

FEED-X

RETAILER INNOVATION CONSORTIUM

ACCELERATING ADOPTION
OF ALTERNATIVES THAT ARE
DRIVING THE SUSTAINABILITY
PERFORMANCE OF THE FEED
VALUE CHAIN

**THERE IS NO IMPACT
WITHOUT SCALE**

**THERE IS NO
SCALE WITHOUT
PROCUREMENT**



THE OPPORTUNITY TO PARTICIPATE IN THE FEED-X PROGRAMME

The Retailer Innovation Consortium (RIC) brings together leading Retailers (and other major food businesses) to enable them to access, adopt and scale the innovations that are being accelerated through the FEED-X programme. This is a unique opportunity to:

- Shift 10% of the world's production of feed to sustainable sources within 10 years
- Coordinate action at the scale and the pace necessary to build a future for sustainably fed food.
- Access innovators providing sustainable alternatives for the feed value chain and challenging current players through better nutritional/environmental performance and social acceptability.
- Accelerate the process of understanding and demonstrating the nutritional and environmental performance of sustainable alternatives.
- Enable procurement at scale by reducing the risk to the buyers in procuring sustainable alternatives to and the risk of sourcing and availability of sustainable feed categories
- Enhance your company reputation through greater social acceptability of sustainably fed food
- Exchange knowledge and insights into the challenges and opportunities for sustainable alternatives in the global food supply chains

FEED-X is an international programme that is changing the way that animal feed is produced, purchased and consumed. Members of the consortium will gain unique access to sustainable alternatives in the feed value chain and the knowledge that will enable them to:

- Have a clear position on the results of the sustainable alternatives before other businesses
- Communicate the potential for these innovations with key business stakeholders
- Build and implement plans to test and adapt innovations that fit their requirements
- Engage with their own suppliers, procure the innovations and scale up the adoption of alternatives into their value chains
- Deliver tangible progress against corporate sustainability goals and SDG commitments.

The Aims of FEED-X

To accelerate the transformation needed to sustainably provide the feed required to supply sufficient food for the growing population expected to reach 9.7 billion people in 2050.

The goal of Feed-X is to enable 10% of the global food industry to adopt alternative, sustainable feed solutions into their value chains. This will help to significantly reduce the sector’s environmental impacts, particularly on deforestation, carbon emissions and unsustainable fishing practices.

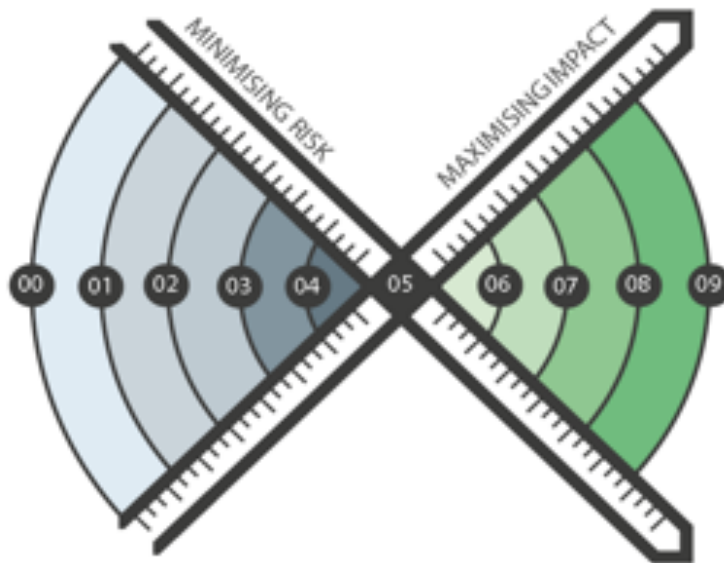
FEED-X aims to make measurable progress by removing the barriers to sustainably-fed, food by 2025. This will be achieved by sourcing, testing, financing and scaling alternative feed ingredients, such as protein, oil and additives into the global feed industry.

The FEED-X Process

A 9 stage model to accelerate sustainable innovation at scale across global supply chains

Minimising Risk & increasing access to sustainable alternatives

- Stage 1
Market Readiness
- Stage 2
Problem Definition
- Stage 3
Category De-risking
- Stage 4
Search & Select



Adoption at Scale of innovations

- Stage 5
Technical validation
- Stage 6
External validation
- Stage 7
Scale Validation
- Stage 8
Company Roll Out
- Stage 9
Industry Roll Out

- The FEED-X Programme is currently starting Stage 5 (Test) progressing the top 10 innovations in tests by the lead partner, Skretting who are the world’s largest producer of feeds for aquaculture.
- Top 10 innovations were selected on the 17th of September, by an independent panel of experts, including among others WWF, University of Cambridge, DNV GL, DTU Aqua, IKEA, Private investors, Large UK retailer and Skretting
- Test for all innovations (except the ones that have already tested in Skretting), is expected to be in progress before the end of 2019.
- Selected innovators that have already tested their solutions with Skretting’s will progress to Stage 6 (External Verification). This verification stage will consist of two main elements: (i) external validation of innovation tests performed at Skretting, and (ii) external verification of the environmental impacts of the innovations

Helping retailers take an active role in transforming the Feed Industry

- Retailers and major food businesses play an important role in the adoption of sustainable alternatives into their value chains.
- Gaining a clear, reliable and independent position on the specific innovations enables retailers to take a lead position on key step-changes required to transform supply chains to be sustainable.
- Project-X is inviting a select group of organisations to initiate the Retailer Innovation Consortium, in close coordination with IKEA who have led the Pilot stage of FEED-X so far.
- The initial focus for the consortium is to address alternative feed products that are more sustainably produced for Salmon and Shrimp and, subsequently extending the programme to Beef and Poultry.



Shifting demand to sustainably fed food

Growing consumer understanding and acceptance of new, more sustainably fed salmon, shrimp, beef and poultry:

- Consumer demand for more sustainable salmon, shrimp, beef and poultry is a major factor in food retail, hospitality and service.
- Consumers are becoming more informed about the health of their food and want their food to be “natural”
- NGO, campaigners, and community stakeholders are demanding sustainable feed alternatives based on an increased awareness of the impact on land-use, carbon emissions and impacts on marine environments
- There is evidence, backed up by Project-X consumer research that the origin of food is a growing topic of interest for consumers. Responsible sourcing of salmon and shrimp is one of the higher scoring features in the research and the strongest factors that drive consumer choice of salmon and shrimp are freshness, ease of use and value.



A system’s level change seems imminent ... yet does not seem an easy task

Extract from Interviews with retailers and consumers, as part of the Feed-X Category de-risking Report*

| WORDS FROM RETAILERS | WORDS FROM CONSUMERS |
|---|--|
| <p><i>“Until we are confident in the direction, we cannot take decisive action”</i></p> <p><i>“We recognise the importance of our role in influencing the future of feed ingredients in the supply chain”</i></p> <p><i>“We are aware we are assuming risks”</i></p> <p><i>“We would appreciate a coordinated and considered approach”</i></p> <p><i>“We are being pressured by industry actors and civil society to take action”</i></p> <p><i>“We are ready and willing to take a proactive role in this debate; but we are not clear what the best ingredient type is moving forward for each species”</i></p> <p><i>“We are being bombarded by new options and innovations”</i></p> | <p><i>“I think it is quite good for feed to be made from seaweed ... It wants to express that the feed is natural”</i> (Family, China)</p> <p><i>“Feed that is made from insects, the natural source of protein for wild salmon and shrimp. This sounds good. It’s high in protein and natural. It’s tasty without any additives. It has little influence upon the natural environment”</i> (Family, China)</p> <p><i>“Algae and insects are natural and easy to farm, but yeast is synthetic. Can’t they just breed more anchovies?”</i> (Family, UK)</p> <p><i>“If it tastes great, it’s a healthy fish that does what you want it to do”</i> (Family, UK)</p> |

Feed-X Category de-risking report research

- Qualitative Research in the UK and China
- Quantitative in US, France, Germany, UK, Brazil and China

Retailer Innovation Consortium sets out to create sustainably fed food

Aim: is to bring together key players in the food sector to collaborate to achieve a shift of 10% of the total feed production to sustainable procurement

Goal: is to to define the strategy and build a plan to take concrete steps to shift 107m tonnes of feed to sustainable procurement.

Expectation: is that members shift their procurement to new sustainable feed categories and to become advocates for new food products fed with sustainable feed alternatives

Procurement: the FEED-X programme enables members to procure sustainable alternatives that create sustainable feed categories. It does so by providing an independent and credible review of innovator's solutions. Initial focus is on Salmon and Shrimp and FEED-X will extend into Beef and Poultry.

Self Interest: RIC is a 'go together' initiative. It does not replace the 'go alone' initiatives that some retailers already have taken. Both strategies are valid in a competitive market.

Risk: Minimising risk for buyers looking to shift to procuring sustainable alternatives. RIC considers the nutritional value and safety of sustainable alternatives in addition to their environmental performance. Sustainable alternatives make a significant contribution to the value creation opportunity for RIC members.

Speed: the importance of speed not only for the planet but also for for the buyers and the innovators with commercially viable solutions. Slow pace of adoption can be damaging both for the companies and for the Feed-X mission of transforming the sustainability performance of the Feed Value Chain.

Beyond compliance: helping retailers go 'beyond compliance' and 'beyond certification.' Many retailers put up ASC or BAP certification as their sustainability commitment. Standards are slow to adapt to the introduction of new technology; they are only updated every 2 or 3 years and innovation is moving faster than that.

Value growth: Differentiation, branding, stronger claims, sustainable sourcing all create opportunities for value creation by adopting sustainable alternatives, at scale.

Retailer Innovation Consortium The Value chain Approach

"We are very strong believers in a "Value Chain Approach" and are convinced that the Feed-X initiative to set up a Retailer Innovation Consortium will bring a lot of value for novel ingredient players"
(Major UK Retailer)

"We would be very interested to take part in such a collaboration and to commit volumes to the program in order to secure "first mover benefits" for the different partners"
(Innovation company selected in the Pilot of FEED-X)

RIC members participating in the FEED-X programme

Why: changing the way food is produced, purchased and consumed

Who: dynamic group of leaders that will shape the market for sustainable alternatives

What: accelerating the adoption of sustainable alternatives, minimising risks and amplifying value for the retailers and other major food businesses

How: Through joining the retailer consortium and participating in FEED-X

When: Pilot underway in 2020 and roll out 2021

Programme Status

- Preliminary test results of the innovations expected in Q1/Q2 2021
- Development plans for each of the selected innovators to be finalised in 1st quarter 2020
- Preliminary Test Results will be available to Project X participants and the Retailer Innovation Consortium members through the Knowledge Exchange Programme,

KEY CONSIDERATIONS

- Independent, transparent and objective information regarding the nutritional and environmental performance of the sustainable alternatives in the Feed-X programme, minimising the risk of shifting to a new category
- Concrete demonstration and procurement opportunities for food fed with Feed-X sustainable alternatives for Salmon and Shrimp
- A pathway to extend the scope of Feed-X into Beef and Poultry
- Supply chain opportunities for Beef and Poultry feed industries
- FEED-X as a platform to engage key influencers in sustainably fed food including certification bodies and policy makers
- FEED-X narrative with key stakeholders in sustainably fed food demonstrating progress in the shift to new sustainable alternatives
- Participation in the Knowledge Exchange Programme

JOINING A COMMUNITY OF HIGHLY ENGAGED LEADERS

“We face an enormous challenge to feed 9.7 billion people in 2050 in a sustainable way, and it will not be easy. This project aims to make a significant contribution to solving this global challenge. We are excited to be part of this process with Project X and are committed to making a real change to the future of food production.”

James Rose, Operations & Procurement Director, Skretting

“I am excited about the number of high quality feed solutions that have been submitted for evaluation and I am looking forward to see which innovations will be selected for commercialisation. In the IKEA Food business we believe initiatives like the FEED-X challenge can strongly contribute to the transformation of the global aquaculture sector and help mitigate the negative impacts that salmon farming can have on the climate, environment and biodiversity.”

Christoph Mathiesen, Sustainability Developer, IKEA of Sweden

“When WWF, the leading conservation organization in the world, becomes involved in a project like FEED-X, it’s motivation is the radical change that can impact an entire global industry. And while these type of initiatives usually take a long time to become a reality, what we’ve seen through the project development has definitely impressed us. The level of commitment and innovation from the finalists is a clear contribution to the ongoing shift of global feed production to sustainable sourcing in the face of a climate crisis. And this is just the beginning. FEED-X is setting the standard for industry collaboration and innovation, and we believe other sectors will follow in its footsteps.”

Cristina Torres, Marine Program Coordinator for WWF-Chile

“The approach Project-X has developed in the FEED-X initiative is essential for the transformation of climate-detrimental value chains. We are proud of supporting this initiative essential for the sustainable development of agriculture, aquaculture and of our planet.”

Daniel Zimmer, Theme Director Sustainable Land Use, Climate KIC – EIT

“At EIT Climate-KIC, we seek to create a prosperous, inclusive, climate-resilient society founded on a net zero-carbon, circular economy. This is something that can only be achieved through systemic change; there are simply not enough mechanisms in place to effectively tackle current environmental crises. As such, we are delighted to be partnered with Project X - the Project X model is key to ramp up adoption of sustainable innovations, radically compressing the time we need to scale up. We are very impressed with the results of the FEED-X Programme so far, and are excited to continue working with Project X in the future.”

Tom Mitchel, Chief Strategy Officer EIT Climate KIC

“The production of ingredients for fish and livestock feed, has a significant global impact on deforestation, biodiversity loss, freshwater use and GHG emissions. The identification of innovative ingredients with lower impacts, followed by production at scale and adoption by the feed production industry, is one key part of the process of reducing the impact of feed and food on the environment. That is why WWF has supported the FEED-X project as part of its work on reducing the impacts of food.”

Dr Piers Hart, Seafood and Aquaculture Specialist, WWF UK

“I have been thoroughly impressed by the passion shown by Marcela and her team to find the right solutions for any sector issue they have faced. As the whole world wonders where the solutions at scale to solve the global sustainability problems could be, Marcela and the team are proving programme by programme that they have the best approach. Congratulations to Marcela and the team, we very much look forward to finding ways for our families' private capital to support and partner in these fantastic programmes.”

Curator Judge, Family Office Practice

“Given the urgency of the climate and biodiversity crisis, we need to move to sustainable supply chains fast. We simply don't have the luxury of time. We have to scale up sustainable innovations much faster than we have in the past. We need approaches that work for innovators, large corporates and investors alike - and that bring measurable benefits for people and planet. Feed-X and Project X promise just that.”

Thomas Vellacott, CEO, WWF CH

ABOUT PROJECT-X GLOBAL



Is transforming the way entire industries procure sustainable innovations at scale

“At IKEA, we always strive to make things better. Nothing is so good that it cannot be improved. Through the FEED-X initiative, connecting expertise from the full value chain, we want to make a big leap by improving the sustainability footprint of salmon. We are proud to take part in this industry transformation, making salmon an even better product for people and planet.”

Jesper Juul Andersen,
Category Area Manager,
IKEA of Sweden

Vision is of a world where Businesses and Nature are able to thrive.

Mission is to transform 10 industries in 10 years.

Goal is that by 2030 to have enabled \$1.3 trillion of sustainable procurement

Focus is on the 10 industries that are responsible for the most biodiversity loss and that have a major impact on climate change.

Rationale is based on the science that shows that the decade 2020 – 2030 is our best window to mitigate the worst effects of climate change and biodiversity loss.

Believe that collaboration is essential to tackle a change of this magnitude within these time-frames which is why Project X acts to bring together the businesses, financiers, private wealth, innovators, NGOs and academia.

Model is to take risk out of the process of innovation along the entire value chain. We do this by focusing on the value of corporate procurement to innovators and the value of the proven innovators to corporation. We minimise the risk of adoption of sustainable innovation in global value chains. We carefully mitigate the risk to the buyer, the innovator, the grant donors, investors and private wealth. By doing this we compress time to implementation and create economic, social and environmental value.

Methodology is proven within multinational companies. Our 9 stage model is based on an extensive due diligence process that has proven to help major corporates to access sustainable innovations at scale.

Participants are visionary organisations who are ready to be pioneers of the changes necessary to build a sustainable future. Initial participants include:

visit: www.projectxglobal.com

JOIN THE RETAILER INNOVATION CONSORTIUM

Become a member of Retailer Innovation Consortium for the FEED-X programme

Shaping the Future of Food:

- Perceived as a leader in sustainably fed food
- Recognized as role model in sustainable innovation
- Measurable contribution to the 10% Feed-X Shift (107 million tonnes)
- Champion of sustainable innovation in the Feed-X programme

As a member of the Retailer Innovation Consortium you will have the opportunity to:

- Guide the direction of the Retailer Innovation Consortium
- Drive the Strategy of the Retailer Innovation Consortium
- Influence the global communication narrative on sustainably fed food
- Participate in the Knowledge Exchange Programme

Accelerate the scale adoption of innovation selected via the Feed-X programme

We estimate you will need to commit approximately 3 working days per year

Participants will contribute a minimum of : xx to support the aims and operations of Project-X

- This one time contribution will enable your participation in the creation of the consortium and the delivery of critical initiatives to shift the adoption of initiatives in corporate value chains
- Project-X have pending B-Corp certification

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