

Sustainable Market Share Index™ 2025 Report



Sustainable Market Share Index™: Research Questions

Consumer packaged goods (CPG) sales provide a broad dataset and bellwether for consumer trends. NYU Stern CSB conducts an annual analysis of purchasing data to assess the performance of sustainable products in this dynamic market.

NYU Stern Center for Sustainable Business partnered with Circana, to assess the following:

1. How have sustainable products fared in 2025 and prior years?
2. What is the price premium of sustainable products? (2024 analysis)
3. What is the sustainable market share in Germany and the U.K.? (2024 analysis)
4. What is the demographic profile of the sustainable purchaser? (2023 analysis)
5. How important is sustainability in new product development? (2021 analysis)

Sustainable Market Share Index™: Executive Summary

We reviewed consumer purchasing of products marketed as sustainable in 34+ consumer packaged goods (CPG) categories that comprises ~40% of the total CPG market* (\$).

U.S. Sustainable Products Share Performance

- Products marketed as sustainable now hold a **25.4%** market share of branded players, **up +10.8 ppts** vs 2013, and **up 1.6 ppts** vs. prior year **despite external volatility and inflation** (Pg. 6)
- Both **sustainable share** and **store brand share grew vs. prior year** (+ 1.6 ppts and 0.3 ppts respectively) at the **expense of conventionally marketed** products (Pg. 7)
- Products marketed as sustainable grew **4.9X** faster than products not marketed as sustainable and achieved a **5-YR CAGR of 10.9%** vs **2.2%** for its conventional counterparts (Pg. 8)
- **More than half** of all categories analyzed have experienced sustainable market share increases of **more than 10+ ppts** in their respective categories since 2013 (Pg. 9)

Price Premiums (2024 report)

- Branded products marketed as sustainable enjoy **an average price premium of 26.6%**** vs. conventionally marketed branded counterparts, but the **differential has stabilized** since declining from its peak in 2018 (Pg. 12) and varies significantly by category (Pg. 13)

*Excluding alcohol and tobacco. **Weighted by \$ Sustainable Sales of categories examined

Sustainable Market Share Index™: Executive Summary (Page 2 of 2)

European Markets (2024 report)

- Sustainable shares in the two **European** markets examined **exceed** that of the U.S.
- Branded products marketed as sustainable account for **36.8% of the market share** in the **U.K.** and **42.0% of the market share** in **Germany** (Pg. 15)

Demographics (2023 report)

- **Upper income, millennials, college-educated and urban** consumers are more likely to buy sustainability- marketed products. In addition, Middle Income, Baby Boomers and Gen Xers contribute a significant percent of sustainable sales (Pgs. 17-20)

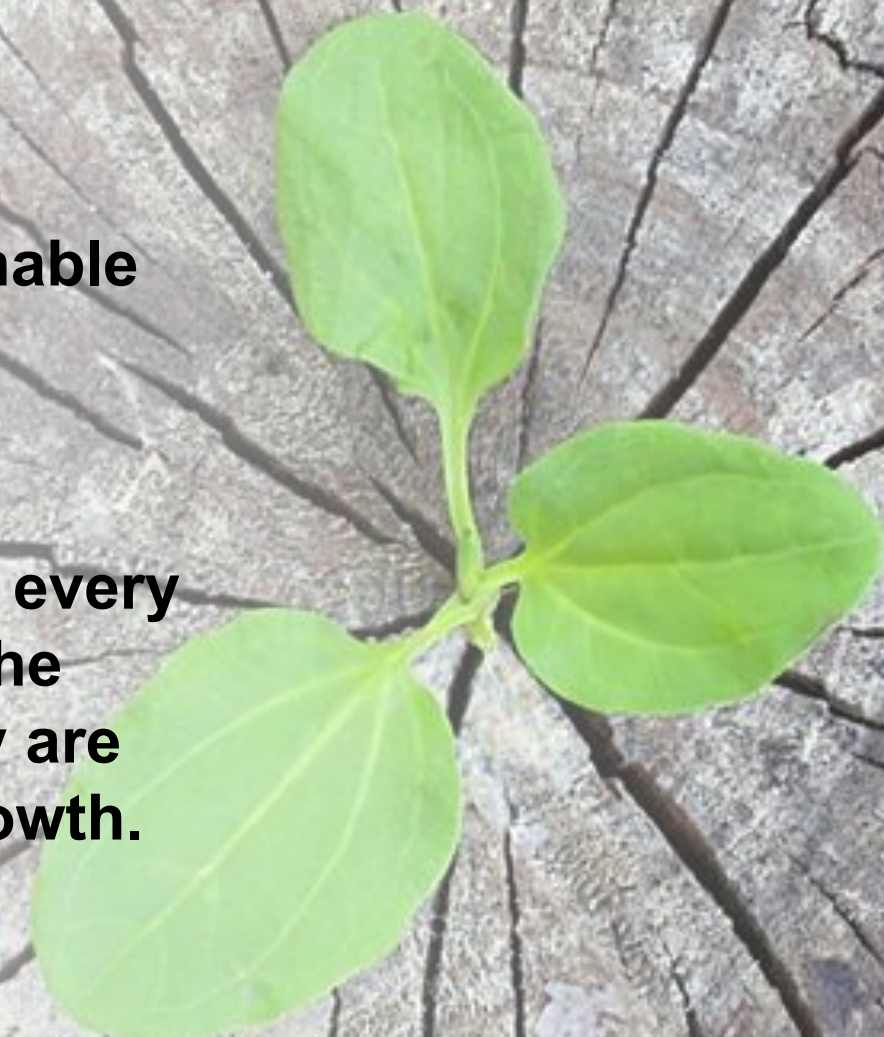
Innovation (2021 report)

- The **percentage of new products** that incorporate sustainability benefits have **increased** every year since 2017 (Pg. 22)

Sustainable Market Share Index™: Research Question 1

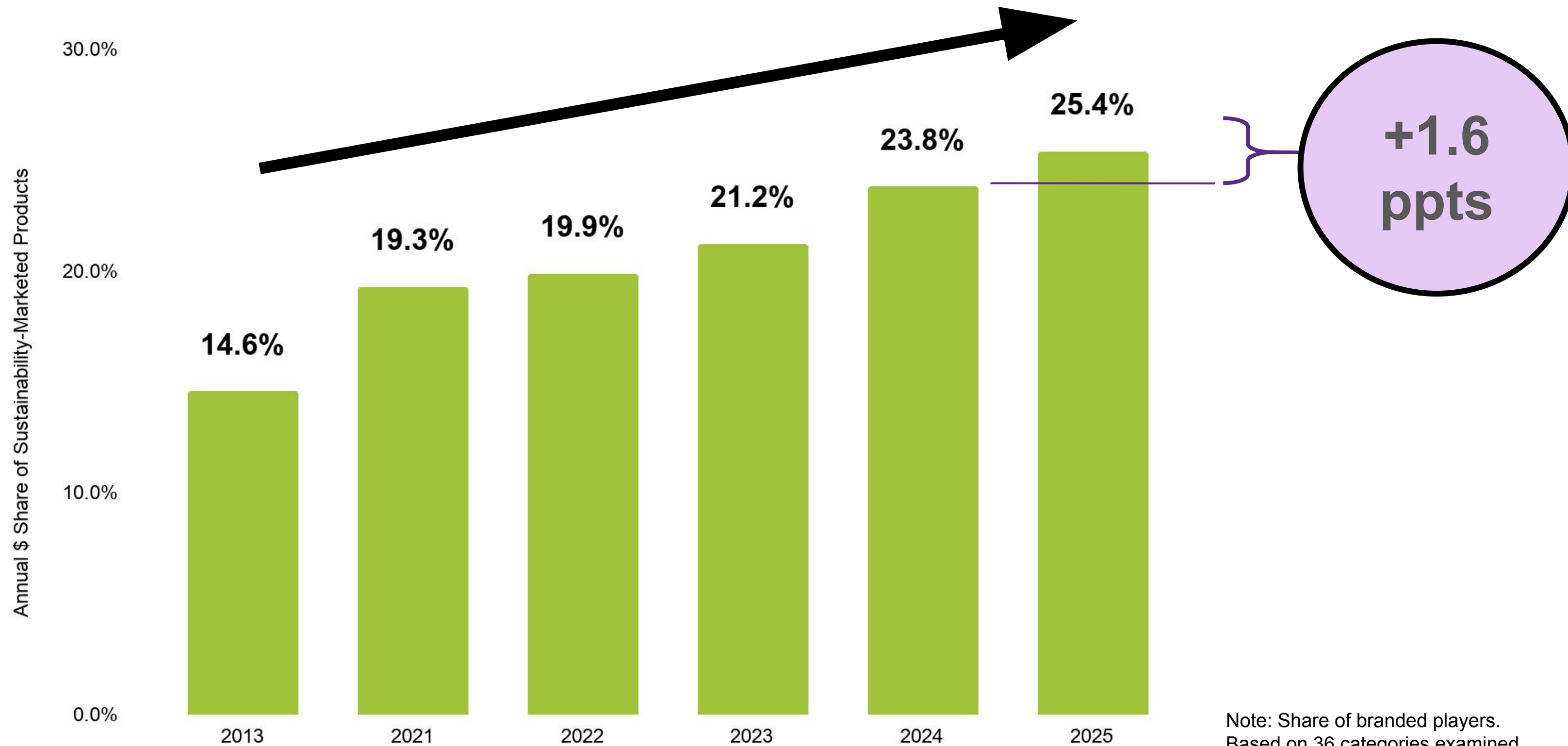
Research Question: Have branded products marketed as sustainable delivered growth and how have they performed relative to conventionally marketed products?

Research Result: Products marketed as sustainable have grown every year since 2013, with a significant share increase in the face of the pandemic, recent inflation, and external volatility. Moreover, they are contributing to a disproportionate share of the CPG category growth.



Sustainable Market Share Index™: 2025 Market Share

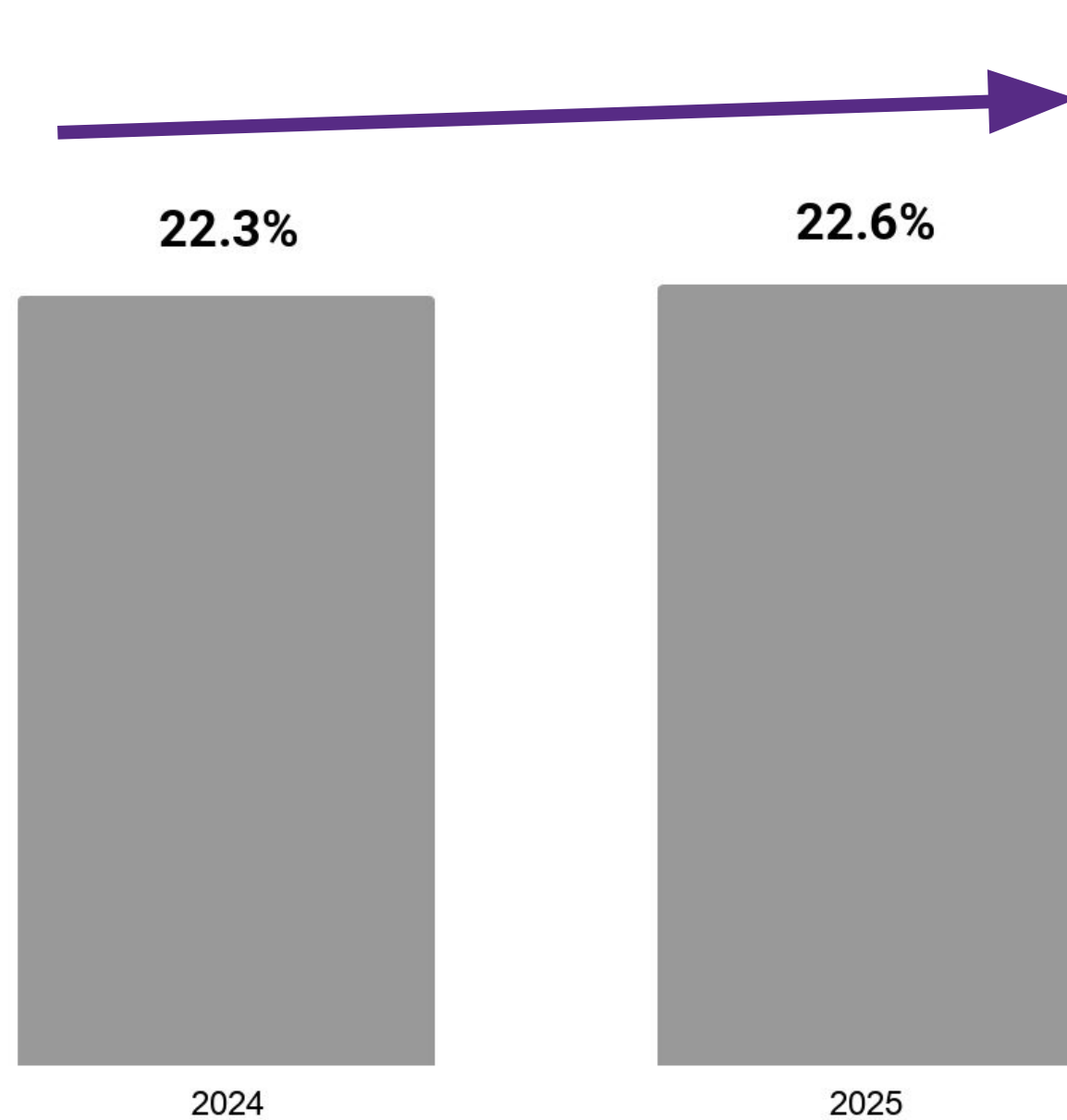
Sustainability-marketed products continue to **grow share despite high inflation and external volatility**



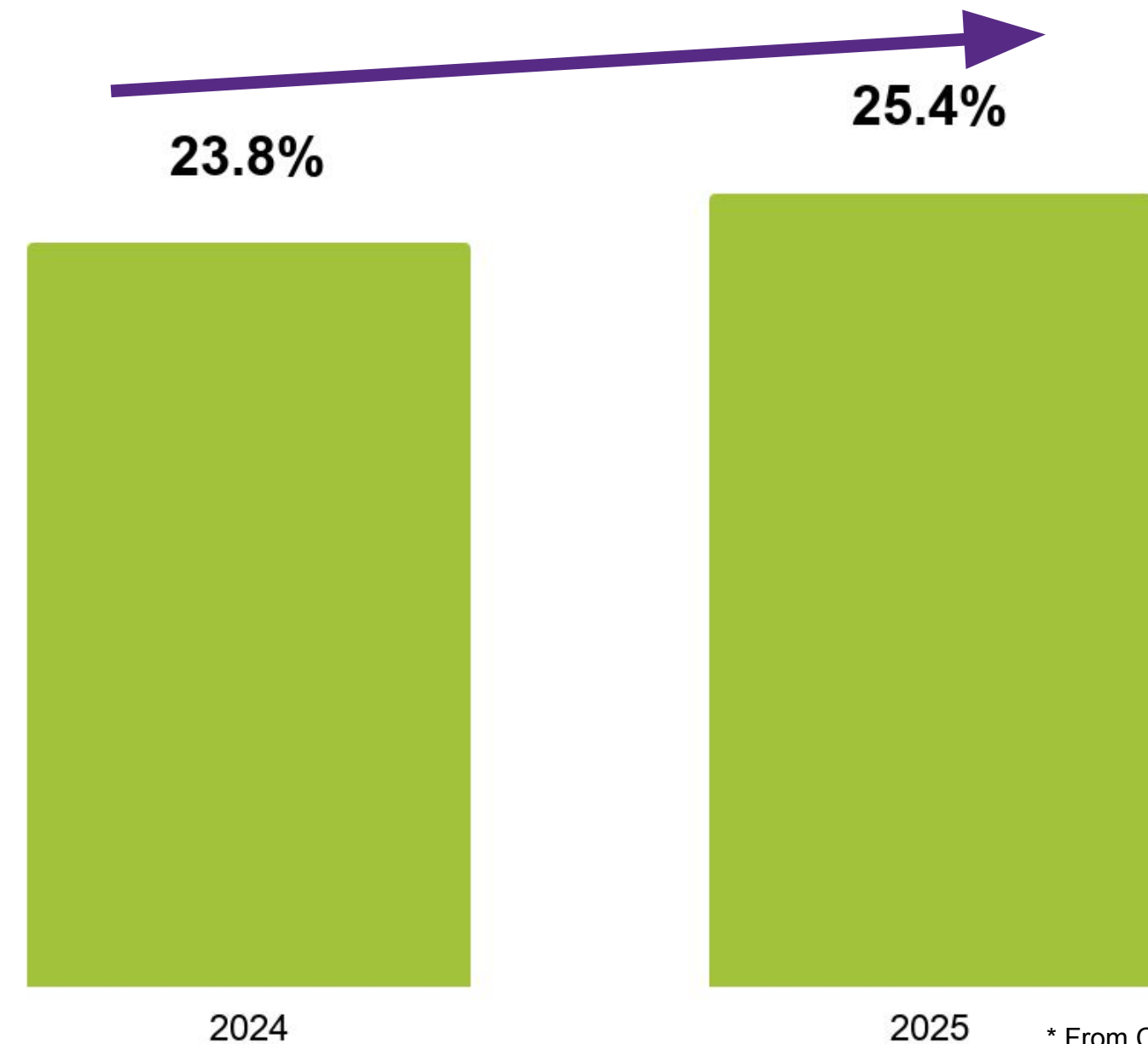
Sustainable Market Share Index™: CPG Growth Segments

Store brand share of market was 22.6%, up +0.3% from 2024, suggesting branded **sustainable products** are **more insulated** from inflation-driven moves to store brands

Store Brand CPG*



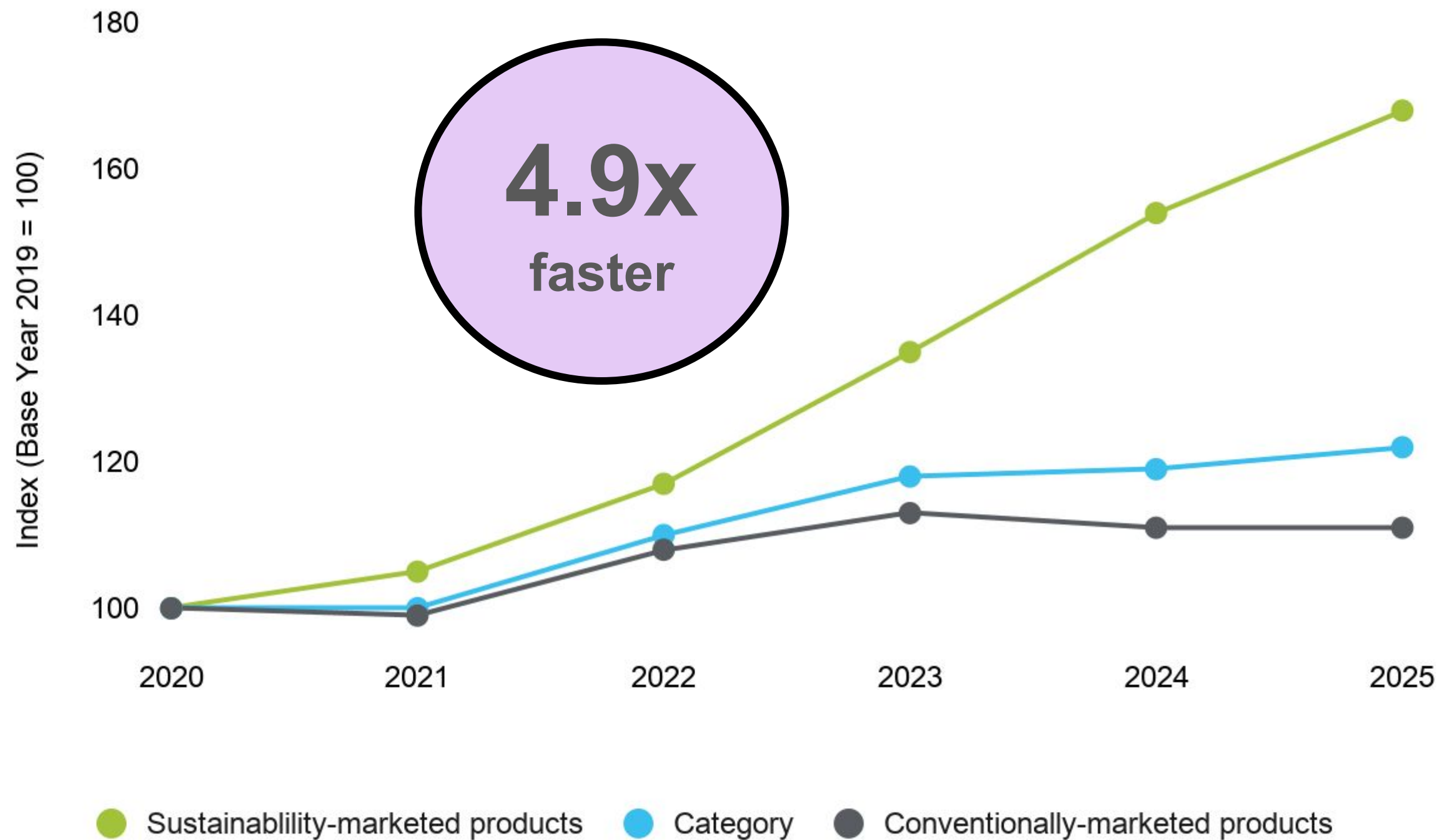
Sustainable Market Share**



* From Circana private label report
**36 categories examined

Sustainable Market Share Index™: Growth Rate 5-YR CAGR

At a **10.9% 5-year CAGR**, sustainability marketed products grew 4.9X faster than conventionally marketed products



Sustainability-marketed:

+10.9%

Total Market:

+4.0%

Conventionally-marketed:

+2.2%

Note: Share of branded players.
Based on 36 categories examined

Sustainable Market Share Index™ : Category Performance

More than half of categories have seen **10+ pts growth** in share since 2013, ranging from 10-80+ ppt increases

<5% Share

5% - 20% Share

>20% Share

Pet Food
Carbonated Beverages
Chocolate Candy
Cookies
Pet Treats
Food and Trash Bags

Laundry Care
Household Cleaner
Frozen Dinner Meals
Energy Drinks
Diapers
Toothpaste

Salty Snacks
Cereal
Crackers
Dish Detergent
Bottled Juice
Weight Control

Fresh Bread
Vitamins
Soup
Floor Cleaner
Coffee
Paper Napkins
San Napkins
Laundry Detergent
Natural Cheese

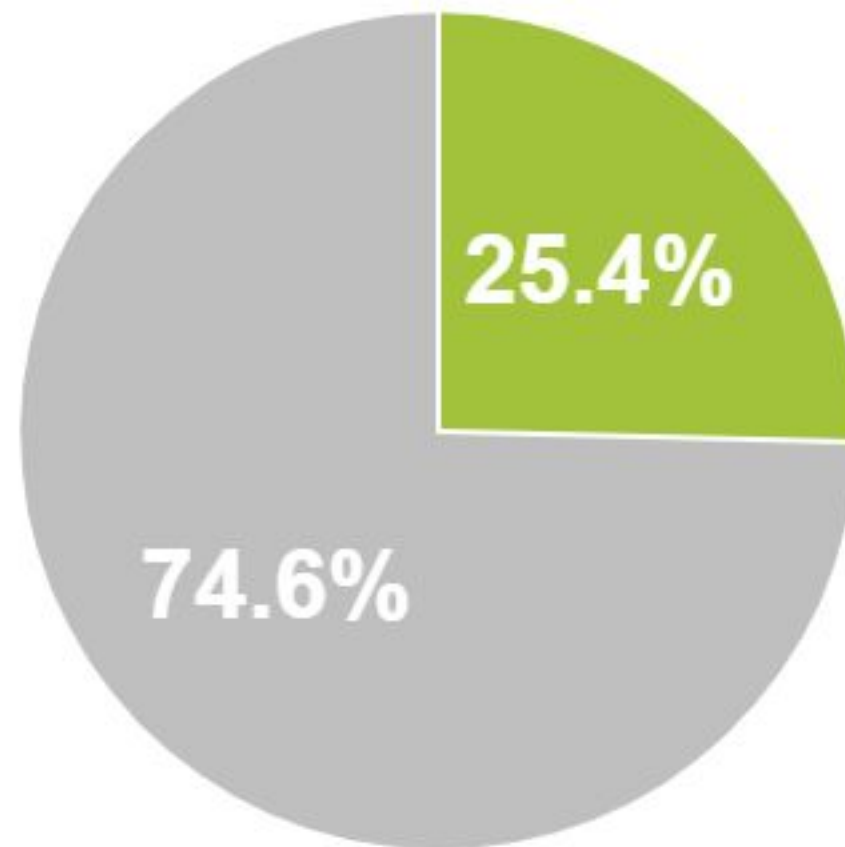
Skincare
Cups and Plates
Deodorant
Yogurt
Soap
Milk
Paper Towels
Toilet Tissue
Facial Tissue

Note: Green denotes more than +10 pts share growth since 2013

Sustainable Market Share Index™: Contribution to Growth

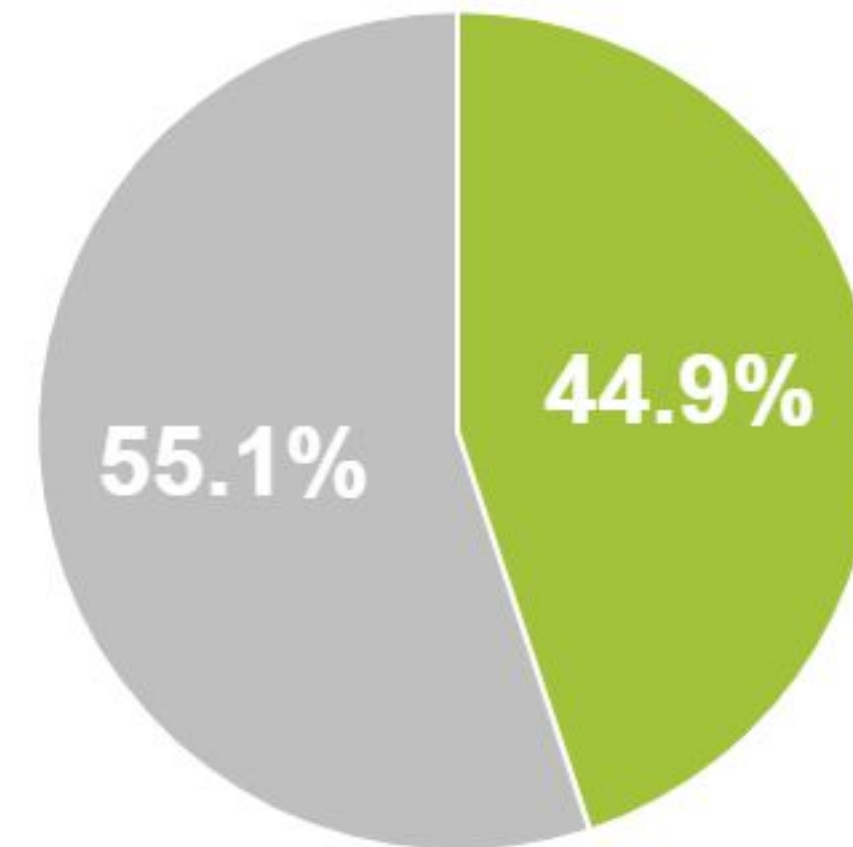
Despite having share of 25.4% of the market, branded products marketed as sustainable delivered **44.9% of the CPG market growth (2013-2025)**

**\$ Share of Market
(2025)**



- Sustainability-marketed products
- Conventionally-marketed products

**\$ Share of Market Growth
(2013 - 2025)**



- Sustainability-marketed products
- Conventionally-marketed products

Note: Share of branded players.
Based on 36 categories examined

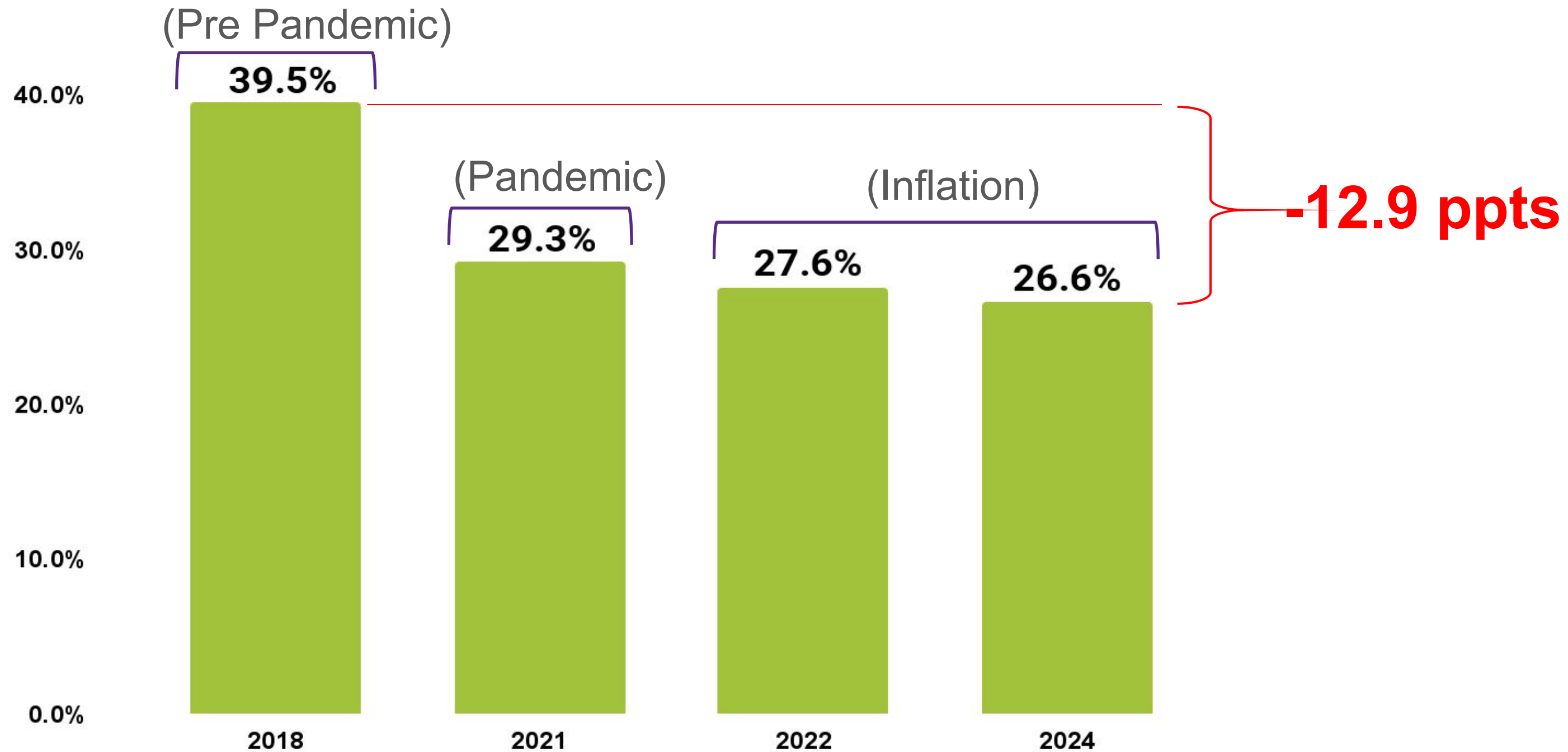
Sustainable Market Share Index™: Research Question 2 (2024 report)

Research Question: What is the price premium of sustainable products?

Research Result: Products marketed as sustainable still enjoy a sizeable premium vs. their conventional counterparts, but that gap has shrunk substantially since its peak and stabilized in recent years. Conventional product price increases significantly outpaced their sustainable counterparts.

Sustainable Market Share Index™: 2024 Price Premiums over Time

Products marketed as sustainable enjoy a **26.6% price premium** over conventional counterparts, but the rate has **decreased and stabilized** in recent years.

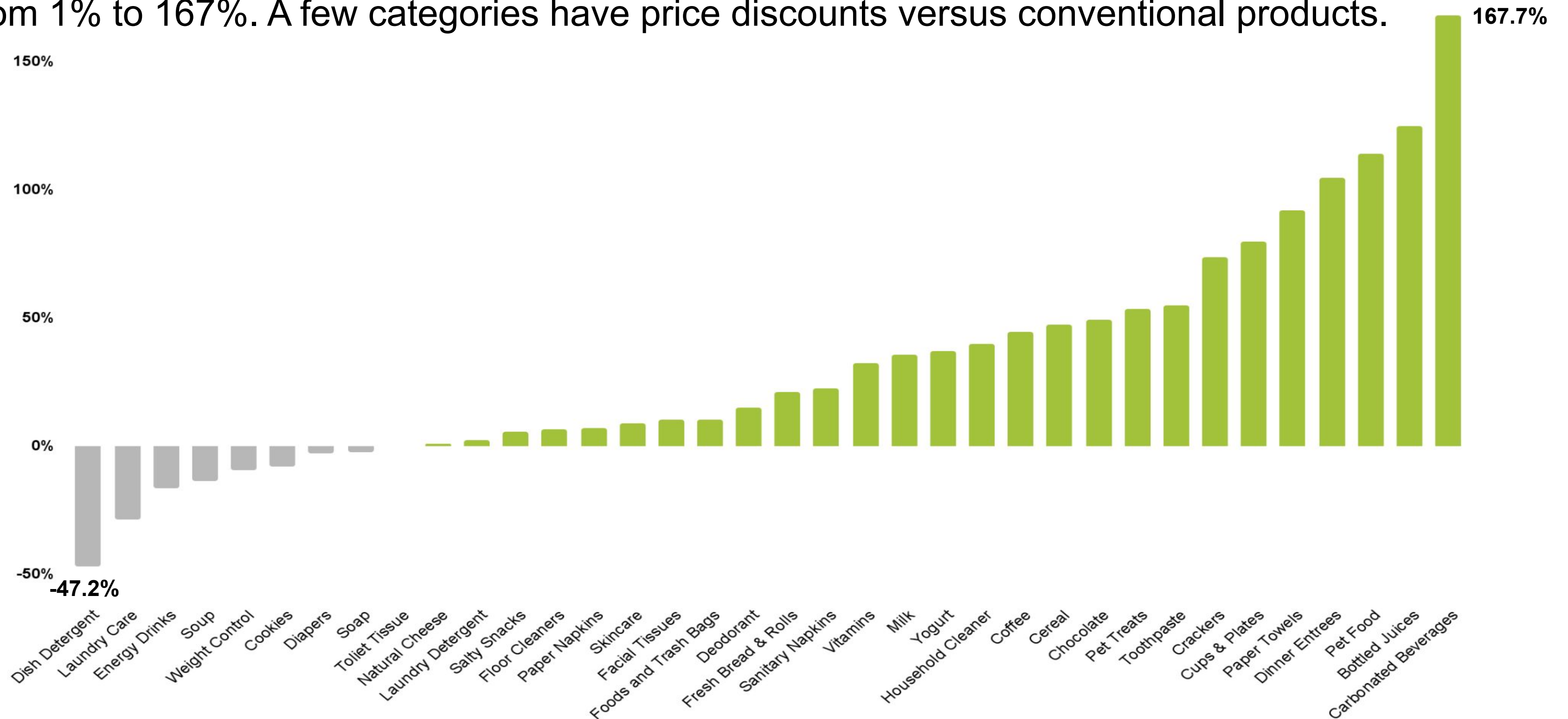


*Weighted by \$ Sustainable Sales of categories examined; analysis excluded store brand/private label

Note: Share of branded players.
Based on 36 categories examined

Sustainable Market Share Index™: 2024 Price Premium by Category

In majority of categories, sustainable products **still command price premium** ranging from 1% to 167%. A few categories have price discounts versus conventional products.

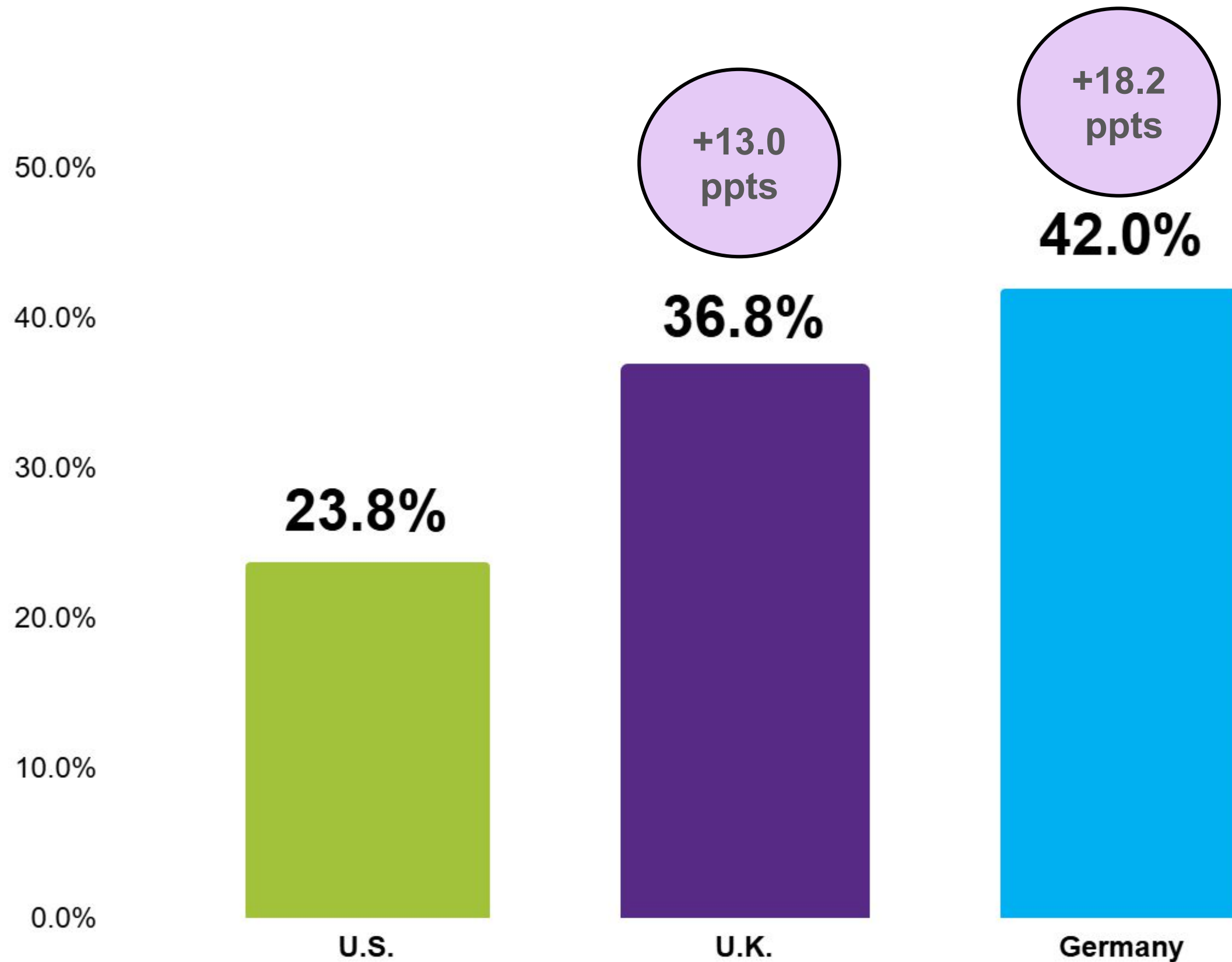


Sustainable Market Share Index™: Research Question 3 (2024 report)

Research Question: How does U.S. performance compare to countries in Europe?

Research Result: UK and Germany have a significantly higher share of branded products marketed as sustainable compared to the US, with some sustainability claims specific to each region.

Sustainable Market Share Index™: 2024 U.K. and Germany



Note: Share of branded players.
UK and Germany share based on 34 categories

Sustainable Market Share Index™: Research Question 4 (2023 report)

Research Question: What is the demographic profile of the sustainable purchaser?

Research Result: Millennials, upper income, college- educated and more urban cohorts are more likely to buy sustainability-marketed products.

Baby Boomers, Gen Xers, upper and middle income, college educated and urban cohorts account for the bulk of the sustainable dollars spent.

*Analysis conducted using Circana HH panel data; based on 35 categories examined

Sustainability Purchase Index – Generational Cohorts (2023)

In general, the **younger the HH**, the **more likely** they are to purchase sustainable products



Total CPG Sustainable Sales Composition	
Millennials	30%
Generation X	31%
Boomers	33%
Seniors & Retirees	6%

● Index 120+
● Index 80-120
● Index <80

Chart read as: Millennials purchased a significantly higher percent (>1.2x) of their Coffee purchases on Sustainable Products, than did Average HHs.

Sustainability Purchase Index – Income Tiers (2023)

The more affluent the consumer, the more likely they are to buy sustainable products



Total CPG Sustainable Sales Composition	
Upper	41%
Middle	38%
Lower	21%

- Index 120+
- Index 80-120
- Index <80

Income Classification: Upper (>=\$70k 1P + \$30k all others), Middle (\$30-70k 1P + \$5k per add'l Person), Lower (<\$30k 1P + \$5k per add'l Person)

Chart read as: Upper Income HHs purchased a significantly higher percent (>1.2x) of their Carbonated Beverage purchases on Sustainable Products, than did Average HHs.

Sustainability Purchase Index – Urbanicity (2023)

The **more urban** the consumer, the **more likely** they are to buy sustainable products



Total CPG Sustainable Sales Composition	
County Size A Top 25 Mkts	42%
County Size B Over 150K Pop	31%
County Size C/D	27%

- Index 120+
- Index 80-120
- Index <80

Chart read as: Households in County Size A purchased a significantly higher percent (>1.2x) of their Carbonated Beverage purchases on Sustainable Products, than did Average HHs.

Sustainable Market Share Index™: Research Question 5 (2021 report)

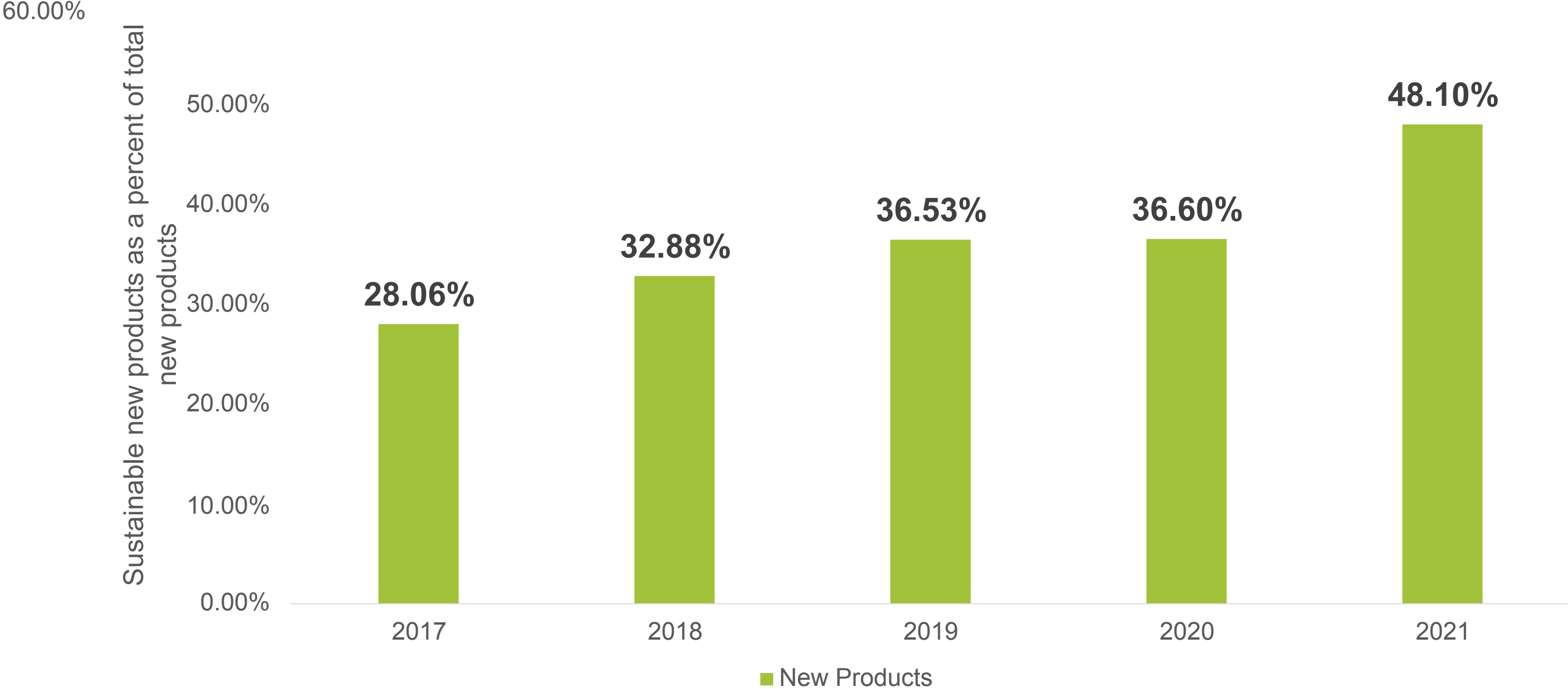
Research Question: How important has sustainability become in new product development?

Research Result: The percentage of new products with sustainable attributes have increased every year since 2017. In 2021, approximately one out of every two new products introduced had a sustainable benefit.



Sustainable Market Share Index: New Products (2021)

The percentage of new products that incorporate and communicate sustainability benefits have **increased every year** from 2017 to 2021



Note: Based on 32 categories examined

Appendix

Methodology

Data

- Circana Point of Sale, HH panel data in all measured channels in U.S.; Point of Sale data used in the European analysis

Selection Criteria

- 36 categories examined held the largest dollar volume; in a few cases, smaller categories were included to ensure fair representation of all major CPG segments. 34 categories examined in the UK and 34 categories examined in Germany.
- Over 250,000 products reviewed in the U.S.; 67,000 in Germany; 71,000 in the UK.
- Previous SMSI reports recorded private label/store brand products as conventional due to lack of visibility (Circana is unable to share retail store brand data). This was a conservative approach, as many store brands are marked as sustainable. Given the increase in private label share in recent years, this practice was depressing the sustainable share results. Thus, we've recalculated all previous years and moving forward will only report the sustainable product share of branded players (~80% of the market).

Sustainability-Marketed Products Determination

- Identified all SKUs for each category marketed as sustainable with on-package communication, e.g. 3rd party certification (e.g. USDA Organic), containing organic ingredients, no phosphates, no phthalates, etc.
- Sustainability determination focused on the product itself, not the recyclability of the package.
- A very conservative approach was adopted. For example, the following was not considered sustainable:
 - Natural with no other sustainable identification
 - Recyclable packaging

Other Assumptions/Information

- Products that were deemed sustainability-marketed in 2018 were considered sustainability-marketed in 2013. This likely depressed the growth numbers in the earlier years.
- We made no attempt to assess if products marketed as sustainable were, in fact, sustainable. Instead, we focused on whether the marketing of a product as sustainable would drive purchase.

All estimates and analysis in this paper based on Circana data are by the authors and not by Circana, formerly Information Resources, Inc.

Sustainable Market Share: Acknowledgements

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