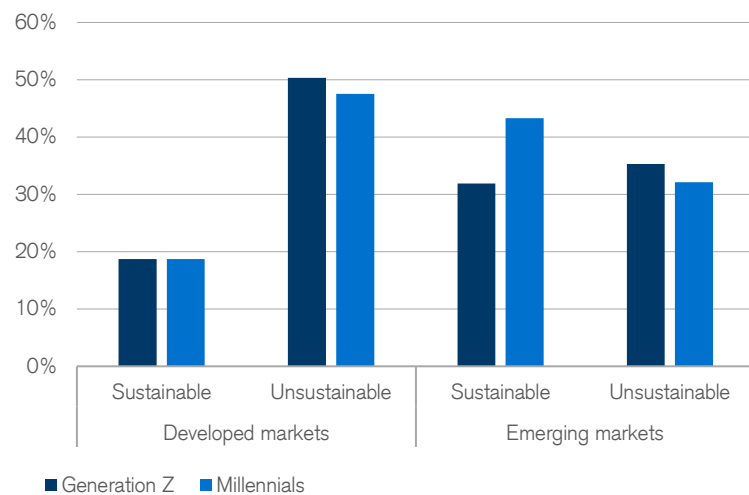


Source: Credit Suisse Sustainable Consumer Survey

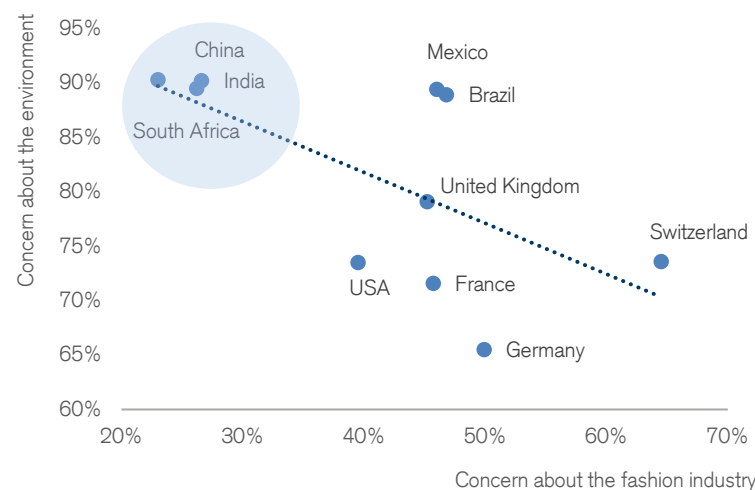
**Figure 5: “Do you believe that luxury fashion brands are more sustainable than the larger (fast) fashion companies?” (%)**



**Figure 6: “How environmentally sustainable is the fashion industry in your view?” (% of respondents)**



**Figure 7: Concern about the environment versus concern about the fashion industry**



Source Figures 5–7: Credit Suisse Sustainable Consumer Survey

that there is an “awareness gap” when it comes to how much plastic goes into our clothing. Consumers are willing to reduce their use of plastics, but are often not aware how much plastics are used in textiles, and specifically in the fast fashion industry.

Research by Zhang et al. has also shown how consumers make decisions under different degrees of awareness of sustainability, highlighting influencing factors such as cultural and religious background, employment status and income flow (“Consumer Attitude towards Sustainability of Fast Fashion Products in the UK,” 2021).

### The young consumer and fashion-related sustainability concerns

#### Regional and generational comparisons

Our analysis indicates that around 41% of the respondents believe that the fashion industry is unsustainable, whereas less than 30% believe it is sustainable. A closer inspection of the data reveals that the percentages vary across regions as nearly half of the young consumers in developed markets believe the fashion industry is unsustainable in comparison to only a third of young consumers in emerging markets.

We note that a higher share of Generation Z consumers surveyed indicate that they believe that the fashion industry is unsustainable compared to the share of millennial consumers. Across regions, it becomes evident that over half of the Generation Z consumers believe the fashion industry is unsustainable in developed markets. This compares to only 31.9% in emerging markets (Figure 6).

The differences in findings are striking if we consider that the globalization of the fashion industry has hitherto been conducive to an uneven distribution of environmental costs. As argued by Niinimäki et al. (2020), developing countries – which often manufacture the garments – bear the brunt for developed countries, which largely consume the products.

We had expected to find a positive correlation between concerns about the environment and whether the fashion industry is unsustainable. However, our data do not present this message. In fact, the data almost show the opposite view, particularly in emerging markets (Figure 7). This apparent disconnect between environmental concerns and views about the sustainability of the fashion industry are, in our view, most likely explained by assuming an “awareness gap” or varied exposure to fast fashion companies across the markets in scope.

### Consumer behavior influences

**Figure 8** helps us better understand some of the complex dynamics at play in consumer behavior and attitudes. Only around a fourth of respondents across both developed countries and emerging countries indicate that environmental issues have not affected how often or what fashion they buy. Moreover, consumers have started to buy fewer new clothes in both developed markets (37.8%) and emerging markets (41.1%), which may be a reflection of a conscious attitude toward the impact that fashion has on the environment.

Consumer behavior can be influenced through various channels and, according to Zhang et al., an important factor in modern consumption is information search. Consumers will often be significantly influenced by online search engines and social media when they shop. Our data support this notion, particularly in emerging markets where nearly 55% of the respondents use sources from (social) media to help form their opinion about a fashion company's brand or product (see **Figure 10**).

The importance of information on consumption choices also becomes evident in **Figure 9**, which shows that a company's environmental or social record can be an influencing factor in consumer behavior and attitudes.

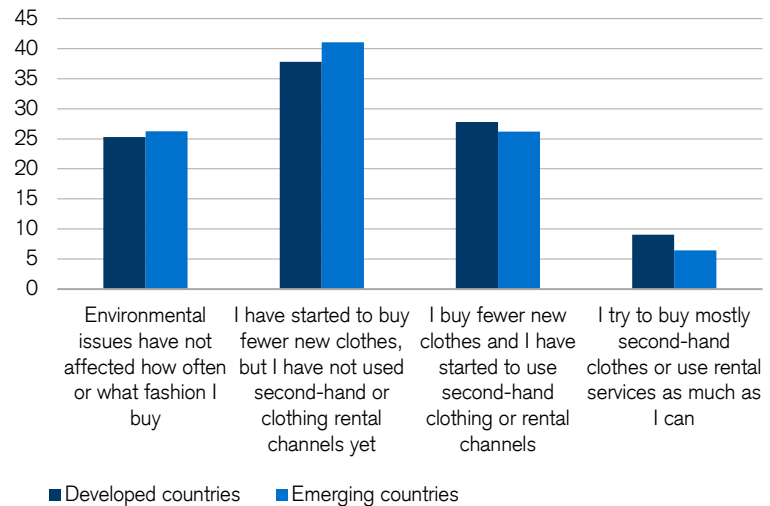
It is worth highlighting in this regard that future buying intentions of our young consumers do seem to suggest a shift away from unsustainable fashion. **Figure 9** suggests that only around 20% of young consumers do not intend to focus on sustainability at all when buying clothes. The development of sustainable fashion alternatives could provide a strong headwind for fashion companies with unsustainable products as almost 60% would swap to these alternatives. Furthermore, around 25% of our consumers intend not to buy unsustainable fashion at all going forward.

### Greater willingness to pay a premium in emerging markets

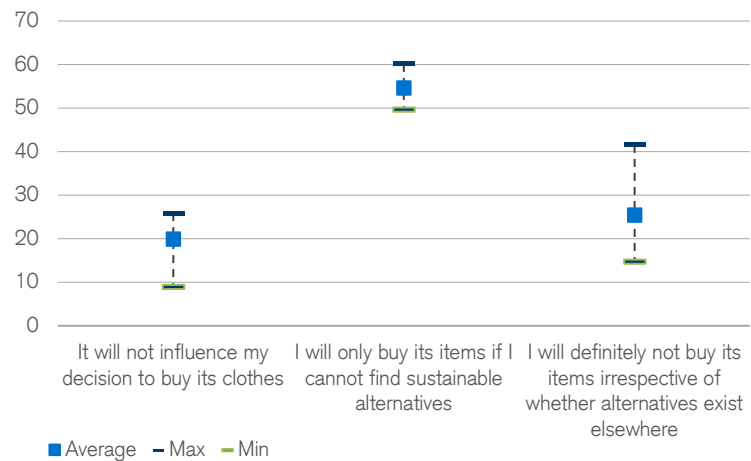
Sustainable fashion might be more expensive than traditional fashion considering that the economies of scale are probably still inferior. Our survey findings reveal that this might not stop growth in sustainable fashion considering that young consumers, especially those living in emerging markets, may be willing to pay a premium for sustainable fashion.

**Figure 11** highlights that, on average, a higher percentage of young consumers in developed markets believe the fashion industry is unsustainable. Yet, despite their concern about the issue, a lower share of respondents are willing to pay more for sustainable fashion. This could

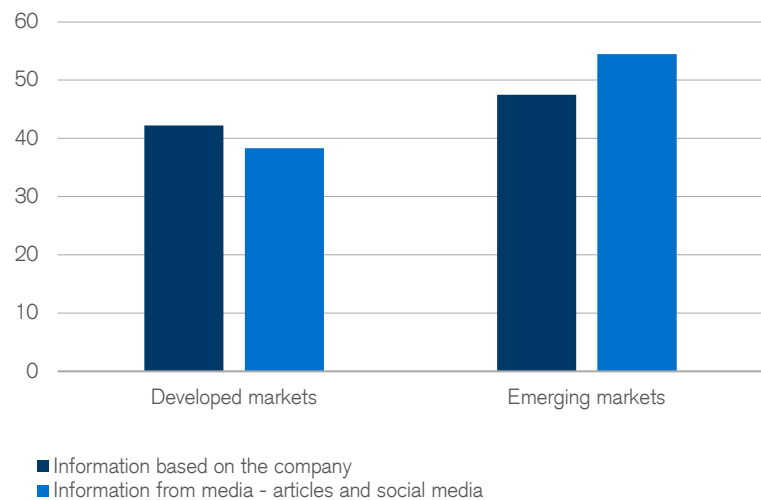
**Figure 8: "Which of the following describes you best in relation to the environmental impact of the fashion industry and your buying behavior?" (% of respondents)**



**Figure 9: "Looking ahead, what are you most likely to do if you knew that a fashion company has a poor environmental or social record?"**

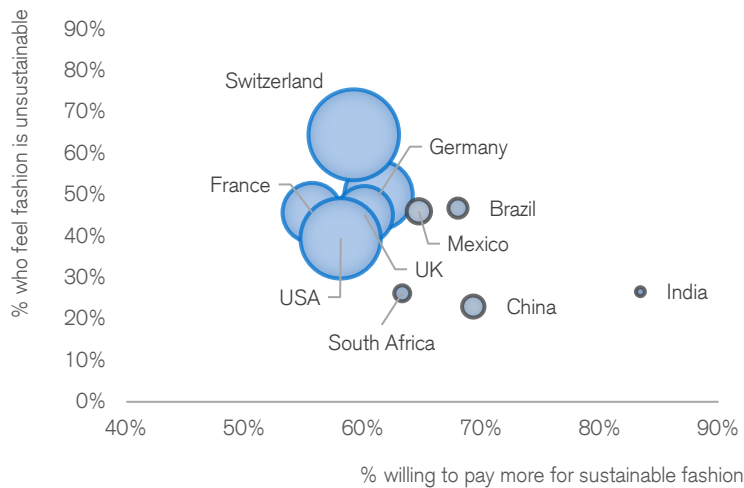


**Figure 10: Sources that help form opinions about a fashion company's brand or product**

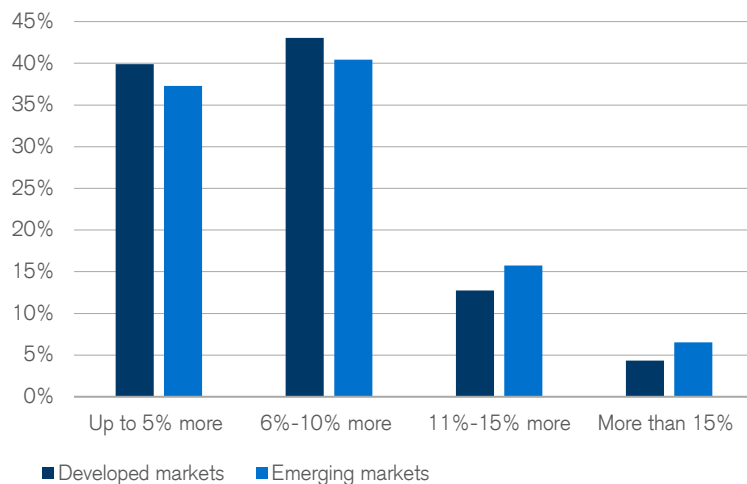


Source Figures 8–10: Credit Suisse Sustainable Consumer Survey

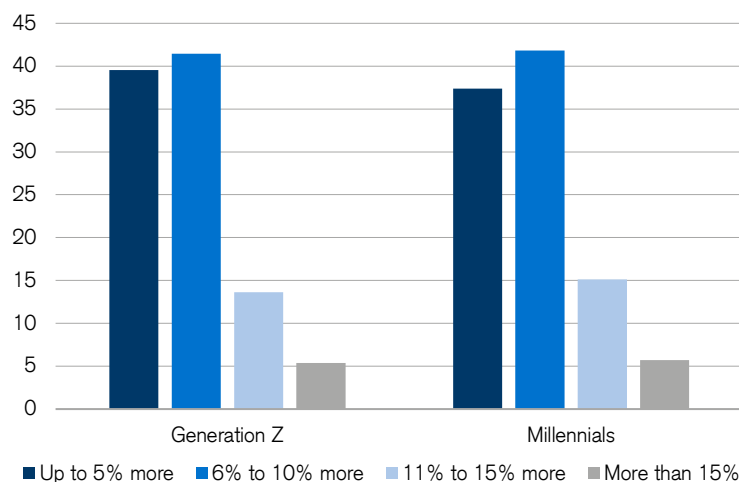
**Figure 11: Consumers who feel fashion is unsustainable versus willingness to spend more for sustainable fashion (bubble size is GDP per capita, ppp)**



**Figure 12: Willingness to pay more for sustainable fashion and how much by region**



**Figure 13: Willingness to pay more for sustainable fashion by generation (%)**



Source Figures 11–13: Credit Suisse Sustainable Consumer Survey

indicate a smaller “awareness gap” due to greater exposure to fast fashion companies as well as price stickiness of lower prices due to the ongoing commoditization of clothing in developed markets. Our data reflect that the opposite seems to be the case in emerging markets. Respondents in these countries appear less inclined to believe that the fashion industry is unsustainable, despite being more concerned about the environment. However, they have a greater willingness to pay a premium for sustainable fashion and would accept a higher premium for sustainable fashion items than respondents in developed countries (Figures 12 and 13).

### What about regulation?

The Royal Society of Arts, Manufactures and Commerce highlights a survey conducted in April 2020 by Populus in the United Kingdom. This shows that nearly 60% of respondents in the United Kingdom believe that government regulation is needed to improve social and environmental effects from the sector. Regulatory initiatives have indeed started to take shape over the last years. In March 2021, the UK government unveiled plans to increase action taken on fast fashion and hold manufacturers accountable for textile waste. These plans were part of the new wide-ranging Waste Prevention Programme for England, which focuses on several industries, including textiles. According to the UK government, this includes steps to use resources more efficiently, design and manufacture products for optimum life and repair, and reuse more items. The UK government will also be able to set minimum standards for clothing with regard to durability and recycled content, and explore ways to improve labeling and consumer information on clothing as part of the Environment Bill.

Plans to apply circular economy principles to the textiles industry have also taken off in Europe. The New Circular Economy Action Plan identifies supply chains in the textiles industry as a key area where there is potential to increase the use of sustainable and circular textiles. In May 2021, the European Commission launched a public consultation to gather input on challenges and gaps as well as opportunities for the sector with respect to sustainability. The Commission is now planning to adopt the EU Strategy for Sustainable Textiles in the first quarter of 2022.

In our survey, we also asked consumers about their attitude toward regulation. As highlighted earlier in this report, young consumers appear to have a strong acceptance of greater regulation of unsustainable products, including

the use of bans, making them more expensive and increasing regulation of corporates. This seems to suggest that greater regulation of unsustainable fashion would be well received by younger consumers.

### Looking ahead and spending intentions

#### Regional breakdown

Our findings, measured on a net balance basis, show that young consumers in developed markets intend to buy less fast fashion (-13%) and luxury fashion (-2.2%) and increase their use of clothing rental services (5.9%) and second-hand clothing (31.0%). This shows that consumers in developed markets have potentially started to weigh their choices about the fashion industry based on environmental concerns (Figure 14).

However, as highlighted earlier, a greater share of consumers across developed countries show an unwillingness to spend more or pay a premium for sustainable fashion. This could be a headwind for the shift toward sustainable fashion across developed countries unless unsustainable products were to be made more expensive.

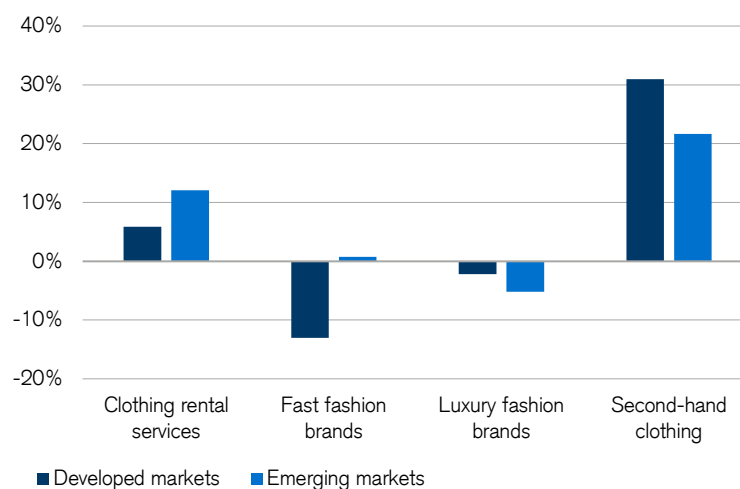
While voicing similar concerns about the environment, the subsequent impact on fast fashion purchases is less distinct in emerging markets. Our analysis shows that, again computed on a net balance basis, young consumers in emerging markets intend to increase their use of fast fashion (0.7%), clothing rental services (12.1%) and second-hand clothing (21.6%) as well as decrease purchases through luxury fast fashion channels (-5.2%).

Across the developing world, we do find strong differences on a country level. For example, future demand for fast fashion appears stronger in Brazil and India, whereas young consumers in China are more likely to decrease spending on fast fashion. These relative readings may be reflective of lower levels of disposable income between these countries, which “forces” consumers in lower-wage economies to accept fast fashion as they are unable to afford more expensive sustainable alternatives.

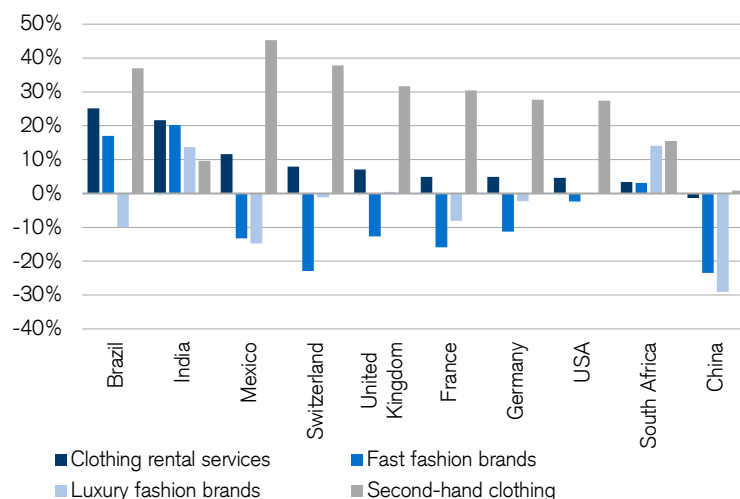
#### Generational breakdown

Analyzing the data by generational cohorts in Figure 16 shows that age is less of a dividing factor for fast fashion and second-hand purchases. On a net balance basis, 6.4% of the Generation Z respondents intend to reduce their fast fashion purchases. This compares to 6.0% for millennials. For second-hand clothing, the net balance figure is around 26% for both cohorts. Although we observed earlier in the report

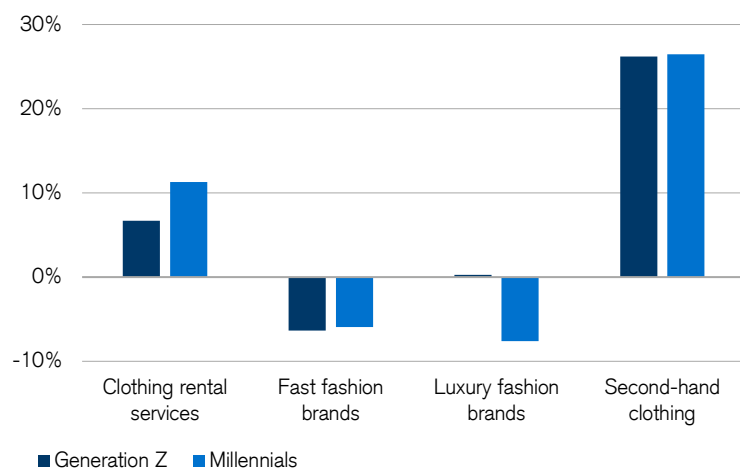
**Figure 14: “In the future, do you expect your usage of the following clothing retail channels to increase or decrease?” (net balance increase versus decrease)**



**Figure 15: “In the future, do you expect your usage of the following clothing retail channels to increase or decrease?” (net balance increase versus decrease by country)**



**Figure 16: “In the future, do you expect your usage of the following clothing retail channels to increase or decrease?” (net balance increase versus decrease)**



Source Figures 14–16: Credit Suisse Sustainable Consumer Survey



that age can be a determinant of consumer behavior and attitudes, there is also evidence in the literature that supports the opposing view. For example, Zhang et al. argue that age is not a significant factor in driving components of consumer attitudes toward sustainability, as opposed to income flow, for example.

### Looking ahead and concluding remarks

Our research findings indicate that a large majority of younger consumers surveyed are concerned about the state of the overall environment. This is true across all markets, but considerably more so in emerging economies. Yet, on closer examination, our data suggest

that more complex dynamics are at play in understanding consumer behavior and attitudes. In developed markets, nearly half of our consumers presume that the fashion industry is unsustainable in comparison to only a third of the consumers in emerging markets. This is despite the fact that the latter often bear the burden of the unevenly distributed environmental costs associated with fashion production.

The young emerging consumer, on average, is less inclined to believe that the fashion industry is unsustainable and less inclined to reduce their fast fashion purchases, despite being more concerned about the environment and more willing to pay a premium for sustainable fashion. In comparison, young consumers in developed markets have a lower propensity to pay a premium for sustainable fashion brands, despite having greater concerns about the environmental sustainability of the fashion industry. **Figure 17** demonstrates that greater concerns about the environment do not necessarily correspond to a stronger desire to decrease spending on fast fashion. We believe that a potential “awareness gap” might play a role here.

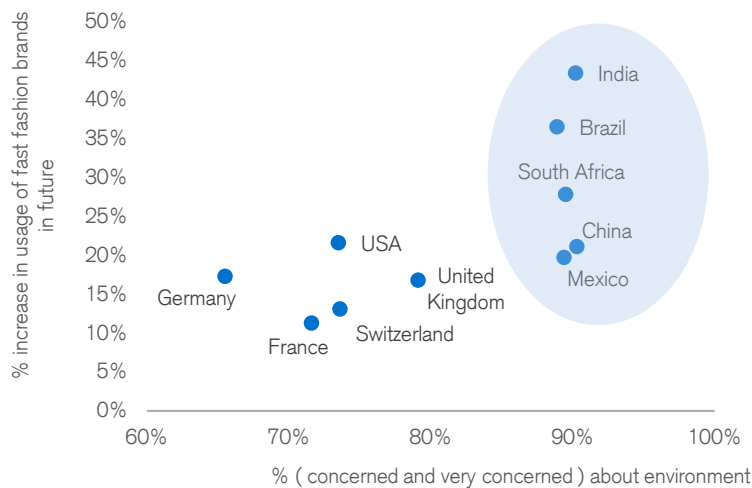
Addressing the awareness gap through a stronger focus on educating populations around the sustainability of fashion production will take time. However, this does not mean that there will be no progress in the short term. We highlight two findings from our survey that suggest a shift toward buying more sustainable fashion might happen sooner than anticipated.

First, as mentioned, **Figure 17** does not show a negative correlation between the level of environmental concern and the intention to increase spending on fast fashion. However, the share of young consumers intending to increase spending on fast fashion is less than 50% in all countries and less than 25% in seven out of the ten countries surveyed, which is clearly a minority.

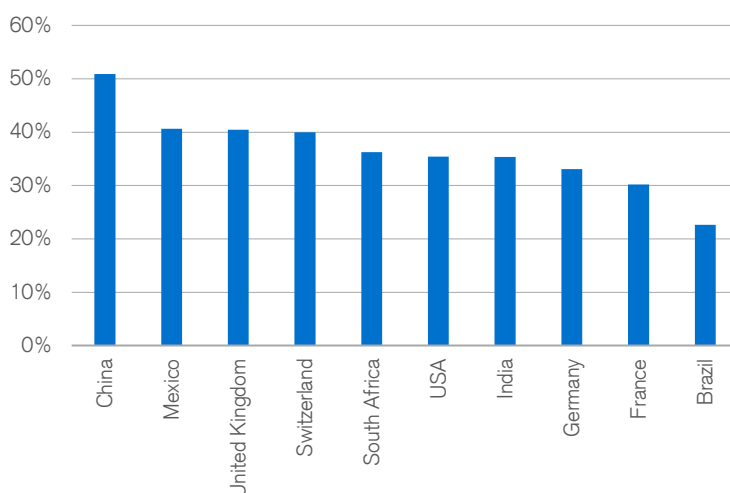
Second, if we only consider the cohort of consumers who believe the fashion industry is unsustainable, we find that over half of the respondents in China intend to decrease their fast fashion purchases along with Mexico, the United Kingdom and Switzerland at around 40% each.

Although younger consumers do not show a very high propensity to decrease their spending on fast fashion, the likely marginal change definitely supports a positive view on a gradual shift toward sustainable fashion in the longer term.

**Figure 17: Respondents who intend to increase their usage of fast fashion versus those concerned about the environment**



**Figure 18: Percentage of consumers who believe that fashion is unsustainable who intend to decrease the use of fast fashion brands**



Source Figures 17 and 18: Credit Suisse Sustainable Consumer Survey



Photo: GettyImages, Viaframe

# Consumers, travel and tourism

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Betty Jiang, Mike Ziffer

Consumer preference is critical to the decarbonization of the transportation sector as how and how much people travel are very much a personal choice. Importantly, changes would need to happen swiftly in the next decade to have any meaningful impact on transport emissions in 2030 and beyond. To be aligned with net zero by 2050, nearly 100% of light-duty vehicle sales would need to be zero-emission by 2040 globally. Electric/hybrid sales currently make up just 11% of sales on average in leading markets. That said, our survey results suggest a rapid shift in consumer preference in the coming years.

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## Travel and tourism is a key emission area

Transportation is the third-largest contributor of global energy-related CO<sub>2</sub> emissions at around 21%. This encompasses all means of transport including road, aviation, marine, and rail. Moreover, tourism and related travel accounts for up to around 8% of global emissions, of which about 49% relates to transport, while accommodation and tourism-related services account for the remainder (Lenzen et al., 2013). As such, in our survey of young consumers, we asked a range of questions focused on their willingness to adopt more environmentally friendly modes of vehicle transportation for use in their daily lives as well as reduce personal-related travel for vacations, or at least take them closer to home in order to minimize their carbon footprint.

Indeed, the carbon footprint among various modes of travel and vacations can vary widely. For example, the carbon intensity of a first-class long-haul flight is about 15 times higher than that of a trip by train; swapping a medium-sized

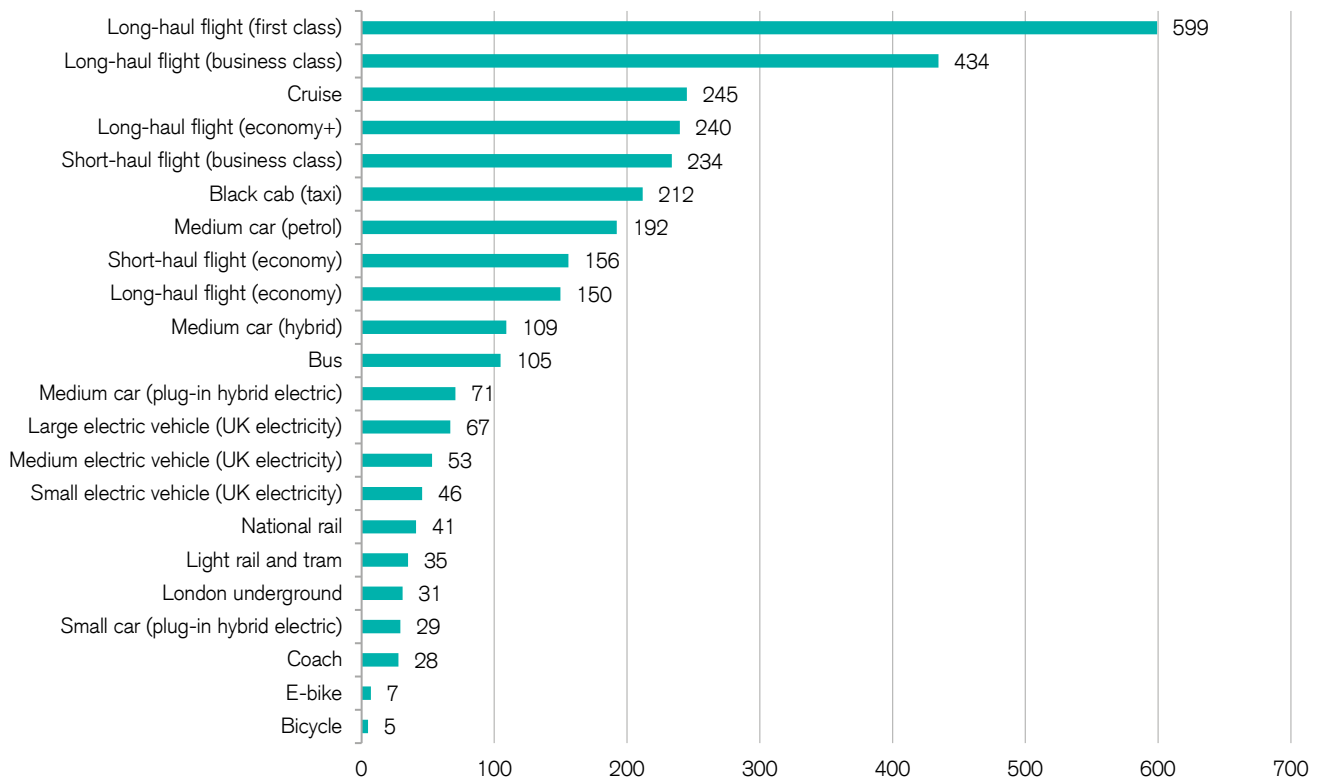
gasoline-powered car for an e-bike lowers one's carbon footprint by 97%; a typical five-star hotel has a carbon footprint that is roughly more than five times that of a two-star hotel; and luxury beach resorts have the highest carbon footprint, based on data from Cornell University (Hotel Sustainability Benchmarking Index 2020: Carbon, Energy, and Water). **Figures 1 and 2** show the different emission footprints across key travel modes and hotels.

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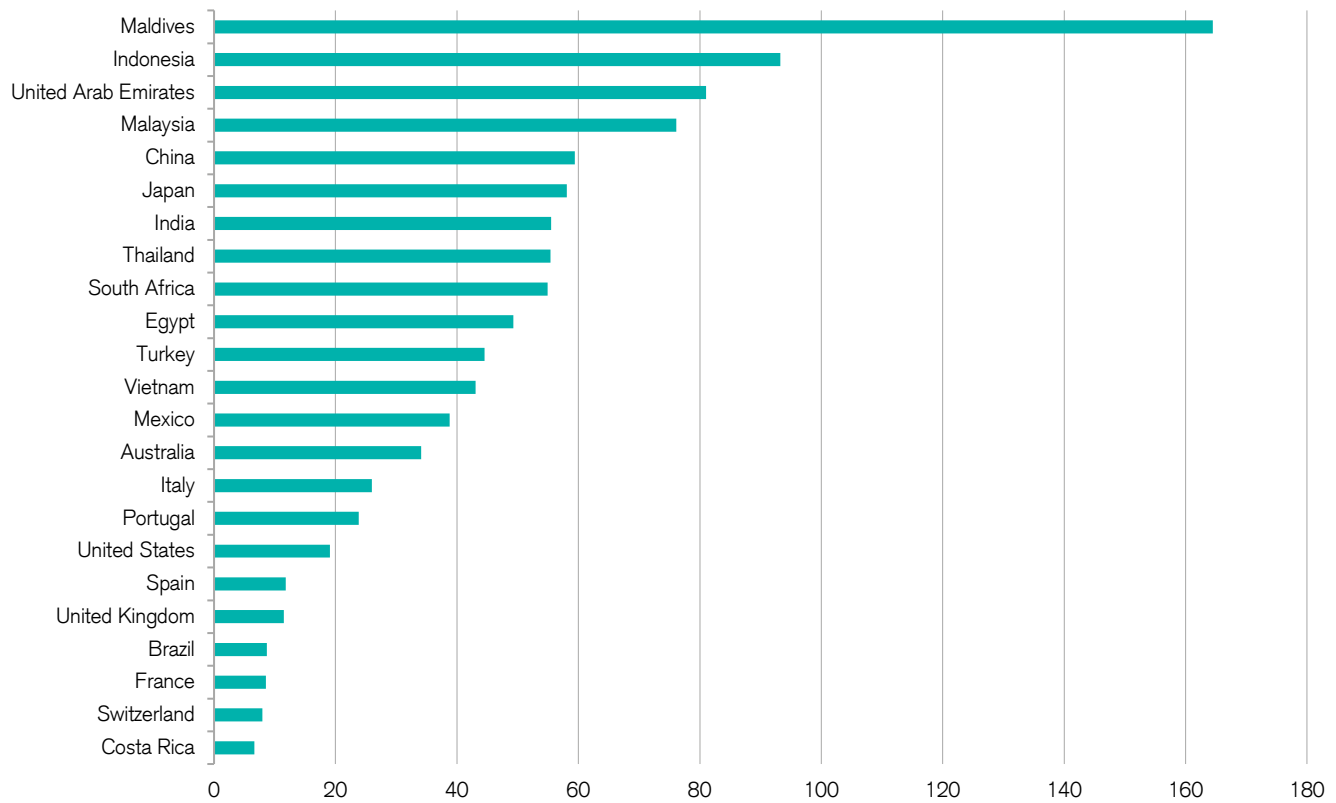
## Autos: The willingness to go electric is high

Within the transportation sector, passenger road vehicles (e.g. light-duty cars and trucks) are responsible for nearly half of the transportation sector's CO<sub>2</sub> emissions. Thus, consumers switching from traditional internal combustion engine (ICE) vehicles to electric vehicles (EVs) is the most important element for decarbonizing the transportation sector. To be on track for net zero emissions by 2050, nearly 100% of light-duty vehicle sales need

**Figure 1: Carbon intensity of key travel modes (g CO<sub>2</sub>/km)**

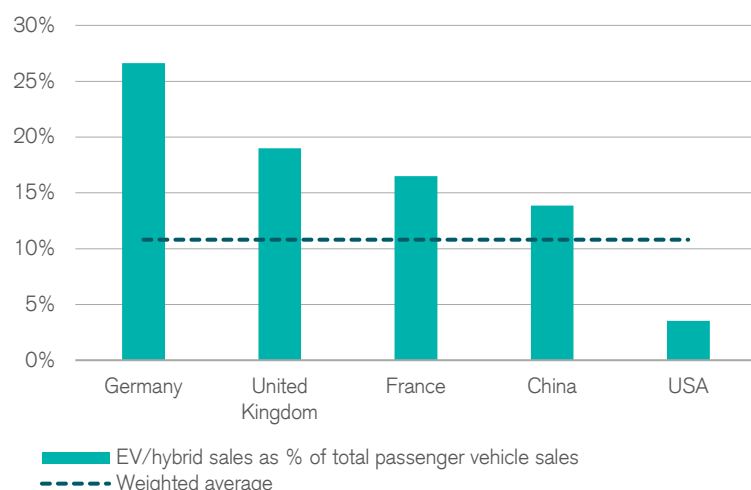


**Figure 2: Median carbon footprint of hotels by country (kg CO<sub>2</sub>/night)**



Source Figures 1 and 2: Credit Suisse estimates, Cornell Hotel Sustainability Benchmarking Index

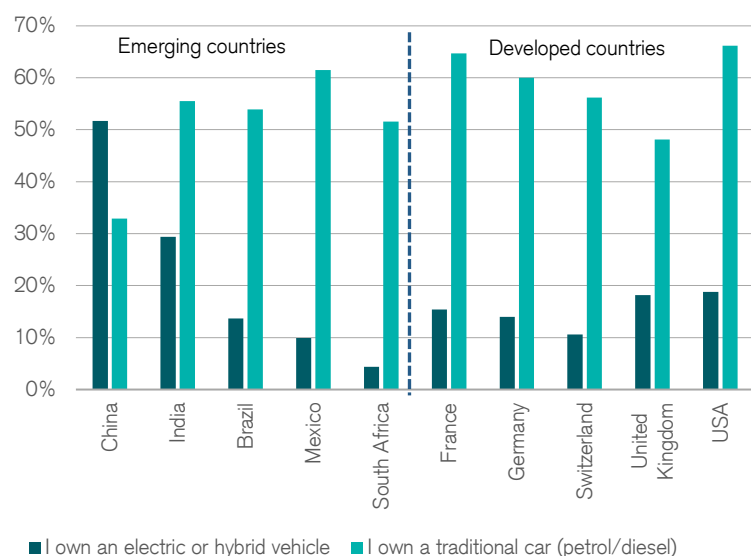
**Figure 3: EV/hybrid sales as a percentage of total passenger vehicle sales for select countries (YTD through Q3 2021)**



to be electric by 2040, according to the International Energy Agency (IEA). For the countries represented in this survey where the data are available (Germany, the United Kingdom, France, China, and the USA), we found that the current level of EV/hybrid sales as a percentage of total passenger vehicle sales is close to just 11% (see **Figure 3**).

While the 2040 target may seem far-reaching (which may be the prevailing market perception), survey results show 63% of all participants expect to own electric/hybrid vehicles, which is more than three times the 19% of participants who currently own electric/hybrid vehicles. This preference is even greater among respondents from emerging countries (~74%), among consumers with a level of education of bachelor's degree or above (~79%) and among consumers in the 25–30 age group (~72%). This underscores the rapid change in consumer preference and may even be accelerated if certain barriers are addressed, mainly the cost of electric/hybrid vehicles versus traditional ICE vehicles, charging infrastructure and speed of charging.

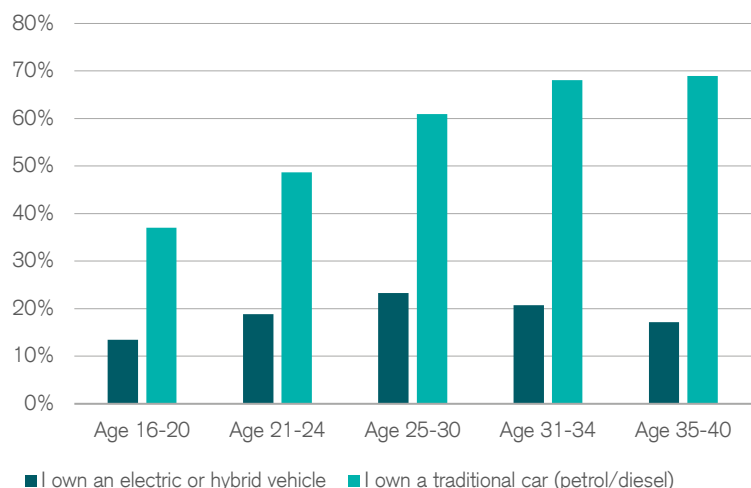
**Figure 4: “In relation to cars, which of the following options describes your current situation?” (developed versus emerging countries)**



**Profile of current EV/hybrid ownership among young consumers**

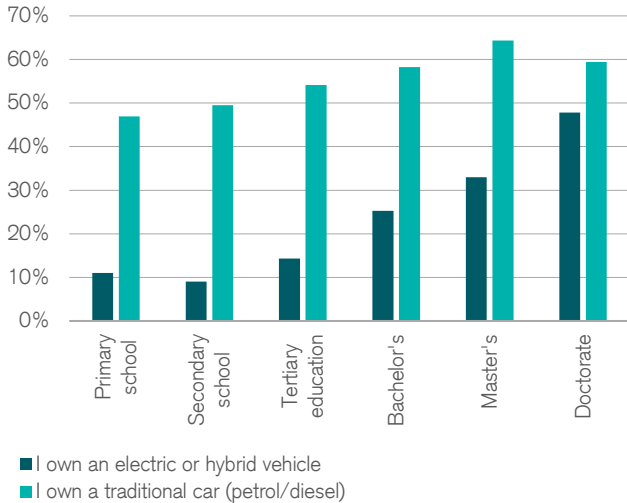
The “current” car ownership situation of our survey respondents by country differs from **Figure 3** as in Germany respondents’ EV/hybrid ownership is relatively low. However, the results generally show that EV/hybrid adoption is currently low relative to traditional ICE vehicles. In fact, China was the only country group where over 50% of respondents indicated they currently own an electric or hybrid vehicle; the second highest was India at only around 29% of respondents, while all other countries were less than 20% (**Figures 4 and 5**).

**Figure 5: “In relation to cars, which of the following options describes your current situation?” (across age groups)**

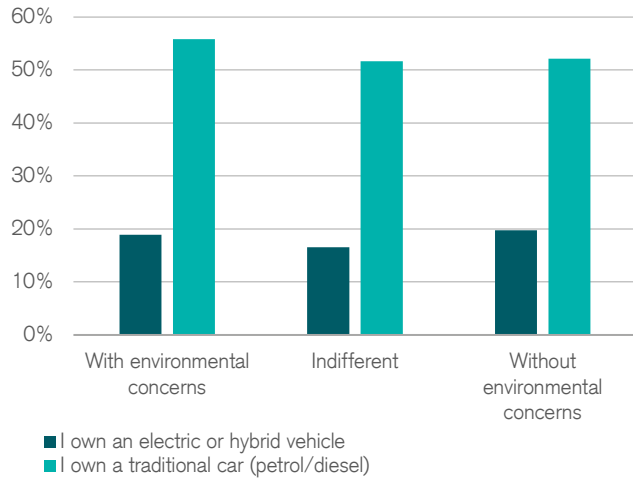


Source Figures 3–5: Credit Suisse Sustainable Consumer Survey

**Figure 6: “In relation to cars, which of the following options describes your current situation?” (education level)**



**Figure 7: “In relation to cars, which of the following options describes your current situation?” (with/without environmental concerns)**

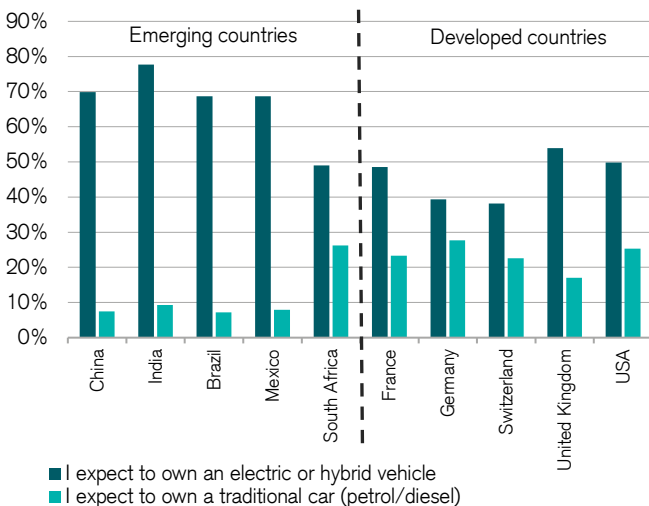


We did not find much difference in current EV/hybrid ownership across age groups, although there does seem to be some correlation with education level (Figures 5 and 6). Roughly one-third and half of respondents with a master’s or doctorate degree, respectively, indicated they currently own an electric or hybrid vehicle. Interestingly, environmental concerns do not seem to matter when it comes to current vehicle ownership, according to our survey results (Figure 7).

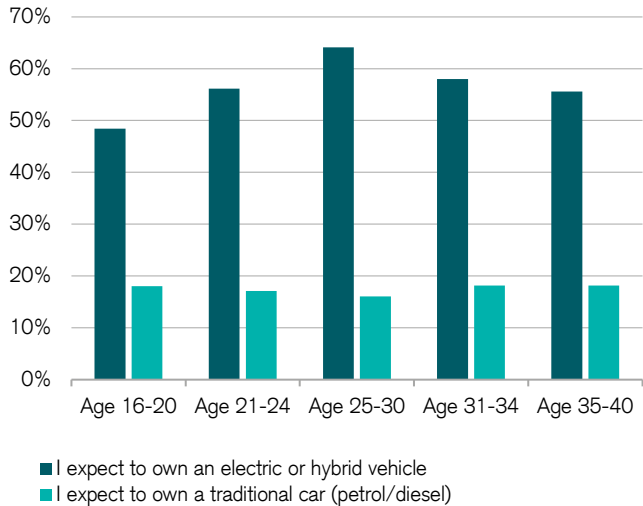
**Much brighter outlook for EV/hybrid ownership among young consumers**

Despite the relatively low current EV/hybrid ownership among our survey respondents, the overall results show a high willingness and “expectations to own” an EV/hybrid vehicle over traditional ICE vehicles in the future. This is particularly high in emerging countries (~74% of respondents) where switching to EV/hybrid is most needed, but also encouraging in developed countries (>50%) – see Figure 8. It’s also worth noting that this willingness is highest among ages 25–30 (Figure 9), which is consistent with the group whose overall consumption profile has changed the most because of environmental

**Figure 8: “In relation to cars, which of the following options describes your future situation best?” (developed versus emerging countries)**

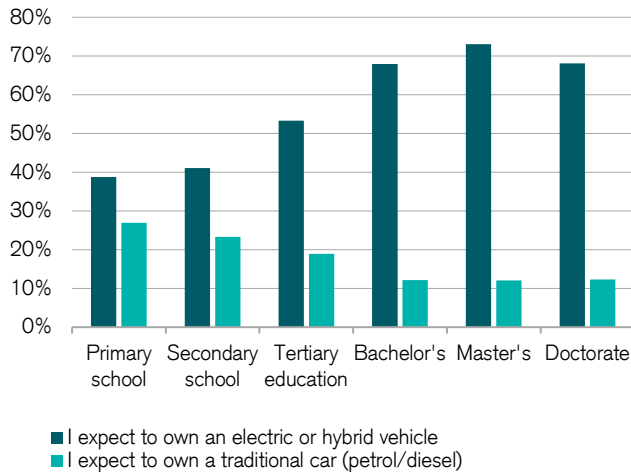


**Figure 9: “In relation to cars, which of the following options describes your future situation best?” (across age groups)**

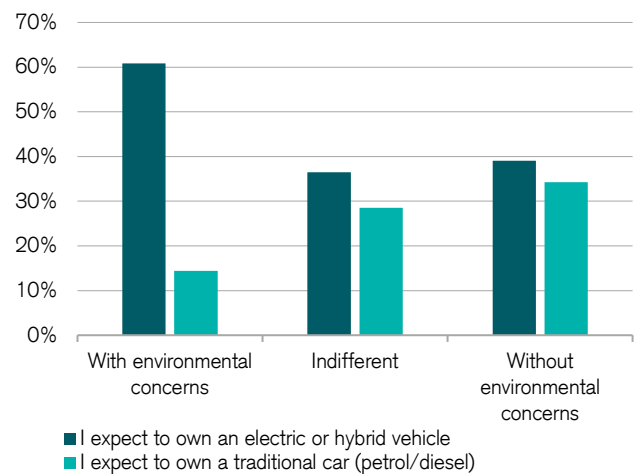


Source Figures 6–9: Credit Suisse Sustainable Consumer Survey

**Figure 10: “In relation to cars, which of the following options describes your future situation best?” (education level)**



**Figure 11: “In relation to cars, which of the following options describes your future situation best?” (with/without environmental concerns)**

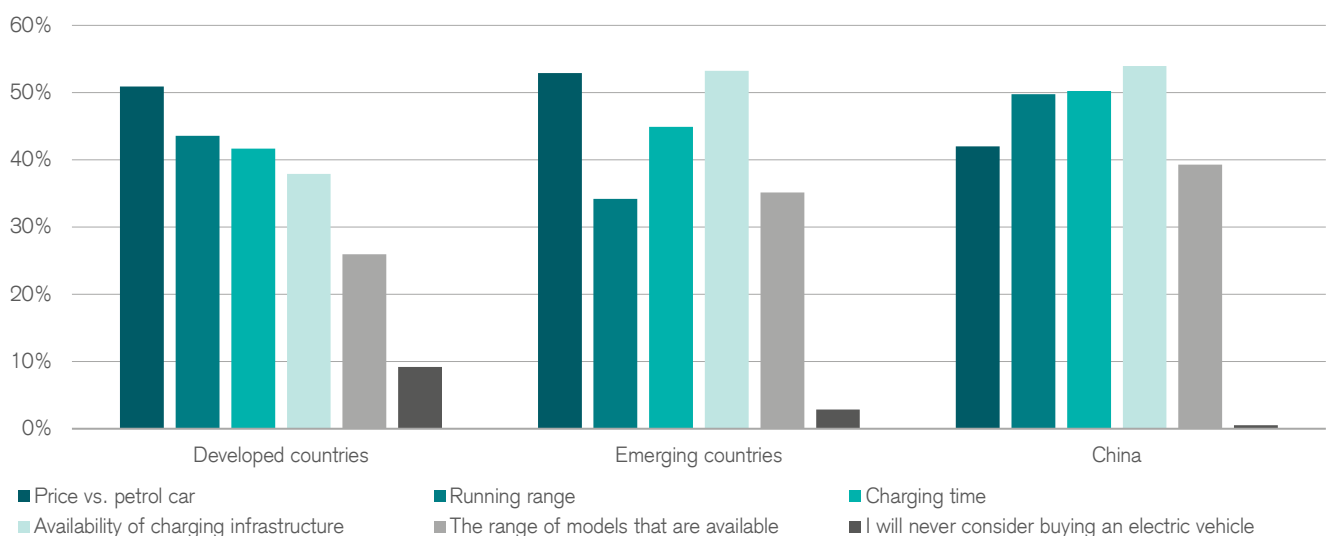


concerns (i.e. most environmentally conscious). There is also still a strong correlation between education level and willingness to own an EV/hybrid vehicle, although respondents from all levels indicated a higher expectation to own one over traditional ICE vehicles in the future (Figure 10). Moreover, contrary to current ownership, respondents with environmental concerns showed a much higher expectation (~70%) of owning an EV/hybrid vehicle in the future relative to those who are indifferent to the environment (~40%) and do not have environmental concerns (~43%) – see Figure 11. Both of these points highlight the importance of educating consumers about the environmental friendliness of EV/hybrid vehicles over traditional ICE vehicles.

**Key factors for whether to buy an EV**

Generally, price parity with ICE vehicles is the top factor in determining whether to buy an EV across both developed and emerging countries and all age groups. However, it is one of the least important factors in China, where charging infrastructure/time and running range matter more. This could be because China is by far the largest EV producer geographically, accounting for around 44% of global EVs manufactured from 2010 to 2020, according to the International Council on Clean Transportation. Availability of charging infrastructure is also another top factor generally across emerging countries, but much less so in developed countries, perhaps due to a higher availability of single house residential charging (Figure 12).

**Figure 12: “Which of the following factors determines whether you buy an electric vehicle or not?” (developed versus emerging countries versus China)**



Source Figures 10–12: Credit Suisse Sustainable Consumer Survey

Notably, only around 9% and 3% of respondents from developed and emerging countries, respectively, stated they will “never consider buying an EV.” This is consistent with the aforementioned takeaway on an overall high willingness to own an EV or hybrid vehicle over a traditional ICE vehicle in the future. However, in addition to education, the point here is that affordability is also key for EV/hybrids to be adopted by the masses.

### Reducing (long distance) travel can also help

The aviation sector accounts for about 2%–3% of global CO<sub>2</sub> emissions, but the non-CO<sub>2</sub> effects (such as aircraft condensation trails) put the sector’s overall global warming impact at about 3%–4% of total human-induced causes. Moreover, this share is likely to increase as aviation is expected to see the highest demand growth among all modes of transport due to rising income in emerging economies. The International Air Transport Association (IATA) – which represents around 290 airlines comprising over 80% of global air traffic – forecasts that the number of airline passenger journeys will increase fivefold from around two billion journeys in 2021 to over ten billion in 2050, with most of this growth coming from the APAC region (Figure 13).

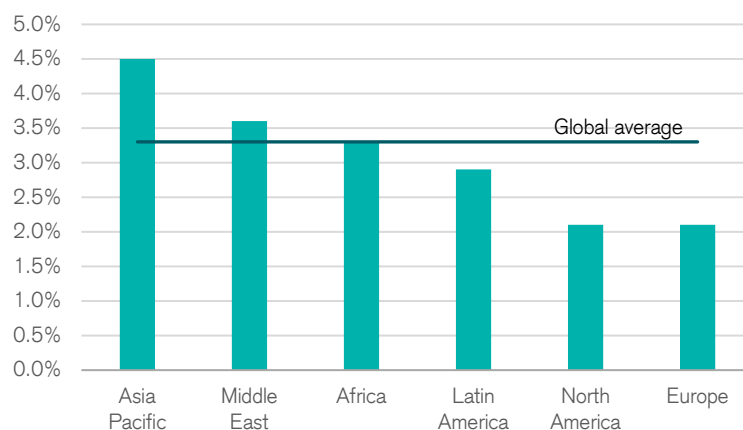
Although airlines switching from traditional jet fuel to sustainable aviation fuel (SAF) will help decarbonize aircrafts, the ability to produce SAF depends on the availability of sustainable feedstocks, which are also used for other renewable fuels (e.g. renewable diesel). As such, consumers can help play a role in decarbonizing aviation by simply flying less (or not as far) and/or paying more for flights that use SAF to offset emissions.

### Mixed results for minimizing personal-related flying...

Within emerging countries, we found it surprising that the survey results show high intentions to minimize personal flying activity due to environmental concerns, particularly in China and India. This is essentially the polar opposite of the situation in developed countries, notably Europe (France, Germany and Switzerland), where many respondents do not expect to make any changes to personal flying activity (Figure 14). Again, owing to environmental concerns, the 25–30 age group shows the highest level of intentions to minimize personal flying (Figure 15).

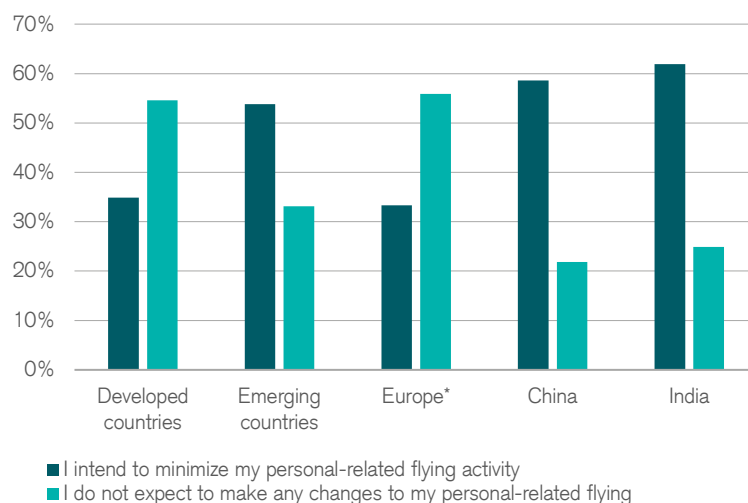
We again found a strong correlation between education level and environmental friendliness, with those respondents holding a bachelor’s degree or higher showing a high willingness (>50%) to minimize personal

**Figure 13: Growth and change in air travel passenger journeys by region (% 2019–2040 CAGRs)**



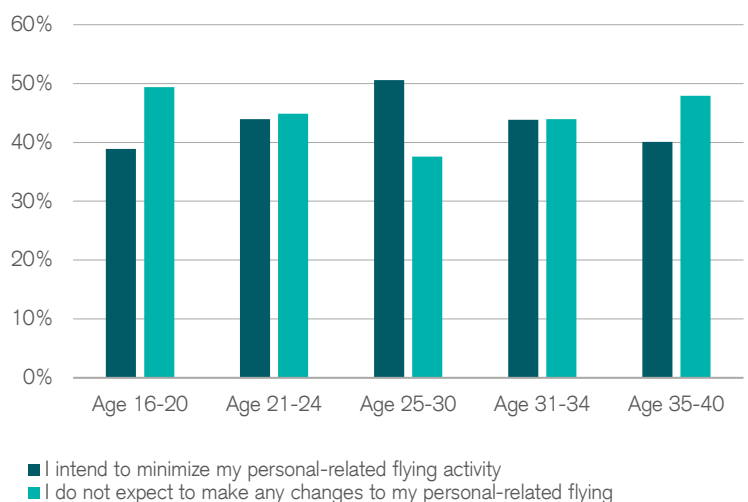
Source: International Air Transport Association

**Figure 14: “Thinking of environmental concerns and flying, which of the following options describes your future situation best?” (developed versus emerging countries)**



\*Includes France, Germany, Switzerland and the United Kingdom  
Source: Credit Suisse Sustainable Consumer Survey

**Figure 15: “Thinking of environmental concerns and flying, which of the following options describes your future situation best?” (across age groups)**



Source: Credit Suisse Sustainable Consumer Survey



**Figure 16: “Thinking of environmental concerns and flying, which of the following options describes your future situation best?” (education level)**

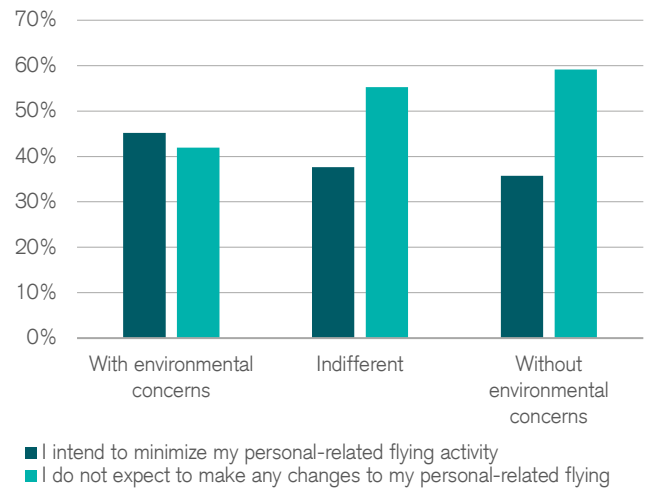


flying in the future (Figure 16). And, not surprisingly, respondents with environmental concerns showed a higher willingness to minimize personal flying than those without environmental concerns (Figure 17).

**...but a high willingness to travel shorter distances and pay more for eco-friendly flights**

Overall, however, there is a high willingness across both emerging and developed countries to take holidays closer to home in order to reduce [higher-carbon] long-haul flights in the future. This again was particularly high in China, India and the 25–30 age group (see Figures

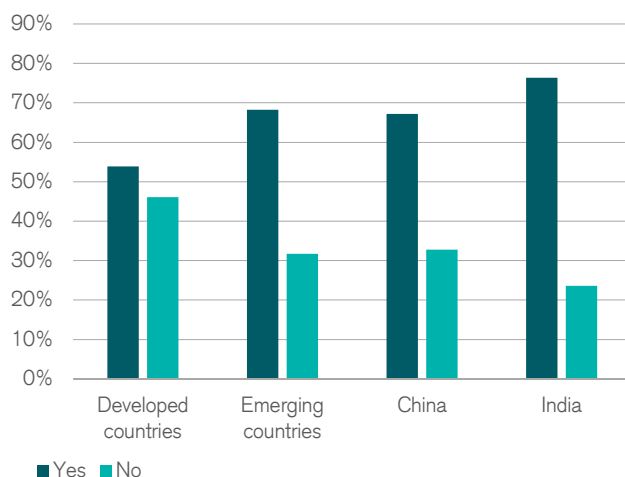
**Figure 17: “Thinking of environmental concerns and flying, which of the following options describes your future situation best?” (with/without environmental concerns)**



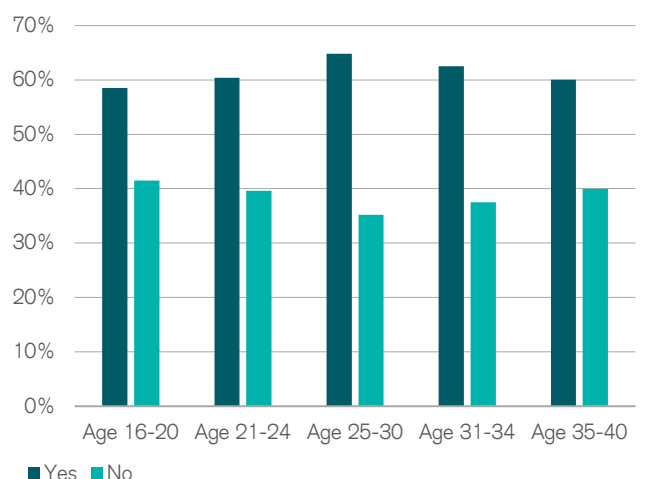
18 and 19) as well as respondents with higher education levels and environmental concerns. Notably, the only sub-groups surveyed where less than 50% of respondents noted they would not take holidays closer to home in the future due to environmental concerns were Switzerland (albeit still around 49% responded they would) and those that are indifferent to or do not have environmental concerns.

As Figures 18 and 19 show, respondents from developed countries generally seem less willing than those from emerging countries to take holidays closer to home in the future due to environmental concerns. This could be

**Figure 18: “Long haul flights have a much higher carbon footprint than shorter flights. Would this cause you to decide to take holidays closer to home in order not to need long haul flights in the future?” (developed versus emerging countries)**



**Figure 19: “Long haul flights have a much higher carbon footprint than shorter flights. Would this cause you to decide to take holidays closer to home in order not to need long haul flights in the future?” (across age groups)**

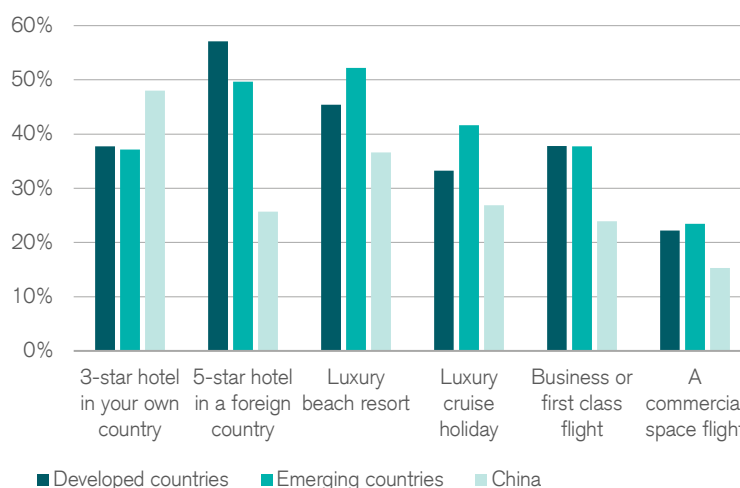


Source Figures 16–19: Credit Suisse Sustainable Consumer Survey

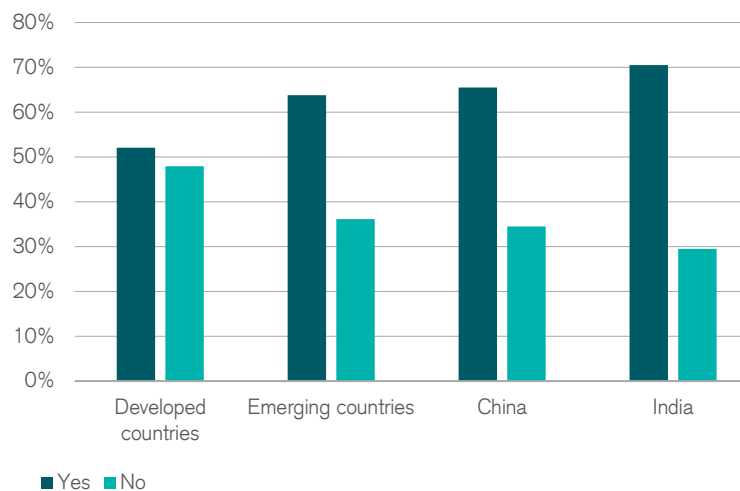
driven by the former's ideal vacation clearly being luxury travel to a foreign country (Figure 20). Meanwhile, respondents from emerging countries generally prefer beach resorts (although foreign travel is a close second). However, an interesting caveat here is China where respondents showed a relatively high preference for traveling within their own country, supporting the above point on being more environmentally conscious on personal travel.

Another encouraging takeaway from the survey results is an overall high willingness across both emerging and developed countries to pay more for flights if the airline offsets the carbon emissions associated with the flight (Figure 21). This is again particularly high in China and India and the 25–30 age group, as well as respondents with higher education levels and environmental concerns. However, we also found it interesting that even around 40% of respondents without environmental concerns noted they are willing to pay more for such flights.

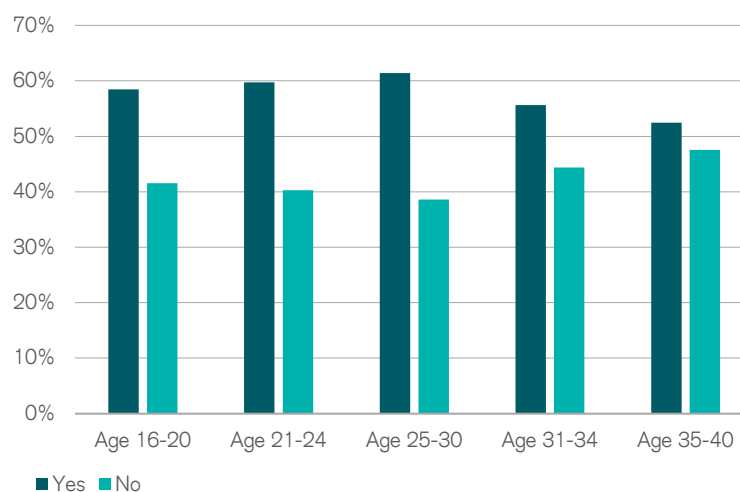
**Figure 20: “If money were no issue, which of the following would you use or try?” (developed versus emerging countries)**



**Figure 21: “Are you willing to pay more for flights if the airline offsets the carbon emissions associated with your flight?” (developed versus emerging countries)**



**Figure 22: “Are you willing to pay more for flights if the airline offsets the carbon emissions associated with your flight?” (across age groups)**



Source Figures 20–22: Credit Suisse Sustainable Consumer Survey

Photo: GettyImages, Cavan Images



# Sustainability and housing

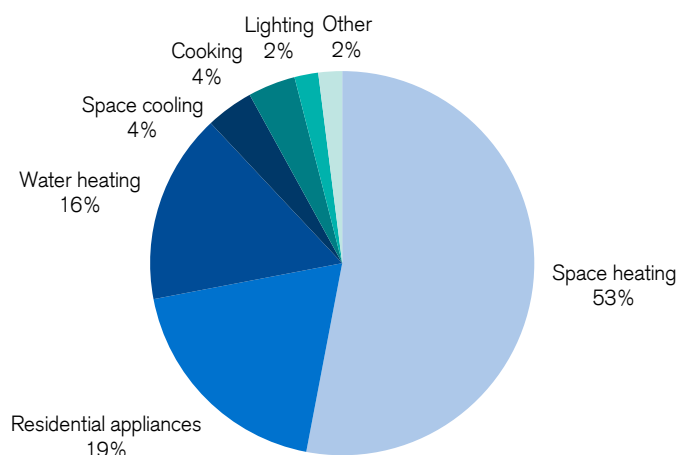
Betty Jiang, Mike Ziffer

We believe the buildings sector is one of the most underappreciated areas exposed to decarbonization. Similar to trends in other sectors, young consumers in emerging countries are again more likely than those in developed countries to invest in energy-saving technologies for the household. Unsurprisingly, solar panels would likely see the highest momentum in their adoption rate, with nearly 80% of respondents from emerging countries likely or very likely to invest in the technology in the next five years. This is followed by insulation, where around 60% indicated such an interest. By comparison, around 45% of respondents in developed countries showed a similar tendency in these two areas. Lack of education is one of the key barriers to adopting energy-saving technologies, particularly heat pumps. In addition, respondents said they were more likely to make such investments if they can reduce monthly energy bills or better understand the benefit to the environment.

## Domestic energy consumption matters

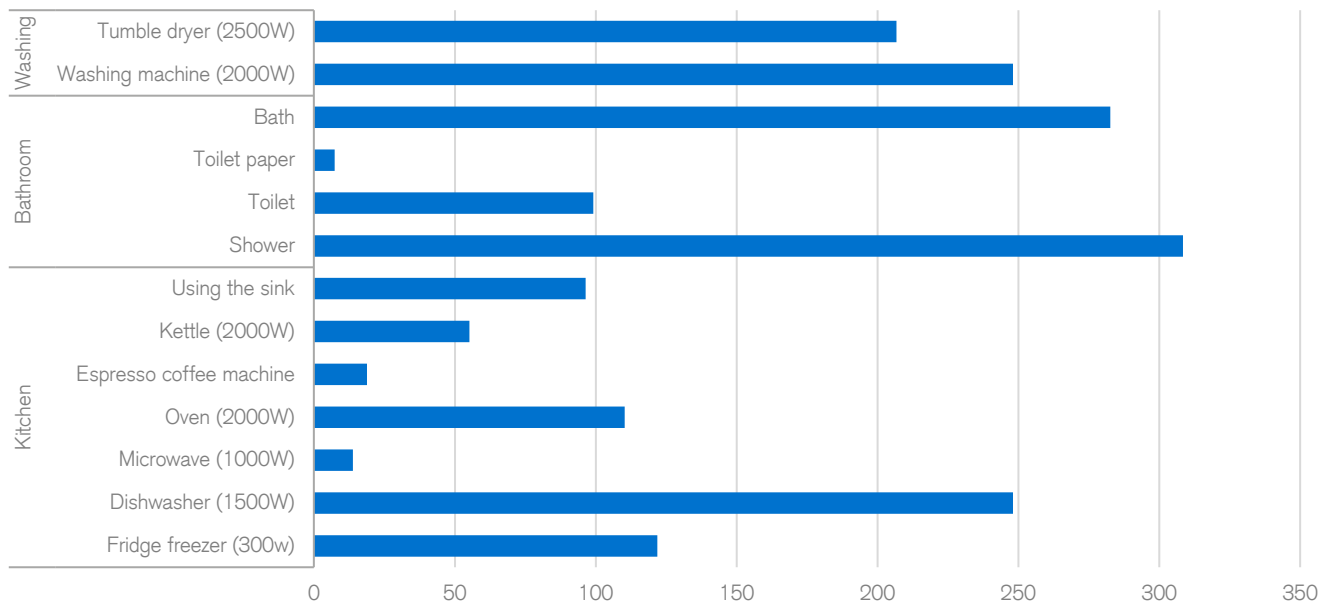
Residential buildings are among the largest consumers of electricity from the power sector as well as global final energy consumption (both of which continue to be dominated by fossil fuels). Consequently, efforts to reduce emissions from buildings must come from both the supply and consumption sides. While power generation companies must do their part to supply the cleanest possible electricity, the power sector's decarbonization would be made much easier with improvements in energy efficiency from buildings to reduce the demand, and also ease the burden on the power grid from the massive renewable energy transition. In our Treeprint reports, we showed that this demand within a residential setting is dominated by heating and appliance-related energy requirements (**Figure 1**) and that the emission

Figure 1: Carbon footprint for common clothing items (kg CO<sub>2</sub>-e)



Source: IEA

**Figure 2: Annual emission footprint for a range of “domestic” activities or appliances (kg CO<sub>2</sub>/year)**



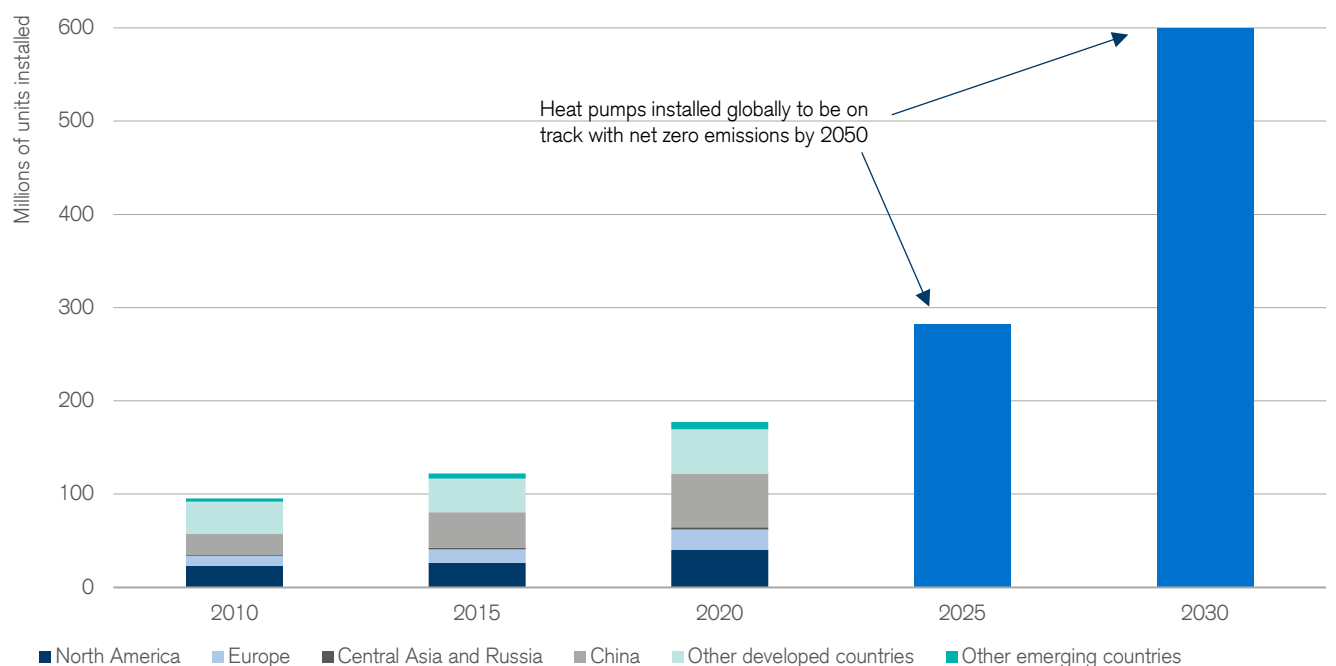
Source: Credit Suisse Research

footprint associated with a range of ordinary domestic activities or the use of appliances is significant (**Figure 2**).

Ways to improve building energy efficiency can come from buildings going “off grid” to being powered by their own solar panels and/or reducing their energy consumption by improving their thermal integrity through better insulation, switching from gas boilers to electric heat pumps, and using “smart” technology for more accurate monitoring.

Heat pumps, in particular, are not only electric (versus gas), but they are also about 300%–400% more efficient than conventional fossil-fuel based boilers. To be on track for net zero emissions by 2050, the installed global heat pump stock needs to more than triple from around 180 million units in 2020 to around 600 million units by 2030, according to the IEA.

**Figure 3: Installed heat pump stock by region and global net zero scenario deployment, 2010–30**



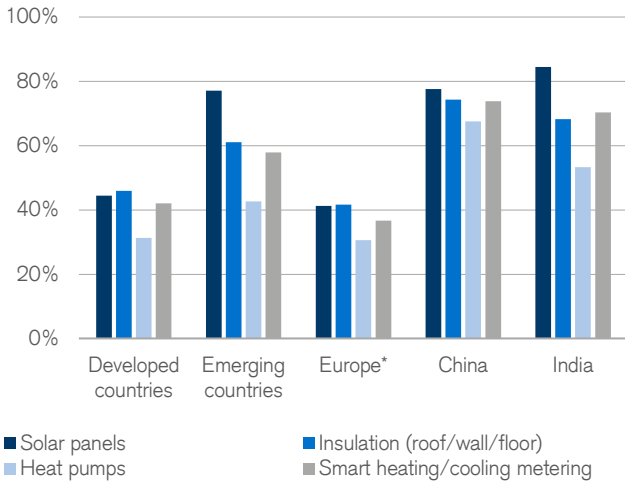
Source: International Energy Agency

**Solar panels are the most popular choice across most sub-groups**

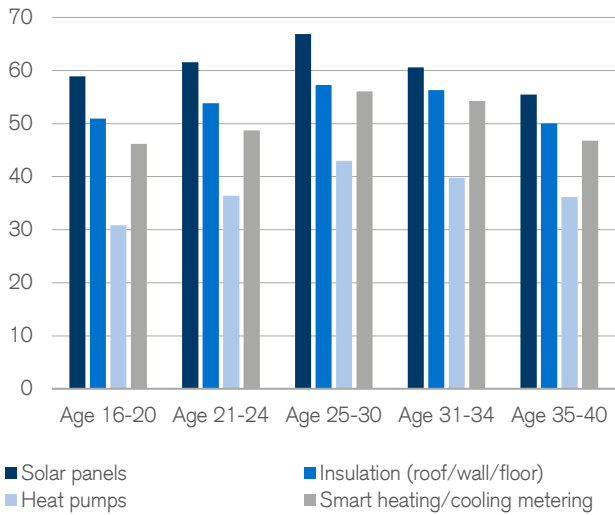
Similar to other focus areas of the survey, respondents from emerging countries are generally more likely than those from developed countries to invest in energy-saving technologies for the household and the likelihood is highest among respondents from China, India, the 25–30 age group, and those with higher education levels and environmental concerns (see **Figures 4–7**). Meanwhile, respondents from European countries (France, Germany and Switzerland) again screened as the least environmentally

conscious of the group, as this time they generally showed the lowest willingness to adopt energy-saving technologies for the household. Solar panels and insulation are generally the most popular, although the former is the top choice in emerging countries and the latter in developed countries. This underscores the broader willingness to adopt renewable energy in developing economies. Interestingly, despite their importance, the likelihood of investing in heat pumps was lowest among the four technologies across all countries, age groups, and education levels.

**Figure 4: “During the next five years, how likely are you to invest in the following energy-saving technologies?” (very likely and likely responses, developed versus emerging countries)**

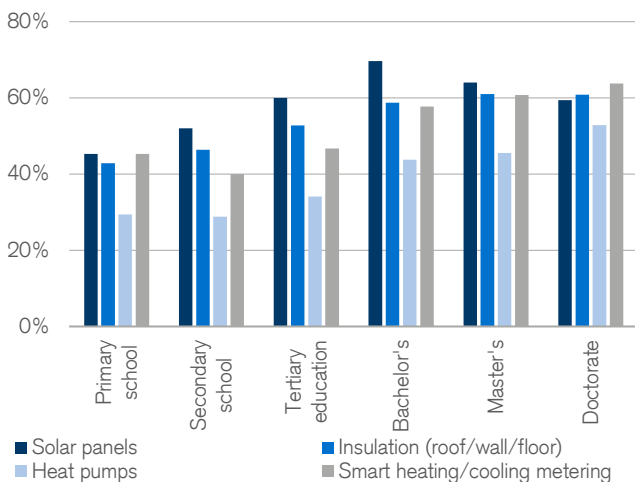


**Figure 5: “During the next five years, how likely are you to invest in the following energy-saving technologies?” (very likely and likely responses, across age groups in %)**

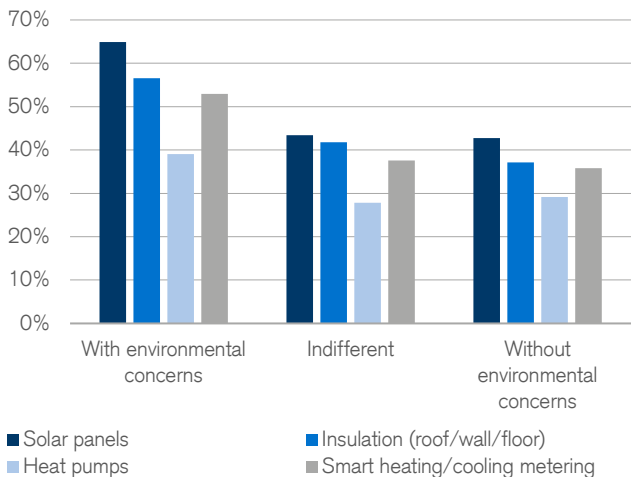


\*France, Germany, the United Kingdom and Switzerland

**Figure 6: “During the next five years, how likely are you to invest in the following energy-saving technologies?” (very likely and likely responses, across education levels)**

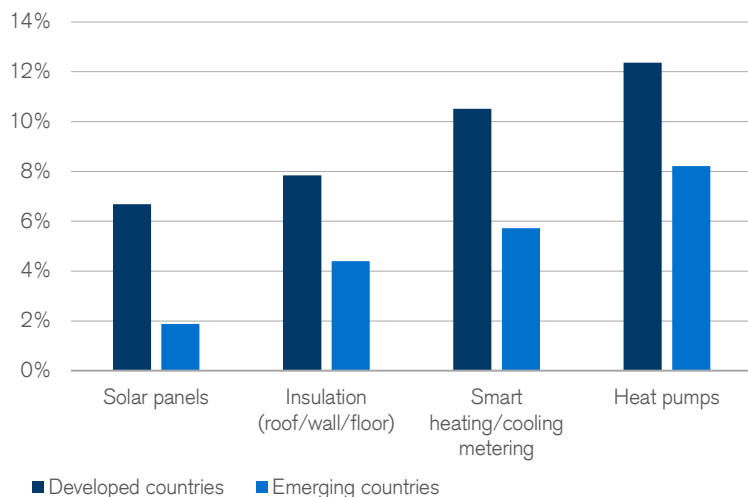


**Figure 7: “During the next five years, how likely are you to invest in the following energy-saving technologies?” (very likely and likely responses, with/without environmental concerns)**



Source Figures 4–7: Credit Suisse Sustainable Consumer Survey

**Figure 8: “During the next five years, how likely are you to invest in the following energy-saving technologies?” (“I have no idea about this energy-saving technology” responses, developed versus emerging countries)**

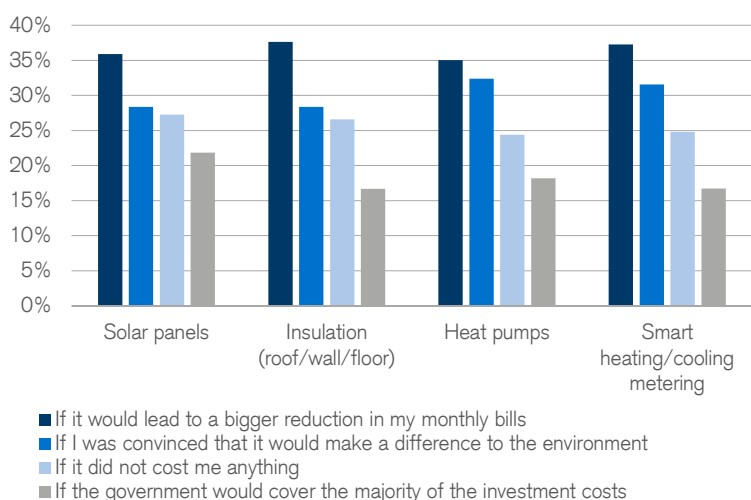


**Heat pump adoption requires education, but upfront costs apparently not an issue**

We did, however, find a high correlation between knowledge about heat pump technology and the likelihood of investing in it. For example, within developed countries, only around 30% of respondents noted they are very likely or likely to invest in heat pumps during the next five years (by far the lowest of the four technologies), while around 12% of respondents noted they “have no idea” about this energy-saving technology (the highest of the four technologies).

We also found a striking consistency across all four technologies in terms of the reasons why respondents would change their view and make such an investment. Across the board, the main reason was if it would lead to a bigger reduction in monthly bills, followed by whether it would make a difference to the environment. Although, upfront costs and government funding mechanisms do not seem to be as important to respondents. This is also consistent with the survey results on air travel that show respondents are willing to pay more for environmentally friendly flights. Both of these takeaways again highlight the importance of educating consumers about the benefits of investing in technologies like heat pumps.

**Figure 9: “Which of the following reasons would make you change your view and invest in these technologies?”**



Source Figures 8 and 9: Credit Suisse Sustainable Consumer Survey



Photo: GettyImages, Mayur Kakade



# Country summary pages

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In the previous chapters, we compared our survey findings across different demographics, including age, education level, gender and location. We appreciate, however, that readers may also want to gain a better understanding of the focus on sustainability for consumers in particular countries. With this in mind, we have put together summary pages for each of the ten countries surveyed made up of six charts that we believe provide a clear sense of direction regarding sustainability and the young consumer in each particular country. The six charts cover the following topics: demographics, food, fashion, transport and travel, housing and electricity.

## **Demographics**

Our premise is that the current young consumer, aged 16–40, will be the key driver regarding sustainability. We show the degree of aging for each country over the next 20 years, which indicates the degree of rising importance of the current Generation Z and millennials.

## **Ranking**

We show how consumers for each country surveyed rank relative to those living elsewhere on environmental consciousness, acceptance of regulation, willingness to pay for sustainability and intention to change behavior in terms of food, fashion, transport and travel and housing.

## **Food**

In order to identify whether food and beverage consumption may become more sustainable, we show the potential shift away from alcohol, coffee, dairy, fast food and meat consumption for Generation Z and millennials.

## **Fashion**

We show whether Generation Z and millennials are likely to use sustainable clothing rental and second-hand clothing more, and whether they are likely to shift away from fast fashion and luxury fashion.

## **Transport and travel**

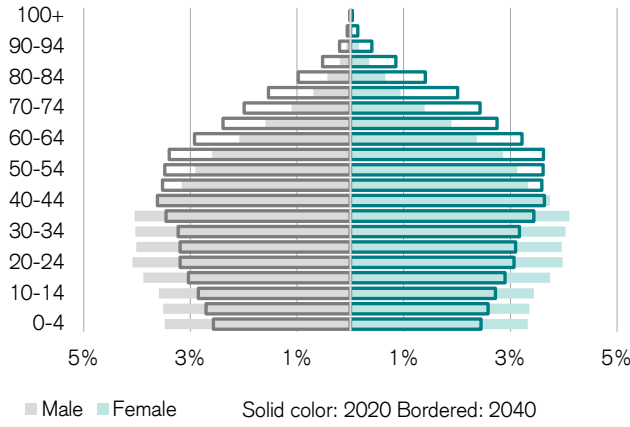
We highlight the intention of Generation Z and millennials to own an electric or hybrid vehicle, their intention to reduce or stop flying and their willingness to opt for holidays with a lower carbon footprint.

## **Housing and electricity**

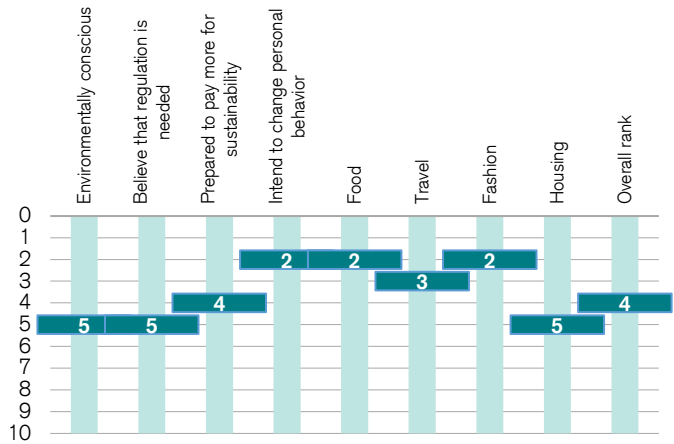
We assess whether consumers are likely to invest in renewable-energy-generating technologies or those that improve the energy efficiency of their homes.

# Brazil

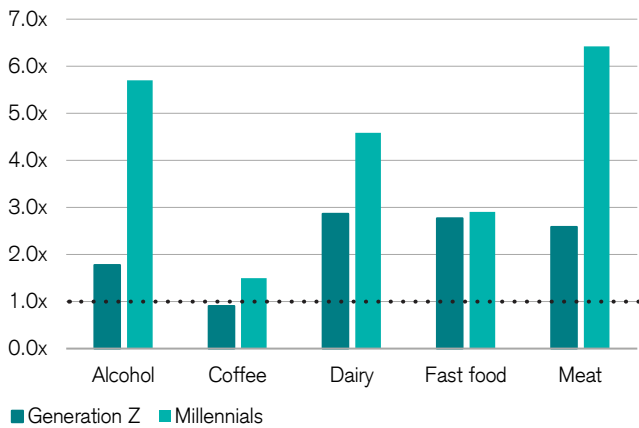
**Figure 1: The share of Generation Z and millennials is forecast to fall to 32% in 2040 from 40% in 2020**



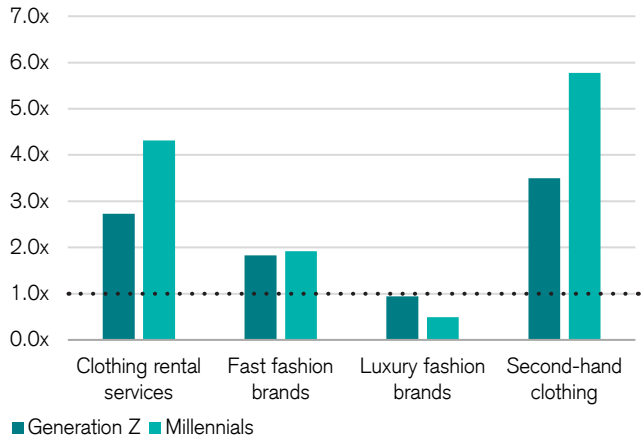
**Figure 2: Brazil ranks fourth overall on our sustainability questions. The intention to change behavior is second highest.**



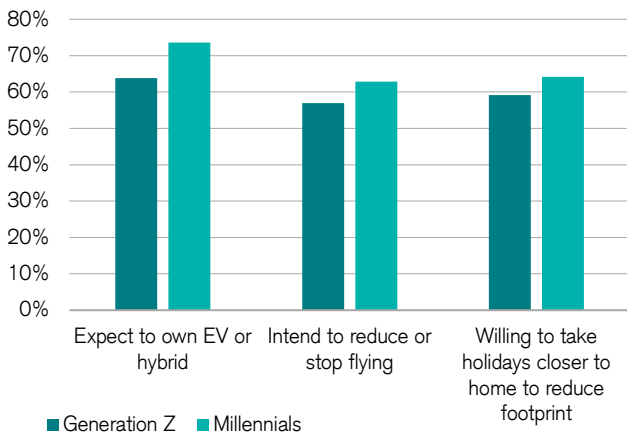
**Figure 3: Ratio of more to less sustainable consumption – the strongest shift is likely to be away from meat and dairy**



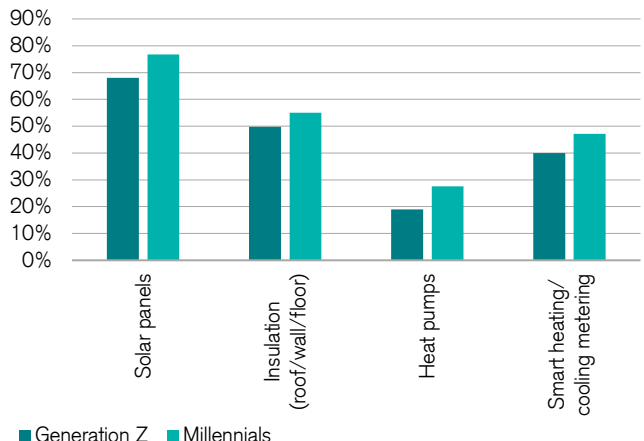
**Figure 4: Ratio of more to less sustainable consumption – second-hand clothing set to become more popular**



**Figure 5: Brazilian consumers show strong desire to improve their travel-related emission footprint**



**Figure 6: Solar appears to be the most popular building energy-efficiency measure in Brazil**

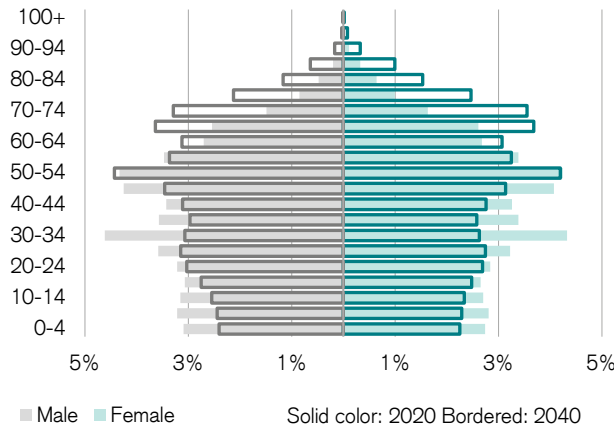


Source Figure 1: Population pyramids.net, UN World Population Prospects

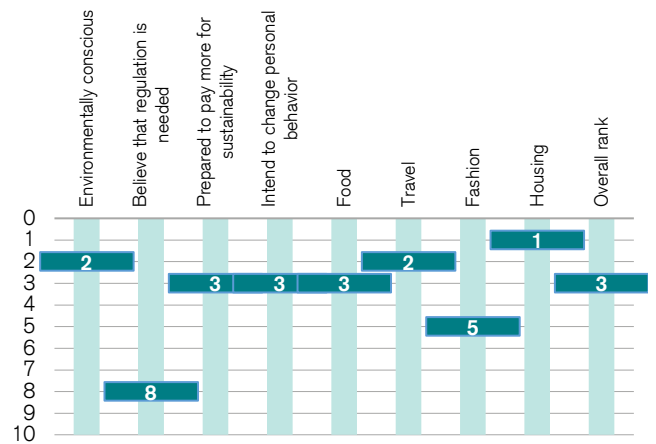
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# China

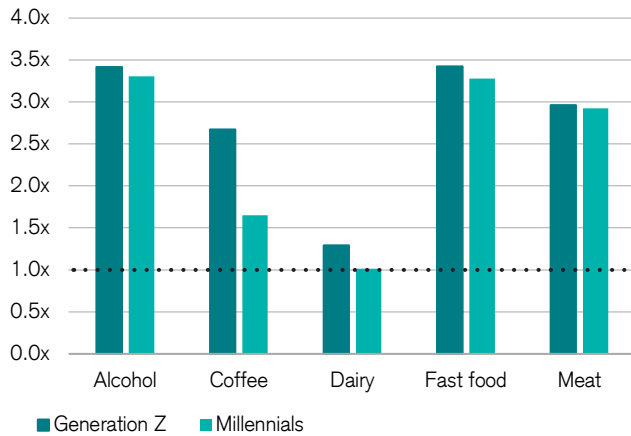
**Figure 1: The share of Generation Z and millennials is forecast to fall to 28% in 2040 from 34% in 2020**



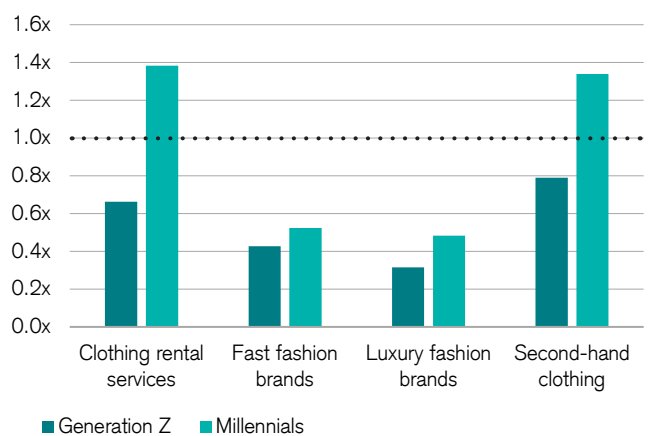
**Figure 2: China ranks third overall on our questions. Its low ranking on regulation suggests a greater focus on personal responsibility in China than elsewhere**



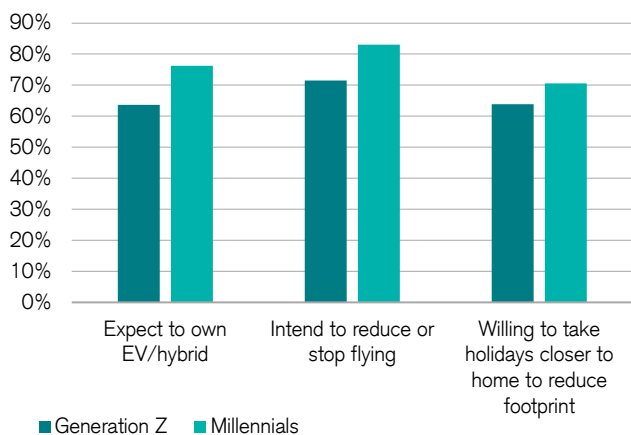
**Figure 3: Ratio of more to less sustainable consumption somewhat higher for Generation Z than for millennials**



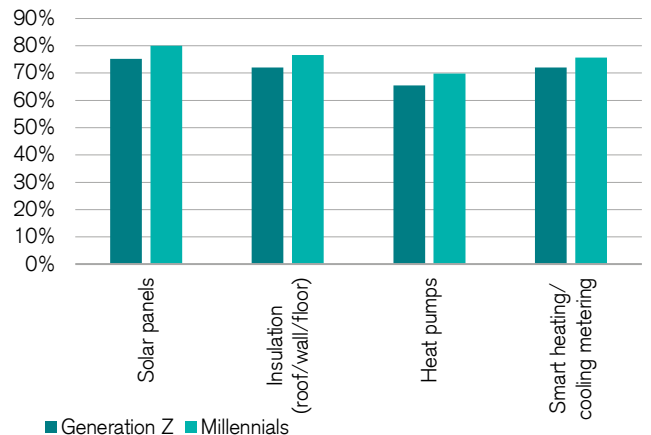
**Figure 4: Ratio of more to less sustainable consumption: Generation Z in China shows limited shift to sustainable fashion**



**Figure 5: Majority of Chinese young consumers set to shift to sustainable transport and holiday options**



**Figure 6: Strong support for improving building energy efficiency in China among young consumers**

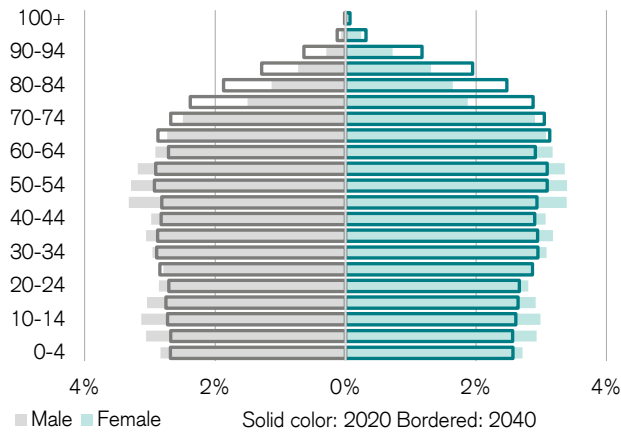


Source Figure 1: Population pyramids.net, UN World Population Prospects

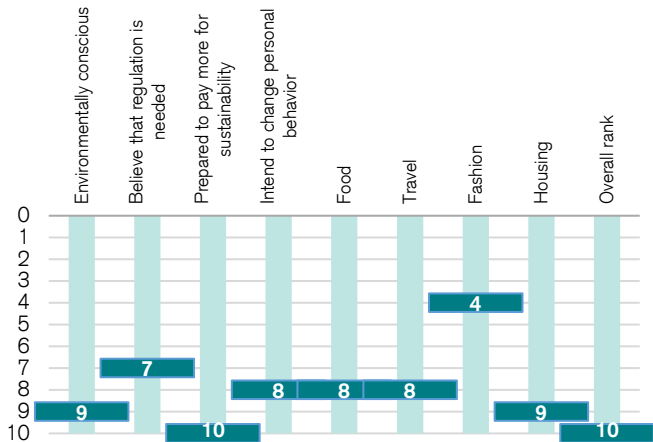
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# France

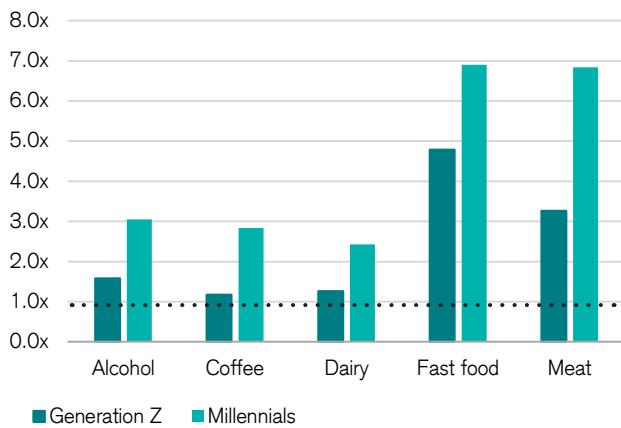
**Figure 1: The share of Generation Z and millennials is forecast to fall slowly from 30% today to 28% by 2040**



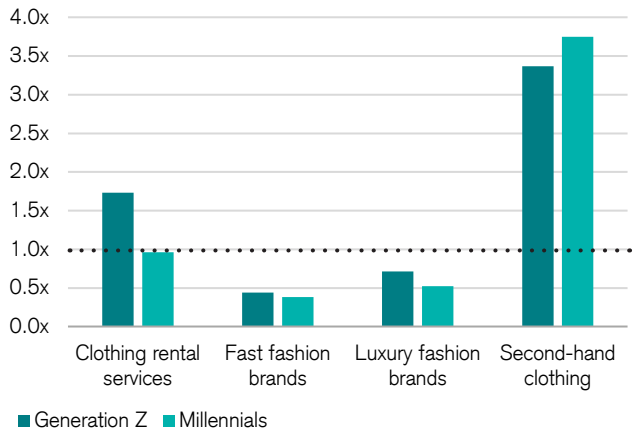
**Figure 2: France ranks lowest despite a fourth place for willingness to move to sustainable fashion**



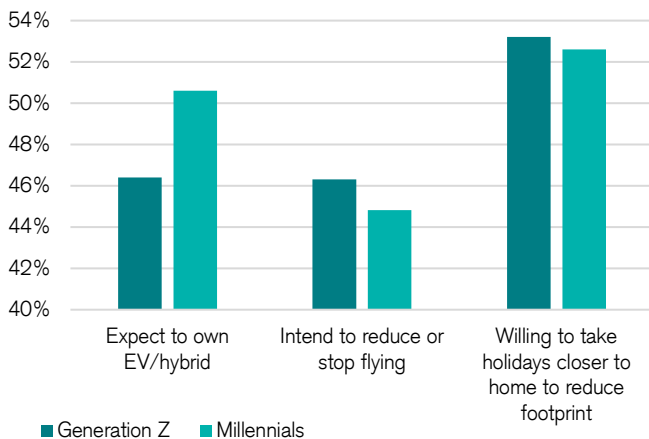
**Figure 3: Fast food and meat likely to be affected most in France as young consumers shift to more sustainable food**



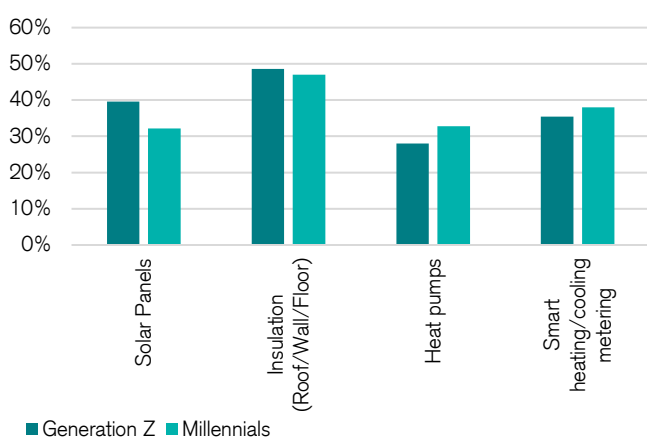
**Figure 4: Second-hand clothing looks set to become more popular among younger consumers in France**



**Figure 5: Generation Z in France shows relatively low intention to shift to more sustainable transport modes**



**Figure 6: Improving home energy emissions is not popular with young French consumers**

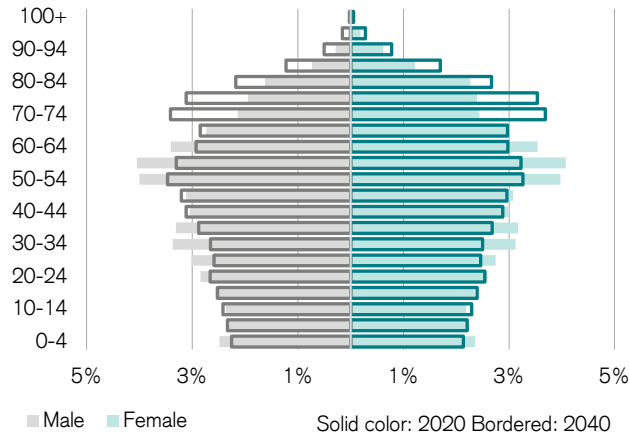


Source Figure 1: Population pyramids.net, UN World Population Prospects

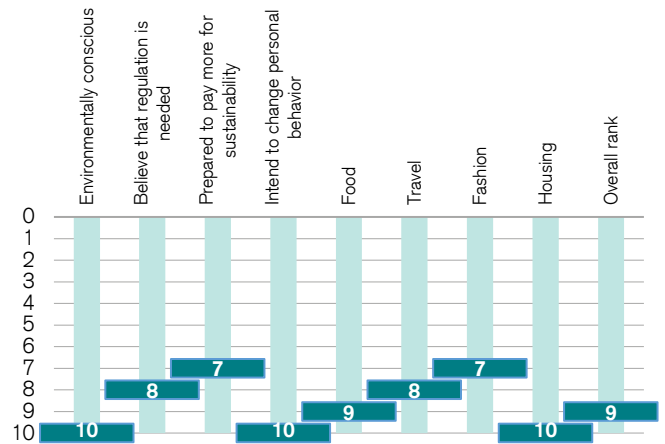
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# Germany

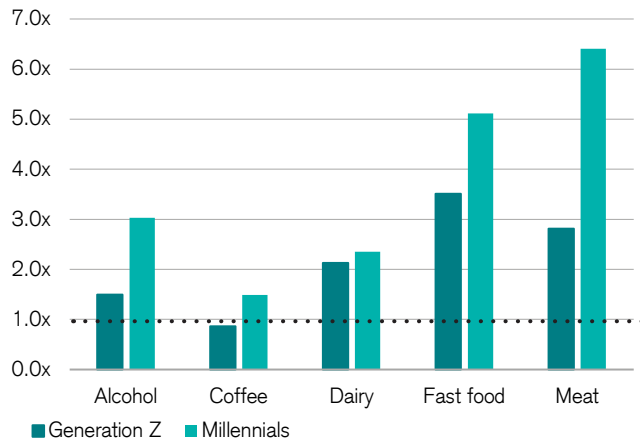
**Figure 1: The share of Generation Z and millennials is forecast to fall slowly from 30% today to 28% by 2040**



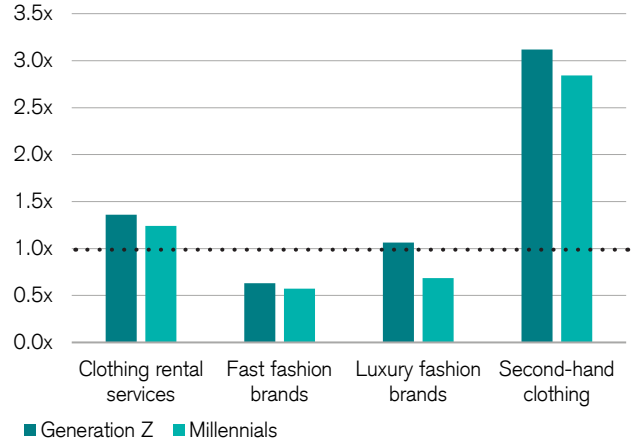
**Figure 2: Germany ranks ninth and bottom on environmental awareness and intention to change behavior**



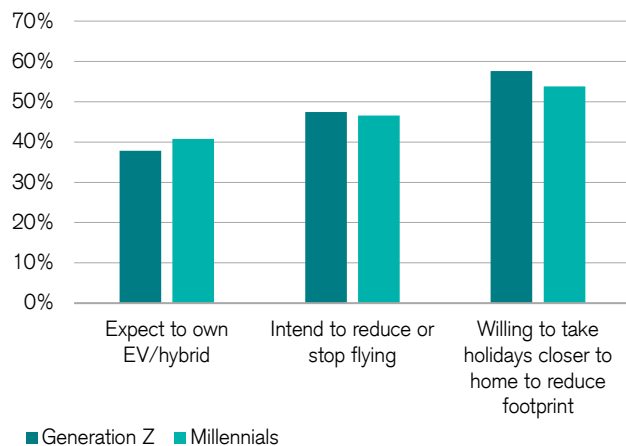
**Figure 3: The share of millennials intending to reduce meat consumption is around six times the share intending to increase it**



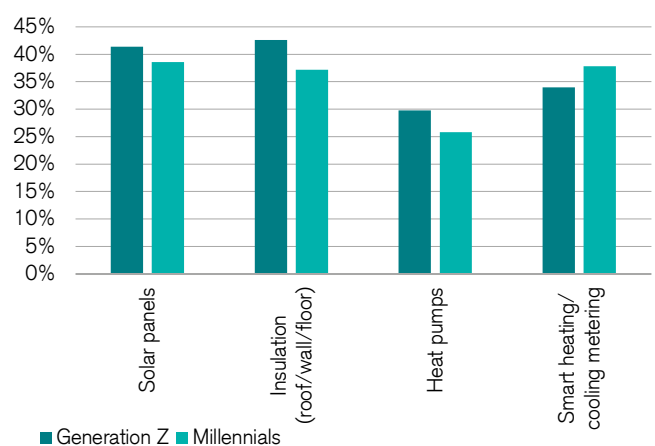
**Figure 4: The share of young consumers that want to buy more fast fashion is around two times the share wanting to buy less**



**Figure 5: Only a minority of younger Germans intend to own an EV or hybrid vehicle in the future**



**Figure 6: Millennials in Germany show a low intention to invest in energy-saving technologies**

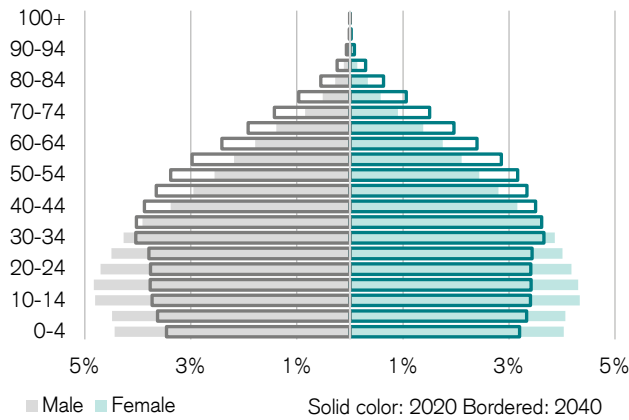


Source Figure 1: Population pyramids.net, UN World Population Prospects

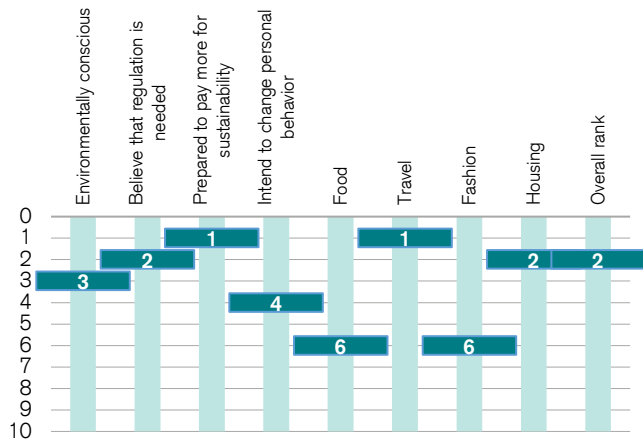
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# India

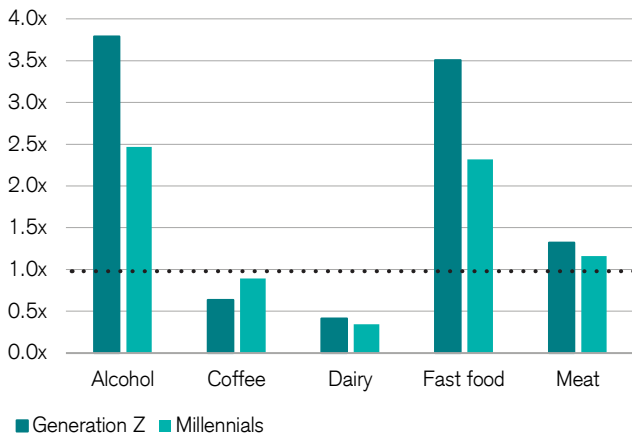
**Figure 1: The share of Generation Z and millennials is forecast to fall from 42% in 2020 but remains high at 37% by 2040**



**Figure 2: India ranks second overall and first on willingness to pay for sustainable products**



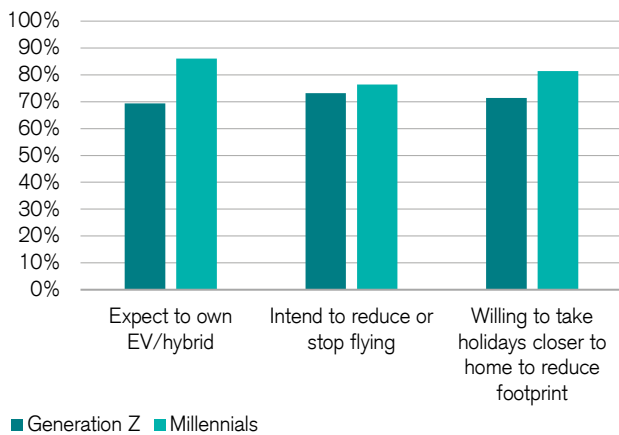
**Figure 3: Generation Z in India wants to reduce fast food consumption but less worried about meat and dairy**



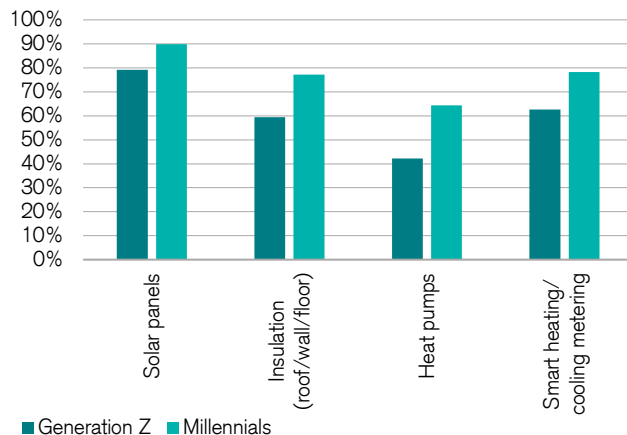
**Figure 4: Millennials in India show a greater propensity to shift to sustainable fashion than Generation Z**



**Figure 5: Most young consumers in India would like to shift to sustainable transport and holiday options**



**Figure 6: Very strong support for solar among young consumers in India compared to other technologies**

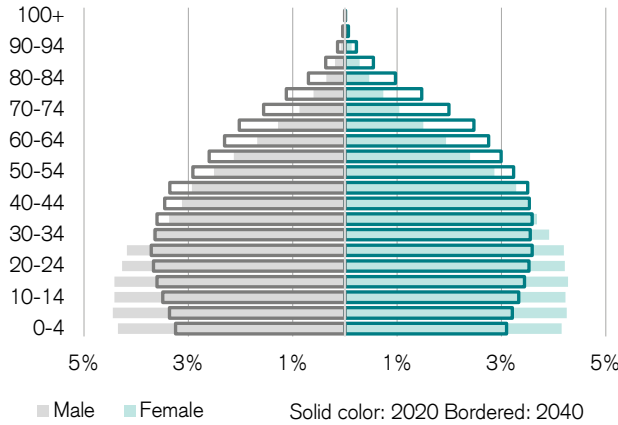


Source Figure 1: Population pyramids.net, UN World Population Prospects

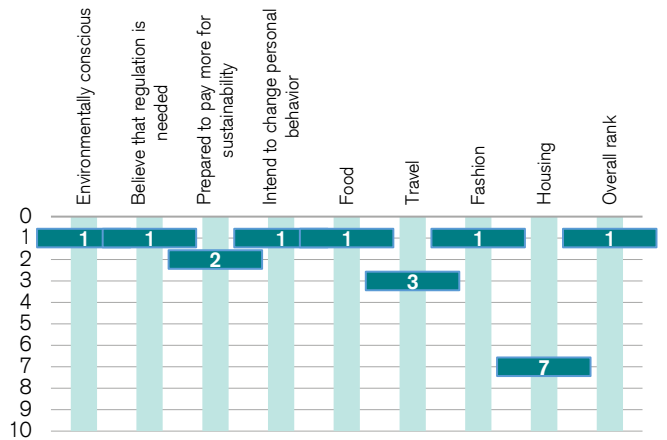
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# Mexico

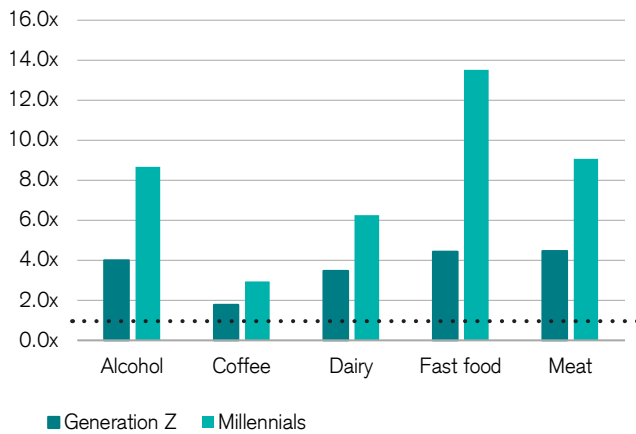
**Figure 1: The share of Generation Z and millennials in Mexico is forecast to fall from 40% in 2020, but remain above average at 36% by 2040**



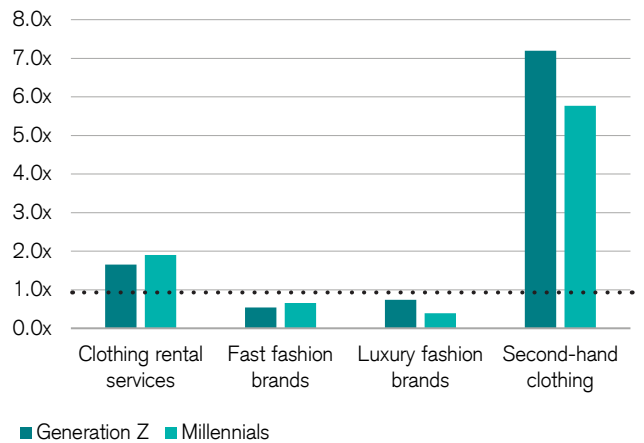
**Figure 2: The young Mexican consumer ranks first overall; only the housing rank of seventh is below average**



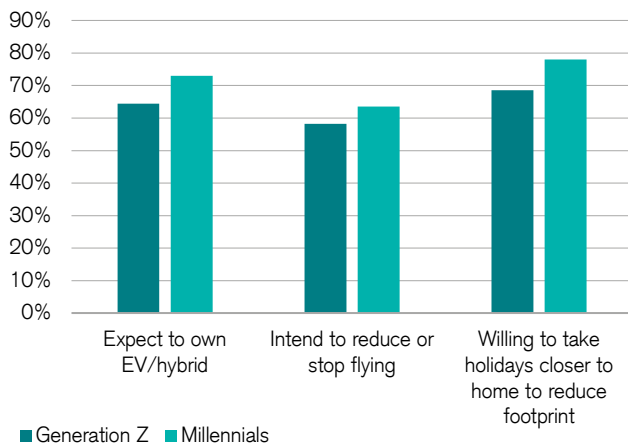
**Figure 3: Millennials in Mexico have the strongest intention to switch away from fast food and meat across the survey**



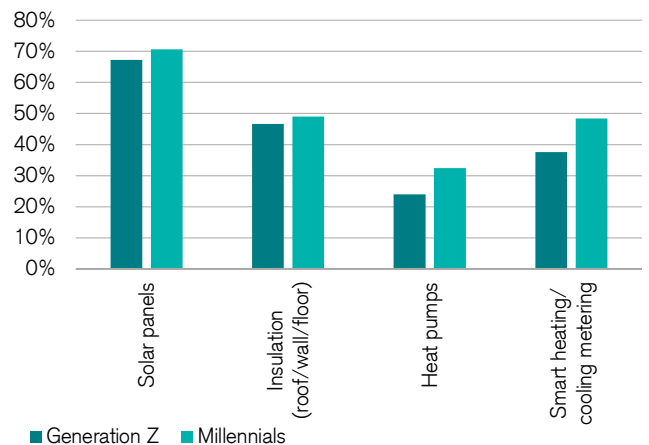
**Figure 4: The popularity of second-hand clothing looks set to rise, but unfortunately so does fast fashion**



**Figure 5: A majority of young Mexicans want to adopt a more sustainable approach toward travel**



**Figure 6: Solar technology is the preferred energy saving technology for younger consumers in Mexico**

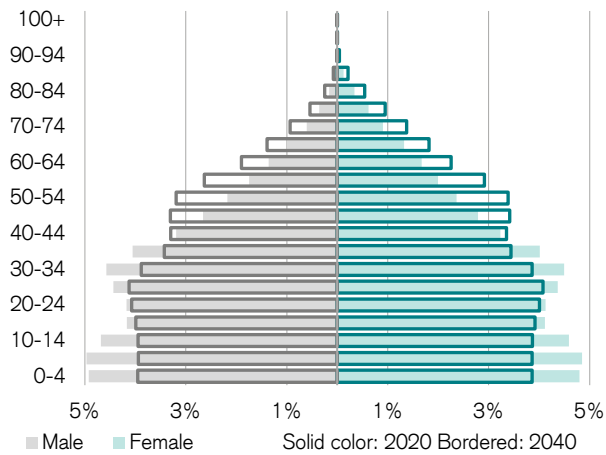


Source Figure 1: Population pyramids.net, UN World Population Prospects

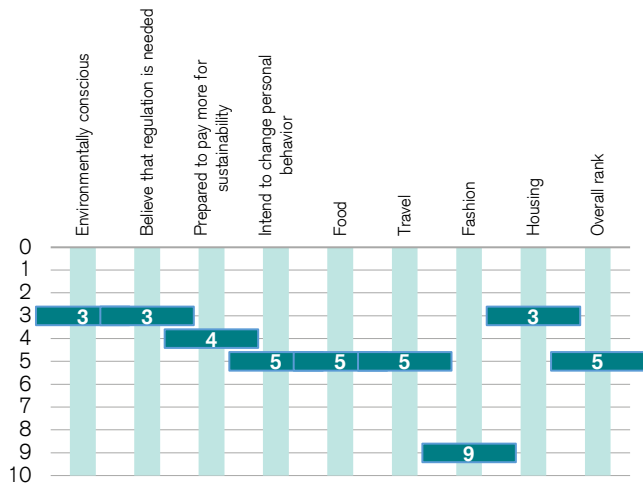
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# South Africa

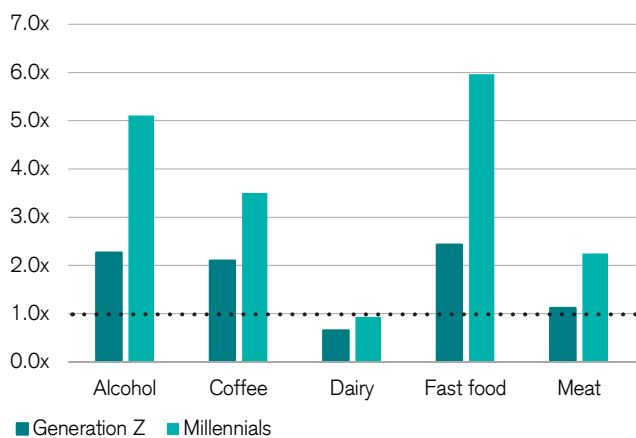
**Figure 1: At 39%, the share of Generation Z and millennials in South Africa will be the highest of our ten surveyed countries by 2040**



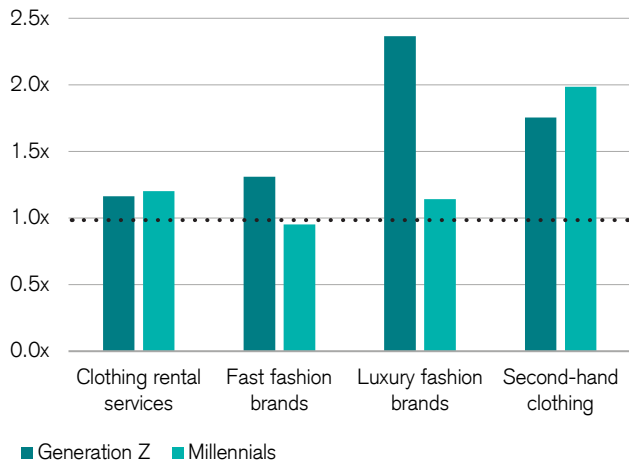
**Figure 2: South Africa is ranked fifth on sustainability. Sustainable fashion appears to be a low priority**



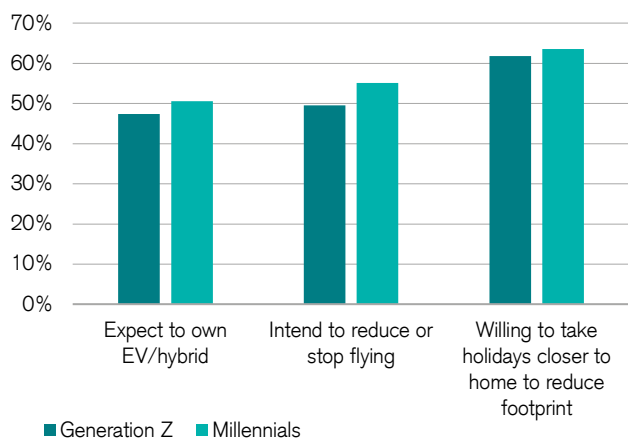
**Figure 3: Reducing dairy and meat consumption is not a key objective in South Africa when thinking about sustainability**



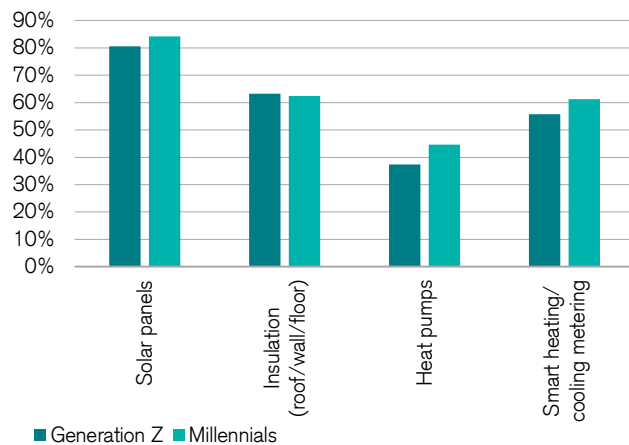
**Figure 4: Rental and second-hand clothing not expected to see as strong a shift in South Africa as in our other countries**



**Figure 5: Domestic holidays to reduce emissions appear more popular than shifting transport modes**



**Figure 6: Solar technology in South Africa popular as 80% of consumers intend to invest in it**



Source Figure 1: Population pyramids.net, UN World Population Prospects

Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

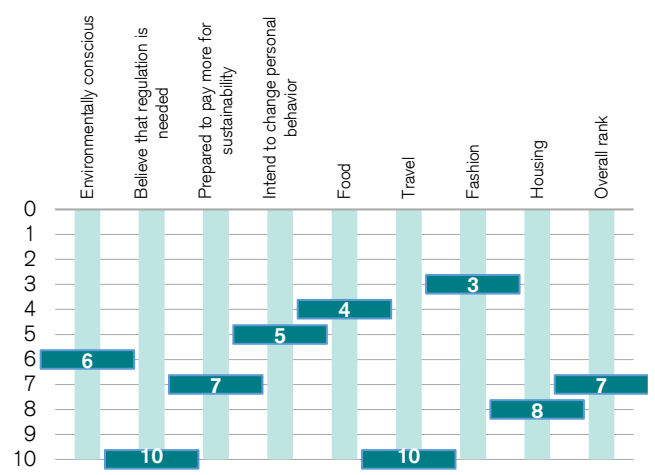


# Switzerland

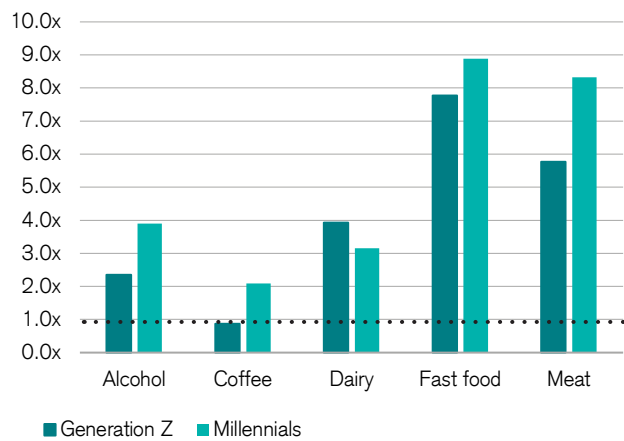
**Figure 1: The share of current Generation Z and millennials in Switzerland will slowly increase**



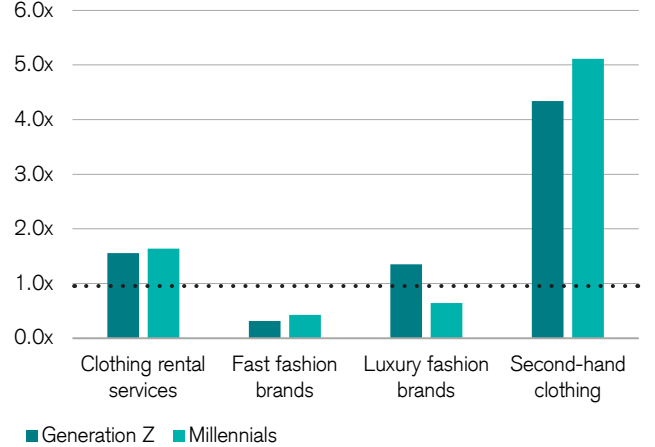
**Figure 2: Switzerland ranks seventh overall, but only eighth on intention to buy sustainable fashion**



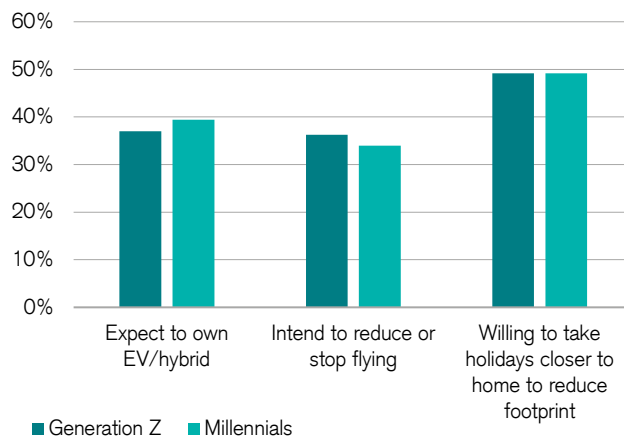
**Figure 3: Millennial consumers in Switzerland appear more engaged with sustainable food than Generation Z**



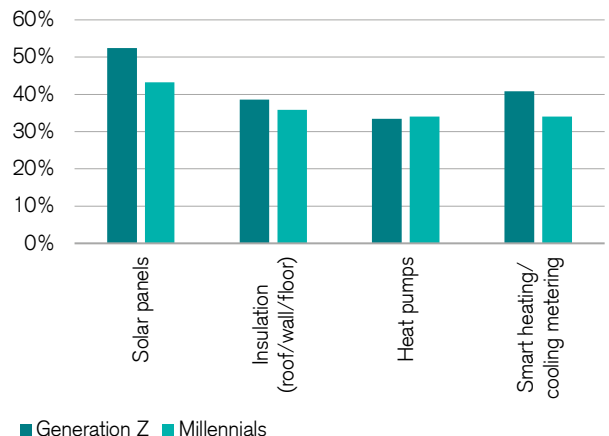
**Figure 4: Young consumers in Switzerland show relatively little desire to avoid fast fashion**



**Figure 5: Almost 60% of consumers would change holiday patterns in order to mitigate emissions**



**Figure 6: Energy-saving technologies do not seem to resonate highly with younger Swiss consumers**

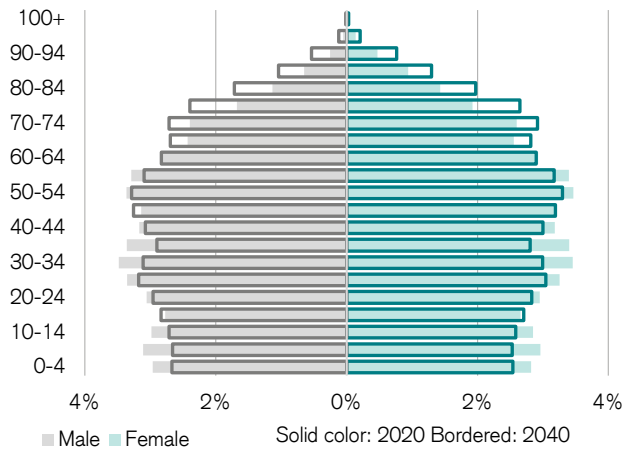


Source Figure 1: Population pyramids.net, UN World Population Prospects

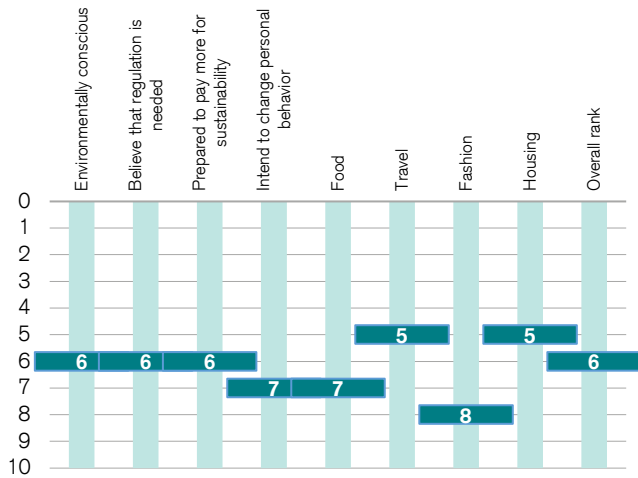
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# United Kingdom

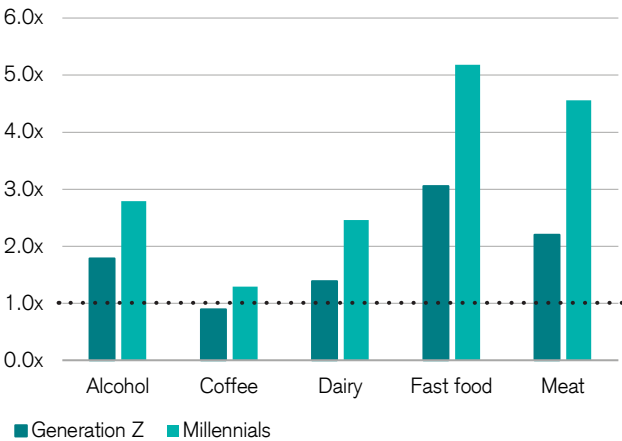
**Figure 1: Slow reduction of Generation Z and millennials suggest growing importance of the current young consumer in the United Kingdom**



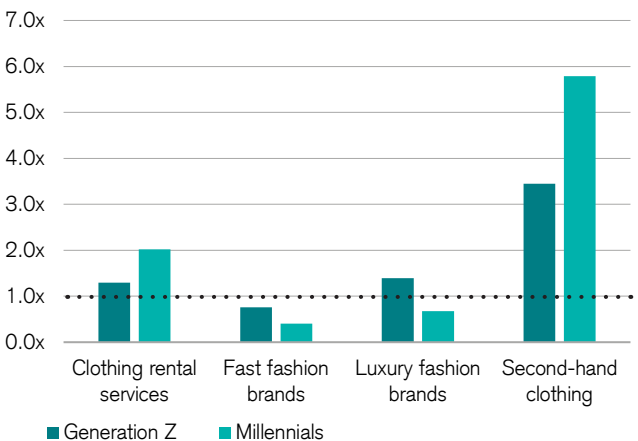
**Figure 2: The United Kingdom ranks sixth with a relatively stable score across all categories**



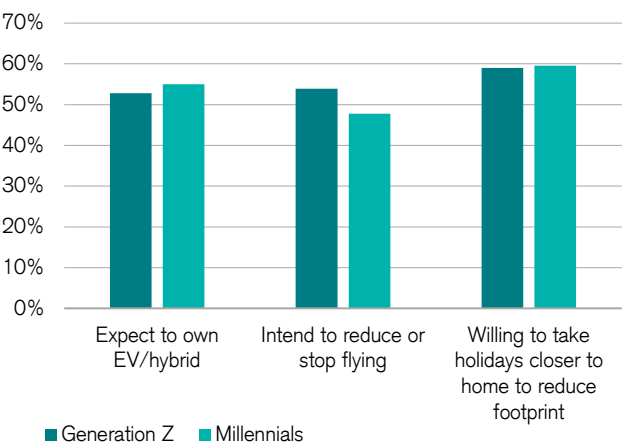
**Figure 3: Generation Z in the United Kingdom shows a lower propensity to shift to a more sustainable diet than the millennials**



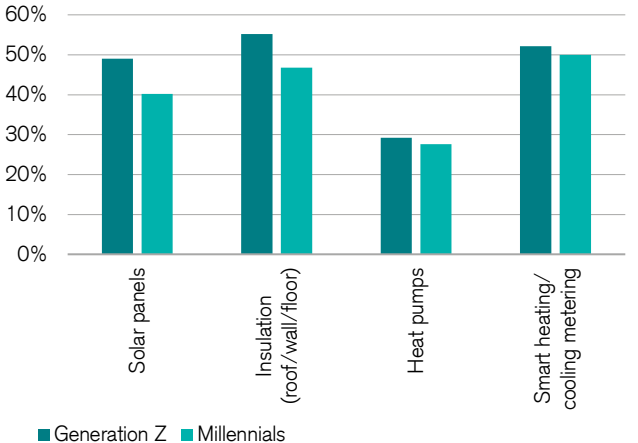
**Figure 4: Beyond second-hand clothing, limited shifts are expected toward sustainable fashion in the United Kingdom**



**Figure 5: Only a slight majority of young UK consumers intend to shift to more sustainable transport options**



**Figure 6: Interest in energy-saving technologies is below average in the United Kingdom relative to other countries in our survey**

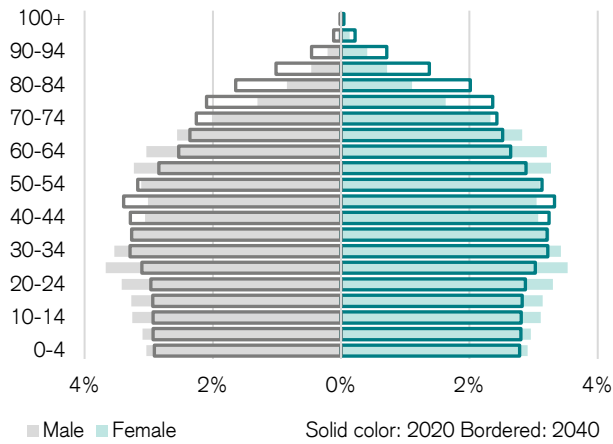


Source Figure 1: Population pyramids.net, UN World Population Prospects

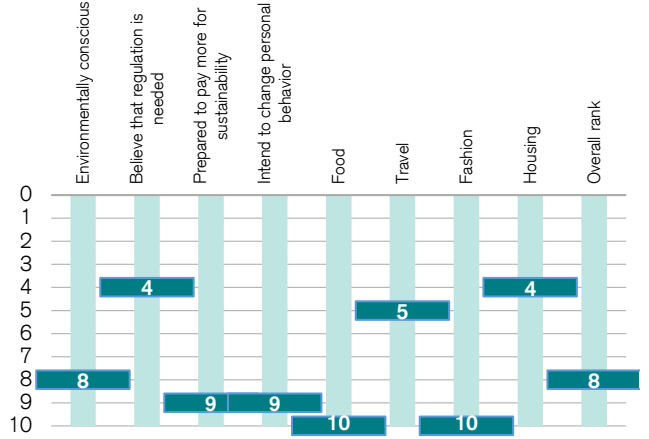
Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# United States

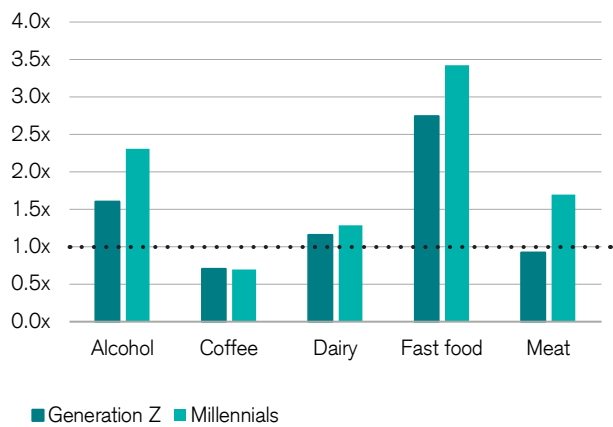
**Figure 1: The USA should see a relatively low decline in the share of Generation Z and millennials from 34% now to 31% in 2040**



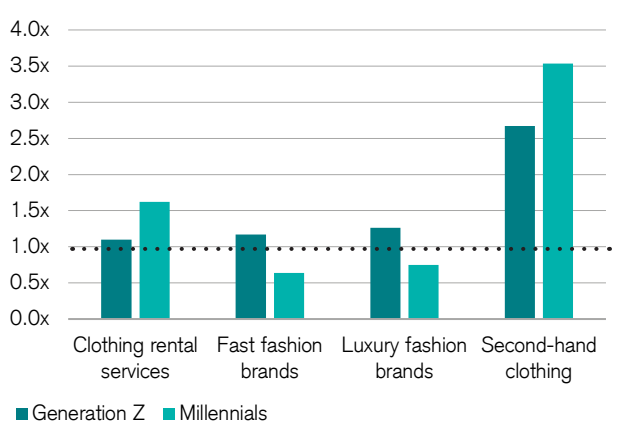
**Figure 2: The USA ranks eighth overall; however, a relatively high share of respondents believe that regulation is needed**



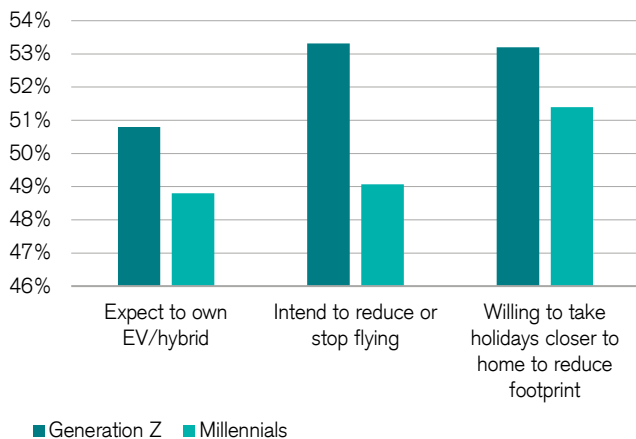
**Figure 3: Except for fast food, young consumers in the USA are not expected to shift to a more sustainable diet**



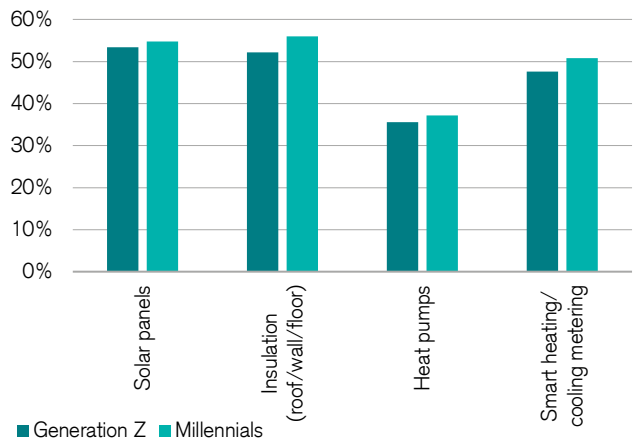
**Figure 4: Generation Z in the USA has a (slightly) more critical view of fast fashion than the US millennials**



**Figure 5: US millennials show less appetite to shift to more sustainable travel and transport than Generation Z peers**



**Figure 6: A small majority of US millennials intend to invest in energy-saving technologies**



Source Figure 1: Population pyramids.net, UN World Population Prospects

Source Figures 2-6: Credit Suisse Sustainable Consumer Survey

# General disclaimer / important information

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## Risk factors

Emerging market investments usually result in higher risks such as political, economic, credit, exchange rate, market liquidity, legal, settlement, market, shareholder and creditor risks. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Some of the main risks are political risks, economic risks, credit risks, currency risks and market risks. Investments in foreign currencies are subject to exchange rate fluctuations.

Political developments concerning environmental regulations may have a significant adverse impact on the investments. Heightened exposure to less regulated sectors and to businesses such as renewable resources that are not yet well established could cause temporary volatility.

Sustainable investments involve several risks that are fundamentally dependent on the investments in different asset classes, regions and currencies. For example, investments in equities bear market (price) risk and specific company risk, investments in fixed-income bear credit, interest rate, and inflation risks. Similar market risks apply to investment funds and to alternative investments. Some investments may be subject to foreign exchange currency risk, liquidity risk or/and emerging market risk. Sustainable investments bear the risk of suffering a partial or a total loss.

If nothing is indicated to the contrary, all figures are unaudited. To the extent this document contains statements about future performance, such statements are forward looking and subject to a number of risks and uncertainties. Predictions, forecasts, projections and other outcomes described or implied in forward-looking statements may not be achieved. To the extent this document contains statements about past performance, simulations and forecasts are not a reliable indication of future performance. Significant losses are always possible.

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