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***'Food for Life: Meeting Consumers Needs'***

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I am delighted to be here to talk about food – a subject on which, it goes without saying, I am a world authority. In common, that is, with 60 million of my fellow countrymen!

Food, as any self respecting European will tell you, is important.

- It helps define our national cultures.
- It has a decisive impact on the health and well being of our society.
- It supports an agricultural sector which, in turn, has a crucial role to play as the steward of the countryside.
- It even shapes our language. Since being in London I have learned that a “watched pot never boils” and that my office is as “warm as toast”. My colleagues – occasionally – force me to eat something called “humble pie”!

It is no surprise therefore that food is a highly politicised industry – attracting almost constant attention from legislators, civil servants, NGO's and the media.

Given this high public profile it is puzzling – with the benefit of hindsight - why a large part of the food industry took its eye off the “nutritional” ball during the 1990's.

In the last decade of the 20<sup>th</sup> Century the received wisdom of most foods businesses was that if we could satisfy the consumer's demands for taste, convenience and value, then we would succeed.

We all recognised that, whether people lived in Brussels or Bologna, they were not going to compromise on flavour. Food, after all, is consumed for pleasure as much as fuel.

We all recognised, too, that time-pressed men and women across Europe had less and less leisure time to cook. In parts of Europe in the 1960s, the average preparation time for the family evening meal was 58 minutes. Today many people don't *have* that much time. So we all built convenience into our offerings.

Finally, we all recognised – and if we didn't our retail partners would remind us – that all this had to be delivered at low cost.

Unfortunately, while we were focussed on issues of taste, convenience and value, consumers were getting fat, unfit and progressively healthier.

It was only in the first years of this millennium, when the World Health Organisation and others started ringing the alarm bell, that we all started thinking as carefully about nutrition as we had about taste and convenience.

By this time, of course, some politicians, NGO's and consumer groups – as well as parts of the media – were accusing us of being the root cause of a major public health crisis – that of obesity.

WHO data shows that a frightening 15 million deaths a year are caused by excess weight and obesity.

In the court of public opinion, some of our more extreme critics will argue that the guilty parties are bars of chocolate, packets of crisps and cans of carbonated soft drinks. Our brand and corporate reputations are under scrutiny as never before.

Of course these simple scare stories hide complex truths. Obesity is a multi-faceted problem. It has as much to do with the lives that people choose to lead as the food they eat.

However, it is important to acknowledge that the issues we face as a European Food industry are partly an outcome of our own success.

Massive improvements in farming, manufacturing and retailing mean that food is now more plentiful, more available and cheaper than at any time in human history. The temptation to over-consume is great.

Despite this, if you take one nation – Britain – and track consumption data back to the end of the war, then what you find is that the British are **NOT** taking in as many calories in 2005 as they did in 1945.

The big difference between now and 60 years ago is that they are **expending** far fewer calories.

Why this should be so is obvious. In the 1950's and 60's lifestyles were much more active. Back then:

- Most people walked to work
- Manual workers outnumbered office workers
- TV was for the privileged few
- Car ownership was low
- Children, when they came home from school, played football rather video games

Let us never forget this. Here are two sides to the obesity equation – diet and physical activity.

As an industry our main duty is to address the diet side of the equation. We have a role to play in helping to tackle inactive lifestyles, but the lead here has to be taken by our national governments.

To its credit, the European Food industry is facing up to the health challenges which confront it. Fundamental change is taking place in many businesses – large and small.

As Unilever we are very comfortable with this sharper focus on health and nutrition. It is very much part of our heritage. One of our most successful product ranges – fish fingers - was developed in response to a request from the British government to get more young children to eat fish.

Likewise, our heart health margarines like Becel and Flora were designed at the request of the medical profession to address public health concerns in the 1960's and 70's about the over-consumption of saturated fats.

But to re-build public confidence in our brands I believe that we have to do more. We need a structured programme – a manifesto if you like – to guide all our activities.

This manifesto should embrace formulations, labelling, health claims, marketing and advertising, work-place health and public education.

Many of these issues are included in the CIAA's own road map, and most feature on the agenda of the EU's multi-stakeholder platform on diet, health and physical activity.

They all need to be tackled with rigour and seriousness.

### ***Formulation***

On formulation, we need to drive down the levels of sugar, salt, trans-fat and saturated fat in our products. Wherever possible trans-fats should be eliminated entirely.

In Unilever we have done this through a process which we call – internally – the Nutrition Enhancement Programme. It is a technique which takes WHO and national dietary guidelines and translates them into benchmarks for key nutrients.

Over the past three years we have put more than 19,000 of our recipes through this nutrition profiling model, which also forms the basis of our internal health claims guidance and our nutrition labelling scheme. As a result many products have been reformulated.

These reformulations have resulted in the elimination of 15,000 tonnes of trans-fats, 10,000 tonnes of saturated fats, 10,000 tonnes of sugar, and 2000 tonnes of salt from our brands.

This is just one company. Many others have similar programmes, so the overall effect will be large. I very much hope that these changes will be visible and measurable in terms of their health impacts.

As a final word on formulation, it is worth making a comment on the pace of change.

Many critics of the food industry are urging us to go further and faster. My response to them is that we can only move at the speed of the consumer.

Take salt as an example. If you give consumers a choice between a well salted product and less well salted one they will, all other things being equal, choose the one with the higher level of salt.

So what we have to do is to wean people off the taste of salt by making gradual reductions over time. If we get ahead of our consumers they will vote with their feet and look for alternative products that meet their taste preferences.

### ***Labelling***

On labelling, the objective is easy to define.

As manufacturers we have a duty to provide clear, simple information that will allow consumers to make informed choices on the food which they buy for themselves and their families.

Thanks to the CIAA voluntary commitments, good progress has been made towards achieving this goal. In addition to the existing nutrition and composition labelling, all CIAA members are encouraged to mark GDA's – Guideline Daily Amounts – on the backs of their packs. On the front of pack it has been agreed to communicate the number of calories per serving.

Seven companies - Coke, Danone, Kelloggs, Kraft, Nestle, Pepsi and Unilever - have already committed to supporting the CIAA voluntary commitments. It is vital that other companies join us so that consumers across Europe can have this information on their favourite brands.

In some countries, governments want us to go further on front of pack labelling. The Food Standards Agency in the UK, for example, is encouraging us to adopt a scheme based on multiple traffic lights.

Unilever, along with all major manufacturers and some of the biggest retailers, is resisting this.

It is important to understand why.

My worry about traffic lights is that they will drive the *wrong* consumer behaviours. Let me illustrate this with some examples.

Take a man shopping for butter or margarine.

Standing in front of the chiller cabinet he will see full fat butter with 54% saturated fat. Next to it will be a low fat margarine with just 12% saturated fat.

Under the proposed scheme both will carry a red traffic light for saturated fat. The consumer not surprisingly will conclude that there is no difference between them. His family doctor would tell him otherwise.

Another example is mayonnaise. A woman shopping for mayonnaise will, of course, choose Hellmanns!

Here she will be confronted with a choice – Hellmanns Original (with 80% fat) and Hellmanns Light which has less than half the amount of fat - 30%.

Again the UK scheme will give both a red light for total fat.

This can't be right. I'm all for simplicity and I badly want a scheme that consumers can understand, but I have serious concerns about one which has been simplified to such an extent that it will result in poorer, not better, choices. We need a scheme that allows us to demonstrate the differences.

Over the coming months, a number of countries will be conducting testing of a variety of labelling schemes.

Unilever will have objective measures of GDA's in the UK, while in The Netherlands the Unilever inspired front of pack "Choices" scheme - which provides nutritional information in a more accessible way - is being tested with consumers. We will learn more as we roll the Choices scheme out to other markets. We will also start getting a better understanding of how the CIAA initiative on labelling calories is working.

My advice is that we should all wait patiently for these results to come in and then evaluate them calmly and rationally.

Our judgement should be based **not** on which scheme the consumer prefers, but on which scheme drives the right behaviours.

This should be evidenced by what products people **actually** put in their baskets in real life shopping situations.

### ***Health Claims***

Health claims is another issue that should be on our manifesto for change.

Here again I am sure we can agree on the objectives:

- We all want the freedom to develop new products which have a positive impact on people's health and well being.
- We all want consumers across Europe to have real trust and confidence that the claims which we make about these products are underpinned by robust scientific evidence.

The forthcoming EU Regulation for Health and Nutrition claims should provide a harmonised legal framework for this to happen. We welcome this.

But there remain a number of unresolved issues. Not least the development of an EU-wide nutrient profile model, and a list of allowable health claims.

As Unilever we are concerned that some national authorities will not allow products on the market until the process of finalising the nutrient profile model and agreeing the health claims list is complete.

We must guard against this because it would be a barrier to innovation and create uncertainty for business.

The Health Claims Regulation is a welcome piece of regulation but it must be introduced with pragmatism and sensitivity.

### ***Marketing and Advertising***

Responsible marketing is another item for the manifesto.

Advertising to children – whether it's toys, food or leisure products – is an emotional issue. And with food there are strong societal and political pressures for change.

As an industry we need to listen carefully to these demands.

At the same time, the politicians and agencies that regulate us need to set in context the clamour for change.

They know, as we do, that the strongest influence on a child's eating habits is the eating habits of the child's parents.

It is simplistic and irresponsible to impose blanket bans on advertising. These might grab the headlines, but will do very little to address underlying problems like obesity.

In the end the best approach is self-regulation. But the right to self-regulate has to be earned.

At the moment I am not convinced that citizens and legislators across Europe feel that we can be trusted to regulate ourselves. We need to prove them wrong by tightening our codes and enforcing them rigorously.

Again this is an area where the CIAA and its partners like the WFA can play an important role.

## ***Work Place Health***

Also on my manifesto for change is Work-place health.

The European Food industry is vast. We account for approximately 1.8% of European Gross Domestic Product, turnover €800billion per annum, and employ some 4.1 million people.

We can be a powerful agent of change simply by doing the right things for our own employees.

Many Unilever offices and factories offer employees basic health checks. We test cholesterol and blood pressure. We provide free fruit and gym facilities. We ensure that food served in our canteens is nutritionally balanced. In some places we even offer cooking lessons.

If we, along with our partners in government (who are even bigger employers), all ran programmes of this kind, we could have a measurable impact on the health of European citizens.

As Ghandi said: "be the change that you want to see around you".

## ***Public Education***

The final item for my manifesto is Public Education.

With food so cheap, so plentiful and so tempting, the best way to address poor nutrition and obesity over the long term is with education.

People (and particularly children) need to understand the consequences of the every day choices that they make in terms of diet and exercise. Do I have that crème brulee for dessert? Do I play on the computer or go and kick a ball around?

To create this level of understanding will require a major programme of public education sustained over a long period of time.

Many people think that this is a job for national governments. In part it is, in the way that they have successfully changed behaviour on the wearing of seat belts and the dangers of drink driving.

But I feel companies and brands have a role to play.

Many of us offer nutrition advice on our packs and through our care lines. Many of us use sponsorship programmes to promote physical activity and sport.

Flora sponsors marathon running and one of our detergent brands – Persil – is currently carrying a promotion called “Be my coach”, designed to encourage parents to get their kids into sport.

Food companies are well placed to do this. We research in great detail the goals and aspirations of consumers of all ages and all sizes.

We know that their basic needs are straightforward – to feel good, look good and get the most out of their lives. We can help them to do this.

Mounting major programmes of consumer education is complex and daunting. But we all know that in the end it is the only way to address the big public health issues caused by poor diet and lack of exercise.

### ***Conclusion***

So that’s my proposed manifesto for the Food Industry.

In Unilever we have incorporated all of these activities in our Vitality Mission – which drives, among other things, our R&D, innovation, brand development and Human resource agendas.

I know that many other businesses are also addressing these complex issues of diet, nutrition and physical activity. But there is more to do if we are to re-gain the trust of an increasingly well informed and sceptical European consumer.

There is a role here for both governments and industry.

As producers:

- We must be relentless in ensuring that our products have balanced nutritional profiles.
- We must be scrupulously consistent in our labelling and in the claims we make for our products.
- We must listen to concerns about advertising to children and take appropriate action.

- And we must give an example by setting high standards for the people who work in our own businesses.

Governments, at both a European and national level, can also make a major contribution. They can do this by:

- Supporting a sensible framework for nutrition labelling which both drives the right consumer behaviours and is based on sound science.
- They can ensure that health claims are transparent, practical and easy to implement.
- Above all they can work with industry to ensure that consumers have all the information they need to make the right choices for themselves and their families.

In diet, as in other areas of life, self discipline and personal responsibility are key. There are limits to what governments and business can do.

A final word.

We shouldn't be frightened or daunted by a manifesto of this kind.  
It is the right thing to do for our consumers.  
It is the right thing for the European food industry.

There will be big prizes for those companies that get it right.

Thank you.