



**TRADE  
INTERCHANGE**  
Smarter Supplier Management

**ARCUS**<sup>®</sup>  
A Trade Interchange System



**VEGANISM  
IN FOOD**

# The year of the vegan

Veganism has transformed from a niche trend to global sensation within the last decade, as the number of vegan restaurants, cafes and products have grown exponentially. With little sign of this trend abating, it is vital for companies to keep up with demand to avoid losing out on their share of this ever growing market. The beginning of 2019 saw around 300,000 people sign up for Veganuary, in which people choose to become vegan

for a month for a multitude of reasons. This figure was almost double the 168,000 people signing up the year before, showing there is no sign of the rapid expansion of veganism slowing. It has been claimed '2019 will be the year of the vegan, particularly because the supply of vegan products available will meet the demand'<sup>1</sup> offering businesses the chance to delve into this increasingly popular and lucrative market. Sales of meat substitutes in



“2019 will be the year of the vegan”

*Rich Hardy, Head of Campaigns, Veganuary*

Europe grew 451% between 2014 and 2018, a growth which shows no signs of curtailment. While many companies such as Hellmann's, PizzaExpress and Zizzi have embraced this expanding sector some have fallen short by refusing to update their products and labelling or improperly managing their supply chains, causing contamination and loss of reputation.

***Sales of meat substitutes in Europe grew 451% between 2014 and 2018.***



# Does 'meat-free' mean meat-free?

Allergens are a threat throughout the food industry; if improperly managed they can lead to loss of reputation, consumer trust, profits and can ultimately lead to a company's collapse. Meat-free products must be entirely free from animal derivatives in order to create and maintain a vegan business' brand, which can be a difficult task without proper management of the supply chain.

**Free-from food is a rapidly growing market, with 65% of twenty-five to thirty-four year olds claiming to regularly purchase some form of free-from product.**

While the sector began to cater for customers with dietary restrictions, veganism is increasingly dominating the range leading to growing numbers of companies targeting vegans through their products. While allergens pose a threat in any sector, free-from food exacerbates these risks by its ability to make or break a company which is found to have any unlabelled animal or allergen traces in its products.



Social media allows consumers to rapidly communicate any issues which arise from a product or company, which can be detrimental to businesses if their products are found to contain ingredients not listed in their labels.

Retail sales in the UK of vegan products are projected to reach £658 million by 2021, providing companies with a huge potential for profit which could be missed if businesses fail to efficiently manage their supply chains. Customers 'find reading labels time consuming and are unsure of

which products are vegan<sup>2</sup>, demonstrating the need for companies to clearly label their products. Brands are reliant upon trust, something which is easily lost if traces of meat are found within vegan products.

Clear labelling reassures customers, removing ambiguity and creating a more trustworthy brand which in turn creates a more successful business. The Daily Telegraph's report exposed traces of meat in leading supermarket's 'meat-free' products, exposing the fragility of supply chains which are not properly monitored.

<sup>2</sup> Kelly Slade, Head of Vegan Pledge Campaign



Supermarkets own brand vegan products have been found to contain traces of turkey and pork, not only causing outrage in customers and the media but also damaging their reputation and brand. The fact 'meat-free' meatballs in which the pork was found carried the widely respected Vegetarian Society logo shows how vigilant companies need to be in order to monitor their supply chain and avoid contamination, in addition to the dysfunctionality and inefficiency of paper based supply chain management.

“ We are able to manage our supplier and product specification data efficiently. With the ability to link to our internal systems, only approved and live allergen information can be used to create our recipes and menu items. The team have been great at working at pace and developing the system to our requirements. ”

Maria Loftus, Senior Technical Manager,  
TGI Fridays

# Is vegan food sustainable?

Sustainability is no longer excluded from business plans and board meetings, as increasing environmental concerns lead to 'over 80% of customers [saying] it was important to them that [companies] have an environmental commitment'<sup>3</sup>. A company's environmental stance can determine the success of the business, particularly within sectors such as vegan goods in which the majority of customers are already concerned with ethical issues. A number of factors influence consumers' decisions to become vegan, such as sustainability and the use of antibiotics in non-vegan products.

The majority of reasons are also risks within the supply chain which can be mitigated using ARCUS® SIM and its plug-ins, leading to a happier customer and more trustworthy, lucrative brand. A study by the BBC shows environmental concerns were the 3<sup>rd</sup> most common reason for veganism, demonstrating consumers want more sustainably sourced and environmentally friendly products.

Environmental impact can be easily monitored through ARCUS® SIM allowing companies to ensure and prove their sustainability, increasing profits while building consumer trust. A Waitrose report highlights the importance of sustainability, finding 88% of respondents who watched Blue Planet II's final episode subsequently changed their behaviour in order to reduce their consumption of plastic.



*A study by the BBC shows environmental concerns to be the 3<sup>rd</sup> most common reason for veganism, ahead of animal welfare.*



The report also found Waitrose staff saw an 800% increase in customer's questions regarding the supermarkets use of plastic. Veganism generally creates customers who are more concerned for the environment, requiring businesses to address the fact veganism and sustainability are far from being mutually exclusive.

ARCUS® SIM allows businesses to tackle both of these issues simultaneously, placing the responsibility on to the supplier to submit accurate, valid documents which are checked by artificial intelligence at the point of upload to ensure no part of the supply chain is overlooked.

This ensures safe sourcing, free-from meat and animal derivatives while producing goods sustainably, allowing companies to easily mitigate risk and produce socially responsible, vegan goods while still profiting from this lucrative market.

Trade Interchange's Supplier Information Management (SIM) software allows companies to tailor the questionnaires which will be sent to suppliers to monitor their sustainability and environmental impact, increasing confidence within the supply chain while protecting businesses' brand and reputation.

<sup>3</sup>Mary Webzel, Director of Environmental Affairs, Wells Fargo

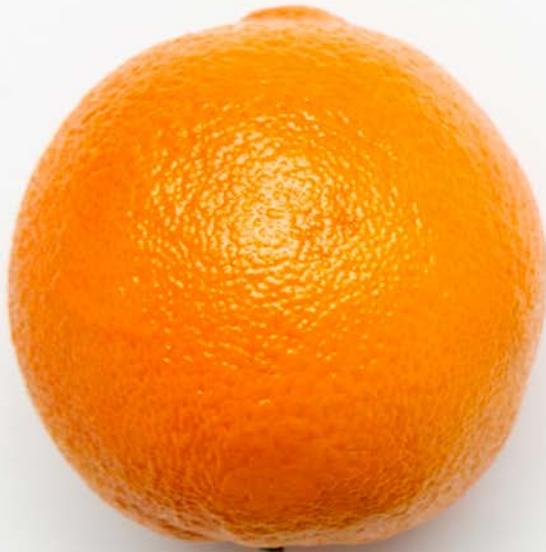
# Are antibiotics used in vegan food?

Growing populations and depleting natural resources lead to demand for food outweighing supply for many products, causing farmers to protect their stocks through the use of antibiotics. While antibiotics are predominantly used in the meat market, vegan companies are not entirely free from risk as they produce meat substitutes to appease the masses.

Instances exposing the presence of animal derivatives within these meat-free products highlights the significance of a properly managed supply chain. The use

of antibiotics within food are cited as the 4<sup>th</sup> most common reason people become vegan, an understandable concern considering the 33,000 deaths in Europe each year due to antibiotic resistant infection.

While ARCUS® SIM can monitor the use of antibiotics within the supply chain, companies such as Greggs have introduced products bypassing the issue altogether by introducing a vegan sausage roll helping to generate annual sales of over £1bn for the company for the first time.



*There are over 33,000 deaths in Europe alone*

Sainsbury's 65% increase in the sales of plant based goods between 2018 and 2019 coupled with Instagram's 81 million #vegan posts show the trend has no signs of abating, suggesting any companies not catering for this huge market segment can rapidly lose customers and profits.

ARCUS® SIM enables companies to be confident in the knowledge their products are free from meat and antibiotics, placing the responsibility on to suppliers to upload relevant documentation which is verified by artificial intelligence notifying both the

supplier and company if there are any errors or inconsistencies.

ARCUS® SIM's cloud-based system centrally stores all information making supply chains easy to manage, while providing remote access which ensures company and customer confidence. The software unites business departments while providing a seamless approach to managing multiple levels of supplier risk, including antibiotics and animal derivatives.



*each year due to antibiotic resistant infections.*

# *Is veganism an escape from modern slavery?*

Modern slavery is a prevalent problem in most industries, particularly those such as palm oil, cocoa beans and textiles in which workers are largely undocumented leading to poor working conditions and insufficient pay.

Agriculture is one of the main industries in which the majority of modern slavery cases are reported, leading companies within every sector to closely monitor their suppliers' use of labour to prevent loss of reputation and profits.

While one of veganism's main concerns is that of ethicality, there is no guarantee vegan food is free from social and ethical wrongdoings. Agriculture is one of the industries most affected by modern slavery, showing the fruit and vegetables vegans regularly consume are not as sin free as once thought.



Slavery is far from an issue of the past as modern slavery cases within the UK have risen by 35% between 2016 and 2017, with an estimated 10,000 to 13,000 people being exploited within the food and farming industries.

While many businesses face exposure of their unethical supply chain, using ARCUS® SIM ensures all suppliers meet the requirements necessary to verify their compliance with the Modern Slavery Act.

In an age in which unethical supply chains can quickly be exposed and shared companies are more conscious than ever of the provenance of their products, which can be difficult to manage without the help of ARCUS® SIM.

A cloud-based system allows constant monitoring of suppliers, protecting a company's reputation while simultaneously eradicating erroneous paper trails and



reducing the amount of time employees need to spend attempting to find suppliers' certificates and compliance declarations.

The software uses artificial intelligence to verify at the point of upload suppliers' documents and certifications including a company's Modern Slavery policy, making management of a supply chain easier than ever.

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# How Trade Interchange Can Help

While any sector can be subject to risks such as allergens or modern slavery, growing numbers of vegans have led to the availability and production of more free-from products than ever before, placing rising stress on businesses to ensure the quality and success of their product in this rapidly expanding sector.

Increasingly aware consumers mean supply chains are under more scrutiny than ever before, with one unlabelled ingredient having the ability to ruin the reputation of an entire company.

With 52% of Brits agreeing UK food labels make it difficult for people with specific dietary requirements to make informed decisions regarding their food and other goods, businesses who take the initiative to clearly label vegan products while using ARCUS® SIM and its plug-ins to mitigate risks of inaccuracy could reap the rewards of a growing vegan population. ARCUS® SIM and its customisable plug-ins allow companies to collate and verify information of their choosing, creating the ability to monitor and eliminate any traces of animal derivatives or allergens within the supply chain.

ARCUS® SIM places responsibility on to the supplier to guarantee all certificates and credentials are up to date and correct ensuring compliance with latest regulations.



A close-up photograph of a pair of hands, palms up, holding a smooth, vibrant green heart. The hands are positioned in the lower half of the frame, with the fingers slightly curled around the heart. The background is a rustic, dark brown wooden surface with visible grain and texture. The lighting is soft and natural, highlighting the skin tones and the glossy surface of the heart.

ARCUS® SIM and its plug-ins mitigate risks of inaccuracy, allowing companies to reap the rewards of a growing vegan population.

Artificial intelligence with machine learning functionality is used within ARCUS® SIM to verify information at the point of upload, saving companies time, money and resources while ensuring a 99.5% accuracy rate. ARCUS® SIM's 360° view of supplier information guarantees government and company procedures are followed protecting reputation and brand, creating a loyal customer and profitable business while avoiding beef between company and consumer.

By using ARCUS® SIM, companies can ease their administrative burden and minimise the risk of human error, while plug-ins such as Product Information Management enable businesses to collect ingredient level details based on their requirements. This helps to ensure vegan products are entirely free from animal derivatives, in addition to monitoring and regulating allergens, sustainability and ensuring compliance with the Modern Slavery Act. ARCUS® SIM's cloud-based system centrally stores all supplier information, providing remote and instant access allowing ease of scrutiny and proof of regulatory compliance.

ARCUS® modules and plug-ins help create companies with ethical reputations and practices, which is of paramount importance particularly within the conscientious vegan sector. Using ARCUS® SIM leads to easier and more effective supply chain management, reducing the risk of contamination by animal derivatives within vegan products and increasing the ease of supply chain management.





“ARCUS® SIM enables us to check every supplier with ease and manage the relevant data through automation and streamlined processes, and we are looking forward to working with Trade Interchange to maximise the benefits of the software now and in the future.”

Alyson Scott, Procurement Supply Chain Director, TGI Fridays



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