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**SUSTAINABILITY 2023:
MAKING THINGS PERSONAL!**

Sustainability is top of mind for consumers. A recent study undertaken by Tetra Pak's 2023 Nutrition Index revealed:

1. 54% of consumers are willing to take on the responsibility of helping the environment through their food purchases.
2. While 49% of respondents said they are struggling financially, only 17% indicated a desire to sacrifice food and non-food products that are environmentally friendly.
3. 65% of consumers believe environmental factors cause negative health impacts.¹

This report summarizes The Hartman Group's research study titled:

"Sustainability 2023: Making Things Personal!"
SUSTAINABILITY IN CONTEXT!

- Over the past 2 years, there has been a 5% increase in the number of consumers who are concerned about the environment. **Refer to Appendix 1.**
- Consumers approach sustainability through a personal lens and via issues that affect them:
 - **Personal Benefits:** Self-sufficiency, education.
 - **Environmental Resilience:** Lower emissions, recycling, composting.
 - **Social Responsibility:** Gender equality, inclusivity and diversity.
 - **Greener Economy:** Renewable energy, corporate responsibility.
- Gen Z and Millennials tend to associate sustainability with more economic, social, and personal meanings than the older generation. **Appendix 2** identifies The Top 7 Meanings of Sustainability.
- Top sustainability priorities by gender group:
 - Gen Z: Reduction of waste and environmental impact of disposal.
 - Millennials: Good wages and benefits.
 - Gen X: Strengthening the economy.
 - Boomers: Strengthening the economy.
- Consumers are increasingly looking to Governments and large corporations to make our world more sustainable. **Refer to Appendix 3.**
- 65% of consumers would like businesses' sustainable practices to be more visible to the public. 54% of consumers are skeptical, or I don't usually trust them concerning their sustainability claims.
- Consumers see a direct link between health and sustainability:
 - 43% of consumers (58% - Millennials) believe they are healthier when they choose sustainable foods.
 - 83% are aware of microplastics in food, and 69% are very / somewhat concerned with this.
- Consumers want to know animals are cared for:
 - 51% are eating less meat at least occasionally.
 - 47% are consuming less dairy at least occasionally.

¹ More Than Half of Consumers Consider Sustainability in Food Purchases, www.fooddive.com, October 30, 2023

- Packaging is consumers' most visible signifier of a brand's sustainability efforts. Recyclable packaging is consumers' top packaging consideration. **Refer to Appendix 4**
- Top primary considerations in food purchases. Millennials and Gen Z over-index when it comes to Environmental and Social impact.
 - **Quality:** 72%,
 - **Price:** 72%,
 - **Taste:** 71%,
 - **Health:** 56%,
 - **Environmental impact:** 33%,
 - **Social impact:** 25%.
- 49% of consumers think sustainable products make a difference, and 50% (+5 pts since 2021) are interested in buying sustainable products.
- Over a quarter of consumers are purchasing more sustainable products, and Millennials are leading the charge. **Refer to Appendix 5.**

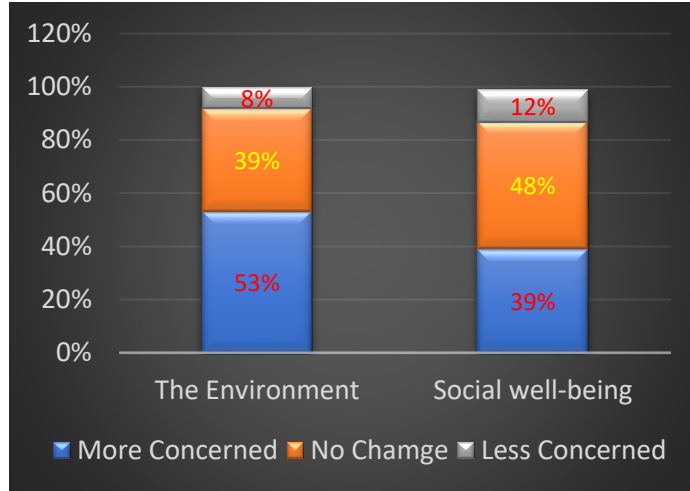
FOOD DISTRIBUTION GUY'S 3 BRAND STRATEGIES – SALES PERSPECTIVE!

1. How consumers approach sustainability varies. Brands must understand who their primary target audience is, and emphasize as part of their brand identity the broader meanings consumers associate with it.
2. The majority of consumers do not trust the brand's sustainability claims. Communication is key to a brand earning the trust of the consumer in today's world.
3. The brand's product packaging is in most cases the consumer's first touch point to the brand. Paramount the brand's packaging educates consumers on their sustainability efforts.

APPENDICES

Appendix 1

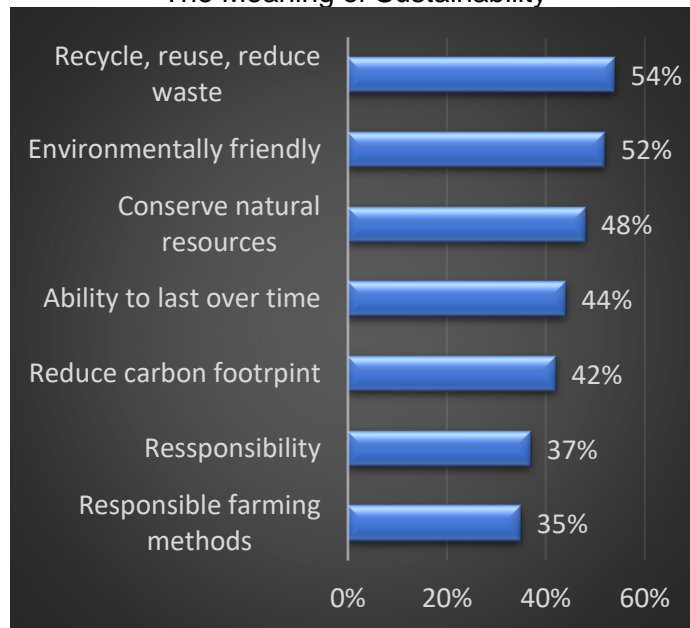
Change in Concern about the Environment and Social Issues vs. 2021



Since 2021 there has been a 5% jump in the number of consumers concerned about the environment.

Appendix 2

The Meaning of Sustainability

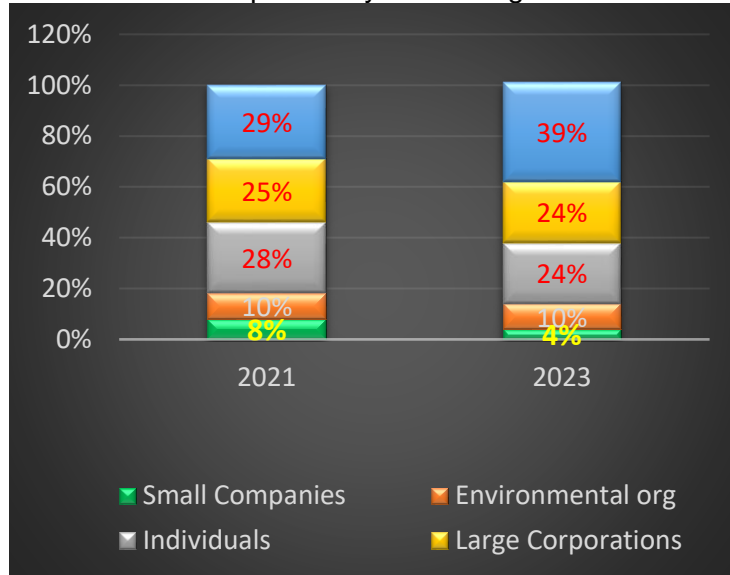


Change vs. 2021

- Recycle, reuse, reduce waste: +8pts
- Environmentally friendly: +5pts
- Conserve natural resources: N/C
- Ability to last over time: +8pts
- Reduce carbon footprint: +6pts
- Responsibility: +5pts
- Responsible farming methods: N/C

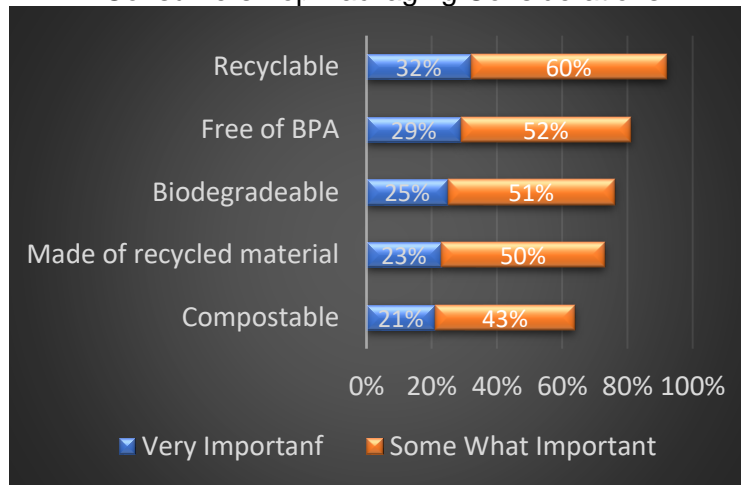
Appendix 3

Entities that Bear the Most Responsibility for Making Our World More Sustainable



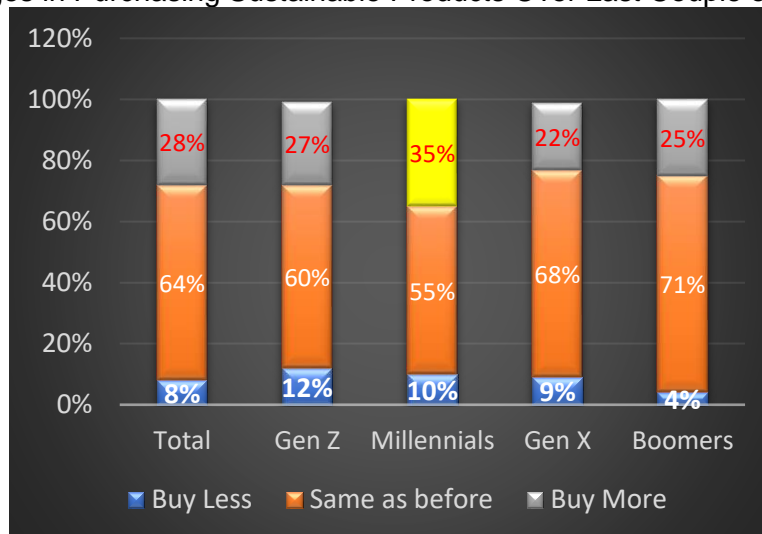
Appendix 4

Consumers Top Packaging Considerations



Appendix 5

Changes in Purchasing Sustainable Products Over Last Couple of Years.



RICHARD BAKER

Food Distribution Guy,

I am the President and Founder of Food Distribution Guy. Our mandate is to ensure our principles' success is sustainable long-term in the Canadian grocery sector.



Food Distribution Guy's Value Proposition for Our Client's Success:

1. Fifteen + (15+) years of branding, marketing, and sales expertise in Canada's grocery sector.
2. Our "4" Keys to Success:
 - a. What is your brand's unique point of difference?
 - b. What value does your brand bring to the category?
 - c. Is your brand's suggested retail competitively priced?
 - d. How will the brand support its launch to increase consumer awareness?
3. We keep our principals up to date on the "Pulse" of the Canadian grocery sector.
4. We keep our clients abreast of the activities in the Canadian grocery sector for their top 3 competitors.
5. We align and manage our principal's sales (broker, and / or distributor), marketing (if required), and logistic solutions which allow our principals to manage the day-to-day business.

We understand the grocery landscape, and we will assist you in navigating through it. Your brand will receive the attention to detail it requires.



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