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SPINS[®]

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Clean Label Trends & Consumer Purchase Behavior

Redacted Version

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Inspiring the pursuit of wellness.

SPINS is a wellness-focused CPG data company

SPINS equips brands with insights and tools they need to innovate, get their products to market, and tell their stories.

SPINS provides retailers mission-critical capabilities to serve the consumer through tailored experiences, the right products on the shelf, and differentiated assortments.





Inspiring the Pursuit of **Wellness**

- Informing consumers on their wellness journey
- Delivering innovation for retailers
- Actionable insights for brands

SPINS Data Network Pillars

Innovative and Emerging Products

Identify trends and items via SPINS proprietary and conventional sources to execute your strategy.

SPINS Product Intelligence

Products **precisely classified** using ingredients, label claims, certifications, and data science

Common Language in Industry

Standardized attributes and hierarchies across retailers and brands **enable collaboration** and results in mutual growth.

SPINS Solutions for Retailers, Brands, and Partners

Deep insights and analytics are possible with attribute enhanced proprietary data that powers an array of solutions

Today's Consumer:
Clean Label Attribution
Driving Innovation

Current State of Clean

The words “natural” and “artificial” evoke strong reactions around food choices.

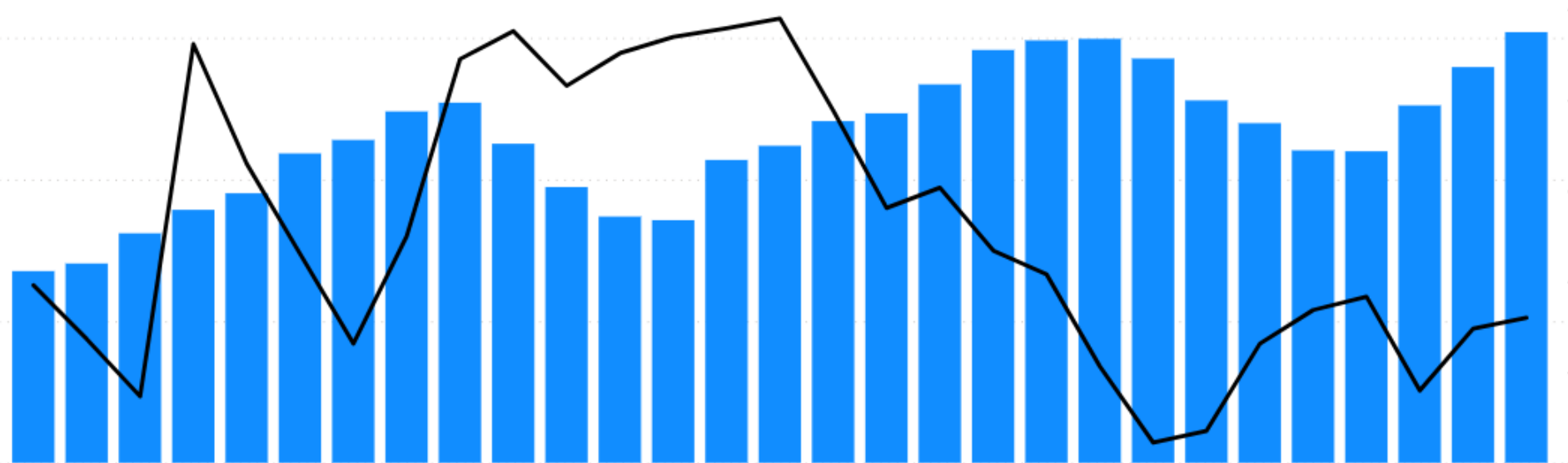
- ✓ About half of Americans say they seek out natural flavors at least some of the time
- ✓ 41% seek out natural sweeteners
- ✓ 40% seek out natural preservatives
- ✓ Artificial flavors, colors, sweeteners and preservatives were sought out by only about one in 10 consumers, with approximately half saying they avoid each of them at least some of the time



- **CLEAN FOOD PROMISE:** We follow a code we call the “clean label philosophy” which means we only use whole organic food and simple ingredients listed on the front of our package. We never add sugars, preservatives, or additives of any kind. Green bananas have a different nutritional profile than ripe bananas. They’re a strong source of fiber and higher in iron and potassium.

Vital Clean is driving growth

in the key wellness category segment of Energy & Sports Drinks



Sweetener Types

RTD Beverage Categories, \$ % Change L52 Weeks

Natural Sweeteners

+11% Natural Low Calorie Swt.

+6% Only Naturally Sweetened

+26% Agave Nectar

+45% Allulose

Sugar Alcohols

+7% Sugar Alcohols

+8% Erythritol

Artificial & Controversial Sweeteners

+12% Artificial Sweeteners

+16% Aspartame

+11% High Fructose Corn Syrup

+8% Sucralose

Protein Sources

Animal-based protein sources like Whey are outperforming plant-based alternatives in the Protein Supplements & Meal Replacements category

Protein - Animal

YoY Growth
+15.9%



Protein - Plant

YoY Growth
+6.9%



Protein – Animal & Plant

YoY Growth
+1.3%



Values Based Consumer Perspective

In 2022, SPINS saw strong growth in sales of products with specific health and wellness attributes



PERFORMANCE TRACKING

Paleo items grew 19%



PRODUCT DISCOVERY

**Grain-free and
pasture-raised
products each grew
17%**



NEW ITEM PERFORMANCE

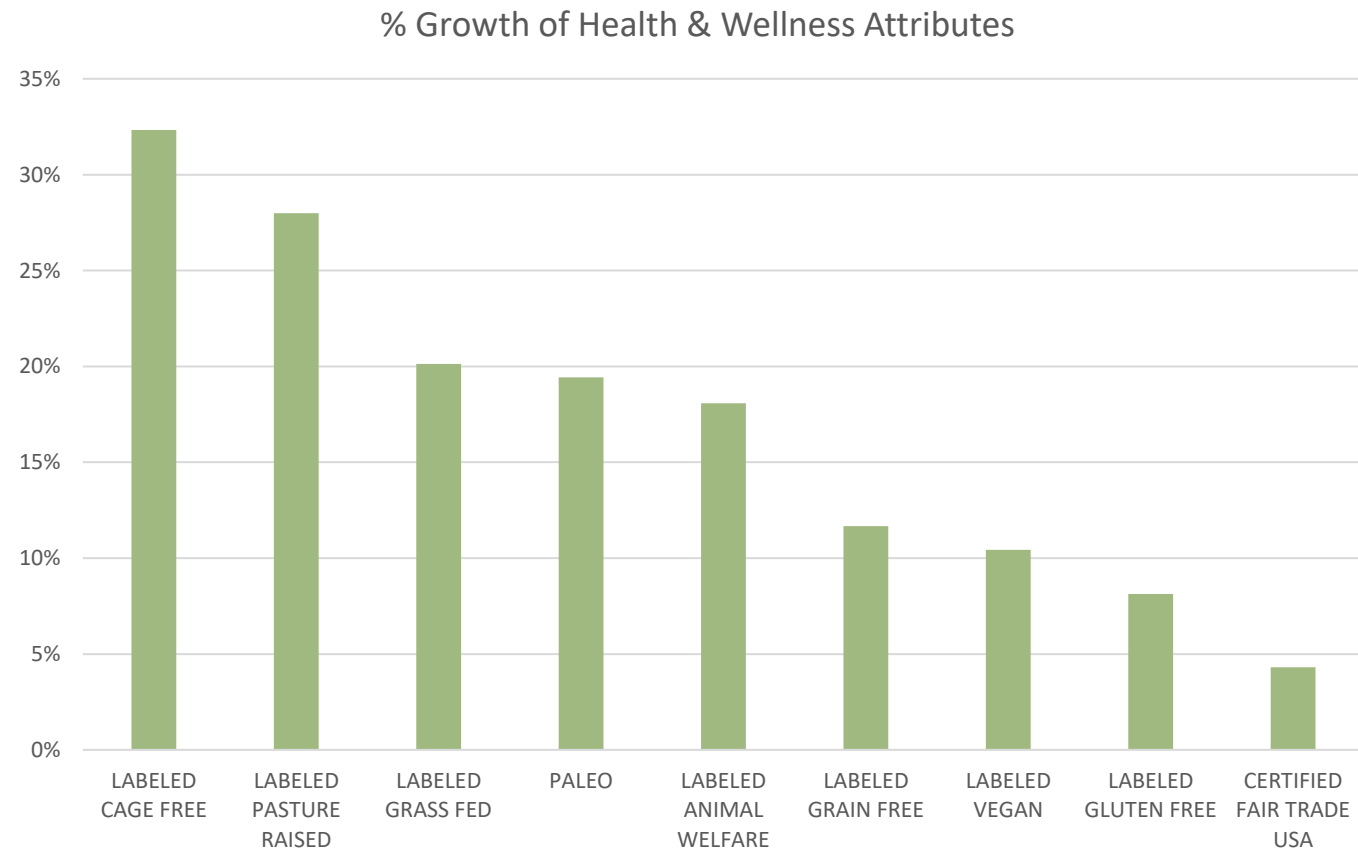
**Cage-free items rose
16%**



COMMON USE CASES

**Products with grass-
fed and animal
welfare attributes
each saw a 15%
increase**

Values Based Attribution Driving Purchasing Decisions





How Shopper Preferences Have Evolved: From Restriction to Mission-Driven

1

DIET-BASED:

Shoppers follow a specific diet for health or wellness goals, restricting categories of foods or seeking certain nutrient content

2

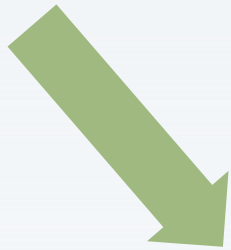
NATURAL INGREDIENTS:

Consumers want to avoid chemical sounding names and look for shorter ingredient statements with recognizable ingredients

3

SUSTAINABLE:

Transparency is essential, in terms of contents, sourcing/production practices and the brand's values



86%

Of shoppers are more likely to purchase a product from a brand or retailer if the packaging is considered sustainable

1 of 2

Are willing to pay more for a product they perceive as environmentally safe

4 of 5

Say they would buy more products with sustainable packaging if they were more widely available

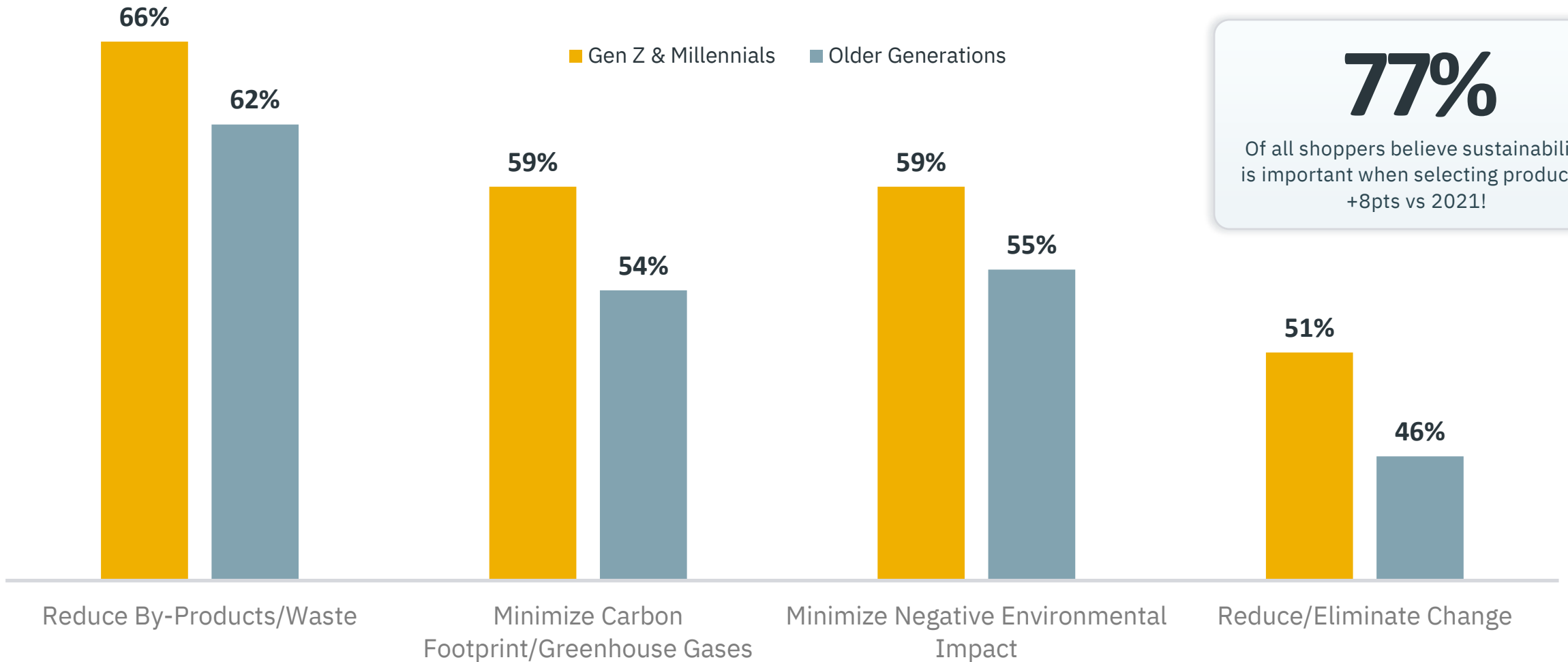
76%

Have made a conscious effort to purchase more sustainable products recently in the past year



Younger Shoppers Are Driving Sustainability Demand

% Of Demographic Identifying With Sustainability Solutions

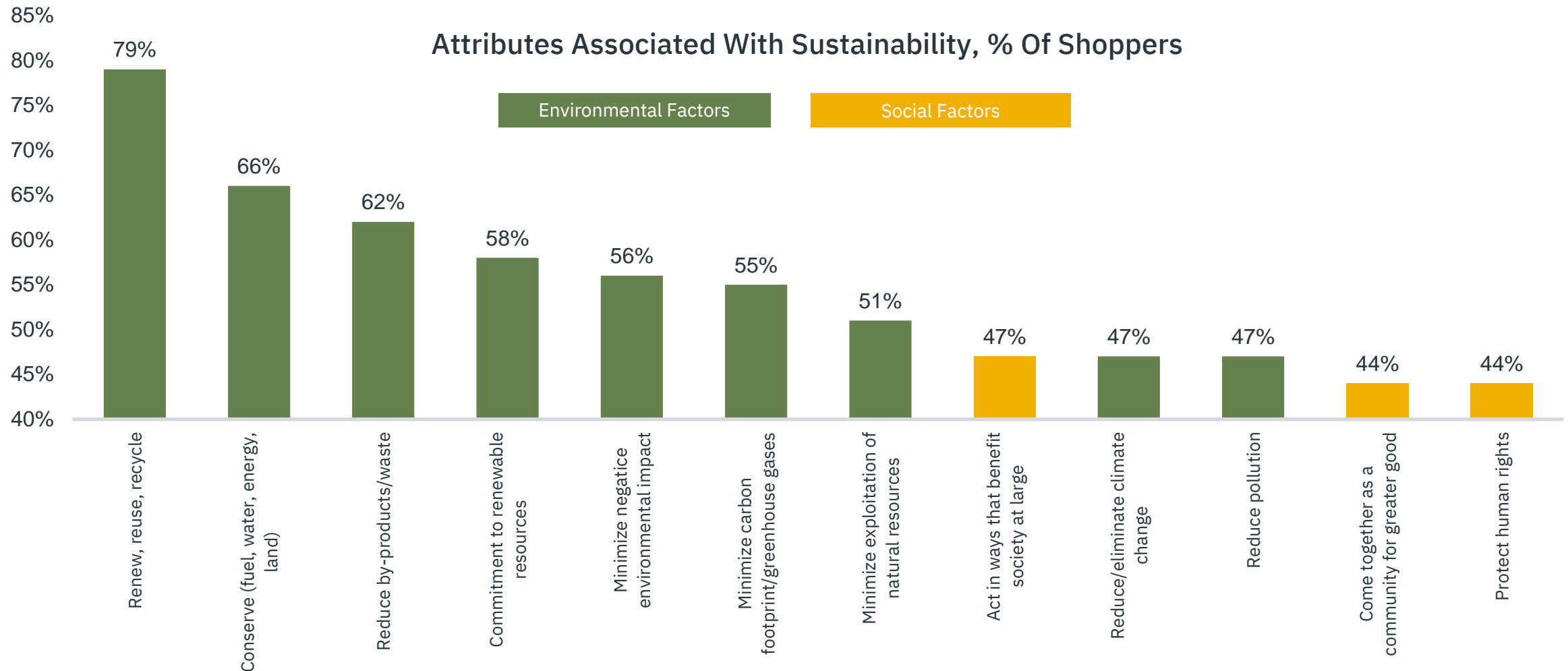


77%

Of all shoppers believe sustainability is important when selecting products, +8pts vs 2021!

SHOPPERS SUSTAINABILITY MINDSET

Sustainability In Shoppers Mindsets: Environmental Vs. Social Factors



What customers are saying about Sustainability:

66%

of consumers and 80% of young adults (18-34) are willing to pay more for sustainable products compared to less sustainable competitors

78%

say despite their desire to support companies that align with their values, they don't know how to identify environmentally friendly companies

1 of 2

surveyed asserted that clear language on products is important

46%

say third-party or independent source confirmation is important

3 of 4

of sustainable shoppers use labels or third-party certifications to confirm a company or product's sustainability credential

SPINS Sustainability Data Trends

Consumers are taking a closer look at the sustainability of the products in their home. Whether it be the effects the ingredients can have on the planet, or the brand’s manufacturing practices. Shoppers want to support brands that are sustainable and ethical in their businesses.



+7%

Naturally Positioned Products

+7%

Labeled Non-GMO

+4%

Labeled Organic

+5%

Plant-Based Positioned

+28%

Labeled Coral Reef Safe

SPINS Sustainability Data Trends

Labels and Certifications are not only useful and necessary but help set an industry wide standard for defining sustainability and what to look for on shelf.



+7%

Certified Non-GMO

+6%

Certified Organic

+7%

Certified B Corp

+2%

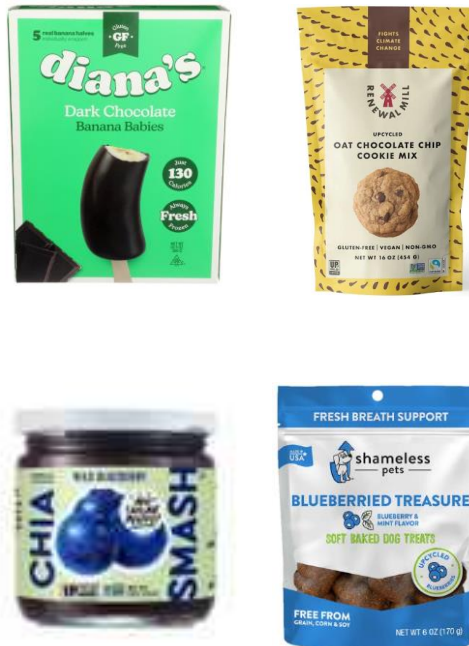
Certified Plant Based Foods

+20%

Certified Regenerative Organic

Upcycled Gaining Traction

Using upcycled ingredient sources adds innovation opportunities across an increasing number of categories that capitalize on once discarded food sources as a solution to mitigate negative climate impacts.



Sustainability through packaging

Single serve beverages pivot towards easier recycling options

Pod & Cup systems have been criticized for being impossible to recycle, ultimately end up in public landfills and other bottled beverages are switching from glass and plastic to aluminum and other metals which is easier to recycle and reuse.



Pod/Cup System -
Recyclable:
+18%

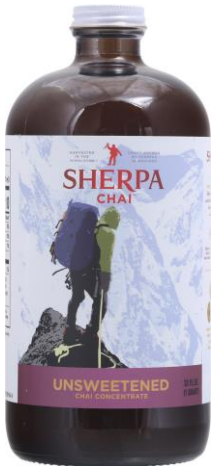


Pod/Cup
System:
-10%

Shelf Stable &
Refrigerated Beverages
+10%



Bottle –
Aluminum:
+28%



Bottle –
Glass:
-18%

Sustainable, Circular, Refillable Products In Personal Care

From carbon-neutral production methods, vegan-friendly formulas, refillable containers and innovative alternative packaging, there are plenty of ways to reduce the adverse effects on the planet.



Packaging

Aside from shopper post consumption, much of the change needed for more environmentally sustainable packaging will have to come directly from companies themselves - which we are starting to see a shift to with the types of materials being used.



Production

Responsible sourcing, practicing upcycling, renewable energy and water conservation are just some of the ways personal care are approaching a new era of earth friendly standards of operating.



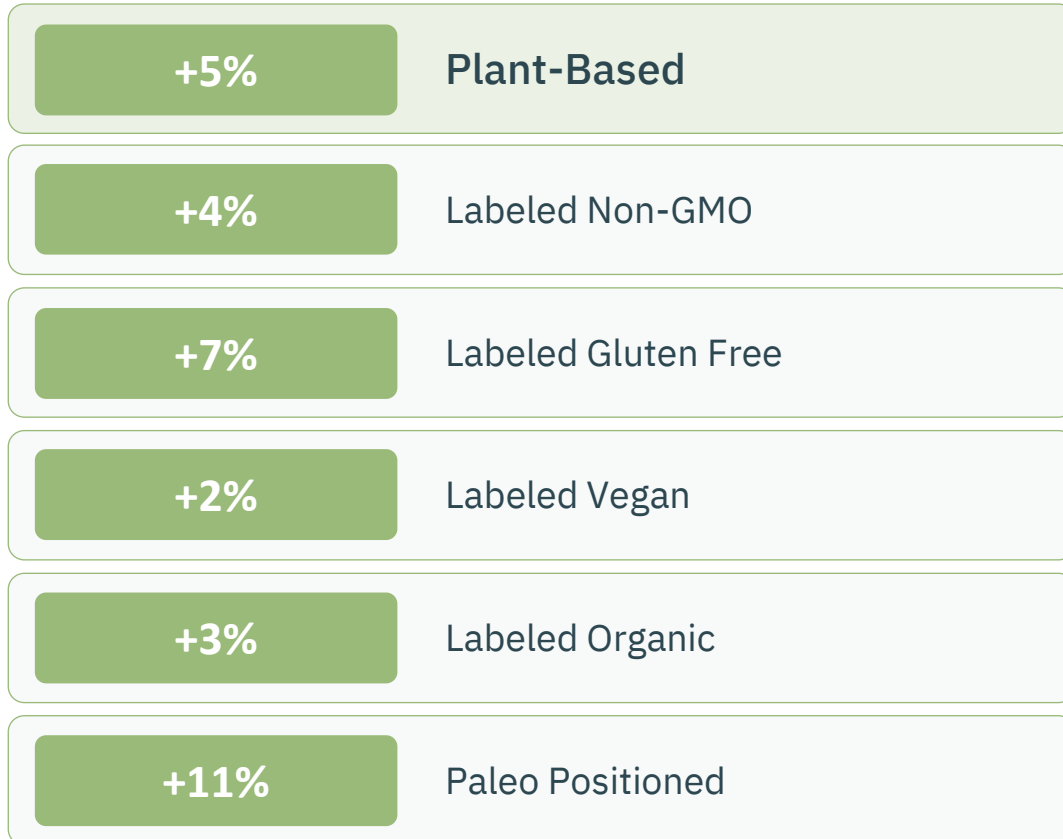
Refillable

The benefits of refillable packaging are a net decrease to the amount of plastic that is produced. Often, the refill for any given product is less expensive than the originally-packaged product.

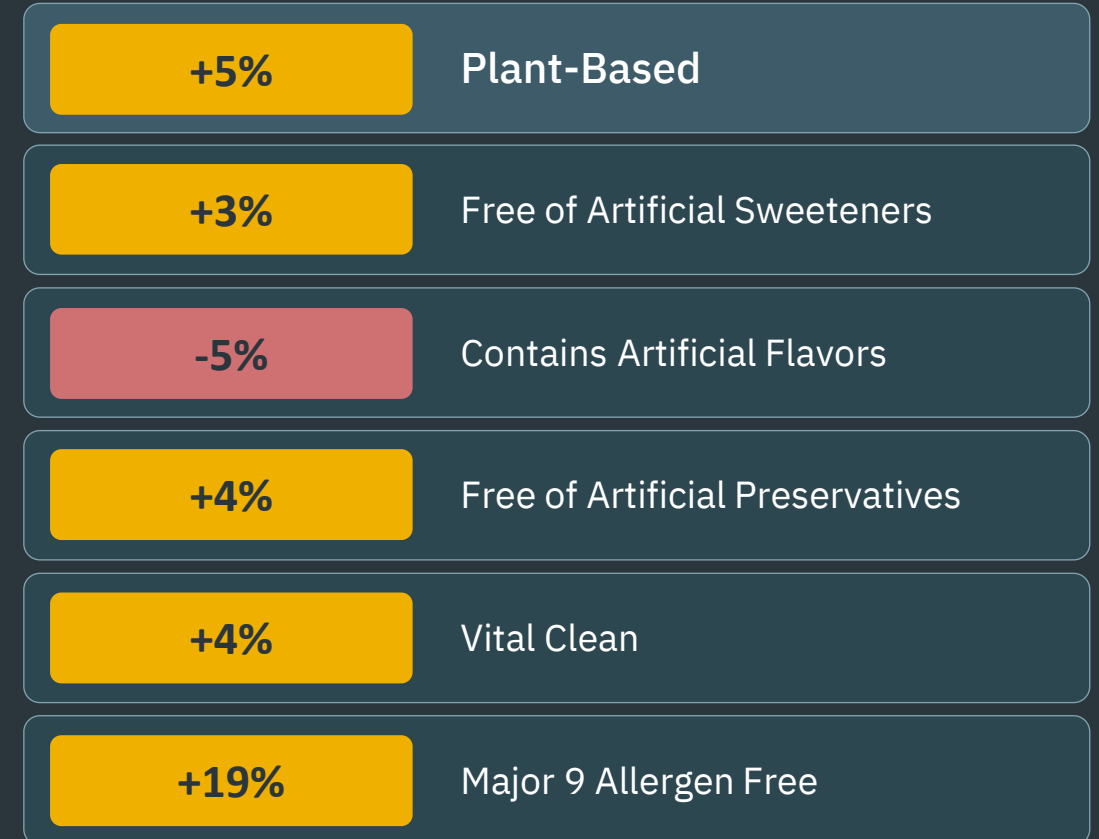
Trends in Plant-Based: **An Opportunity for Cleaner Ingredients**

How Plant Based Fits into the Demand for Clean

How Label Claims Are Promoting Plant Based



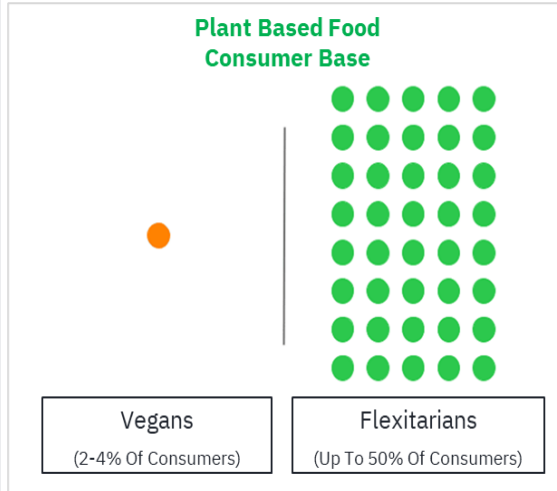
How Clean Labels Are Promoting Plant Based



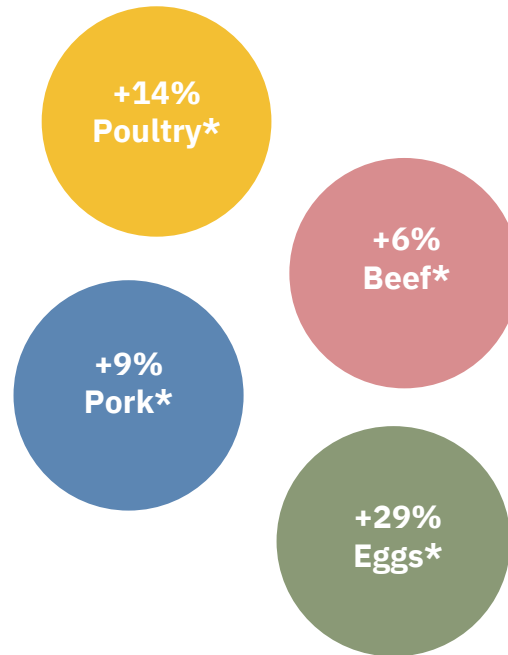
PLANT-BASED EVOLUTION

An Evolving Audience, Rising Prices, and Alternatives

Evolving Audience

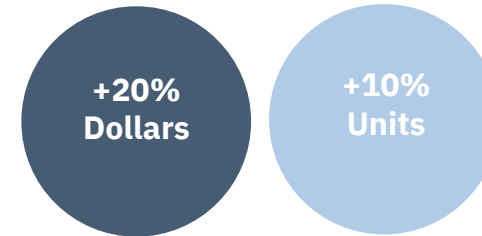


Tough Times For Meat



*Consumer Price Indexes in 2022 vs 2021

Ocean Based Plants



Key Growth Categories (Ranked By Unit Growth)

- Deodorant
- Sunscreen
- Vitamins & Minerals
- Pet Food
- Chips & Snacks

Alternative Meats

Precision Fermentation:

- Uses the large and mostly untapped variety of yeasts, fungi, mycelium and microalgae as hosts
- Produces ingredients identical to animal proteins

Lab-grown/cultured meat:

- Sourced from animals raised on factory farms
- They mature and grow in a lab
- This results in much smaller animal welfare & environmental impacts

KEY TREND: Animal Free Dairy



‘NEXT GEN’ INGREDIENTS ARE CATEGORY DISRUPTORS

Derived through precision fermentation, animal free dairy proteins are considered a sustainable alternative to animal derived milk proteins and for shoppers looking to reduce animal derived consumption.

Poised for broader proliferation across categories.

Products containing Non-Animal Dairy Proteins are sometimes called Animal Free and have a growing and much talked about presence in the market.



Thank you!

For more information contact me at
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