

Feeding the future: A challenge and an opportunity

In the coming years, the challenge will not only be to feed more and more people (about 9.74 billion by 2050, according to UN forecasts), but also to build a food system that can truly be considered “sustainable”. After all, global food production is already responsible for the largest share of all environmental impact. The most innovative companies in food production and related sectors have grown strongly in recent years, and have the best prospects for continued attractive returns.



Ensuring a sustainable supply of food to the world’s population will be one of the greatest challenges in the years to come. The reasons for this are clear: as growth continues unabated, the world’s population will increase by a further 2 billion over the next three decades to reach about 9.74 billion by 2050 according to current UN forecasts. At the same time, the production of food is already responsible for almost a third of global greenhouse gas emissions – and the trend is rising. In other areas, the environmental impact is even more severe: 80 percent of deforestation, 70 percent of drinking water consumption, 52 percent of land destruction or degradation, and the majority of biodiversity loss on land (70 percent) and in freshwater (50 percent) are due to global food production (sources: WWF, EDL Initiative et al.).

A shift towards sustainable nutrition

More and more people are aware that by eating sustainably, they not only help themselves, but the planet as a whole. In a survey by Food Insight (2020), almost 80 per-

cent of consumers surveyed said they paid particular attention to environmentally friendly products when buying food. This is a long-term trend: according to figures from the Organic Food Monitor (2020), the global area under organic cultivation has more than quadrupled within the past 20 years, from about 17 million hectares to more than 72 million. Even more impressive is the development in sales of organically grown food, which rose from around USD 15 billion to more than USD 106 billion in the same period. Experts agree that the strong growth in the organic market will continue, with PR Newswire expecting organic food and beverages to be worth USD 679.81 billion by 2027, representing annual growth of 15.16 percent.

Sustainability is much more than organic

Environmentally conscious production and processing are just two of the many criteria that the food supply of the future will have to meet. A food system is only fully sustainable when the following criteria are also met:

- Fair and accessible for all
- Little or no waste

- Healthy and balanced
- Local purchasing of regional products

These sustainability goals (of the total of 17 UN Sustainable Development Goals) are directly related to or have a direct impact on food systems:

- Clean water and sanitation
- Affordable and clean energy
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Life below water
- Life on land
- Partnerships for the goals
- Zero hunger

In recent years, various solutions have emerged for meeting the demand for food and reducing the burden on the environment. In addition to organic agriculture, the most promising include alternative meat, smart farming, systematic reduction of packaging, diversified agricultural production, safe disposal of hazardous substances and the use of bioanalytical instruments for quality control.

Vontobel Alternative Food Index

The Vontobel Alternative Food Index tracks 25 shares of companies that play a leading role in sustainable food production and related sectors. Each company is evaluated on the basis of sustainability criteria, financial quality and growth prospects. The scoring model is based on an algorithm that analyses and evaluates MSCI ESG data and financial reports. The shares of the 25 companies with the highest score in this ranking are included in the index. With a Strategic Certificate in CHF or USD on the Alternative Food Index, interested investors can – taking into account the index fee – participate in the performance of the index, which tracks the performance of these shares, with just one investment.

Investors in a certificate on the Alternative Food Index should note that they bear, among other things, the credit risk of the issuer (the risk that the issuer of the certificate is not able to fulfill its obligations under the product).

INITIAL COMPOSITION OF THE INDEX*

Bakkavor Group PLC	Illumina, Inc.	Nissin Foods Holding Co., Ltd.	Thermo Fisher Scientific Inc.
Beyond Meat, Inc.	J.M. Smucker Company	Oatly Group AB	Toyo Suisan Kaisha, Ltd.
Bureau Veritas SA	Kellog Company	Oisix ra Daichi, Inc.	Tyson Foods, Inc. Class A
CNH Industrial NV	Maple Leaf Foods Inc.	Restaurant Brands New Zealand Ltd,	United Utilities Group PLC
Conagra Brands, Inc.	Matsuya Foods Holding Co., Ltd.	Smurfit Kappa Group Plc	Waste Connections, Inc.
General Mills, Inc.	Mowi ASA	Tattooed Chef. Inc.	Yakult Honsha Co., Ltd.
Hormel Foods Corporation			

* At the time of initial fixing on September 27, 2021

KEY PRODUCT DATA*

SSPA product type	Tracker-Certificate (1300)
Underlying	Vontobel Alternative Food Index
Initial fixing / payment	September 27. 2021 / October 4. 2021
Term	Open end
Issuer	Vontobel Financial Products Ltd. DIFC Dubai (no Rating)

* All information is indicative and may be subject to change. Only the final terms published at www.investerest.com, together with the associated notices and adjustments, are legally binding.

SVSP product type: Tracker certificate (1300) basically tracks the performance of the underlying. In the case of investment in a VONCERT, the same risks must be taken into account as with a direct investment in the underlying, in particular the corresponding foreign currency, market and price risks. VONCERTs do not generate current income and have no capital protection.

TRACKER-ZERTIFICATES

CURRENCY	CHF	USD
ISIN / Symbol	CH1124707196 / PALCOV	CH1124707188 / PALFOV
Issue Price	CHF 100.00 (including CHF 1.50 subscription fee)	USD 100.00 (including CHF 1.50 subscription fee)
Cost base for certificate	CHF 98.50	USD 98.50

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