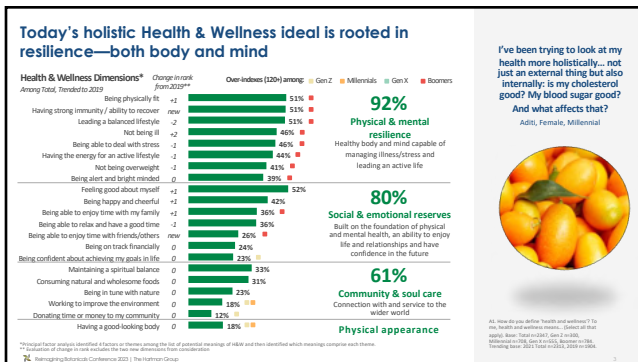




1



2



3

Immunity: an upward trajectory, vastly accelerated

- Immunity is more top of mind than ever
- Messaging tends to be around ingredients
- A deeper commitment to thoughtful formulation, sourcing, and product development is key to differentiation

30%
Are MORE concerned about immunity because of the COVID-19 pandemic



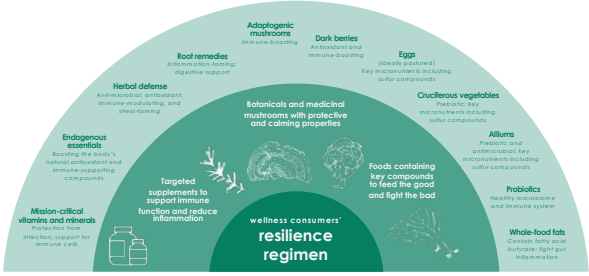


MICROBIOME & IMMUNITY

- Growing awareness of connection
- Evolution from reactive to proactive approach

4

With the surge in demand for wellness and immunity set to continue, consumers are actively exploring key ingredients that support resilience



wellness consumers' resilience regimen

- Adaptogenic mushrooms:** immune boosting
- Dark berries:** antioxidant and immune-boosting
- Eggs:** (freshly pasteurized) Key micronutrients including sulfur compounds
- Root remedies:** immune-balancing, cognitive support
- Herbal defense:** Antimicrobial, antioxidant, immune-modulating, and virus-killing
- Botanicals and medicinal mushrooms with protective and calming properties**
- Cruciferous vegetables:** Probiotic key micronutrients including sulfur compounds
- Endogenous essentials:** Boosts the body's natural antioxidant and immune-supporting compounds
- Alliums:** Probiotic and antimicrobial key micronutrients including sulfur compounds
- Mission-critical vitamins and minerals:** Protection from oxidative support for immune cells
- Targeted supplements to support immune function and reduce inflammation**
- Foods containing key compounds to feed the good and fight the bad**
- Probiotics:** Healthy microbiome and immune system
- Whole-food fats:** Contains fatty acid, polyphenol, light and dark

5

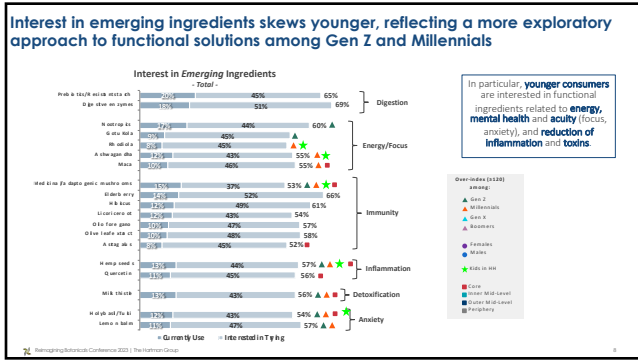
The botanical category uses implicit and explicit quality cues related to purity, freshness, sourcing, production, and sustainability

What's in it?	How was it made?	Who made it/Where's it from?
<ul style="list-style-type: none"> • Simple ingredients: short, recognizable ingredients list • Absence of negatives: no fillers, preservatives, additives, artificial flavors/colors • Inherent flavors: a full range of inherent flavors including smoke and heat • Inherent positives: potency claims (e.g., curcumin bioavailability), wellness-supporting properties (anti-inflammatory) 	<ul style="list-style-type: none"> • Production: grown without GMOs or pesticides, heirloom/seeds, organic, biodynamic, regenerative • Harvesting: hand-picked, hand-selected/-sorted, harvest dates/time frames • Processing: air dried, toasted/roasted, fermented, ground/whole, spagoric • Scale: small farms, sourced/crafted in small batches (freshness) • Packaging: recycled, recyclable, compostable, resealable, refillable 	<ul style="list-style-type: none"> • Real people: passionate growers, producers, manufacturers • Expertise: cultural traditions, storied recipes, chef-driven, herbalist credentials • Real source: regional, authentic, transparent, family owned • Origin: single origin, distinct locale, regional specificity • Sustainable: fairly/directly traded, responsibly produced, cooperatively owned

6



7



8

Accelerated by the pandemic, the connection between digestive health and mental well-being has gained greater awareness

Ingredients: Carbonated Water, OLISMART (Cassava Root Fiber, Chicory Root Inulin, Jerusalem Artichoke Inulin, Nopal Cactus*, Calendula Flower*, Kudzu Root*, Marshmallow Root*, Slippery Elm Bark*), Concord Grape Juice Concentrate, Lime Juice, Apple Juice Concentrate, Cassava Root Syrup, Tartaric Acid, Stevia Leaf*, Himalayan Pink Salt, Natural Grape Flavor* *Extract

CLAIMS AND BENEFITS

- Supports digestive health
- Probiotics
- Botanicals
- 9 grams prebiotic plant fiber
- 4 grams sugar
- 45 calories
- Microbiome-approved
- Non-GMO Project Verified

BRAND NARRATIVE*

- Our sparkling tonics support digestive health and come in six delicious, soda-style flavors
- OLIPOP combines probiotics, fiber, and botanical extracts from eight different plant-based ingredients to support your gut health and your cravings, all in one
- We're on a mission to provide an affordable, delicious alternative to soda that delivers leading edge health benefits to mainstream consumers

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9

The mainstreaming of neuro nutrition is transitioning the trend into a category where ingredient and branding expertise must be inextricably linked

Today, the focus on cognition as a facet of health and wellness has mainstreamed.

- At the same time, food and beverage products that target brain health are more easily accessible than ever.
- Ingredient sourcing and evidence of product efficacy is increasingly paramount in this category.

Popularized botanicals, adaptogens, and nootropics that support neuro nutrition.

Comparing the cultural resonance of brain-boosting products

Product	Resonance Rating	Notes
Recess' sparkling water with magnesium	4/5	Recess' subtle claim around MCGO taps into the moment of this trend and is ideal as a single serve beverage. To elevate the resonance rating, amounts or milligrams of ingredients should be included on pack.
Mello's individually wrapped chocolate bars with lemon balm	3/5	Mello's relaxing milk chocolate missed the mark with the inclusion of lemon balm, a unique flavor that is in misalignment with the chocolate snacking occasion.
Mindright's nootropic-infused superfood chips	2/5	Mindright's nootropic-infused superfood chips is functionally overkill in this space. Multi-serve snacks are not in alignment with functionally medicated ingredients.

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10

Consumer needs for physical wellness and mental acuity lead them to naturally functional ingredients addressing those requirements

Functional beverages are offering benefits to consumers by incorporating on-trend ingredients also found in the culinary and supplement space that resonate with health and wellness values of modern consumers.

Primary cognitive benefit / function	Good Fats	Pre- and Probiotics	Nootropics	Adaptogens	Herbs/Botanicals	CBD
	<ul style="list-style-type: none"> Anti-inflammatory Neuroprotective Supports blood sugar 	<ul style="list-style-type: none"> Digestive function Anti-inflammatory Cognitive function 	<ul style="list-style-type: none"> Cognitive function Productivity / efficiency Memory Mental focus 	<ul style="list-style-type: none"> Stress relief Cognitive resilience Realignment / bodily homeostasis Mental focus 	<ul style="list-style-type: none"> Stress/anxiety relief Anti-inflammatory Pain relief Overall wellness / disease prevention 	<ul style="list-style-type: none"> Creativity Anti-anxiety Mental focus Anti-inflammatory Neuroprotective

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11

Consumers are placing more emphasis on inherent sources of energy

Rather than looking for sugary, fortified or highly processed sources of energy that portend an oncoming energy crash, consumers are turning increasingly to energy sources they perceive as being more inherent.

SPECTRUM OF FUNCTIONALITY

FORMAT PREFERENCE FOR ADDING FUNCTIONAL INGREDIENTS TO DIET

Format	Percentage
Supplements (e.g., tablets, capsules, gummies/chewables, tinctures)	55%
Inherently Functional Foods, not fortified (e.g., whole grains, fresh produce)	45%
Inherently Functional Beverages, not fortified (e.g., bottled water, fruit/vegetable juice)	39%
Functional foods w/added fortification	25%
Functional beverages w/added fortification	21%
No preference - would use any of the above	15%

Inherent Net 55% (includes 45% and 39%)
Added Fortification Net 24% (includes 25% and 21%)

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12

Beverages are becoming a vehicle for discovery more than ever before



- Tepache: delicious fermented pineapple beverage with roots in pre-Columbian Mexico
- Combines the gut health benefits of probiotics with exploration

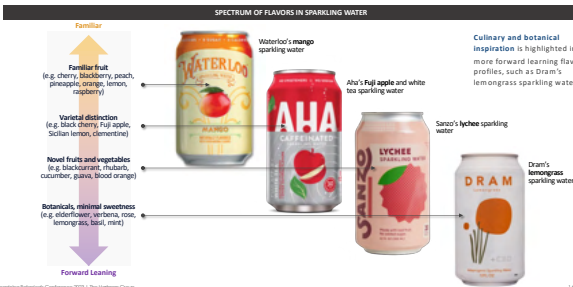
De La Calle Tepache offers a modern take on traditional tepache in flavors like Mango Chili, Tamarind Citrus and Orange Turmeric, featuring organic fruit and regionally sourced spices.

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13

Trend-forward brands are using distinctive fruit varieties and botanicals to elevate flavor, though familiar fruit flavors continue to dominate the category

SPECTRUM OF FLAVORS IN SPARKLING WATER



Familiar
Familiar fruit (e.g. cherry, blackberry, peach, pineapple, orange, lemon, raspberry)

Varietal distinction
(e.g. black cherry, Fuji apple, Sicilian lemon, Clementine)

Novel fruits and vegetables
(e.g. blackcurrant, mulberry, cucumber, passion, blood orange)

Botanicals, minimal sweetness
(e.g. elderflower, yuzu, rose, lemongrass, basil, mint)

Forward Leaning

Waterloo's mango sparkling water

Aha's Fuji apple and white tea sparkling water

Sazon's lychee sparkling water

Dram's lemongrass sparkling water

Culinary and botanical inspiration is highlighted in more forward leaning flavor profiles, such as Dram's lemongrass sparkling water.

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14

There is a risk in misapplying mindfulness language to easy, consumable solutions

With a tagline that encourages consumers to "drink your meditation," however, the brand risks coming off as trivializing committed consumer engagement with mindfulness practices.



thyme
"Whether or not used in a culinary way, thyme is linked to stress."

tula
"Queen of herbs" or "longevity herb." Used in Ayurveda."

drink your meditation
roasted blood orange botanical water
0 caffeine
0 sugar

moment
100% all natural

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15

Ethical sourcing and production take on deeper meaning of transparency, reflecting that we are all connected

- Systemic challenges of our food system
 - Trade offs between efficiency and taste, ethics, and quality
 - Impacts on climate change, employee and animal welfare
- Consumers are **opting out** of categories (and brands) that fail to demonstrate cultural and practical **relevance**
- Improved production practices can also be an **avenue of discovery** and **part of a compelling narrative**



E-retailer Thrive Market provides a new membership for someone in need with every new membership purchased.

Common Roots café focuses on "supporting local farmers, operating in an environmentally sustainable way, and providing a living wage and benefits for employees."

From Dirt to Doorstep: Farms such as Fox Haven Organic Farm are finding ways to access consumers directly with herbal CSAs.

16

Sourcing and production cues are some of the most compelling ways brands connect care and quality

- Example cues on pack**
- Ingredient provenance
 - Company location
 - Specific/heirloom varieties
 - Single origin
 - Direct trade
 - Harvest timing
 - Hand picked/packed
 - Small batch

Supporting narrative
Brands talk about the places where they source and process ingredients and the distinctive influence of growing conditions on the end product. Direct trade with producers cues traceability and also connects to specific farms and culinary traditions, quality, and sustainability.

Category Inspiration



Feral Fungi's spagyric cordyceps and organic maple syrup; San Juan Island's kimchi sea salt from Washington State; Single & Fat's single batch olive oil.

Premium Brand Spotlight



Diaspora Spice Co
Diaspora Spice Co has a focused portfolio of Indian spices, leveraging relationships with specific growers and heirloom varieties to cue higher quality products. Diaspora sources its potent prajapti turmeric from a 4th generation farmer in Vijaywada, Andhra Pradesh.



Sourcing and the connection to quality in the commodity trading market **severely farmers crops are mixed together at every stage. Quality is assessed based on aesthetics (color and size) versus how it was grown, which seeds it was grown from, and how it tastes or smells.**
Source: [Diaspora Co](#)

17

Burlap & Barrel is driving next level standards in the herb and spice category with a focus on creating positive social impact

Sourcing claims are one element of developing trust among consumers, but to constitute a successful long-term strategy, they must exist within a context of:

- offering compelling brand narratives;
- providing accessible information related to corporate and ingredient transparency;
- staying on-trend with acceptable methods/levels of processing;
- maintaining innovation around flavor profiles and ingredient attributes; and
- keeping ingredients real and understandable.



Our spectacular Cured Sumac grows wild around Gaziantep, Turkey. It has a bright, sour, salty and slightly fermented flavor that comes from being packed in salt.

- Claims and Benefits**
- Single origin herbs + spices
 - Supports smallholder farms
 - Maintains social sustainability with culinary values
 - Harvested by hand
 - Dried naturally
 - Non-irradiated
 - No cooking agents
 - No additives
 - No fillers
 - Non-GMO
 - Organic and Biodynamic when possible

Burlap & Barrel works directly with small farmers and cooperatives to source exceptional single-origin spices.
— Martha Stewart

- Narrative***
- Shorter supply chains = better flavor
 - Through equitable sourcing, we set our partner farmers up to exceed their own crops for the first time, and we pay them 2-10x the commodity price for their best spices
 - We visit each farm we source from, spending time with the employees to learn about the economic, social, and environmental implications of their methods.

*direct text from product packaging and brand website

18

Brands celebrating undervalued food traditions of America and its immigrants are receiving overdue recognition for their connection to well-being

Apothekary: The Pharmacy of the Future



I grew up in a super traditional Japanese family where my parents would encourage... healing naturally, even if took longer. So, no Advil, no Tylenol, etc.—instead herbs, dark oozy drinks with adaptogenic mushrooms and roots.”



Shizu Okusa,
Apothekary founder

Nemi's Holistics

- Nopal and amaranth
- Flavors inspired by cuisines of Mexico

Sakari Botanicals

- Locally grown herbs native to the Pacific West Coast
- Growing foods and herbs using ancestral tribal seeds.

Masienda

- Harvested by hand
- Sun-dried by the Cruz Family in Santiago Cuatla, Oaxaca, MX.

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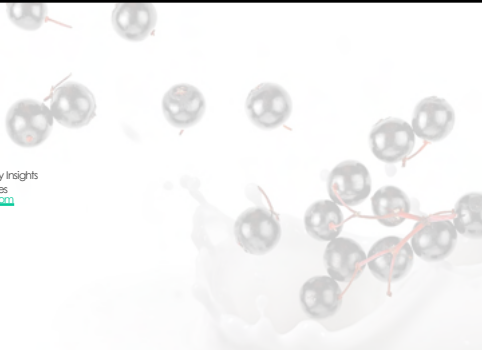
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Top Ideas to Watch

1) Physical + Mental Resilience	2) Engagement with Immunity	3) Sourcing + Production
4) Inherent Functionality	5) Mental Wellness + Cognition	6) Community Connection
7) Claims and Product Cues	8) Beverages as Key Vehicle	9) Compelling Narrative

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