

Product innovation and renovation at Nestlé

The EU Platform on Diet,
Physical Activity and Health
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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

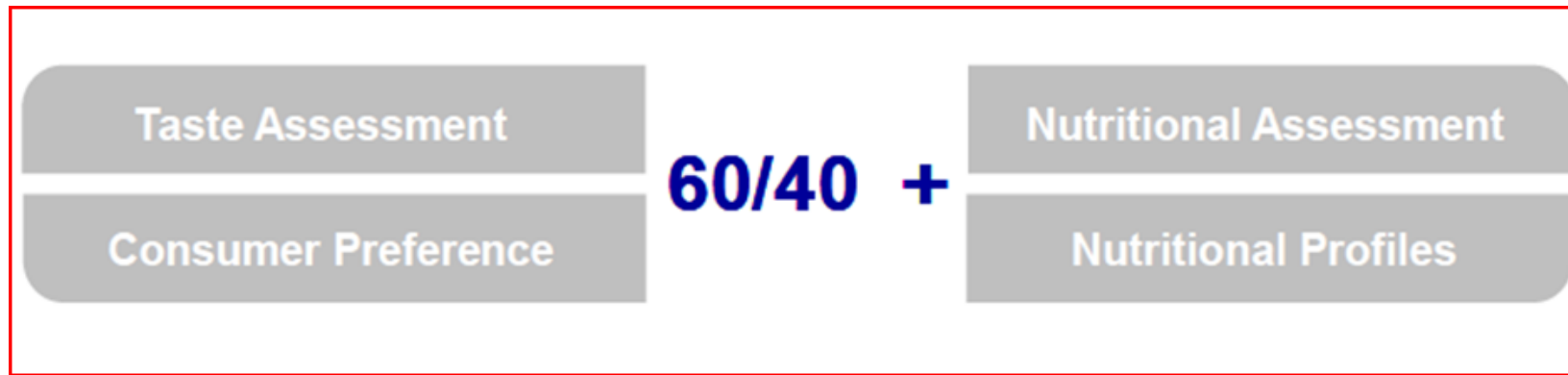
The Consumer Dilemma

Consumers want to make healthier choices...



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



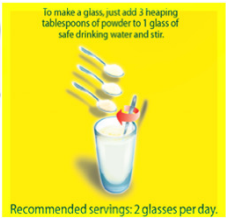
Pack design

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

Serving device & clear visual instructions

Good question
How many cups of coffee can I have in a day?
Good to know
3-5 cups of Nescafé fit well into a balanced lifestyle.

e.g.



Individually wrapped pieces

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



Chilled Ham and sausages France: Salt reduced by 25%*



Bouillon France: Salt reduced by 25%*



Pizza Italy: Salt reduced by 9%**



Sauce Switzerland 25% less sodium*



Italy pasta : 10% salt**



Bouillon Poland: Salt reduced by 25%*



Bouillon Netherlands 33% less 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.