

What Product : Developers Need to Know About Sustainability

This isn't a blog about whether consumers care about sustainability. That article has been written here and comprehensively researched here. The simple answer: Consumers care a lot. This is going to be a blog for the research and development department at food and beverage companies.

This is going to be an analysis of how to approach sustainability from a product development perspective. And, it's going to deal with more than ingredients and packaging choices because sustainability in 2022 has to do with more than ingredients and packaging. How consumers define sustainability has radically changed to cover areas most research chefs and product developers don't normally deal with.

However, when 62% of American consumers say sustainability is a strong influence, it's time to think beyond just the eating experience and sensory attributes. Sustainability 2.0 is significantly different than sustainability 1.0, and Bluegrass Ingredients

is here to help product developers navigate sustainability's impact on new product development.

What does Sustainability Even Mean?

That's the million dollar question and also a question that's next to impossible to answer. Because there is no official FDA definition of sustainability, there's thousands of tug of war games going on between how individual food manufacturers and restaurants define sustainability versus how each consumer perceives sustainability. It's a never-ending battle that won't have a winner until the FDA steps in.

Despite the lack of an official definition, there are some general guidelines for how consumers view sustainability that product developers must understand.



Consider these the base of the sustainability pyramid consisting of environmental-related issues. A product developer should focus on these three questions at the onset of the sustainability journey:

1. What is the sustainability of the ingredients in my products?

As a starting exercise, take your most popular product, write down the ingredients and then ask these questions about each ingredient.

- Where is the ingredient produced and how is it produced?
- Does the ingredient supplier or broker have sustainability documentation ensuring best practices are followed in terms of agriculture and labor protocols?
- · Where was the ingredient produced and how far did it travel to get to my facility?
- What is the ingredient packaged in?

As a supplier of ingredients to the food and beverage industry, Bluegrass Ingredients takes all of these questions seriously.

Sustainability has been one of our core values, and we recently earned a <u>Silver rating from EcoVadis</u>, the leading provider of globally trusted business sustainability ratings.

The rating places us in the top 25% of evaluated businesses, and we're continually challenging ourselves to get better.

2. What are the things my company is doing to minimize our manufacturing footprint?

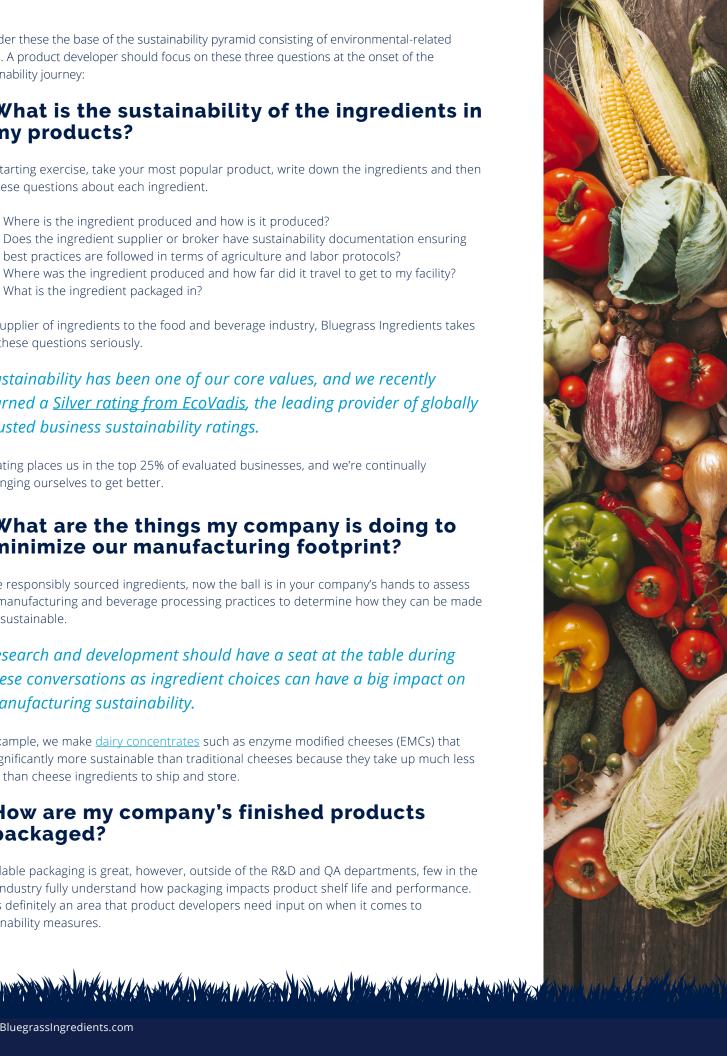
You've responsibly sourced ingredients, now the ball is in your company's hands to assess food manufacturing and beverage processing practices to determine how they can be made more sustainable.

Research and development should have a seat at the table during these conversations as ingredient choices can have a big impact on manufacturing sustainability.

For example, we make <u>dairy concentrates</u> such as enzyme modified cheeses (EMCs) that are significantly more sustainable than traditional cheeses because they take up much less space than cheese ingredients to ship and store.

3. How are my company's finished products packaged?

Recyclable packaging is great, however, outside of the R&D and QA departments, few in the food industry fully understand how packaging impacts product shelf life and performance. This is definitely an area that product developers need input on when it comes to sustainability measures.





Sustainability 2.0

As detailed above, the foundation of a sustainability pyramid concerns environmental issues. In the last couple of years, however, social issues and corporate responsibility have crept into the sustainability conversation and taken a more pronounced role. As a research and development department, it's hard to take ownership over any of these topics, but it's important to understand them for context when you develop a new product.

According to The Hartman Group, 72% of consumers are willing to pay more to support companies that share their values. This statistic alone may give product developers the opportunity to explore working with more sustainable ingredient suppliers, even if costs are higher.

In the same study from <u>The Hartman Group</u>, however, only 22% of consumers can identify a sustainable product. That's quite a gap, and a potential opportunity for research and development to work with the marketing department on identifying opportunities when a product has been sustainably developed.

The issue of sustainability is constantly evolving, and Bluegrass Ingredients is your resource for product development support when sustainability is a goal.

We're committed to enhancing and embracing a more sustainable supply chain and partnering with organizations that share our vision for a better future.

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Learn more about Bluegrass Ingredients' <u>sustainability efforts</u> and request a sample to see how our ingredients and <u>Agile Ingredient Innovation Model</u> will help make your product development efforts more sustainable.