



# SUSTAINABILITY

## In the Food & Beverage Space

Just as sustainability encompasses complete life cycles, food and beverage manufacturers are taking sustainability into account across the “life” of their product. From sourcing raw materials to the use of natural, organic and clean label ingredients, packaging and usage, flavoring, and more, sustainability isn’t just more top of mind – it’s a driver of development. And with 82% of shoppers saying they want a consumer brand’s values to align with their own, catering to this interest in sustainability is essential for developers in this space. Let’s find out how your brand can capitalize on these good-for-the-palate and better-for-the-planet development opportunities.

# TAKING CARE OF GREENER BUSINESS

Sustainability has moved from “It would be nice if...” to a core part of companies’ Environmental Social and Governance (ESG) plans.

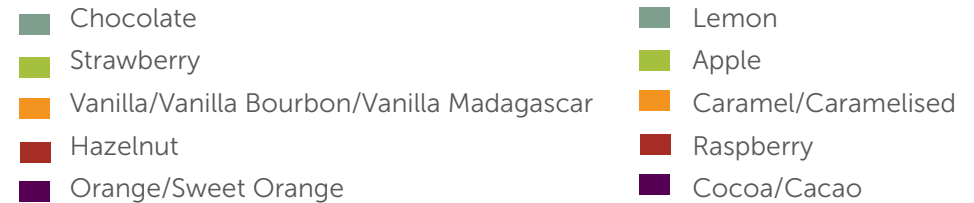
- Sustainability is now a higher priority for 60% of business decision makers than just two years ago.
- 49% of business leaders consider regulatory changes as key drivers of sustainability, while more than 54% cite the growing awareness of sustainability among younger consumers as a catalyst for change.

## Great Expectations

Increasingly, consumers don’t just want products to be made in a more mindful way – they expect it. An overwhelming 82% of shoppers want a consumer brand’s values to align with their own and 75% of shoppers said they have parted ways with a brand over a perceived conflict in values.



## TOP FLAVORS BY NUMBER OF RELEASES: with Ethical & Environmental Claim in the Past 3 Years



**66% OF SHOPPERS**

are seeking out eco-friendly brands and products.



**71% INCREASE**

in internet searches for sustainable goods have since 2016



**73% OF GEN Z**

consumers say they’re more concerned about the environmental impact of their food choices than other generations



**71% OF MILLENNIAL**

consumers say they’re more concerned about the environmental impact of their food choices than other generations



# PRIORITIES FOR THE PLANET

“Sustainability” is a big word. According to a survey conducted by The Harris Poll for the Conference Board, consumers most associate sustainable products with the following, in descending order:

1. Conservation of natural resources
2. Climate change
3. Fair prices
4. Alternative energy sources
5. Fair wages
6. Pollution
7. Use of natural ingredients/GMO
8. Fair labor conditions
9. Support for democracy, voting rights, free speech and press
10. Gender/racial/LGTBQ+ equity in the workplace
11. Compliance with anti-bribery, corruption laws



## *What does this mean for product developers?*

For one thing, manufacturers have a larger and potentially more complex list of R&D considerations that can impact flavor choices and, ultimately, taste and the eating or drinking experience.

## PRODUCTS OF NOTE



**HIGH LINE SUNSET SINGLE ORIGIN 100% ARABICA GROUND COFFEE** is a Fair Trade-certified product made with fully washed, single origin specialty coffee beans from Jaen, Peru. The manufacturer claims to ethically source specialty coffee beans from around the world.

35% of consumers responded that they likely or definitely would buy this product.



**THE BETTER FISH BARRAMUNDI SUSTAINABLE SEABASS** is a simply skinless fillet sweet, mild, buttery and easy-to-cook fish that is sustainably and ethically raised and free from mercury and antibiotics. It retails in a 1.5-lb. value pack featuring a QR code and the Fair Trade Certified logo.

37% of consumers responded that they likely or definitely would buy this product.



# KEEPING IT REAL AND RAW

Consumer perceptions about sustainable food and beverages start with sourcing. Recent market research confirms people’s growing interest in knowing where their food comes from and how ingredients were produced, procured and used.



## ■ What is responsible sourcing?

It’s an approach to the food supply chain in which companies actively and thoughtfully source products that are grown, raised or made in a sustainable, ethical and socially-conscious way.



### 25% OF CONSUMERS IN THE U.S

are actively engaged in online conversations about responsible food sourcing



### MARKET GROWTH

The market for responsibly-sourced foods is expected to grow by 4% to 49.8 million people within the next year

## PRODUCTS OF NOTE



SUN & SEED CASHEW & VANILLA ORGANIC SPREAD is said to be ethically sourced, 100% pure and traditionally stone-ground at low temperatures to protect all of its raw nutritional goodness. The vegan and vegetarian product is free from palm oil, GMO, gluten, dairy and soy.

21% of consumers responded that they likely or definitely would buy this product.



STARBUCKS SALTED CARAMEL HOT COCOA was made with ethically sourced cocoa, naturally flavored with rich cocoa with caramel notes and a dash of sea salt. The manufacturer is committed to purchasing cocoa that’s grown and traded in an ethical and transparent way.

37% of consumers responded that they likely or definitely would buy this product.



LUNA + LARRY’S COCONUT BLISS CHOCOLATE HAZELNUT DECADENCE 100% PLANT BASED DAIRY-FREE FROZEN DESSERT is a kosher certified, 97% bio-based product made with ethically sourced simple and organic ingredients.

# ALTERNATIVES TAKE CENTER STAGE

The mushrooming market for plant-based foods stems in part from the simultaneous push for sustainably-produced foods and beverages and health and wellness. A caveat: as consumers, including both flexitarians and dedicated plant-eaters, seek out alternatives to traditional animal proteins, they don't want to sacrifice flavor, taste and enjoyment. That's true for meat, poultry and seafood alternatives as well as plant-based options that replace or supplement real dairy products and eggs. Making those products not just palatable, but enjoyable is crucial to success.

- **Alternative proteins** are projected to represent 11% of all protein consumption by 2035.
- The **plant-based milk category** is the largest and grew 4% in 2021 to reach \$2.6 billion, while the **plant-based meat category** held steady at \$1.4 billion, **plant-based creamers** rose 33% to reach \$516 million, **plant-based ready-to-drink beverages** were up 22% to reach \$202 million and **plant-based eggs** spiked 42% to reach \$39 million.



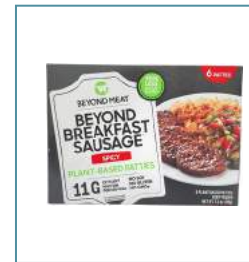
## NEARLY A THIRD OF CONSUMERS

consider a major positive impact on climate as a primary reason to fully switch their diets to alternative proteins

## PRODUCTS OF NOTE



**SILK NEXT MILK 2% FAT DAIRY-FREE PLANT-BASED FORTIFIED OAT, COCONUT AND SOY BEVERAGE** is said to be a good source of calcium and source of vitamin D, and is free from dairy, gluten, carrageenan, artificial colors and artificial flavors. It has a lower carbon footprint than dairy milk and bears the Non-GMO Project Verified, FSC Mix and Certified B Corporation logos.



**BEYOND MEAT BEYOND BREAKFAST SAUSAGE SPICY PLANT-BASED PATTIES** contain 35% less saturated fat and sodium than a leading brand of pork sausage and are free from GMOs, gluten, soy, peanuts and tree nuts. The package features the Vegetarian Society Vegan Approved logo.

39% of consumers responded that they likely or definitely would buy this product.



**CHOBANI OAT STRAWBERRY VANILLA PLANT-BASED OAT BLEND** is a kosher certified and vegan friendly product that contains 6g protein, billions of probiotics, and only natural ingredients. It is free from dairy and gluten, and retails in a 5.3-oz. paper-based cup bearing the FSC Mix logo.

53% of consumers responded that they likely or definitely would buy this product.

# THE BIG PICTURE

As the interpretation of sustainability has widened to include environmental, social and governance principles, a more holistic view of responsible product development is affecting the R&D process. Product developers are slowly but surely taking an integrated approach to the many facets of sustainability that span the sourcing of ingredients, production practices, packaging and more. Not to be forgotten in this all-encompassing and integrated approach to product development, is flavor which is consumers most important factor in their choice to purchase.

## PRODUCTS OF NOTE



**SIMPLY TERA'S DARK CHOCOLATE PURE WHEY PROTEIN** features a sustainable canister and lid. The product is sourced from family farms where cows are pasture-raised. It is cold-pressed and lightly blended with natural cocoa.

19% of consumers responded that they likely or definitely would buy this product.



**LÄRABAR CHOCOLATE RASPBERRY TRUFFLE BARS** are plant-based, vegan and kosher certified products made with just seven real ingredients, including dates, cashews, semisweet chocolate, raspberries, cocoa powder, sea salt and raspberry extract. The bars are free from artificial sweeteners, gluten, GMO and dairy, and a good source of fiber.



**KASHI GRAIN FREE PEANUT BUTTER CHOCOLATE CHEWY GRANOLA BARS** are made from simple ingredients, including fair trade certified chocolate, nuts and seeds. The product retails in packaging made of 100% recycled paperboard.

39% of consumers responded that they likely or definitely would buy this product.



**CHUAO CHOCOLATIER OH MY S'MORES! BARK LUXE CHOCOLATE** is free from trans fats, artificial preservatives, colors, flavors, and sweeteners, and is made in a nut-free facility using Fair Trade certified ingredients and a bioengineered food ingredient. It retails in packaging made with recycled materials.

52% of consumers responded that they likely or definitely would buy this product.



*93% of consumers say that the taste of a food or beverage affects their interest in the product, making it the most important factor in their ultimate choice.*

– IRI (2019)





# THE TAKEAWAYS

It's not just the definition of sustainability that has widened. Product developers interested in meeting demand and/or their own goals for sustainability must take into account the life cycle of a food or beverage, weighing sourcing, formulations with natural and organic ingredients and the way an item is manufactured, packaged, moved and consumed – all the while keeping flavor front and center as a perennial and top purchase and re-purchase driver.



## YOU DESERVE MORE. LET'S GET STARTED.

What does true partnership look like? You deserve a flavor partner ready to turn these trends into the tangible.

Let FONA's market insight and research experts get to work for you. Translate these trends into bold new ideas for your brand. Increase market share and get to your "what's next." Our technical flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. Let's mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution.

From concept to manufacturing, we're here for you – every step of the way. Contact our sales service department at 630.578.8600 to request a flavor sample or chat us up at [www.fona.com/contact-fona/](http://www.fona.com/contact-fona/)

## SOURCES

- Boston Consulting Group
- Center for Food Integrity
- The Harris Poll/Google Cloud
- The Harris Poll/Conference Board
- Harvard Business Review
- IFIC
- IRI
- Fujitsu
- Minnesota College of Food, Agriculture and Natural Resource Sciences
- Mintel
- Nielsen/IQ
- SPINS
- World Wildlife Federation

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