UNILEVER REFORMULATION CASE STUDY



WHO:

UNPACK THE SALT

Unilever Australasia is an international manufacturer and marketer of food as well as home and personal care products. Unilever is a purpose driven company and a market leader in a number of food categories in Australia and New Zealand under brands such as Continental, Streets, Hellman's and Knorr. With more than 400 global brands sold in over 190 countries, our purpose is to make sustainable living commonplace.

Product range: Continental manufactures an extensive range of cooking products including soup, stock (liquid, powders and cubes) and meal solutions including pasta, rice side dishes and inspirational recipe base products. Please visit our <u>website</u> for more information on our product range.

COMMITMENT TO FOOD & NUTRITION:

Health and wellbeing have always been a key focus for Unilever, and we are committed to producing great-tasting food which makes a positive contribution to a healthy diet. Unilever's blueprint for responsible business is through our Unilever Sustainable Living Plan (USLP), launched in 2010 and houses our global nutrition targets which drive our comprehensive reformulation programme for reducing sodium, saturated fat and sugar across our foods and refreshment portfolio. One of our 3 big pillar USLP goals is to help more than 1 billion people take action to improve their health and wellbeing by 2020.

COMMITMENT TO SALT REDUCTION:

Unilever has been on a sodium reduction journey since the late 1990's. In 2009 we launched our sodium reduction strategy which was further intensified through the development of the <u>Unilever Nutrition Standards</u> which specify time-bound, product targets for sodium as well as other key nutrients of concern (energy, saturated fat, trans fat and sugar).

As part of our Sustainable Nutrition Strategy which supports our USLP, we have committed to reducing salt levels in our foods portfolio so that **by 2020 75% of our foods portfolio will meet salt levels to enable intakes of 5g per day.** This is aligned with the salt recommendations of the World Health Organization (WHO). Unilever is the first food company to directly link targets to the WHO recommendations.

Continental has been successful in reducing sodium across the entire portfolio since 2009. All new product

innovations must meet our strict product specific sodium targets detailed below to be permitted for launch. Each time we reformulate a product we try to reduce the sodium, in a stepwise approach to ensure we are on track to achieving our category specific sodium target for 2020.

Unilever sodium targets for cooking products are set on a 100g basis and calculated "as prepared" according to the back of pack recipe instructions, per below:

- Soups and stocks 265mg per 100g product as prepared
- Meal solutions 250mg per 100g product as prepared

These targets are stricter than the proposed voluntary reformulation targets developed by the Australian Healthy Food Partnership (in 2018).

PROGRESS SO FAR WITH SALT REDUCTION:

On a global level, since we started sodium reduction, available technologies have allowed us to reduce salt levels in our products by 20-30%, without significantly impairing consumers enjoyment of the product. We have achieved this level of reduction via multiple reformulation cycles.

Unilever measures success against our internal nutrition targets by annually tracking the percent of the foods and refreshment portfolio, on a volume sales basis which are compliant with our 5g/d salt target. In 2019, 69% (up from 61% in 2018) of the foods and refreshment portfolio in Australia met the Unilever global 2020 target for 5g/d salt indicating we are making good progress. See the latest global USLP progress report, <u>here</u>.

If we look at the ANZ foods business specifically, to date 95% of Continental soups, 80% of stocks and close to 50% of our meal solutions range (based on 2018 volume sales data) now currently meet the 2020 Unilever internal sodium target. Furthermore, Continental soup is now on average 11% lower in sodium compared to the levels in 2010 and we are continually working to reduce the sodium even further across all platforms of the portfolio, whilst maintaining excellent tasting products.

KEY LEARNINGS:

Some of the key challenges and learnings for reducing the salt in our products are detailed below:

- Consumer acceptance Reducing the sodium in a product gradually, following a stepwise approach is key for successful reformulation and consumer taste acceptance.
- Maintaining product quality Salt plays a very technical role in food production as well boosting flavour.
- Maintaining excellent taste This often means using more expensive raw materials which can impact product cost.
- Communicating the change to the consumer We have

been reducing the sodium in many of our products over the last 10 years, however most of the sodium reduction work we have done to date was done silently, to prevent consumer rejection due to the perception that products lower in salt are less tasty. Given the observed differences in acceptance of salt-reduced products, a tailored communication strategy seems most promising. However, while there is a need for consumer-focused behaviour change approaches, it remains unclear how best to inform consumers of healthier options, in order to drive the desired behaviour and minimise counter-active table salt use.

This commitment is perfectly summarized by Alberto Peixeiro, Head of R&D, Unilever ANZ, who says,

"Reformulation, along with clear nutrition labelling and providing healthy eating information forms the basis of our global nutrition policy and is a key part of our business commitment in addressing obesity and related issues. Year on year we strive to develop a healthier product portfolio to support a healthier food supply in Australia and New Zealand."



For more information, please visit unilever.com.au





