

THE STATE OF RESTAURANT SUSTAINABILITY 2018

EDITION



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Shared Vision of the National Restaurant Association, National Restaurant Association Educational Foundation and Council of State Restaurant Associations: We lead America's restaurant and foodservice industry by elevating its prosperity, prominence and participation, enhancing the quality of life for all we serve.



About the National Restaurant Association: Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry, which comprises more than 1 million restaurant and foodservice outlets and a workforce of 14.7 million employees. We represent the industry in Washington, D.C., and advocate on its behalf. We operate the industry's largest trade show (NRA Show May 19-22, 2018, in Chicago); leading food safety training and certification program (ServSafe); and unique career-building high school program (the National Restaurant Association Educational Foundation's ProStart). For more information, visit Restaurant.org.

About the National Restaurant Association Educational Foundation: As the philanthropic foundation of the National Restaurant Association, the NRAEF is dedicated to enhancing the industry's training and education, career development and community engagement efforts. The NRAEF and its programs work to Attract, Empower and Advance today's and tomorrow's restaurant and foodservice workforce. NRAEF programs include: ProStart® — a high-school career and technical education program; Restaurant Ready — partnering with community-based organizations to provide "opportunity youth" with skills training and job opportunities; Military — helping military servicemen

and women transition their skills to restaurant and foodservice careers; Scholarships — financial assistance for students pursuing restaurant, foodservice and hospitality degrees; and the Hospitality Sector Registered Apprenticeship Project — providing a hospitality apprenticeship program for the industry. For more information, visit ChooseRestaurants.org

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STATE OF RESTAURANT SUSTAINABILITY



Overview

New National Restaurant Association research shows restaurant and foodservice operators are integrating sustainability practices into their daily business operations.

As restaurateurs increasingly adopt innovative, sustainable practices, the National Restaurant Association examined what measures they are taking to conserve resources and operate more sustainably.

The Association surveyed 500 restaurant owners and operators about their environmental efforts and sustainability opportunities and challenges within their operations. More than 1,000 consumers also were surveyed about the best methods for restaurants to promote sustainability practices to customers.

The results show that restaurants of all types are innovating and making progress. From independent operators to large restaurant chains, the foodservice industry is reducing its energy and water consumption, minimizing waste creation, and connecting with environmentally aware guests.



Here's what we found:

- 1. Efficient equipment is now standard in many restaurants.** Most restaurants use energy-efficient lighting, and many use U.S. Environmental Protection Agency Energy Star®-rated kitchen equipment. Water-saving innovations are also gaining ground, from low-flow toilets to efficient pre-rinse spray valves.
- 2. Restaurant operators are recycling and focused on packaging.** Large majorities of restaurant operators engage in recycling. Most restaurant operators source at least some packaging and supplies made of recycled content.
- 3. Reducing food waste is an emerging area for action.** About half of restaurant operators track food waste in their operations, with many of them doing so daily. More than one in five operators donate edible leftovers to charity and more than one in ten compost at least some of their leftover food.
- 4. Sustainability is a mainstay on restaurant menus.** Restaurant operators and chefs say environmental sustainability, local sourcing and food waste reduction are among the top trends affecting restaurant menus. As both operators and consumers increase their knowledge about where and how food is produced, menus are also evolving to reflect the growing request for transparency.

The following research results parallel the outcomes of the National Restaurant Association’s 2018 “What’s Hot” report, where 700 professional chefs ranked environmental sustainability and food waste reduction among 2018’s hottest trends.

This research also points to opportunities for restaurant operators to learn more about incentives that support sustainability steps. These include utility-company rebates for installing efficient equipment, enhanced tax deductions when restaurants donate wholesome leftover food to charities, and liability laws that protect food donors. These incentives can help ease the sustainability process for some operators.

As more restaurateurs start or advance their sustainability journey, the National Restaurant Association is pleased to offer this snapshot of where the restaurant industry stands today. The Association is committed to helping our members learn about these issues and move forward on their sustainability path. Additional tools and resources can be found at [Restaurant.org/Conserve](https://www.restaurant.org/Conserve).

FACTS AT A GLANCE

RESTAURANTS RECYCLE

% yes



Cardboard and paper



Fats, oils and grease



Aluminum or metal cans



Rigid plastics



Glass

RESTAURANTS MANAGE FOOD WASTE

% yes



Track food waste



Donate leftover food



Compost food waste

RESTAURANTS SAVE ENERGY AND WATER

% yes



Use CFL or LED lighting



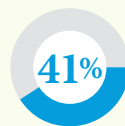
Use programmable HVAC thermostats



Use EPA Energy Star-rated refrigerators



Use low-flush toilets



Use EPA Energy Star-rated freezers



Use EPA Energy Star-rated dishwashers



ENERGY & WATER



Restaurants need energy and water for daily operations including cooking, cleaning, dishwashing, and heating and cooling. Those activities take a toll on natural resources and the bottom line. Across the board, the National Restaurant Association's research showed that restaurants are taking steps to conserve resources through significant water- and energy-reduction efforts.

SECTION HIGHLIGHTS:

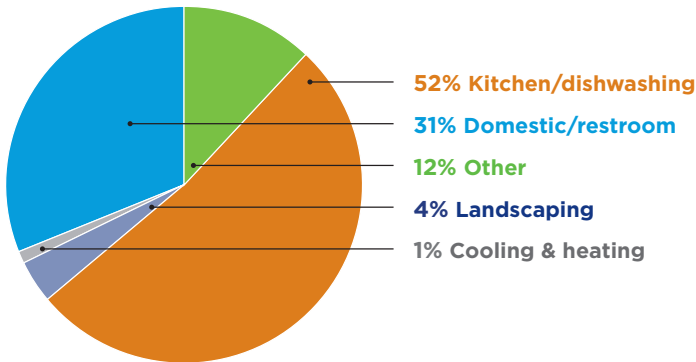
- **Energy-saving equipment and practices are common.** About eight in ten restaurant operators use energy-efficient lighting. Six in ten use programmable heating, ventilation and air conditioning (HVAC) thermostats. More than four in ten use Energy Star-rated refrigerators, freezers and icemakers. Six in ten restaurant kitchens use start-up/shut-down schedules to reduce the energy drain of kitchen equipment.
- **Water-saving innovations are gaining ground.** Low-flush toilets are in use in about half of restaurant operations. More than one in four restaurants are using other innovations such as high-efficiency pre-rinse spray valves and faucet aerators.

Many Restaurants Use Energy- or Water-Saving Equipment

Restaurants can use significant amounts of energy and water. Hospitality businesses (including hotels) and foodservice operations account for nearly 15 percent of commercial/institutional water use in the United States, according to the U.S. Environmental Protection Agency’s (EPA) WaterSense program.

In a typical fullservice restaurant, food preparation drives more than a third of energy consumption, according to the EPA’s [Energy Star Guide for Cafés, Restaurants, and Institutional Kitchens](#). Energy- and water-saving equipment and best practices offer opportunities for long-term savings.

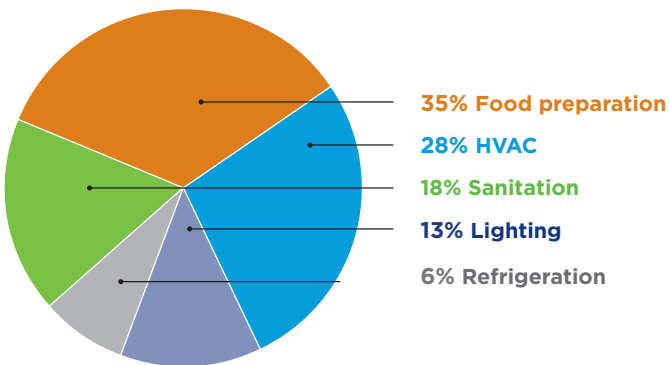
Example of average end use of water in restaurants



Source: U.S. Environmental Protection Agency WaterSense program



Example of average energy consumption in a fullservice restaurant

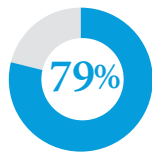


Source: U.S. Environmental Protection Agency Energy Star program

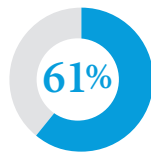


Majority use efficient lighting, programmable thermostats

Nearly eight in ten restaurant operators use energy-efficient equipment to light their operations, including compact fluorescent light bulbs (CFL) and light-emitting diode (LED) lighting. About six in ten operators control their HVAC systems through programmable thermostats.



79%
Percent of restaurant operators who use CFL or LED lighting



61%
Percent of restaurant operators who use programmable HVAC thermostats



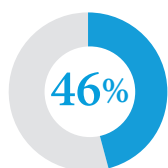
Percent of restaurant operators, by type of operation, who report they use the following

	All restaurants	By segment		By ownership	
		Tableservice	Limited-service	Independent	Chain/Franchisee
CFL or LED lighting	79%	82%	76%	79%	79%
Programmable HVAC thermostats	61%	62%	60%	58%	63%

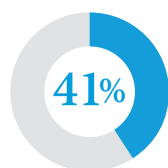
Source: National Restaurant Association, Restaurant Sustainability Survey 2017

Energy Star-rated kitchen equipment popular Nearly half of all restaurants use EPA Energy Star-rated refrigerators. Independently owned restaurants are slightly more likely than chain/franchisee operations to use EPA Energy Star-rated kitchen equipment.*

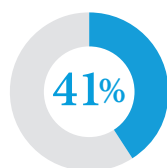
Percent of restaurant operators using Energy Star-rated appliances



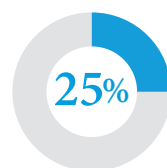
Refrigerators



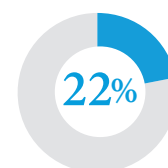
Freezers



Icemakers



Dishwashers



Fryers

Percent of restaurant operators, by type of operation, who report they have the following kitchen appliances

Energy Star-rated appliance type	All restaurants	By segment		By ownership	
		Tableservice	Limited-service	Independent	Chain/Franchisee
Refrigerator	46%	48%	44%	52%	42%
Freezer	41%	43%	40%	46%	38%
Icemaker	41%	43%	38%	44%	39%
Dishwasher	25%	37%	13%	32%	19%
Fryer	22%	29%	14%	27%	18%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017

*Note: Some larger restaurant brands use highly efficient cooking equipment that is customized for their operations. Custom equipment cannot earn the Energy Star and would thus be excluded from this survey.

EPA Energy Star and WaterSense Programs

Energy Star and WaterSense help businesses buy products that are independently certified as cost-saving solutions that help protect the environment.

Energy Star

- Energy Star is the federal government symbol for energy efficiency since 1992 and offers tools for saving energy. [EnergyStar.gov](https://www.energy.gov)
- The EPA rates more than 75 categories of home and commercial equipment, including commercial foodservice equipment and lighting. [EnergyStar.gov/CFS](https://www.energy.gov/CFS)
[EnergyStar.gov/Lighting](https://www.energy.gov/Lighting)

WaterSense

- The WaterSense program launched in 2006. WaterSense is both a label for water-efficient products and a resource to manage water use.
- WaterSense-labeled products and services are certified to use at least 20 percent less water than regular models. [EPA.gov/WaterSense](https://www.epa.gov/WaterSense)

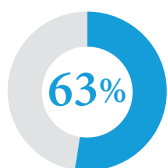


16 percent of restaurant operators surveyed **took advantage of energy rebates** from utility companies.

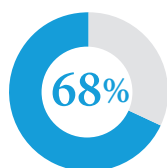


Firing up/powering down equipment Turning on kitchen equipment and house lights too early can be wasteful. Start-up/shut-down schedules can keep ovens, broilers and other equipment in use the correct amount of time to curb wasteful idling.

Most operators use start-up, shut-down schedules More than six in ten restaurant operators — and a higher proportion of operations that are chain/franchisee-owned — use start-up/shut-down schedules to conserve energy use for kitchen appliances.



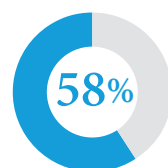
All restaurants



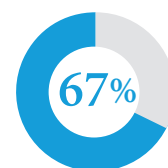
Tableservice



Limited-service



Independent

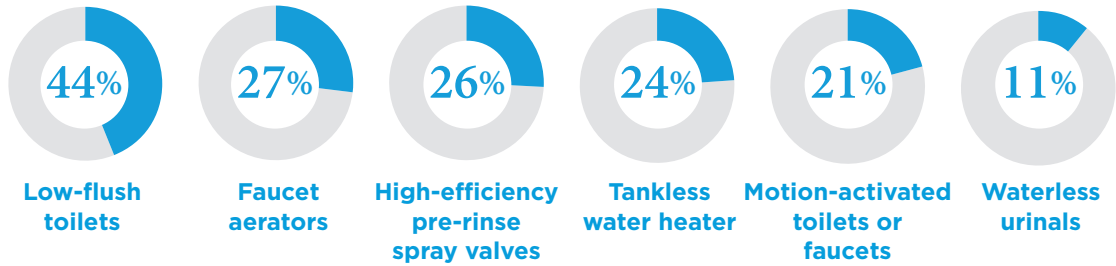


Chain/Franchisee

Source: National Restaurant Association, Restaurant Sustainability Survey 2017

Water-saving equipment gains ground More than four in ten restaurant operators say they use low-flush toilets, also known as low-flow or high-efficiency toilets. Roughly a quarter of restaurant operators use faucet aerators, high-efficiency pre-rinse spray valves, and tankless water heaters.

What water-saving equipment do restaurants use?



Percent of restaurant operators, by type of operation, that use the following water-saving equipment

	All restaurants	By segment		By ownership	
		Tableservice	Limited-service	Independent	Chain/Franchisee
Low-flush toilets	44%	48%	40%	51%	39%
Faucet aerators	27%	31%	24%	27%	28%
High-efficiency pre-rinse spray valves	26%	28%	24%	26%	25%
Tankless water heater	24%	21%	26%	18%	29%
Motion-activated toilets or faucets	21%	24%	18%	16%	25%
Waterless urinals	11%	12%	10%	12%	10%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017



27 percent of restaurant operators use low-flow faucet aerators in their hand sinks. Adding these devices — which cost about \$3 each — can reduce hot-water use at a hand sink by 60 percent. **The savings:** Based on as little as 15 minutes of use per day, installing just one faucet aerator at a hand sink could save 9,000 gallons of hot water per year.



MANAGING WASTE



How a restaurant handles and minimizes waste is an important part of its environmental footprint. Restaurant operators of all types are working to control waste, from recycling to buying packaging and supplies made with materials considered more environmentally friendly. Many are also taking steps to prevent and divert food waste.

SECTION HIGHLIGHTS:

- **Most restaurant operators engage in at least some recycling.** Cardboard/paper and fats, oils and grease are the most frequently recycled materials in restaurants. About two-thirds of survey respondents report they recycle those materials.
- **A majority of restaurant operators source at least some packaging and supplies made with recycled content or certified as compostable.**
- **Reducing food waste is emerging as a key activity for operators.** About half of restaurant operators track the amount of food waste their restaurant generates. Many operators (about one in five) donate edible leftovers to charities. More than one in ten compost food waste. Our research indicates that more education about food donation and more local composting facilities could boost donation and composting even more.

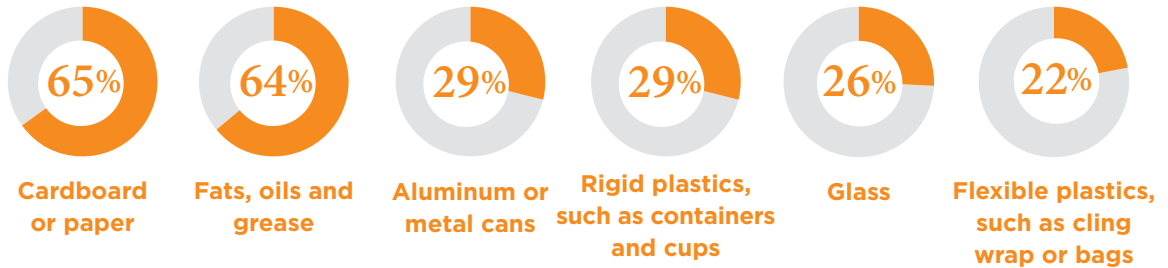


Recycling

Recycling is a smart way to minimize waste. It transforms waste into a renewable resource, diverts material from landfill, and can bring down a restaurant's waste-hauling fees. It also requires a supportive local infrastructure – which, unfortunately, isn't always available.

Despite the challenges, a high percentage of restaurant operators report that they recycle. Nearly two-thirds currently recycle cardboard/paper, or fats, oils and grease. Tableservice-restaurant operators report somewhat higher rates of recycling than operators of limited-service restaurants, and independently owned restaurants report higher recycling rates than chain/franchisee-owned restaurants.

Percent of restaurants that recycle the following items



Source: National Restaurant Association, Restaurant Sustainability Survey 2017

Percent of restaurant operators, by type of operation, who report that they recycle the following items

	All restaurants	By segment		By ownership	
		Tableservice	Limited-service	Independent	Chain/Franchisee
Cardboard or paper	65%	70%	60%	70%	63%
Fats, oils and grease	64%	79%	50%	71%	59%
Aluminum or metal cans	29%	36%	22%	45%	15%
Rigid plastics, such as containers and cups	29%	33%	25%	42%	19%
Glass	26%	36%	17%	38%	16%
Flexible plastics, such as cling wrap or bags	22%	25%	19%	29%	16%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017

Purchasing Packaging and Supplies

Foodservice packaging makes it possible for restaurants to serve guests in a sanitary, convenient, and economical manner. Packaging also raises environmental considerations, thus many restaurants are paying attention to the material in their packaging. Many operators are sourcing packaging and supplies made with materials that have a smaller environmental footprint, such as recycled content or compostable material. (A carryout bag made of 100 percent recycled paper, for example, has a far different environmental impact than a bag made of material from virgin trees.)



Most operators buy packaging/supplies with recycled or compostable content

Nearly three in four operators report that they buy at least some packaging and supplies that contain recycled materials. More than half say they buy at least some packaging and supplies that are certified as compostable.

72% of restaurant operators say they buy at least some packaging or supplies that contain recycled materials.



56% of restaurant operators say they buy at least some packaging or supplies that are certified as compostable.



Percent of restaurant operators, by type of operation, that report buying at least some packaging or supplies* with recycled content**

All restaurants	By segment		By ownership	
	Tableservice	Limited-service	Independent	Chain/Franchisee
72%	73%	72%	77%	69%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017

*Such as to-go containers, utensils, napkins and bags

** Note: The type of packaging or supplies often determines the availability of recycled content. Carryout bags and napkins frequently use recycled content, for example. Recycled content is less common in items like cups, takeout containers and cutlery.

Percent of restaurant operators, by type of operation, that report buying at least some packaging or supplies* that are certified as compostable**

All restaurants	By segment		By ownership	
	Tableservice	Limited-service	Independent	Chain/Franchisee
56%	55%	58%	59%	54%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017

*Such as to-go containers, utensils, napkins and bags

** Note: Restaurateurs' use of compostable packaging/supplies can vary greatly with the type of packaging/supplies. For example, many restaurant operators purchase napkins that are compostable; fewer purchase items like compostable utensils. The Biodegradable Products Institute (BPIworld.org) offers more information on items that have been certified as compostable.



Managing Food Waste

Controlling food waste has become a high priority for restaurant operators. Reducing food waste can be a significant opportunity for restaurateurs to save on operating costs, decrease their environmental footprint and even help reduce hunger.

The National Restaurant Association’s research confirms that operators of all types are finding ways to tackle the challenge. Many are tracking the food waste they generate on a daily basis. This can help operators identify the amount of waste that’s being generated, and figure out what steps they can take to minimize waste. Many operators are also taking steps to divert wasted food once it’s created, including by donating edible leftovers or composting food waste.

The research also points to important opportunities to enhance the restaurant industry’s efforts to manage food waste. Learning more about liability protections and tax benefits can boost the amount of food that restaurants donate to charity. Increasing the composting infrastructure in local communities may make food composting a more viable option for more restaurants.

Tracking Food Waste

About half of restaurants track food waste Nearly half of restaurant operators say they track the amount of food waste their business generates.

Percent of restaurant operators, by type of operation, who say they track food waste in their restaurants



Source: National Restaurant Association, Restaurant Sustainability Survey 2017

Many restaurateurs monitor food waste daily About three in four restaurant operators who track food waste do so on a daily basis. Limited-service operators and chain- or franchisee-owned locations are most likely to track food waste daily.

Percent of restaurant operators, by type of operation, who say they track food waste on a daily, weekly, monthly or quarterly basis*

	All restaurants	By segment		By ownership	
		Tableservice	Limited-service	Independent	Chain/Franchisee
Daily	74%	58%	84%	66%	76%
Weekly	21%	31%	13%	22%	21%
Monthly	4%	7%	1%	7%	3%
Quarterly	1%	1%	1%	3%	0%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017
 *Base = Restaurant operators who track the amount of food waste they generate

How do restaurants track food waste? Food-waste tracking tools vary by type of restaurant. Tableservice operators and independently owned businesses are most likely to use pen and paper. Limited-service operators and chain/franchisee operators are more likely to use computer spreadsheets or charts.

Percent of restaurant operators, by type of operation, who report using the following methods to track food waste*

	All restaurants	By segment		By ownership	
		Tableservice	Limited-service	Independent	Chain/Franchisee
Manually (pen and paper)	57%	65%	51%	76%	48%
On a computer spreadsheet or chart	51%	41%	59%	38%	57%
Via food waste-specific software or smartphone app	26%	24%	27%	7%	35%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017
 *Base = Restaurant operators who track the amount of food waste they generate

Donating Leftover Food

One in five restaurant operators donate edible leftovers to charity that otherwise would be discarded About one in five restaurant operators report that they donate leftover edible food that would otherwise be discarded.

Percent of restaurant operators, by type of operation, who say they donate edible food that would otherwise be thrown out

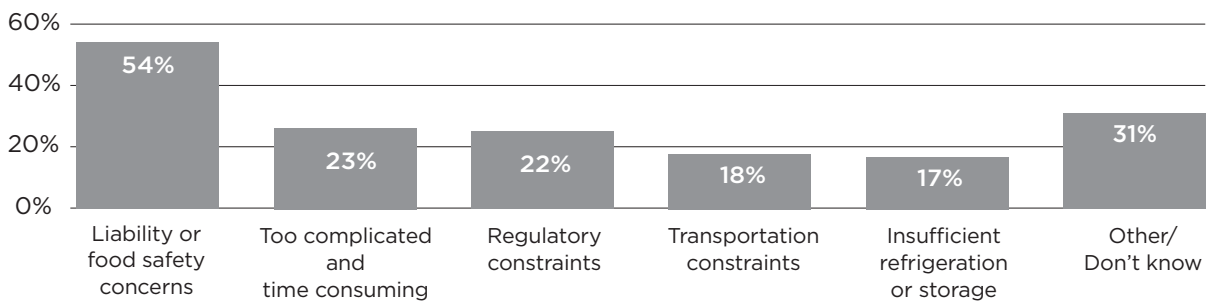
All restaurants	By segment		By ownership	
	Tableservice	Limited-service	Independent	Chain/Franchisee
22%	22%	22%	21%	23%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017



Many operators are concerned about liability and food safety Half of restaurant operators cite liability or food-safety concerns as a reason for not donating leftover food.

Percent of restaurant operators who cite the following reasons for not donating leftover food to charity*



Source: National Restaurant Association, Restaurant Sustainability Survey 2017

*Base = Restaurant operators who don't donate leftover edible food that would otherwise be discarded.

Percent of restaurant operators, by type of operation, who cite the following reasons for not donating leftover food to charity

	All restaurants	By segment		By ownership	
		Tableservice	Limited-service	Independent	Chain/Franchisee
Liability or food safety concerns	54%	55%	53%	47%	62%
Too complicated/ time consuming	23%	24%	21%	26%	20%
Regulatory constraints	22%	25%	19%	22%	22%
Transportation constraints	18%	23%	13%	19%	18%
Insufficient refrigeration or storage	17%	20%	14%	17%	19%
Other/Don't know	31%	31%	37%	32%	29%

Source: National Restaurant Association, Restaurant Sustainability Survey 2017

*Base = Restaurant operators who do not donate leftover food to charity.

THE BENEFITS OF FOOD DONATION

- ▶ BUILDS COMMUNITY RELATIONSHIPS AND GOODWILL.
- ▶ CREATES EMPLOYEE PRIDE AND ENGAGEMENT.
- ▶ KEEPS FOOD OUT OF LANDFILLS AND HELPS THE ENVIRONMENT.

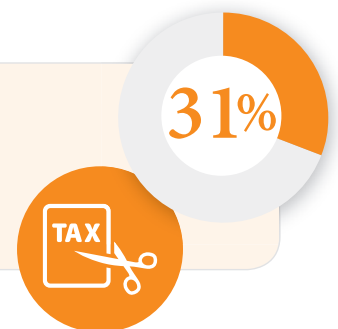
Did you know?

Food donation helps reduce your tax burden. Restaurants can receive an enhanced federal tax deduction to help offset the costs involved in donating leftover food to a qualified nonprofit organization. This tax benefit provides a financial incentive to restaurants by making food donations more cost-effective. Consult an adviser or organizations like [Food Donation Connection](#) and [Feeding America](#) for more details on how to take advantage of the enhanced tax deduction. In addition to the deduction at the federal level, some states offer additional tax incentives for food donations.

The law protects restaurants that donate food. The federal Bill Emerson Good Samaritan Food Donation Act of 1996 protects restaurants from legal liability when they donate “apparently wholesome food” in good faith to nonprofit organizations. Under the law, a restaurant that has properly handled the food and donates it in good faith to a nonprofit for distribution to persons in need cannot be held criminally or civilly liable if a person becomes ill as a result of consuming the donated food. Restaurants face liability only in cases of gross negligence or intentional misconduct. In addition, millions of pounds of food are donated daily and not a single case involving food donation-related liability has been reported.

More than three in ten operators **are aware of the tax benefits for food donation** or have already taken advantage of a tax benefit.

Source: National Restaurant Association, Restaurant Sustainability Survey 2017



Awareness of Liability Protections for Food Donation

A third of restaurant operators are aware of liability protections Three in ten restaurant operators know about the federal Good Samaritan Act that relieves restaurants and other food donors of legal liability in cases of foodborne illness resulting from the consumption of donated food.

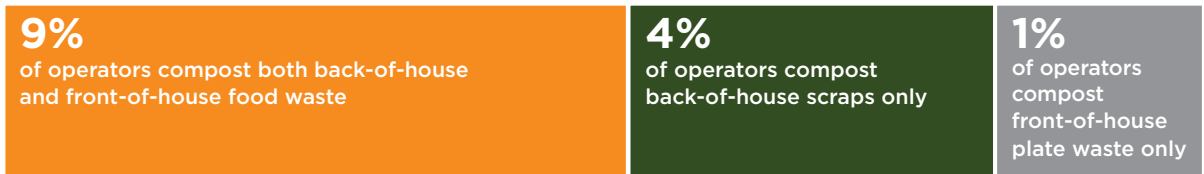
Percent of restaurant operators, by type of operation, who are aware that federal law provides liability protection to restaurant owners who donate food



Source: National Restaurant Association, Restaurant Sustainability Survey 2017

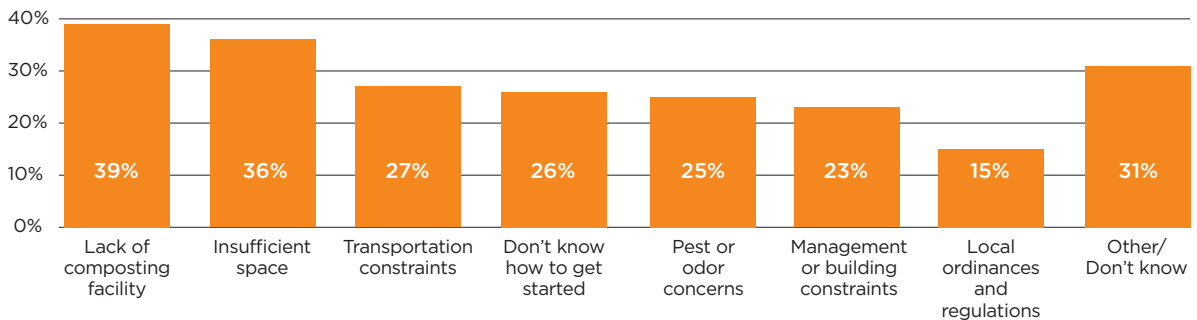
Composting Food Waste

Composting is another way to keep food out of the landfill. More than one in ten operators say they compost some type of food waste. However, the barriers to composting can be steep. Of the operators who do not currently compost food waste, nearly four in ten cite the lack of a nearby composting facility as a barrier.



Lack of composting facilities is a challenge Restaurant operators cite a lack of nearby composting facilities as their top reason for not composting food waste.

Percent of restaurant operators who cite the following reasons for not composting food waste



Source: National Restaurant Association, Restaurant Sustainability Survey 2017



CONSUMER INSIGHTS & FOOD TRENDS



Today's restaurant guests are more knowledgeable and sophisticated about dining out than any previous generation. Many guests are also increasingly interested in learning about restaurants' environmental efforts.

SECTION HIGHLIGHTS:

- **Environmental sustainability is among the top menu trends in 2018.** The National Restaurant Association's "What's Hot" report, based on a survey of 700 professional chefs, shows that chefs are paying close attention to sustainability, food waste reduction and local sourcing.
- **A restaurant's sustainability efforts can have an impact on a guest's choice of restaurants.** About half of consumers report that a restaurant's efforts to reduce food waste, recycle or donate food can be factors in choosing where to dine.
- **The most effective way for a restaurant to promote its sustainability efforts is on its menu, according to consumers.**

Environmental Sustainability Remains a Hot Trend in 2018

The National Restaurant Association’s annual “What’s Hot” list, based on a survey of 700 professional chefs who are members of the American Culinary Federation, cites food waste reduction and environmental sustainability as among the top ten menu trends for 2018. Local sourcing, although not always tied to sustainability, also continues to grow in popularity.



SUSTAINABILITY: A TOP MENU TREND

“Environment sustainability” ranked as the **No. 9** restaurant trend in the National Restaurant Association’s “What’s Hot” annual survey of American Culinary Federation chefs for 2018.

TOP TRENDS ON RESTAURANT MENUS IN 2018

Chefs were asked to rate 161 items — including foods, beverages, restaurant concepts and culinary concepts — on whether they considered the item a “hot” trend for 2018. Here are the 20 highest-rated items.

1. Hyper-local (e.g., restaurant gardens, onsite beer brewing, house-made items)
2. Chef-driven fast-casual concepts
3. Natural ingredients/clean menus
4. New cuts of meat (e.g., shoulder tender, oyster steak, Vegas Strip steak, merlot cut)
5. Culinary cocktails (e.g., savory, fresh ingredients, herb-infused)
6. Food waste reduction
7. Locally produced spirits/wine/beer
8. Veggie-centric/vegetable-forward cuisine (e.g., fresh produce is star of the dish)
9. Environmental sustainability
10. Craft/artisan spirits
11. Locally sourced meat and seafood
12. Locally sourced produce
13. Onsite barrel-aged drinks
14. House-made condiments
15. Street food-inspired dishes (e.g., tempura, kabobs, dumplings, pupusas)
16. Simplicity/back to basics
17. Ethnic-inspired breakfast items (e.g., chorizo scrambled eggs, coconut milk pancakes)
18. Sustainable seafood
19. Farm/estate-branded items
20. Meal kits (e.g., pre-measured and prepped raw ingredients for home preparation)

Source: National Restaurant Association What’s Hot in 2018 chef survey. Visit Restaurant.org/FoodTrends

Interest in Local Sourcing is Growing

Sourcing food locally is a continuing trend in the restaurant industry While local sourcing does not always equate to greater sustainability, many restaurants are focused on serving locally sourced* food to support their local communities.

WHAT RESTAURANT OPERATORS SAY:

Nearly eight in ten tableservice restaurant operators, and a similar proportion of fast-casual operators, report that consumer interest in locally sourced foods has grown in the past two years. At least half of tableservice and fast-casual operators offer locally sourced produce. Slightly lower percentages offer locally sourced meat or seafood.

Percent of operators, by type of operation, who agree with the following statements

	Family dining	Casual dining	Fine dining	Quick-service	Fast casual
Consumer interest in locally sourced foods has grown over the past two years	78%	82%	77%	56%	77%
Locally sourced foods will become more popular within my segment	78%	82%	88%	31%	66%

Source: National Restaurant Association, 2017 Food and Menu Trends Survey

Percent of restaurant operators, by type of operation, that offer the following items on their menus

	Family dining	Casual dining	Fine dining	Quick-service	Fast casual
Locally sourced produce	51%	63%	84%	19%	59%
Locally sourced meat or seafood	47%	51%	77%	13%	39%
Items from an onsite garden	9%	19%	31%	N/A	14%

Source: National Restaurant Association, 2017 Food and Menu Trends Survey

WHAT CHEFS SAY:

The National Restaurant Association's 2018 "What's Hot" report, based on a survey of 700 chefs who are members of the American Culinary Foundation, identified "hyper-local" sourcing as the No. 1 culinary concept on restaurant menus in 2018 — a category that embraces everything from restaurant gardens to onsite beer brewing and house-made items. Also high on the list of hot culinary concepts at restaurants in 2018: locally sourced meat and seafood (No. 5) and locally sourced produce (No. 6).

HOTTEST CULINARY CONCEPTS at restaurants in 2018

- Hyper-local** (e.g., restaurant gardens, onsite beer brewing, house-made items)
- Natural ingredients/clean menus**
- Veggie-centric/vegetable-forward cuisine** (e.g., fresh produce as star of the dish)
- Environmental sustainability**
- Locally sourced meat and seafood**
- Locally sourced produce**
- Simplicity/back to basics**
- Farm/estate-branded items**
- Grazing** (e.g., small-plate sharing/snacking instead of traditional meals)
- Nose-to-tail/root-to-stalk cooking**

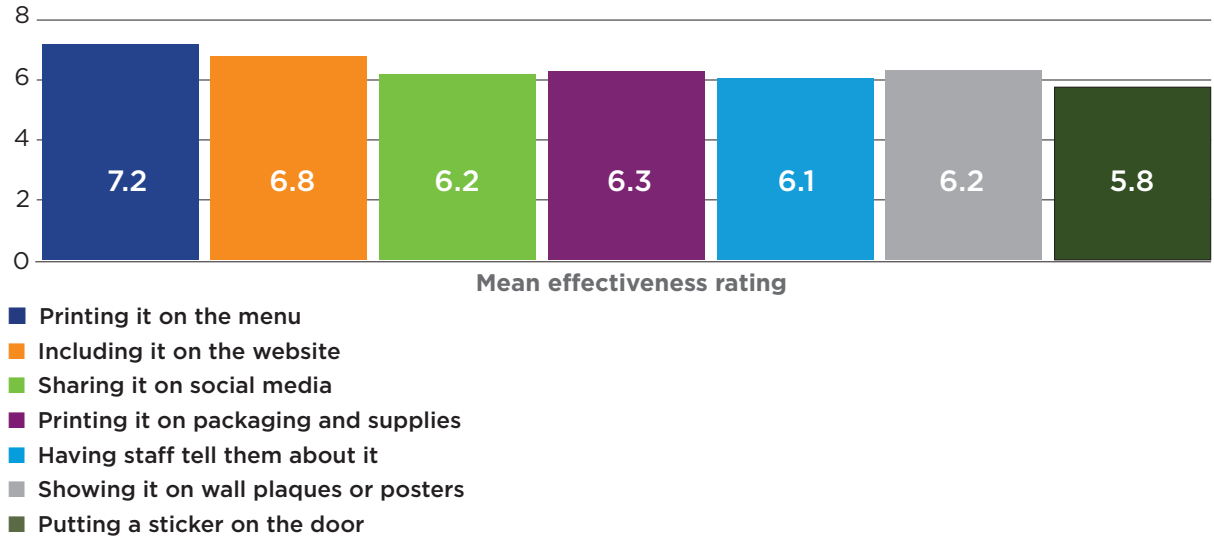
Source: National Restaurant Association What's Hot in 2018 chef survey. Visit Restaurant.org/FoodTrends

*There is no consensus yet on the definition of "local food," according to the U.S. Department of Agriculture.

Marketing Restaurant Sustainability Efforts

Menu notices are a good way to promote restaurant sustainability steps The most effective way restaurant operators can convey their environmental efforts is to print the information on the menu, according to consumers.

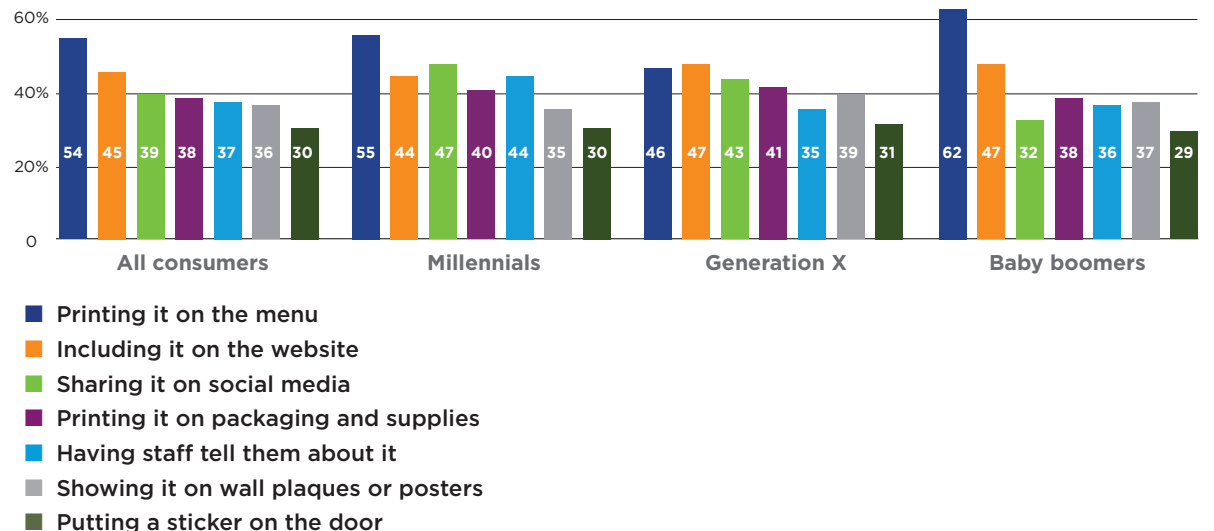
Average consumer rating for the effectiveness of each method to promote a restaurant’s environmental efforts (Consumers rated effectiveness of each method on a 1-10 scale; 1 = not at all effective, 10 = the most effective.)



Source: National Restaurant Association, Sustainability Consumer Survey, 2017

The generational difference Nearly half of millennials rate social media as a highly effective way for a restaurant to promote its sustainability efforts, compared to a third of baby boomers.

Percent of consumers that gave the following methods a rating of 8-10, in terms of their effectiveness in promoting a restaurant’s environmental efforts (Consumers rated effectiveness of each method on a 1-10 scale; 1 = not at all effective, 10 = the most effective.)



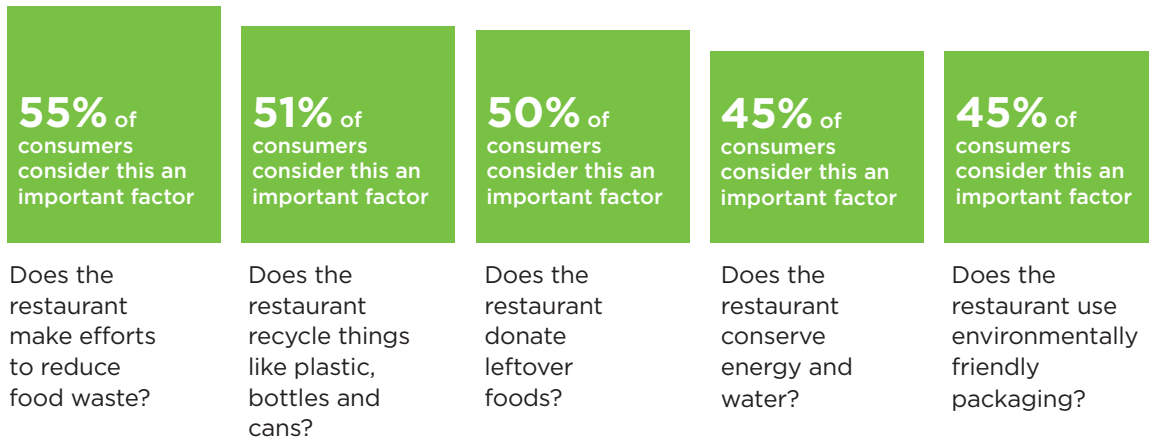
Source: National Restaurant Association, Sustainability Consumer Survey, 2017
 Millennials = age 18-37; Generation X = age 38-53; Baby boomer = age 54-72

Do Sustainability Efforts Affect Guest Choices?

Factors beyond ambiance, service and food can affect guest choices About half of consumers rate as important such factors as the steps a restaurant takes to reduce food waste, whether the restaurant recycles, and whether the restaurant donates leftover foods.

Factors that may affect guests 55 percent of consumers say they consider a restaurant's food waste-reduction efforts an important factor when they choose a restaurant.

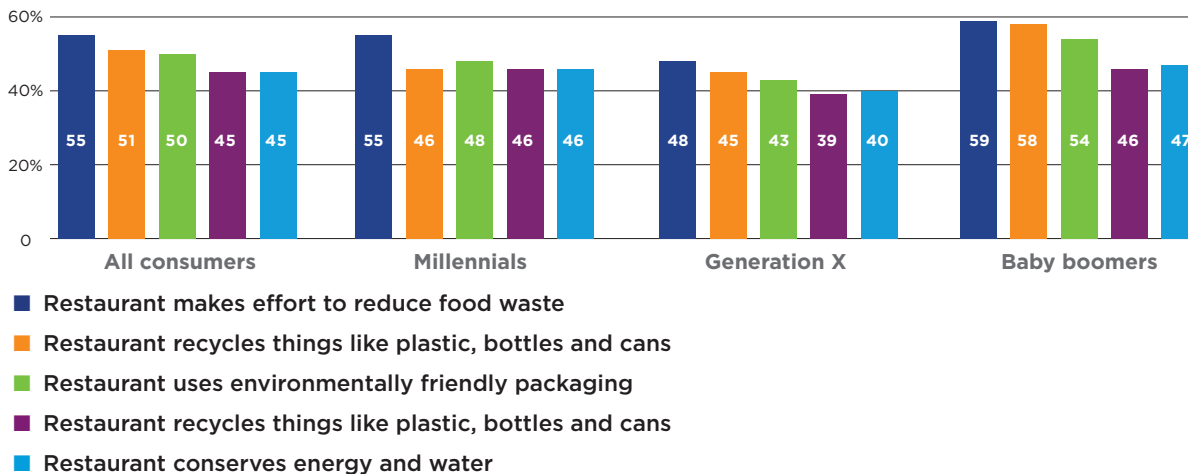
Percent of consumers who consider these important factors when they choose a restaurant:



Source: National Restaurant Association, Sustainability Consumer Survey, 2017

The generational difference Baby boomers making dining-out decisions are slightly more likely than millennials and Gen Xers to be swayed by a restaurant's efforts to cut food waste, recycle, donate leftovers, conserve energy and water, and use environmentally friendly packaging.

Percent of consumers who consider these sustainability-related restaurant practices important factors when they choose a restaurant



Source: National Restaurant Association, Sustainability Consumer Survey, 2017
 Millennials = age 18-37; Generation X = age 38-53; Baby boomer = age 54-72



Resources for Operators

The National Restaurant Association's State of Restaurant Sustainability report, 2018 edition, outlines sustainability initiatives restaurant operators of all sizes and types have put in place.

Whether it's tackling food waste, becoming more energy- and water-efficient, or offering more sustainable choices to guests, the nation's one million restaurant locations continue to innovate and look for ways to reduce their impact on the environment. Guests increasingly are interested in and receptive to these efforts as well.

The journey is not always easy. Restaurateurs can face challenges when implementing environmental efforts, including the lack of infrastructure for recycling, composting and food donation. Still, the industry continues to embrace and drive change. In a sign of the growing trend, about one in ten restaurant operators report that they currently hold a "green certification," a business certification for their eco-friendly practices from a local or national third-party organization.

The National Restaurant Association is committed to helping our members thrive as they advance in their sustainability journey. Check out what we offer:

- **The go-to source:** The National Restaurant Association created a sustainability education program in 2009 as a resource to show restaurateurs how to reduce their environmental footprint and save money and resources at the same time. This free educational resource helps operators navigate their sustainability path. It is available at [Restaurant.org/Conserve](https://www.restaurant.org/Conserve).
- **Networking with sustainability leaders:** The National Restaurant Association Sustainability Executive Study Group offers restaurant members of the National Restaurant Association opportunities to network, share best practices and learn from experts. Visit [Restaurant.org/Groups](https://www.restaurant.org/Groups).
- **The latest advances:** The National Restaurant Association Show in Chicago, May 19-22, 2018, brings together industry leaders from across the world to see, test and ask questions about the latest sustainability innovations. See [Restaurant.org/Show](https://www.restaurant.org/Show).
- **Partnerships:** Partnerships can help restaurateurs succeed. The National Restaurant Association is proud to be a founding member of the [Food Waste Reduction Alliance](#) with the Food Marketing Institute and Grocery Manufacturers Association. We have partnered with [Feeding America](#) and [Food Donation Connection](#), to strengthen the connections between restaurants, and those who need food. We also have strong relationships with the U.S. Environmental Protection Agency's [Energy Star](#) and [WaterSense](#) programs, the [Foodservice Packaging Institute](#) and the [U.S. Composting Council](#), among others.

The National Restaurant Association encourages restaurant owners and operators to take advantage of our resources. Contact Laura Abshire, the National Restaurant Association's Director of Sustainability Policy, at labshire@restaurant.org, or Jeff Clark, our Sustainability Program Manager, at jclark@restaurant.org.



Methodology

This report presents the findings of a National Restaurant Association research initiative to study the environmental sustainability practices and trends in the restaurant industry.

The Association commissioned SSI to survey (via telephone) a national sample of 500 restaurant owners and operators from March 14–22, 2017. Among those interviews, 250 were table-service restaurant respondents and 250 were limited-service restaurant respondents.

The following definitions are used to help categorize the restaurant industry:

- **Tableservice:** Establishment providing waiter/waitress service. The order is taken while the patron is seated. Patrons pay after they eat.
- **Limited-service:** Establishments primarily engaged in providing foodservice in which patrons generally order or select items and pay before eating. Food and drink may be consumed on premises, taken out, or delivered.

Respondents were also asked for their ownership structure*:

- **46 percent of respondents** were independent operators. Of these, 37 percent owned a single restaurant and 9 percent owned multiple locations.
- **52 percent of respondents** characterized their ownership as either corporate-owned chains or franchisee.
 - ▶ **32 percent of respondents** were franchisees; of these, 22 percent owned multiple stores and 10 percent of respondents owned a single store.
 - ▶ **20 percent of respondents** were corporate-owned chains.

*Numbers do not add to 100 percent due to rounding.

Additional Research in Consumer Insights & Food Trends Section

The data in the Consumer Insights & Food Trends section of this report was compiled from three surveys performed by or for the National Restaurant Association in 2016 and 2017.

- **2017 Food and Menu Trends Survey:** The National Restaurant Association conducted an online survey of 309 restaurant owners and operators in November 2016, asking about food and consumer trends that impact restaurant menus.
- **What's Hot in 2018:** The National Restaurant Association conducted an online survey of 700 members of the American Culinary Federation in October 2017. The chefs rated 161 items as hot trends, yesterday's news or perennial favorites.
- **Sustainability Consumer Survey:** The National Restaurant Association commissioned ORC International to conduct an online survey of 1,009 adults from May 4–7, 2017, asking respondents about their sentiments around restaurants' environmental sustainability activities.



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