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MINTEL:
THE ENVIRONMENT AND THE CANADIAN FOOD
CONSUMER!



Despite the pandemic, consumers' concerns over the environment have gotten stronger. A study undertaken by Kearney during the first quarter of 2020 revealed:

1. Nearly half of consumers say the pandemic has made them more concerned about the environment.
2. 11% have shifted their purchases based on environmental claims.¹

In 2019, PWC Canada revealed:

1. When it comes to food and non-food purchasing decisions, many consumers are willing to pay a premium for products that are local, organic and ethically or sustainably produced. Canadians are also concerned about excessive packaging,

"Intel is the expert in what consumers want and why. As the world's leading market intelligence agency, our analysis of consumers, markets, new products and, competitive landscapes provide a unique perspective on global and local economies".² This report is a summary of a presentation made by Intel as part of Grocery and Specialty Food West, 2021. A special thank you to Mr. Rolster Taylor, Director of Sales and Operations, CFG for providing access to their presentation.

"The Environment and the Canadian Food Consumer"

Topics to be Reviewed

1. The Challenge.
2. Canadians Views.
3. Solutions.

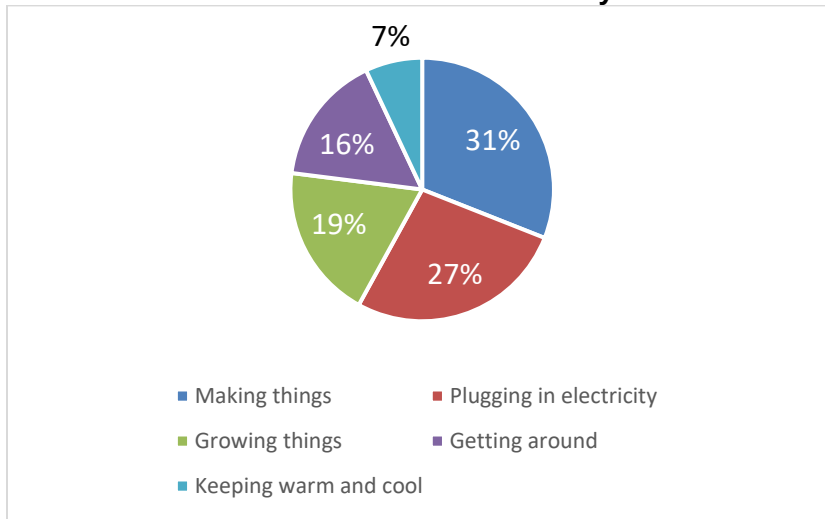
1. The Challenge

- Achieving net zero greenhouse gas emissions is the most ambitious goal in the history of humanity.
- 50B tonnes of greenhouse gas are added to the environment each year. That is the equivalent to the weight of over 36B automobiles... there are currently 1.4B in use.

¹ Consumers Still Care About Sustainability Amid Pandemic, www.fooddive.com, April 2020

² www.mintel.com

How Much Greenhouse Gas is Emitted by What We Do?

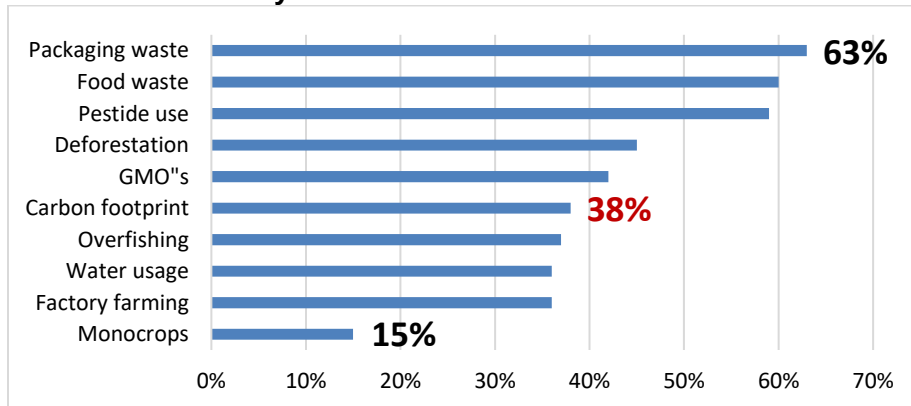


- Breaking down “growing things” and foods role in contributing to greenhouse gas emissions:
 - Meat production: Bovine flatulence and manure account for 2B tonnes of annual GHG emissions.
 - Growing crops: Synthetic fertilizer account for 1.3B tonnes of annual GHG emissions.
 - Chopping down trees.
 - Food waste rot accounts for 3.3B tonnes of annual GHG emissions.

2. Canadian’s Views

- Through COVID, Canadians continue to care about the environment.
- Since the C-19 outbreak, how have your priorities changes for Caring for the Environment?
 - **22%** - Higher priority.
 - **72%** - The same.
 - **6%** - Less.

What Environmental Issues are you Concerned with in the Food and Drinks You Purchase?



- Carbon footprint is in the middle of the pack when it comes to environmental concerns about F&B.
- Climate change is the top reason environmental issues matter when purchasing F&B:
 - I'm concerned about climate change – **58%** - All Ages
 - It's a way for me to do my part for the environment – **58%** - Skews over 55
 - To leave a better world for younger generations – **56%** - Skews over 55
- Younger adults are more inclined to pay more and change their diets:
 - I would pay more for F&B products verified as environmentally friendly:
 - 18-34 – **67%**
 - Over 55 – **44%**
 - Following a plant-based diet is better for the environment:
 - 18-34 – **56%**
 - Over 55 – **35%**
 - Organic products are better for the environment:
 - 18-34 – **70%**
 - Over 55 – **47%**
- Canadians have a trust issue when it comes to companies and the environment:
 - Companies are often untruthful about the actual impact of their environmental claims – **83%**.
 - F&B companies are not doing enough for the environment – **82%**
 - It's difficult to know which products are better or worse for the environment – **80%**.

3. Solutions

- **71%** of Canadians trying to reduce their food waste to support the environment.
- **37%** - Agree – I would be more willing to eat meat products produced in a lab if it looked and tasted the same as meat from an animal.
- Detailed sustainability facts can model nutritional labeling. Label includes:
 - Carbon emissions at different stages of the product cycle.
 - State where made.
 - Packaging details.
 - Labour ethics.

FOOD DISTRIBUTION GUY PROFILE

Food Distribution Guy is Canada's first independently operated, one-stop resource for the retail grocery sector. Our mandate is to ensure our clients' success is sustainable in the long-term. We provide our clients with industry insights and assist them with their "Go-To" market strategy that helps them in breaking through the competitive landscape to "Getting and Staying" through the appropriate retail channels (traditional grocery, health stores, mass merchandiser, club, general merchandise, C-stores).

Richard Baker is CEO and Founder of Food Distribution Guy. He is a skilled strategic branding and award-winning marketing expert. His extensive marketing background stems from 25+ years in brand development, marketing, and sales capacities. Richard has built a solid track record defining the brand's unique selling proposition and driving their development in sectors with formidable competition.

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