

From Grass To Glass, To Bin And Beyond: Ethics Goes 360

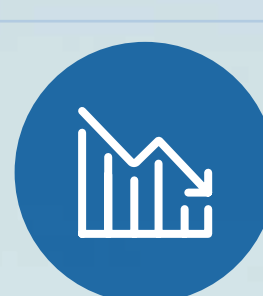


Sustainability is trending - and for good reason. Collective awareness and understanding of sustainability has created a rapidly evolving demand for sustainable practices. This presents a new set of challenges and opportunities for the food and beverage industry.

Sustainability is a concern among many consumers.

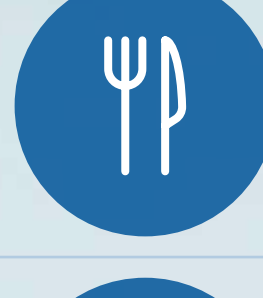
Percentage of consumers globally who "somewhat/strongly agree"¹

I am concerned about the state of the environment



63%

I believe the state of the environment has worsened in the last two decades



54%

Food, drink and supplement brands should be doing more to protect the planet



53%

Damage done to the environment is irreversible



48%

Retailers should be doing more to protect the planet



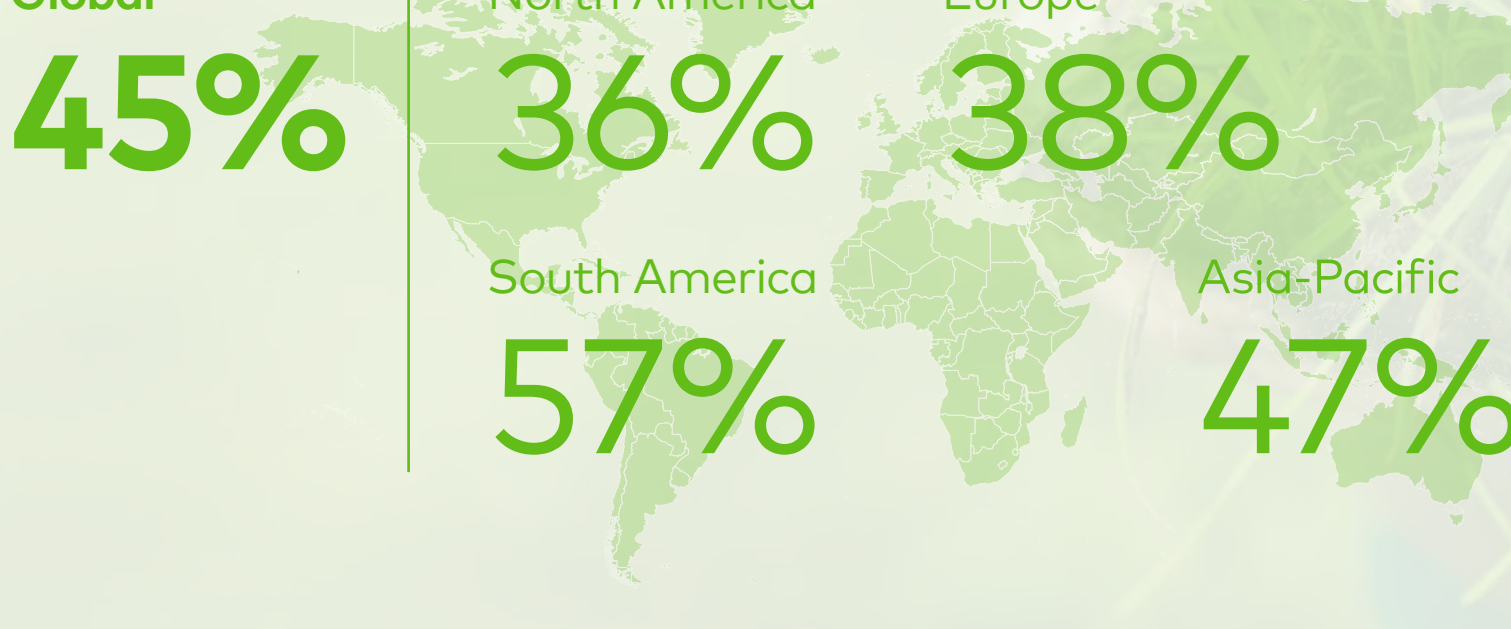
42%



Consumers want companies to make changes to better the world. As their conscientiousness grows, they're also making a few changes themselves.¹

Have you changed your diet in the last two years in order to lead a more environmentally friendly lifestyle?

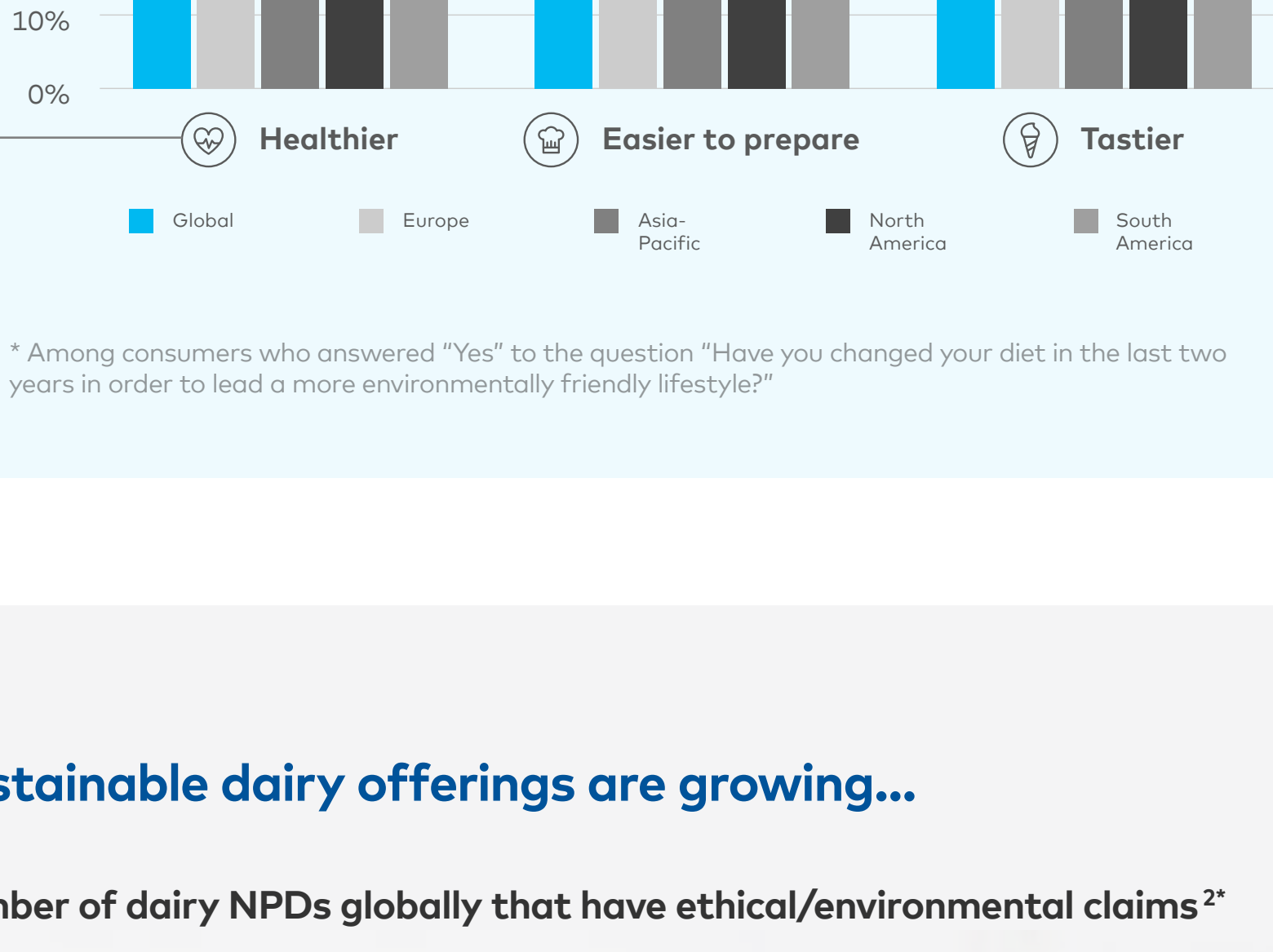
Percentage of consumers who answered "Yes"



Linking sustainability with other benefits can further increase relevance of sustainable products to consumers.

Health is the number one complementary benefit to consider.

Benefits consumers associated with the dietary changes they made, besides helping the environment^{1*}



* Among consumers who answered "Yes" to the question "Have you changed your diet in the last two years in order to lead a more environmentally friendly lifestyle?"

Sustainable dairy offerings are growing...

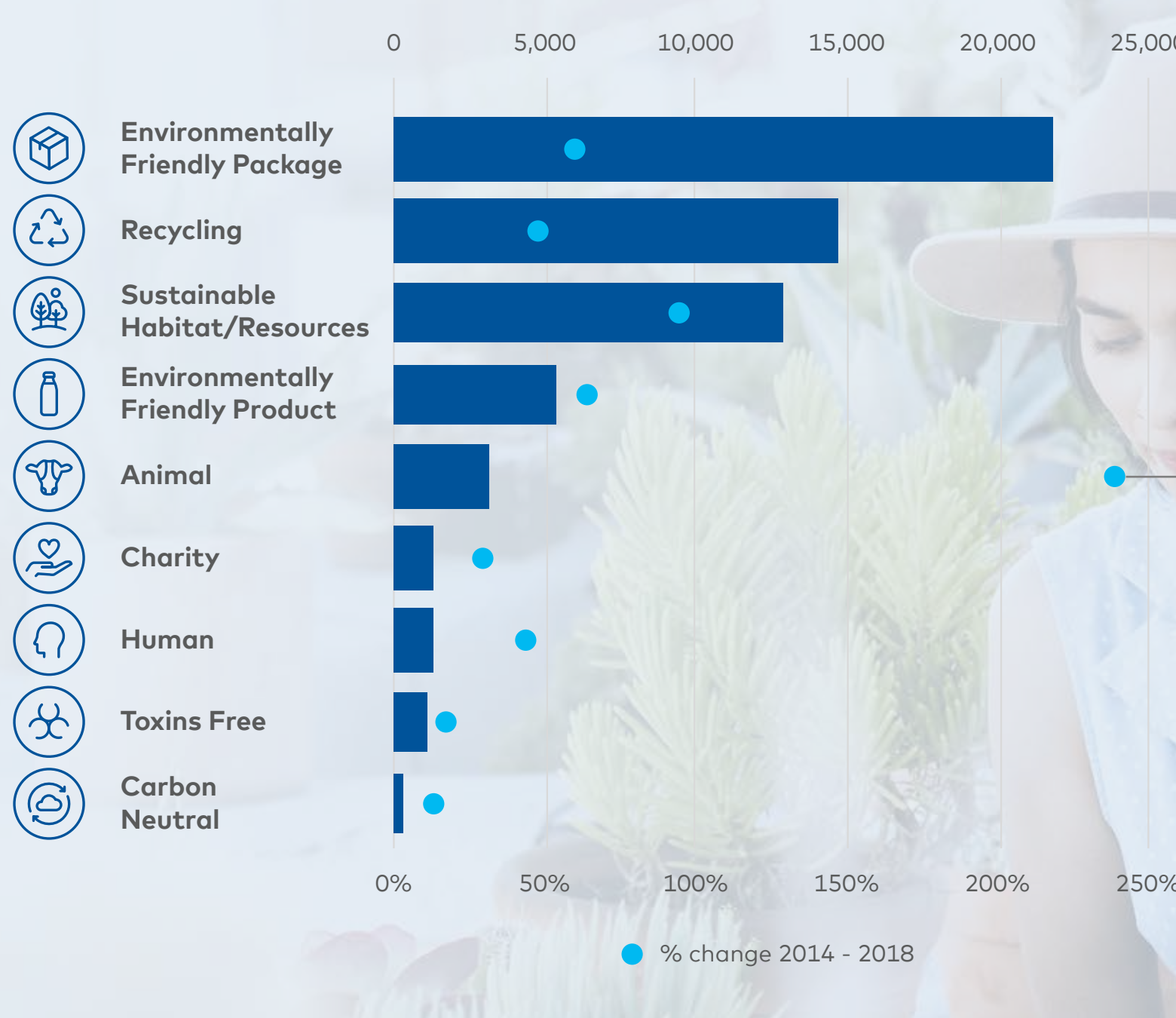
Number of dairy NPDs globally that have ethical/environmental claims^{2*}



..and extending beyond recyclable packaging.

Dairy products with animal welfare claims have the highest growth.

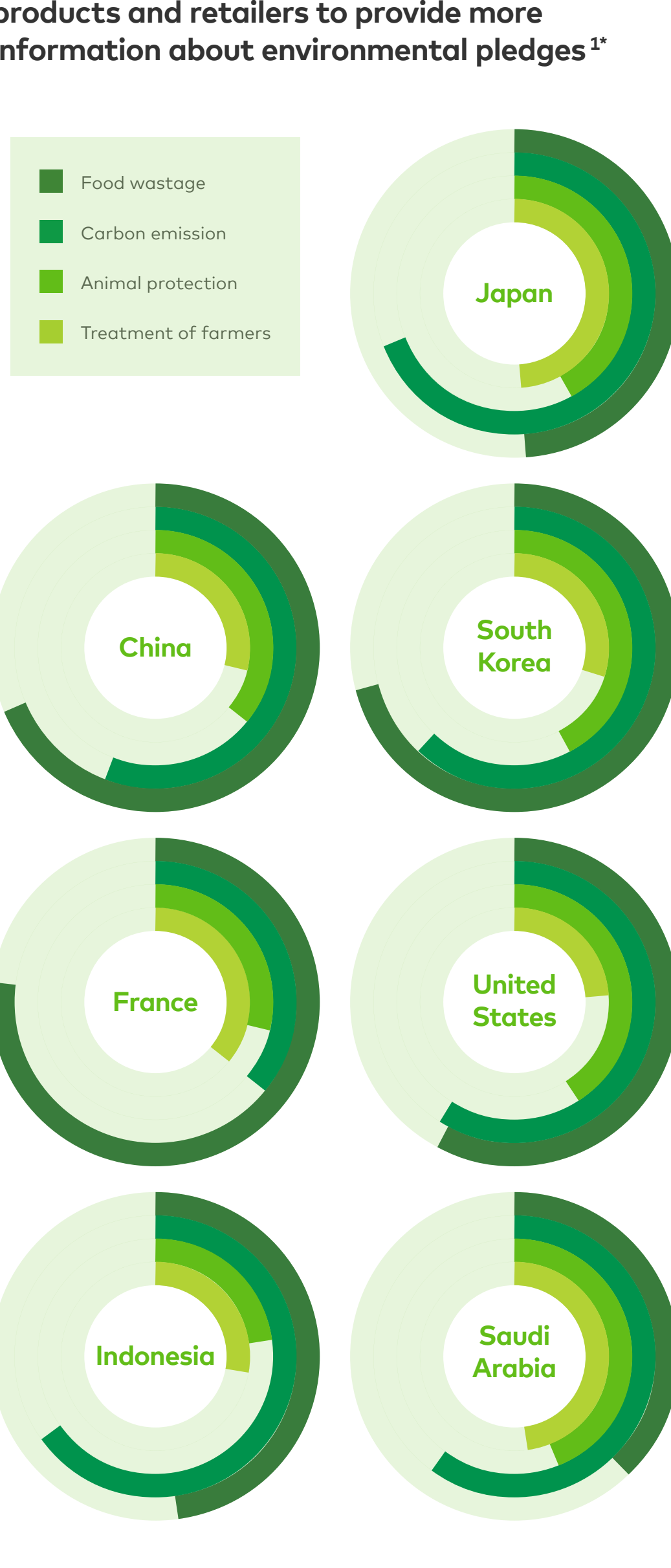
Number of NPDs in dairy with sustainable claims²



*2019 based on incomplete year and still expected to grow in number

There is an opportunity for dairy to further extend the sustainability discussion by addressing other consumer concerns.

Percentage of consumers who want brands/products and retailers to provide more information about environmental pledges^{1*}



* Among consumers who answered "Yes" to "Would you like brands/products and retailers to provide more information about environmental pledges?"

Opportunities

Having sustainability practices is no longer optional. Consumers demand it and are making changes themselves - They are expecting companies to do the same.

To stay relevant, the dairy industry needs to demonstrate sustainability practices that reflect its changing narrative. Packaging and recycling are increasingly becoming a given. Sustainability throughout the supply chain will become the new norm.

Sustainable ingredient sourcing, animal welfare, food safety and quality, reduction of food waste, supporting sustainable farming, supporting the community - the options for creating a sustainability story for companies and brands are broader and more varied than ever.

To maintain consumer trust, companies should ensure the credibility of their sustainability claims and those of their suppliers. To increase relevance, linking sustainable practices to other consumer benefits, like health, while maintaining taste and convenience are key.

