



SPOTLIGHT

Sustainability





Content

Why the food industry needs to think about sustainability

Customers expect it

Making it easier for the food industry

Further improvement is possible



Why the food industry needs to think about sustainability

Farmers, growers, food processors, packers, and retailers might not think sustainability has anything to do with them. That it matters only to large corporations, or that it's merely a fashionable buzzword. But dismissing sustainability as irrelevant can be a costly mistake.

Far from being a fad, sustainability is here to stay and increasing in importance, especially in industries which sell to consumers. Because consumers are increasingly concerned about topics such as sustainability, the environment, and fair treatment for workers, they expect food brands to handle these issues responsibly and ethically - and brands expect the same of their suppliers.

This might sound like an unwelcome burden to some businesses, but with responsibility comes rewards. Consumer-facing businesses can win customer loyalty and market share by taking corporate sustainability seriously. And the food industry can compete more effectively for contracts from those consumer-facing businesses by understanding how their own behaviors can also incorporate sustainability.

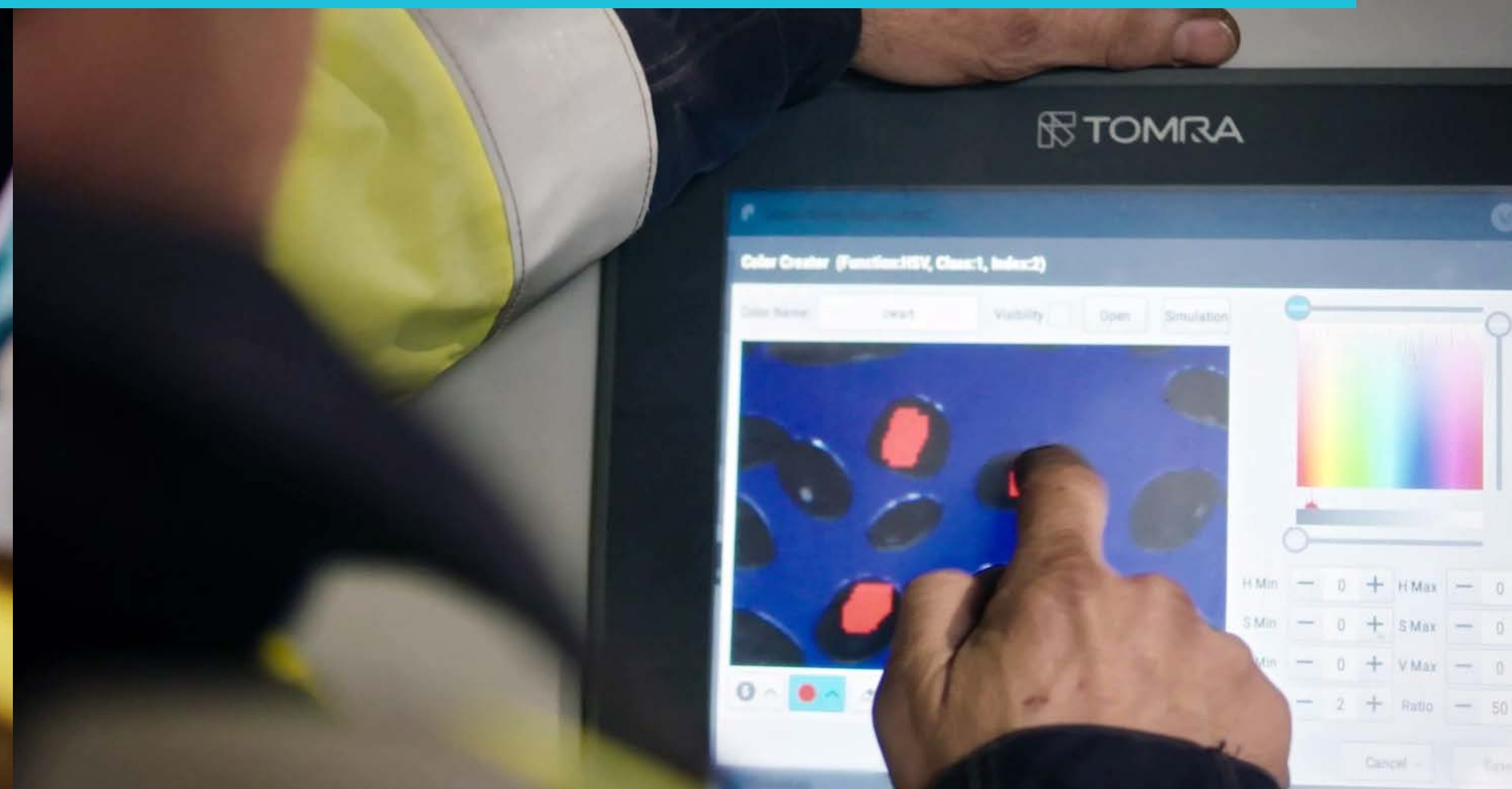
So let's see how, in addition to benefiting society, sustainability can be good for commerce. How it can be integrated into the food industry, and what business activities it can be applied to.

Customers expect it

More and more of today's consumers think twice before making a purchase, asking themselves if what they are about to buy was produced with a responsible approach to the environment and sustainability. Attitudes vary across nations, generations, and industries, but as a brief overview, sustainability is rated as an important purchase criterion by 60% of consumers. This was one of the findings of the Global Sustainability Study 2021 (conducted by global strategy and pricing consultancy Simon-Kucher & Partners), which also found that more than a third of consumers globally are willing to pay more for sustainability and in recent years 85% have become 'greener' in their purchasing.

This study, like others before it, identified that consumers below the age of 40 are more mindful of such issues than those who are older. The younger consumers are, the greater their awareness of how purchasing decisions impact the world, and the more likely they are





to buy from brands whose social causes they believe in. This is important now, and will be even more important in the near future: year by year, the younger generations (known by marketers as Millennials and Gen Z) will represent an ever-greater share of the consumer demographic.

It's not only public opinion or the dangers of climate change that propel sustainability up business agendas. Another significant factor is social media. Because online platforms give angry people the power to shout loudly and widely, commercial success today depends not only on winning consumers' hearts and minds, but also on not disappointing or offending them. Any company that conspicuously fails to respect sustainability issues - by being careless about the environment, perhaps, or by being wasteful of finite resources - can quickly fall out of favor with the buyers it depends on.

Making it easier for the food industry

The good news is that it's easy for the food and agro-industry to take sustainability seriously. This is made possible by the technologies offered by TOMRA Food, the world's leading manufacturer of sensor-based sorting solutions and integrated post-harvest solutions for the food industry.

Because TOMRA's sorters can detect and eject unwanted materials from manufacturing and processing lines according to their color, shape, size, structure, and even their biological characteristics, they are famous for setting high standards in food safety and product quality. Less well-known, however, is the fact that TOMRA's solutions also help achieve eco-efficiency. What's more, TOMRA's solution platforms can be

tailored to almost every kind of food: potatoes, vegetables, fresh and processed fruits, berries, dried fruit, nuts, seeds and grains, proteins, pet food, and confectionery.

Reducing food loss and waste is critical to reduce production costs and increase the efficiency of the food system, improve food security and nutrition, and contribute to environmental sustainability. Food loss occurs along the food supply chain starting from post-harvest losses on the farm up to but not including the retail stage. Food waste refers to food that is discarded at the level of retailers, food service providers and consumers.

It is by reducing food loss that today's sorting and grading solutions also enhance yields and profits. The United Nations Food and Agriculture Organization (FAO) warns that by 2050 global food demand will increase by about 50%, yet only 20% more land can be brought into productive use. This means existing resources must be used much more effectively. Sustainability and survival are inextricably linked.

Again, answers can be found in technology. A recent European Parliament report - 'Technology options for feeding 10 billion people' - pointed out that sustainability can

be improved in many ways by automating food manufacturing and processing lines. The benefits of automation, the report observed, include "optimizing product quality" and "reducing quality losses and defects."

This is certainly true in TOMRA's experience. TOMRA's sorters and graders are designed and developed (and fine-tuned on site) to remove unwanted materials and imperfect products without throwing away good products. TOMRA's solutions achieve an exceptionally low good-in-bad reject ratio - and if some good product is ejected from the line, it can often be recovered by running it through a sorter for a second time, or recuperated for sale at a lower grade. As a result, TOMRA's sorting and grading solutions increase the yield of produce, put a big tick in the box labeled 'sustainability', and give users a competitive advantage.

Further improvement is possible

Future reductions in food losses will be better still, not least because we are entering the era of digitalization. A good example is how all TOMRA's sorting platforms are connectable to the TOMRA Insight data platform, which

gathers data in near real-time and stores this securely in the cloud. Live data can be reacted to immediately (and remotely) to optimize machine settings; historical data can be processed into actionable information to unlock improvements in machine performance. Such data analysis will become increasingly valuable as we move into a digitized future, transforming sorting and grading from an operational process into a strategic management tool.

And making the effort to adopt sustainable business practices is not so different from investing in TOMRA solutions: as well as being good for the planet, it helps protect that most valuable of business assets, brand reputation.

