Product innovation and renovation at Nestlé

The EU Platform on Diet, Physical Activity and Health
9th February 2012

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The Industry Context

EU Platform: Product reformulation one of the key fields for action

Product innovation and reformulation always company driven

FoodDrinkEurope (CIAA): Holistic approach on Nutrition and Health including
   Product reformulation and innovation

International Food and Beverage Alliance (IFBA):
   – Product reformulation one of 5 commitments to WHO DG
   – Commitments on Product reformulation highlighted in the remarks delivered at
     the UN High-Level Meeting on NCDs, 19 September, New York

Consumer Goods Forum resolution Health and Wellness
The Consumer Dilemma

Consumers want to make healthier choices...

...but are pretty unwilling to sacrifice taste and pleasure to do so

- 71% Always/Usually select food for health reasons
- 37% Always/Usually give up good taste for health benefits
- 27% Ready to make real change to improve health

Source: Health Focus international study, 2008. 10,480 main grocery buyers in 18 countries, roughly 80/20 female/male
Nestlé reformulation and innovation process

- An on-going process: 60/40+ screening of products worth CHF 45 billion of sales in the last 3 years
- Nutritional Assessment of the total portfolio
Nestlé Nutritional Profiling System

Objectives
- Map out the nutritional value of all Nestlé products
- Improve our ability to deliver healthy and tasty choices

Key elements
- Based on public health recommendations including WHO and the US Institute of Medicine, and adapted locally
- Externally published
- Category-specific AND culture-specific
- Limitations of health-sensitive ingredients
- In addition, ensuring the product contains essential nutrients
- “as consumed” portion sizes
- Adults and children criteria
Nutritional profile for children

• Distinct, evolving needs throughout growth

• Obesity, undernutrition and deficiencies can co-exist

• Appropriate nutritional targets for healthy growth is driving our profiling approach for products aimed at kids

• We now work at introducing kid-appropriate GDA labeling on kids products
Nestlé Portion Guidance® programme

Brand ads giving practical tips

Engaging on-pack messaging

Product design

Pack design

Quantity and frequency: making the healthier choice easier for the consumers

Serving device & clear visual instructions

Individually wrapped pieces

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Reducing Salt content

- Nestlé is implementing a stepwise reduction of the salt content over several years, gradually reeducating consumers’ taste buds.

- Since 2003, Nestlé has removed 4887 tons of Sodium worldwide. This represents 12217 tons of salt equivalent.

- Government support of salt reduction initiatives is key.

- In culinary, use of specific cooking techniques and ingredients such as herbs and spices to develop a gentle savory taste.
Reducing Salt content: product examples

- Bouillon France: Salt reduced by 25%*
- Bouillon Poland: Salt reduced by 25%*
- Chilled Ham and sausages France: Salt reduced by 25%*
- Pizza Italy: Salt reduced by 9%**
- Bouillon Netherlands: 33% less salt*
- Sauce Switzerland: 25% less sodium*
- Italy pasta: 10% salt**
- Soup Hungary: 35% less salt*

*compared to the average of the category in the market
** compared to previous recipe
Beyond salt reduction: the MAGGI example to promote balanced cooking

Loss of culinary traditions and cooking knowledge impairing people ability to eat in a balanced way

MAGGI innovation and communication efforts to help people re-discover the pleasure of balanced cooking with fresh ingredients

Recipe app
Germany

Recipe book
Bulgaria

Healthy tips on Maggi’s website in France

Cooking classes: Maggi Cooking Center
The breakfast cereals example: multi-dimensional progress

Over the period 2003-2010 in Europe*:

• Increase of 2 billion servings of Whole Grain in the diets of Europeans

• Total Sugar Reduction of over 5019 tonnes

• Total Salt Reduction of over 674 tonnes

* Based on 2010 sales volume
TFA removal globally

• Industry produced TFAs were removed from Culinary products in Europe and globally before 2006

• In Confectionary, TFAs have been removed in 98% of the product range

• Nestlé is now removing TFAs in products from recently acquired businesses
A new commitment for 2012: salt reduction

• Our EUR culinary portfolio (soups, recipe mixes, sauces, bouillons, pizzas, charcuterie) has gone through reformulation process since 2004, with a total level of sodium decreased by 15% in average in reformulated products over years.

• We will commit to further reducing sodium levels by an average of 10% in products which can best contribute to reducing sodium intake (soups, recipe mixes and pizzas portfolio) from 2012 to 2015.