



# The Future of Frozen

*Sustainability & the Frozen Dessert Consumer*



F D C

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We're the Kerry team at UW. Nice to meet you!



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**KERRY**

If you wish this presentation was  
live from Camp Randall...



**KERRY**

If you're excited for the next  
192 PowerPoint slides...



With the expected global population growth of **9.6 billion** by 2050, the equivalent of almost **3 planets** could be required to provide the natural resources needed to sustain current lifestyles if we do not act now

Source: World Health Organisation (WHO) 2020 , Food and Agriculture Organization of the United Nations (FAO) 2019. United Nations World population Prospects 2019.



**2 billion**

men, women and children are currently **overweight** or **obese**

**690 million**

people go **hungry** or are **malnourished** every day

**30%**

of food produced globally is **wasted** every day

# SUSTAINABLE DEVELOPMENT GOALS



Roadmap for addressing many of the most urgent global economic, environmental and social challenges

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Requires broad participation and creates a key role for businesses in delivering solutions

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Contribution to the SDGs comes through enabling our customers to improve the healthfulness and nutritional value of their products



By 2030, we will reach  
over **2 billion**  
**people** with  
sustainable nutrition

***Sustainable Nutrition:***

*The ability to provide positive and balanced nutrition solutions that help maintain good health, while protecting people and the planet.*



# Beyond the Horizon

## Our Commitments



**1billion+**

We currently reach over one billion consumers with positive and balanced nutrition solutions.

**Better for People**

Reaching over **two billion people** with **sustainable nutrition** solutions by 2030.

Making the **science of healthier food accessible** through Kerry Health and Nutrition Institute.



**Better for Society**

Upholding our **values** and internationally recognized **human rights**.

Ensuring a **safe and healthy workplace**.

Achieving the highest levels of **diversity, inclusion, belonging and engagement**.

Engaging in **community partnerships** that deliver impact

**Better for Planet**

**Scope 1&2**

Adopting a Science Based Target for a **55% carbon reduction** by 2030 and achieving **net zero** before 2050.

**Scope 3**

Working with suppliers to **reduce emissions** intensity by **30%** across our supply chain.

**-50%**

Cutting our **food waste** by 2030

**Zero**

**Waste to Landfill** by 2025.

**100%**

of priority raw materials **are sustainably sourced** by 2030.

**100% Renewable Electricity**

By 2025

**Water Intensity**

Achieving a **15% reduction** in water intensity by 2025.

**100%**

of our plastic will be **reusable, recyclable or compostable** by 2025.

**-25%**

Achieving 25% **reduction in virgin plastic** use by 2025.

# Methodology

- **14,449 global consumers** surveyed across 18 countries in North America, Europe, and Latin America
- North America: **~1000 consumers** each in Canada and United States
- **Social media listening** and qualitative exploration corroborate the quantitative findings.
- Respondents were primary shoppers **who prioritized sustainability** on various degrees; i.e. paid attention to sustainability messages on the product label or restaurant menu.
- These consumers also tended to read the nutrition label and ingredient declaration most of the time.

Additionally, consumers were further asked their opinion of sustainability when considering specific food and beverages categories:



## RETAIL

- Frozen chicken appetizers
- Sweet baked goods
- Baked bread
- Cooking sauces
- Bottled coffee (RTD)
- Bottled iced tea (RTD)



## FOODSERVICE

- Chicken appetizers
- Sweet baked goods
- Burgers & sandwiches
- Pizza
- Pasta entrée
- Specialty coffee

Over 10 sustainability topics & 85 attributes were tested in relation with associations made with sustainability.



# State of the industry

*Sustainability's multibillion-dollar impact*

**Sustainability represents a billion-dollar opportunity and a surefire way to differentiate oneself in a crowded marketplace.**

57%

Average annual growth was reported in global food & beverage launches carrying an ethical/environmental claim.<sup>7</sup>



49%

Of global consumers today prioritize sustainability at various levels.<sup>1</sup>



3 in 4 global consumers expect companies to invest in sustainability.<sup>2</sup>



In the US, shareholders have already filed 79 climate-related resolutions so far this year, compared with 72 for all of 2020. The total number of climate-related resolutions could reach 90 this year, indicating continued focus on sustainability efforts amid the pandemic.<sup>3</sup>

\$382B

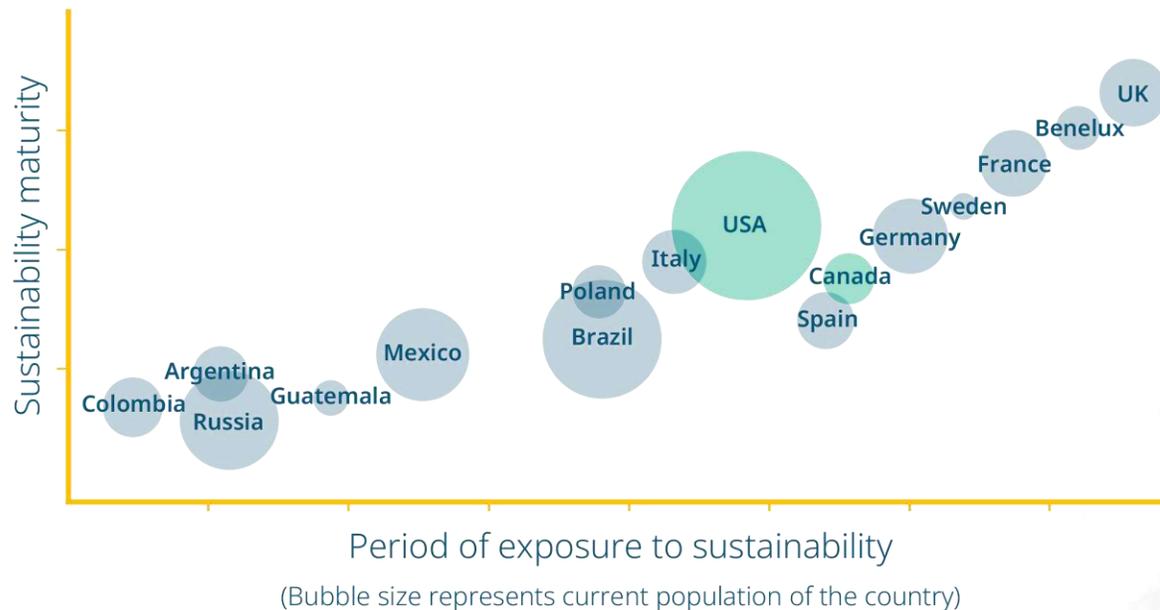
**Globally**, the spending power of consumers most engaged with sustainable issues in fast moving consumer goods alone is \$382 billion.<sup>4</sup>

\$150B

It is estimated sustainability-minded consumers in the **US** would spend upwards of \$150 billion on sustainable products by 2021.<sup>5</sup>

# Sustainability is **not niche**. North American consumers are maturing in their sustainability journey.

While the presence of sustainability as a topic of concern exists across the globe, no country is alike in their exposure to sustainability and the level of maturity their consumers have developed.



**KERRY**

# The Sustainability Consumer



# Our research found consumers experience sustainability on two levels: extrinsic & intrinsic

As consumers move along their sustainability adoption curve, their associations move from extrinsic to intrinsic.



Extrinsic associations are the **first point of contact consumers** have with sustainability.

Intrinsic associations are made by **consumers who have matured** in their sustainability journey.



# There are four stages of sustainability adoption and consumer archetypes

Consumer behavior toward sustainability follows an adoption curve, and consumers lie at different stages of adoption based on their associations made with sustainability and their subsequent behaviors.

In our research, we uncovered **four key consumer archetypes** based on their adoption of sustainability:



Inactives



Passives

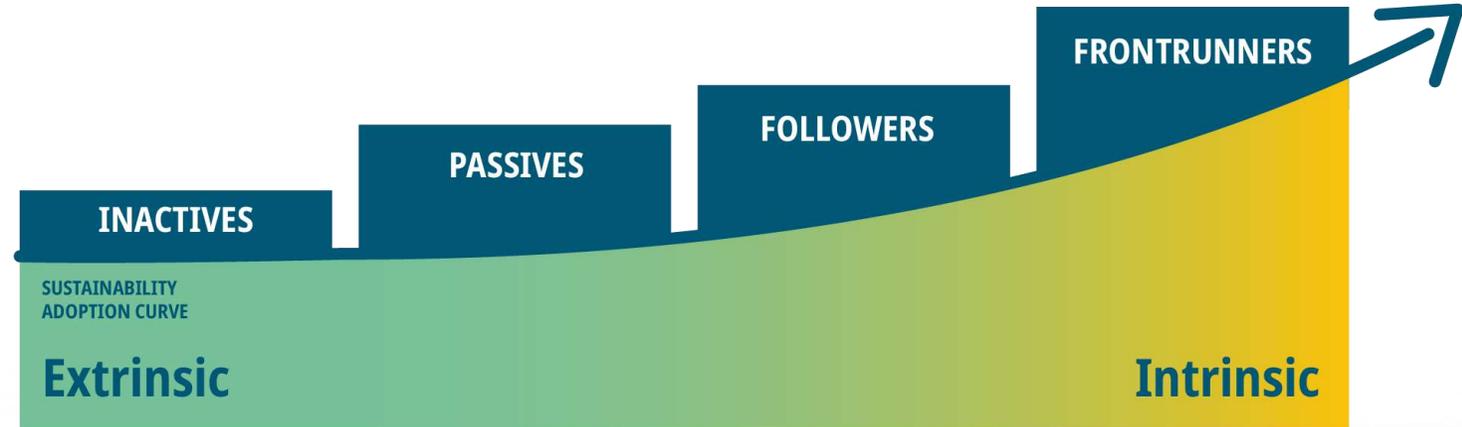


Followers



Frontrunners

These consumer archetypes exist globally, however the size of these consumer archetypes differ across countries and regions.



# Consumers within each of the archetypes are unique & prioritize sustainability differently



## Inactives

- Sustainability is not a strong driver, unlikely to take action to support sustainability
- Price is a strong barrier to acting sustainably
- No gender or generation skew

**USA 10% | Canada 10%**



## Passives

- Sustainability is very important to them and they are concerned about the environment, however, less likely to act on sustainability.
- Price and lack of understanding individual impact on sustainability are strong barriers.
- Value – Action Gap is the largest
- More likely to be women, and older – GenX and Boomers

**USA 13% | Canada 26%**



## Followers

- Sustainability is a moderate priority, and they do their individual part in supporting sustainability
- View brands, manufacturers and external authorities to help them achieve their sustainability goals
- More likely to be younger – GenZ and younger Millennials

**USA 42% | Canada 23%**



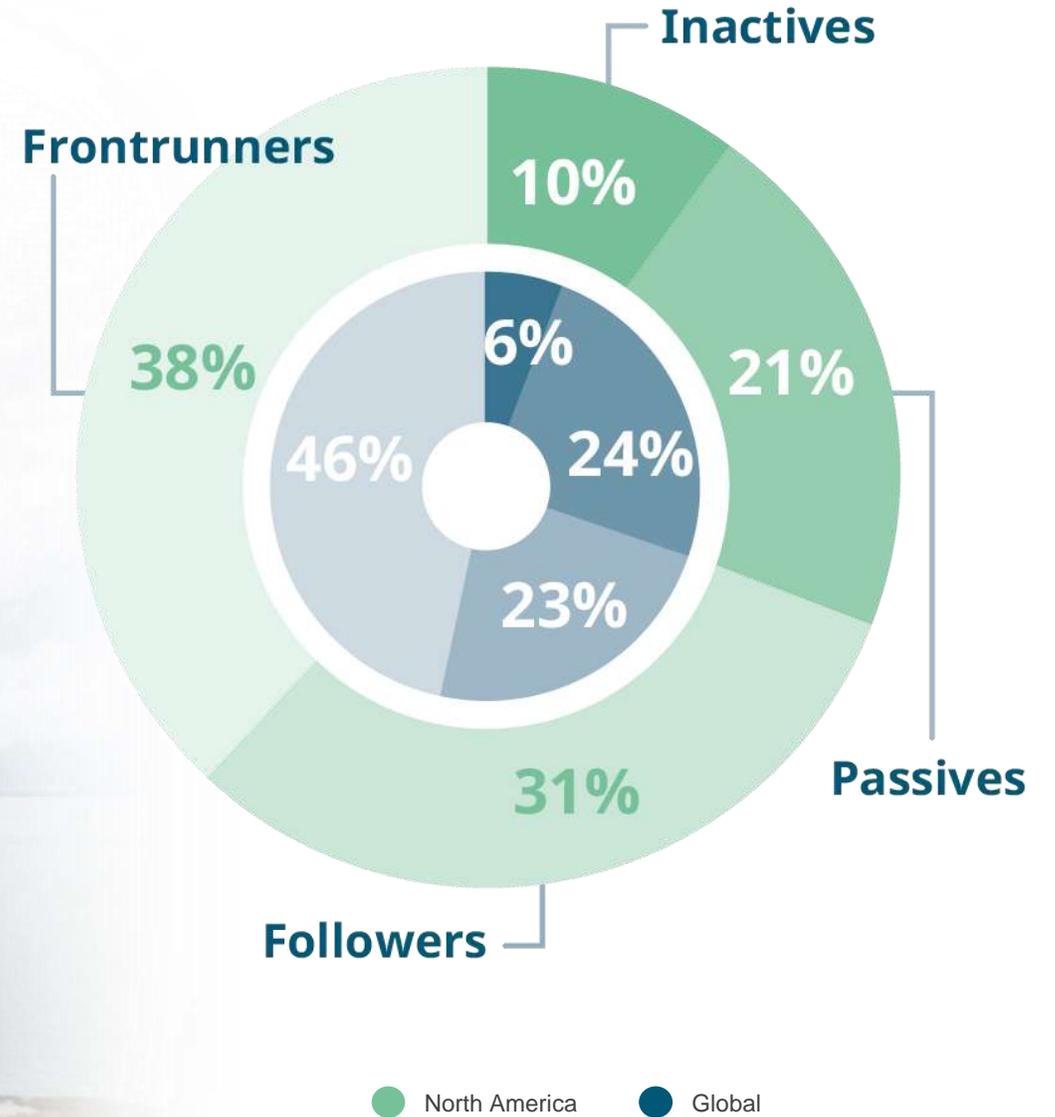
## Frontrunners

- Sustainability rule makers – they are strong proponents of acting sustainably and believe they can influence the wider community in acting sustainably.
- Value – Action Gap is the shortest.
- More likely to be Millennials – Older Millennials, Less likely to be Boomers

**USA 35% | Canada 40%**

# Over two thirds of North America consumers are either followers or frontrunners.

Understanding each of these consumer archetypes - *what they value*, how they define sustainability, specific attributes they prioritize, can be used as a key to unlock opportunities to attract them and meet their unique needs.



A top-down photograph of a white marble plate with four ice cream cones. The cones are filled with a light-colored ice cream, possibly vanilla or caramel, and are studded with dark chocolate chips. The plate is set on a light grey, textured surface. In the top right corner, a small glass of amber liquid is visible. In the bottom left corner, the handle of a metal tool, possibly a spatula or knife, is partially visible. The overall aesthetic is clean and modern.

# State of the Frozen Market

# Ice Cream & Novelties remain strong after pandemic surge

## Frozen Dessert Market

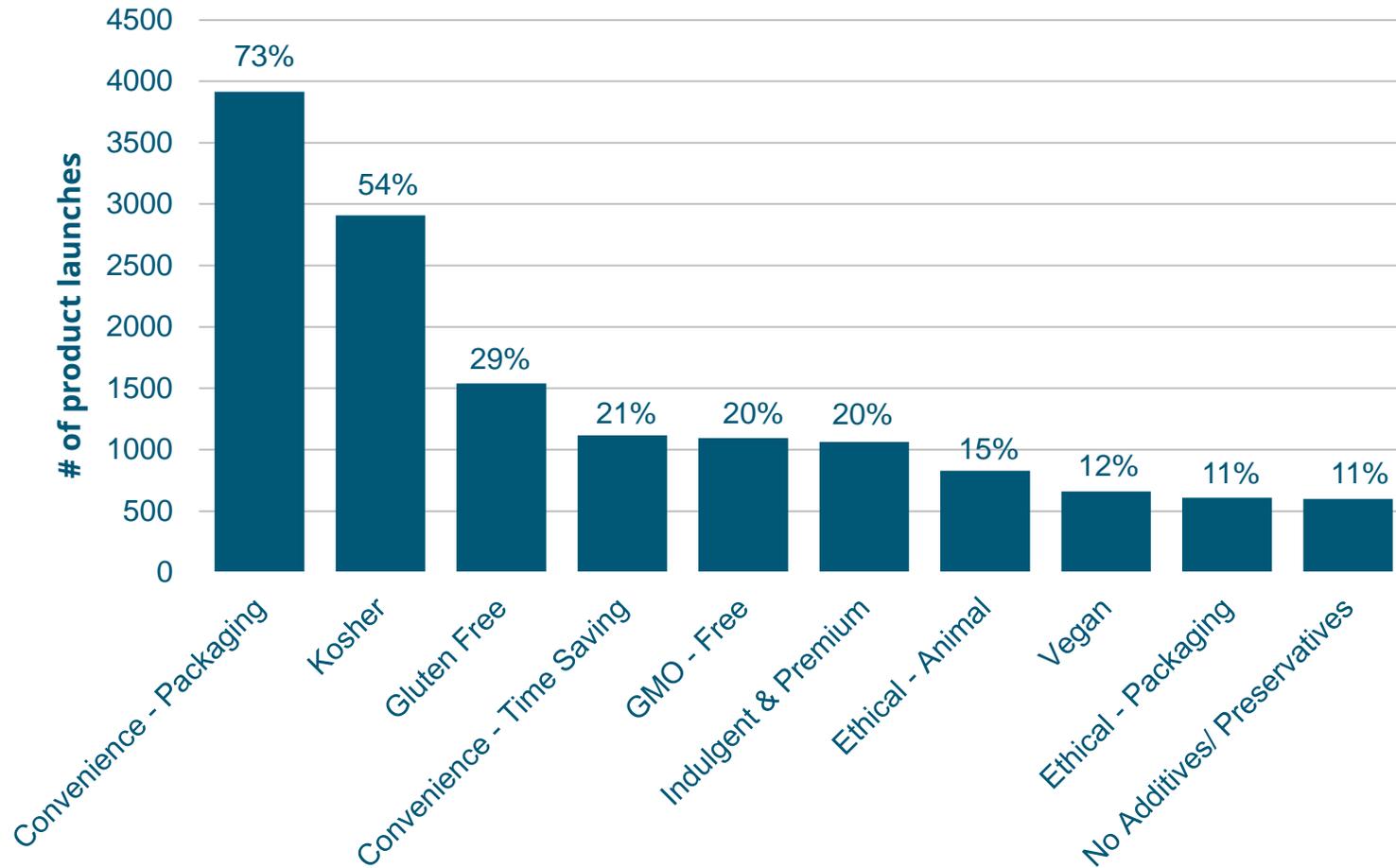


## Category Sales

Ice Cream \$10B	Gelato \$299M
Frozen Novelty \$1.8B	Frozen Yogurt \$288M
Ice Novelty \$865M	Sherbet & Sorbet \$202M
Non-Dairy \$524M	Frozen Custard \$7M

# Top Claims in Frozen Dessert Launches

Last 3 Years



**+42%**

growth of **non-dairy frozen dessert** launches last year



**Dairy is the category where sustainability is most important to consumers.**

**TRUE**



**FALSE**



**Dairy is the category where sustainability is most important to consumers.**

**TRUE**



**FALSE**



# Consumers say: Dairy is the #1 category where sustainability is important



## Sustainability Associations

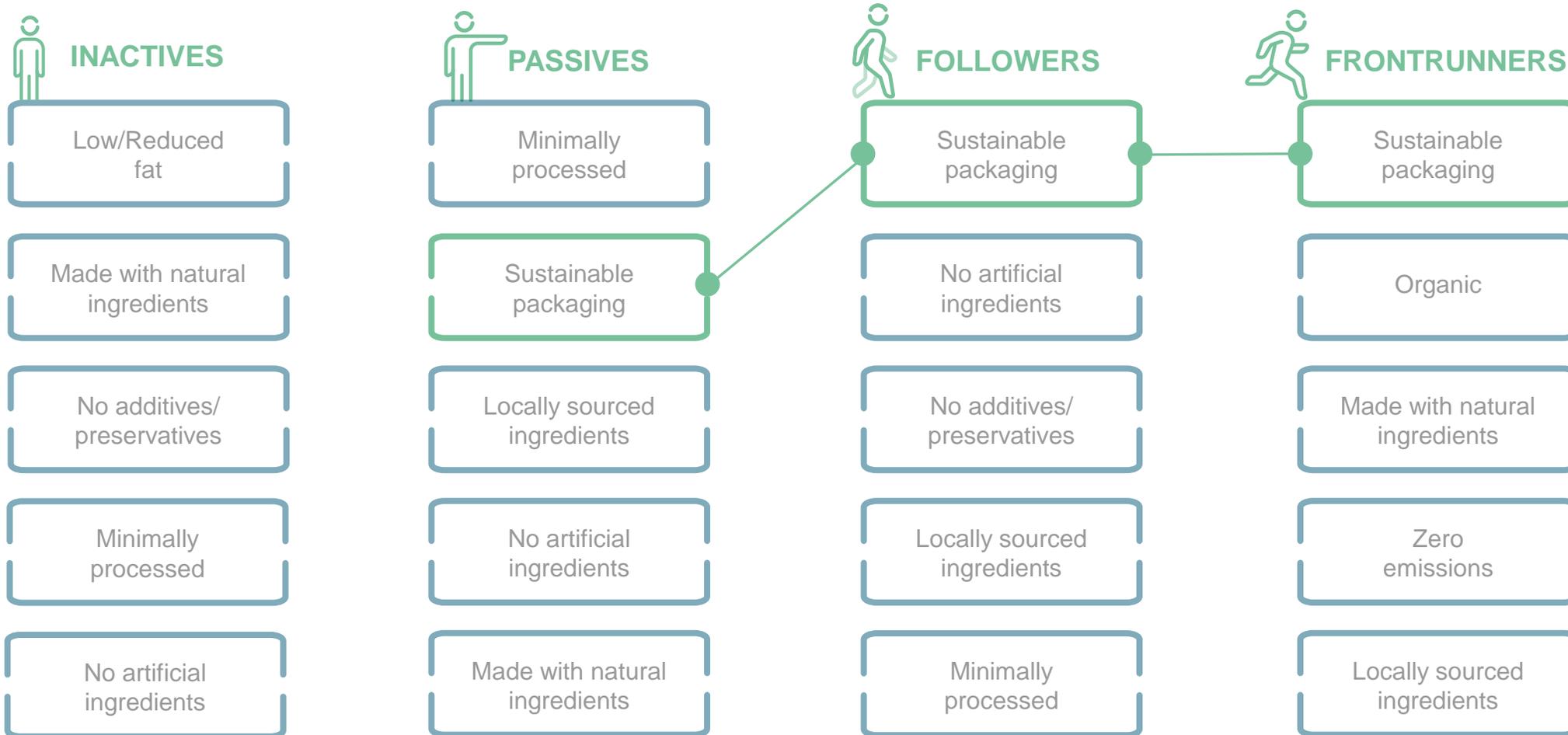
- **Health and Nutrition**
- **Animal Welfare and Protection**
- Product Packaging
- Food Ingredient Sourcing
- Environment and Atmosphere Preservation

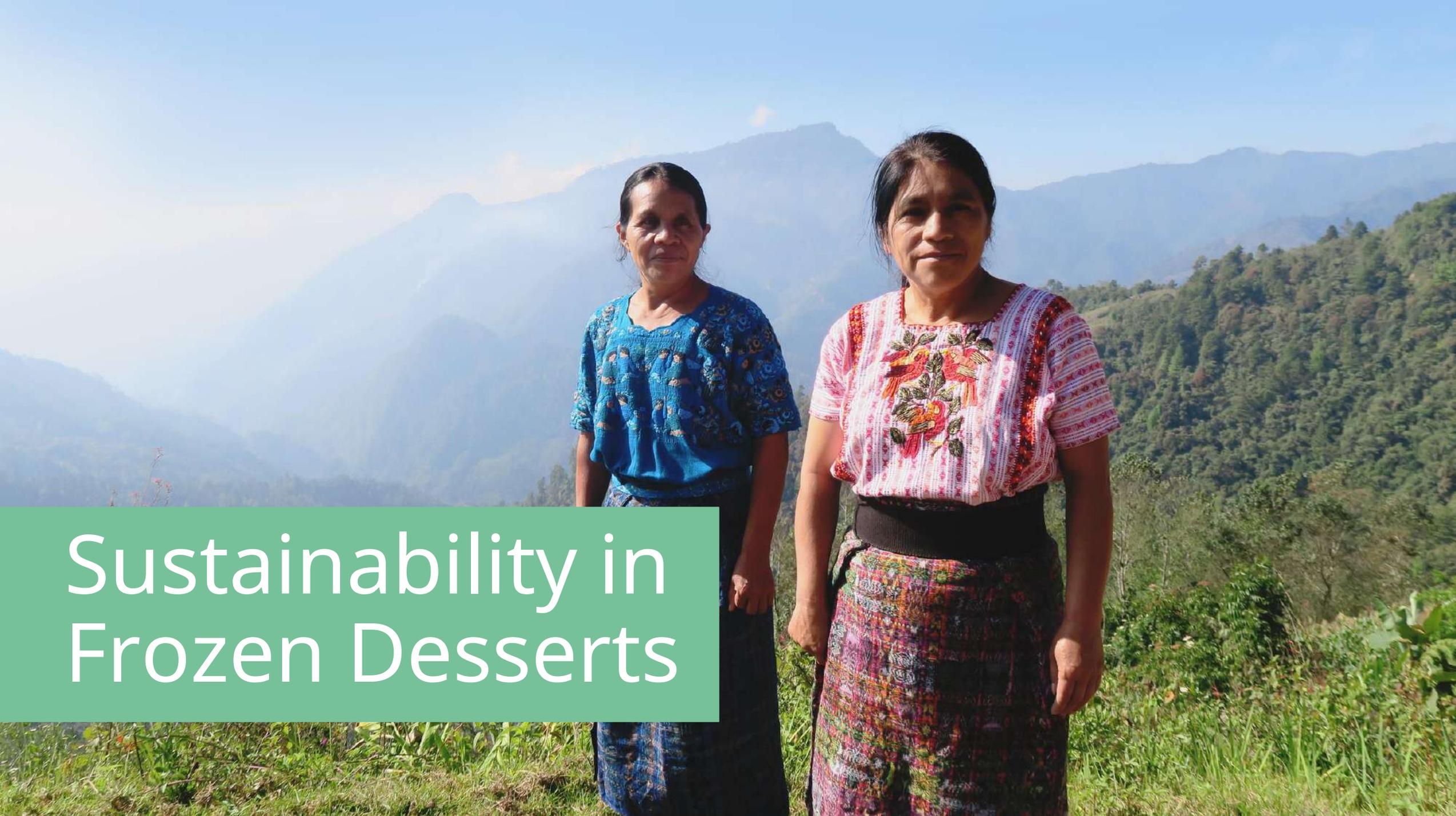
## Attributes promoting sustainability

Sustainable Packaging	31%	▲
Minimally processed	27%	▲
Locally sourced ingredients	26%	▲
No artificial ingredients	26%	▲
Made with natural ingredients	25%	▲
No additives/preservatives	25%	▲
Zero emissions	22%	▲
Organic	21%	
Non-GMO certified	19%	
Carbon Neutral	18%	
High protein	17%	
Low/Reduced Fat	17%	
Low/Reduced Sugar	16%	
Non-GMO Project verified	15%	

# Attributes promoting sustainability in **dairy**, *by archetypes*

## TOP SUSTAINABILITY ATTRIBUTES PROMOTING SUSTAINABILITY IN DAIRY





# Sustainability in Frozen Desserts

# Kerry 2022 Taste Trends | Provenance with a Conscience

Fostering eating experiences with transparent origins that are sustainably sourced and ethically processed.

2/3

of consumers globally state that “sustainability is extremely / very important when it comes to my diet”<sup>1</sup>

28%

of consumers include environmental wellbeing when thinking about holistic health<sup>1</sup>

## Top Global Issues Relating to Sustainability<sup>1</sup>

1. Animal Cruelty
2. Ocean Pollution
3. Human Exploitation



# Demonstrate a Clear Commitment to Authentic, Sustainable Tastes



**Ben & Jerry's**  
*Change is Brewing Ice Cream*



**Coolhaus**  
*Dairy Free Horchata Frozen  
Dessert Sandwich*



**Van Leeuwen**  
*Sicilian Pistachio Ice Cream*



**Dream Pops**  
*Birthday Cake Non-Dairy Frozen  
Dessert Pops*



**Talenti**  
*Caribbean Coconut Gelato*



**Bubbies Mochi**  
*Madagascar Vanilla Super  
Premium Ice Cream*

# I know what I can do to incorporate sustainability in my product development

**YES**



**NO**



# How Can You Action This in Your Product Development?

## Table Stakes:

- Use sustainable packaging
- Create without artificial additives & ingredients

## Commitments for Today:

- Find supplier partners with transparently sourced ingredients
- Review manufacturing practices for sustainability gaps

## Commitments for the Future:

- Partner with industry players to directly commit to growers
- Plan to offset product creation → striving for a carbon neutral future

## Attributes promoting sustainability

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# Key Takeaways

Sustainability is a growing priority for consumers & **it will only become more prevalent.**

Consumers say **Dairy is the #1 category where sustainability is important.**

Understand your consumer and **commit to sustainability actions that are most important to them**



# Questions? Thank you!

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Scan the QR Code for our  
Sustainability in Motion  
White Paper!

A glass of smoothie with ginger and cinnamon sticks. The glass is filled with a light-colored smoothie and topped with a slice of ginger. To the left of the glass is a piece of ginger root, and to the right are cinnamon sticks. The background is a solid blue color.

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## Appendix