

UNILEVER STATEMENT ON PRODUCT FORMULATION AND INNOVATION

As one of the world's largest food manufacturers, we are playing our part in helping to tackle some of the biggest public health challenges.

Our approach is a very simple one: better products help people to enjoy better diets and live better lives. That's why offering great tasting products made with good ingredients, providing choice across our range with products lower in calories, and improved nutritional profiles without compromising on taste and quality is part of our heritage.

This approach is firmly embedded in our business and R&D strategy.

Changing consumer habits is a journey that requires more than product reformulation or effective and clear nutritional information. We work with retailers, governmental bodies, NGOs and nutritional experts in running (branded and unbranded) campaigns to drive behavioural change for better diets and lives.

We have a long heritage in product formulation and innovation to address nutrition challenges. In 2003 we developed our Nutrition Enhancement Programme as a response to the World Health Organization's call to reduce levels of four key nutrients: saturated and trans fat, salt and sugar.

Since we started our Nutrition Enhancement Programme in 2003, 100% of products that we sell around the globe are routinely screened and reformulated where desirable and possible. In scope is our total range of Foods and Refreshment products sold in every geography and includes our food service products that are consumed in schools, hospitals and restaurants, as well as private label products (the latter makes up very small volumes).

Our methodology to review the nutritional quality of our entire Foods and Refreshment portfolio has been published in a peer-reviewed scientific journalⁱ and resulted in significant reductions in all of these nutrients. In 2013 the majority of our products met, or were better than, benchmarks based on national nutritional recommendations.

Our commitment – as part of the Unilever Sustainable Living Plan launched in 2010 - goes further: by 2020, we will double the proportion of our portfolio that meets the *highest* nutritional standards, based on globally recognised dietary guidelines. At the end of 2013, 31% of total portfolio (by volume) met highest nutritional standards.

We revised these standards during 2013, to be more product-focused and to enable us to improve more of our core portfolio. These developments are published on our website and have been shared with 50+ leading nutritionists in 14 countries who provided positive feedback.

We re-calculated the 2012 progress rate also with the same standards and have reported

this externally (31% 2012ⁱⁱ). The 2013 performance of our portfolio, measured against our highest nutritional standards, has been subject to assurance by PricewaterhouseCoopers LLⁱⁱⁱ.

Many more of our products are improved per year than that indicated by our progress reporting of highest nutrition standards, as we also have set category specific targets. To match consumer's expectations for taste and quality, we make nutritional improvements in small steps.

- 55% of Foods met salt levels equivalent to 5g per day in 2013, our target is 75% by 2020.
During 2013 we sharpened our commitment to reduce salt, by reporting on our Foods portfolio only (instead of on Foods and Refreshment in previous years as ice cream and tea are not sources of salt) and we clarified the 2020 target^{iv}.
- 92% of our leading spreads contained no more than 33% saturated fat by the end of 2012.
During 2013, we extended our saturated fat commitment^v, such that by 2017, 90% of all vegetable oil spreads should contain no more than 33% saturated fat and at least 67% good unsaturated fat. At the end of 2013, 82% of our soft vegetable oil spreads were compliant.
- We have reduced sugar in our ready to drink teas by 11% since 2010, our target is to reduce sugar by 25% by 2020. In 2014 we extended this target to include our powdered ice tea and milk tea products.
- 86% of our children's ice creams contained 110 kilocalories or fewer per portion in 2013, up from 81% in 2012; we are on track to reach 100% by 2014. We have now extended a calorie reduction to more ice creams such that by 2015, 80% of our packaged ice cream products will not exceed 250 kilocalories per portion^{vi}.
- By 2012, we had eliminated trans fatty acids from partially hydrogenated vegetable oils from the total portfolio.

ⁱ The EJCN peer-reviewed article describes the original method for reviewing the nutrition quality of our portfolio EJCN article <https://www.ncbi.nlm.nih.gov/m/pubmed/17119547/?i=1&from=/17119547/related>

ⁱⁱ This link is to the Annual Review and Accounts which shows that we re-stated our nutrition progress from 2012, based on the revised highest nutrition standards

http://www.unilever.com/images/Unilever_AR13_tcm13-383757.pdf pages 22 and 23.

ⁱⁱⁱ Assurance has been granted to the 2013 performance of our portfolio, measured against our highest nutritional standards, by PricewaterhouseCoopers LLP

http://www.unilever.com/images/PwC_independent_limited_assurance_report_AR13_04032014_tcm13-386990.pdf. This performance was based on our reporting approach as included at

http://www.unilever.com/images/Unilevers_basis_of_preparation_2013_AR13_04032014_tcm13-386991.pdf (page 6)

^{iv} Reduce Salt target – how it has been clarified is described at this, see paragraph: Our perspective.

<http://www.unilever.com/sustainable-living-2014/improving-health-and-wellbeing/improving-nutrition/contributing-to-heart-health/reducing-salt/index.aspx>

^v Reduce SAFA target – how we have extended our target to reduce saturated fat across more of our spreads products is described at this link, see paragraph Our perspective

<http://www.unilever.com/sustainable-living-2014/improving-health-and-wellbeing/improving-nutrition/contributing-to-heart-health/reducing-saturated-and-trans-fat/>

^{vi} A portion is defined as: a pre-packed single-serve ice cream products meant to be consumed in one go or 100 ml when sold in packaging aimed at multi-consumption moments such as tubs.