Global Unilever Food Waste Report

1st January 2022 – 31st December 2022

Introduction

The Unilever Compass, our sustainable business strategy, is set out to help us deliver superior performance and drive sustainable and responsible growth, while improving the health of the planet through taking climate action, protecting, and regenerating nature and creating a waste-free world.

Food loss and waste is a global crisis with one-third of all food produced globally lost or wasted. Tackling food waste is an opportunity to address food insecurity, protect natural resources and mitigate climate change – and it requires a holistic approach. It means focusing on the systems by which food is produced, consumed, and disposed of, by our industry and others across the whole chain from farm to fork.

Our vision is to be the global leader in sustainable business and to demonstrate how our purpose-led, future-fit business model drives superior performance. In July 2022, the company moved to five distinct Business Groups: Beauty & Wellbeing, Personal Care, Home Care, Nutrition and Ice Cream. Each Business Group is fully responsible and accountable for their strategy, growth, and profit delivery globally. This change in organisation does not affect our food waste commitment, which remains a singular common target across the Nutrition and Ice Cream Business Groups.

Our approach to food waste reduction

We have long-standing programs in place that address food waste in our operations.

We have sent zero waste to landfill from our factories since 2014 and since 2016 we have been sending zero waste to landfill across more than 600 sites, in 70 countries, including factories, warehouses, distribution centers and offices.

Alan Jope, our CEO, is a member of Champions 12.3, a global coalition of leaders dedicated to accelerating progress towards achieving sustainable development.
goal 12.3, which calls for halving per capita food waste at the retail and consumers levels and reduce food losses along the production and supply chains by 2030.

It is our ambition to protect and preserve food to feed the world. Our accelerated plan of action to reduce food waste was fueled by the urgency of what is not only a humanitarian but also an environmental and economic crisis.

In September 2020, we adopted the Champions 12.3 ‘Target–Measure–Act’ approach and signed up to the 10x20x30 commitment, as well as pledging to publicly report our food waste footprint using the Food Loss and Waste Accounting and Reporting Standard.

In November 2020, we announced our Future Foods strategy where we pledged to halve food waste across our global direct operations from factory to shelf by 2025 – five years ahead of the UN’s SDG 12.3.

This report builds on our earlier published food waste reports covering our baseline year 2019 and the years 2020, 2021. The scope of this 2022 report is similar to the previously reported scope for Foods & Refreshment minus the divested Ekaterra tea business. Hence, this report covers the 2022 food waste status for all Unilever Nutrition and Ice Cream manufacturing and logistic sites across the globe: 106 manufacturing sites and 234 Distribution Centres (DCs). We are reporting the food waste in our global direct operation from factory to shelf – extending our impact beyond manufacturing operations and including our DCs.

Our food waste commitments

In addition to halving food waste in our global direct operations by 2025, we want to drive wide-reaching change beyond the boundaries of our business and tackle food loss and waste across the food chain. We are focusing on the following four additional areas of action:

- Maintain zero waste to landfill and ensuring no good food is destroyed.
- Enroll key supply partners to follow our lead and tackle food loss and waste in their operations.
- Help our food service customers avoid food waste through education, partnerships and services and finding ways of redistributing surplus food.
- Through our brands, help consumers waste less food at home.
2022 Food Waste Reporting

Total food handled:
5,833 ktonnes

Waste as percentage of food handled: 5.3%

Overall Food Waste: 311,657 tonnes

Overall food waste reduction : -17% (compared to 2019)

Chart 1: Waste by destination in tonnes; percentage of total food waste

Our total food handled for the year 2022 was 5,833 ktonnes.

Our food waste was 311,657 tonnes which equates to 5.3% of total food handled.
In line with the Food Loss and Waste Accounting and Reporting Standard, this includes all waste destinations except donations, animal feed and biomaterial processing. We are covering food waste from our distribution centers, in addition to our manufacturing sites.
By the end of 2022, food waste per tonne of food handled has been reduced by 17% moving from 6.4% in the baseline year 2019\(^1\) to 5.3%.

In 2022, progress has accelerated, as our company-wide food waste warrior programs started to deliver results. We observed a reduction in both finished products going to waste as well as manufacturing food waste.

As per Chart 1, our Food Waste is managed in different ways. We are always trying to move up the food waste hierarchy to find the most sustainable solutions to dispose of what cannot be eliminated at source.

Below are some examples of waste recycling from our sites:

- 25% of our food waste goes to anaerobic digestion where we are capturing and using the biogas generated as a green energy source.
- 15% of our food waste goes to composting solutions. In some instances, the output is used directly on site to grow vegetables.
- Where possible, our food waste is also applied directly to land as a fertiliser.
- Finally, 38% of our waste cannot be moved up the waste hierarchy and is sent to incineration with energy recovery.

**Our 2022 food waste results in context**

The year 2022 saw an acceleration of our food waste reduction reaching 17% reduction versus the 2019 baseline.

This was driven by a continued robust decrease of finished food products being sent to waste at the end of shelf life in our distribution centres. The set-up of dedicated Food Waste Warrior teams and application of predictive analytics and automation helped us to better manage our inventories.

In 2022, we also managed to reduce food waste generated during manufacturing. By focusing on those factories that are the biggest contributors to food waste, we were able to reduce waste in several of those sites significantly. This was done by setting clear targets, real-time waste monitoring, a new culture and mindset, and investing in training and maintenance.

When it comes to waste destinations, we were able to maintain our 0% food waste to landfill commitment.

\(^1\) We have updated our 2019 baseline to reflect the divestment of our Ekaterra Tea business. Without Ekaterra the revised 2019 food waste volume stands at 347kT, which is 6.4% of Food handled (5399kT)
A snapshot of our food waste program

Our mission to protect and preserve food is not one we can achieve alone. That is why we are working with our brands and partners across the food chain to transform the system and help end the food waste crisis. The below outlines some of our key achievements in 2022:

Robust decrease of finished products waste

The continued decrease in finished products being sent to waste has been achieved through our company-wide ‘Food Waste Warrior programme’ which encourages all our employees to identify opportunities to ensure that no good food goes to waste.

Dedicated cross-functional teams, involving supply chain, marketing, planning and sales were set up to identify root causes for finished products ending up as food waste and to drive towards different outcomes. Solutions included taking action on slow moving stock much earlier by better use of planning and stock-ageing tools, supported by predictive analytics as well as working closely with customer teams to ensure finished products reached consumers before end of shelf life.

For example, team Brazil has been a pioneer in 2022 leading the food waste reduction program through an Automated Discount Matrix. Bearing in mind the essence of time, Brazil takes advantage of technology to sell-out slow moving finished goods to customers at pre-aligned discount rates to eliminate time required for decision making loops.

The disciplined use of check points in our innovation process to ensure that new products are performing in the market as expected proved an effective waste avoidance strategy. With enhanced controls around innovation project planning, team Australia/New Zealand has optimised inventory levels for innovations. Combined with effective run-out plans and smart clearance plans zero/minimum obsolete targets came within reach in our Ice Cream business.
Investing in digitisation and innovation

We are investing in automation and digitisation to allow for real time monitoring of food waste.

Our employees in the French factory at Chevigny have been using a tracking platform to create visibility of waste hot spots for operators, from which loss stratification & counter measures can be derived.

Our Indonesian factory invested in a tracking system to visualize dosing capabilities by production line assisting operators to calibrate filling line behaviors and optimize dosing. Moreover, the factory is also working with new technologies to help detect product leakage.

A team at the Heilbronn factory, where we manufacture many of our Knorr products, has successfully developed a prototype machine to recover the contents of rejected products. This prototype proofed so successful in reducing food waste that it is now being manufactured by a professional machine builder and will soon go into production in Heilbronn.

Changing mindsets towards food waste

Leadership driven change in culture and mindset has been the vital to the reduction of food waste in several of our warehouses and factories.

Clear target setting by operational units, tracking progress against these and regular reporting to senior business leaders as well as investing in training of teams often led to not only having less food waste but in many cases better efficiencies, too.
**Educating chefs and hotels on waste-free food solutions**

Cutting food waste is an important ingredient in Unilever Food Solutions’ (UFS) recipe for a waste-free future.

Through the UFS Academy, a free online culinary portal, training is offered to chefs or restaurant operators who may not have formal training on a wide range of subjects, including a food waste management module. Available via the UFS Academy app as well as on the UFS Academy website, the training module has been widely distributed and well received.

The "WWF Hotel Kitchen" program, supported by Unilever Food Solutions, focused on preventing food waste in the Greek hotel sector. In collaboration with three Greek hotels during a pilot phase, the program successfully reduced total food waste by up to 25% and trained over 350 hotel employees on waste reduction practices. A toolkit was created based on the program's success and offered to interested hotels.

The second phase of the project emphasized data collection on food loss and waste, compliance with new European legislation, and training for hotel staff. The program, the first of its kind in the European hotel sector, aimed to upscale and institutionalize change for food waste prevention. Funding for the project was provided by WWF US, the Rockefeller Foundation, and Unilever Food Solutions.
Hellmann’s drives consumer behaviour change at scale

In 2022, Hellmann’s **continued to roll-out and scale its behaviour change program Fridge Night**. This program, which has been developed in collaboration with leading scientists and experts, is proven to help families reduce their food waste by one third. Through simple interventions Hellmann’s helps people be more resourceful with the food they have at home and save food, time, and money.

- A weekly **Use-Up Day** when people create a meal with left-behind ingredients

- Hellmann’s **Flexipes** – simple, flexible recipes that use the unique 3+1 approach to create delicious meals from the most wasted ingredients.

Fridge Night is available in the form of an app and an e-booklet in the US, Canada and UK for free download.

Hellmann’s also champions household food waste reduction through its **“Make Taste Not Waste” mass media campaigns**, inspiring people to turn their leftovers into easy, tasty meals. For the second year, Hellmann’s brought this campaign to the US Superbowl, tackling food waste at scale by reaching more than 100 million Americans on the day with the second highest food waste incidence in a year.

As part of the **2022 International Day of Awareness of Food Loss and Waste**, Hellmann’s partnered with climate action NGO WRAP to release a new four
market study on the latest food waste behaviours\textsuperscript{2}. The study indicates that nearly half of respondents throw away as much food or more than they did a year ago, revealing an opportunity for consumers to save more household budget by reducing waste in their homes. Food waste is now costing families £780 per year on average\textsuperscript{3}, with 1 in 2 study respondents underestimating the cost savings of reducing their waste.

In 2022, Hellmann’s has inspired or enabled more than 200m people to be more resourceful with their food and make taste not waste.

**Our purpose is to make sustainable living commonplace.**

We are focused on improving both the health of the planet and people’s health, confidence and wellbeing, whilst contributing to a fairer, more socially inclusive world.


**Company background**

Unilever is one of the world’s leading suppliers of Beauty & Wellbeing, Personal Care, Home Care, Nutrition and Ice Cream products, with sales in over 190 countries and products used by 3.4 billion people every day. We have 148,000 employees and generated sales of €60 billion in 2022. Our vision is to be the global leader in sustainable business and to demonstrate how our purpose led, future-fit business model drives superior performance. We have a long tradition of being a progressive, responsible business.

The Unilever Compass, our sustainable business strategy, is set out to help us deliver superior performance and drive sustainable and responsible growth, while:

- improving the health of the planet.
- improving people’s health, confidence, and wellbeing.
- and contributing to a fairer and more socially inclusive world.

\textsuperscript{2} Hellmann’s x WRAP Study in the US, UK, Canada and Australia, 2022 (all findings self-reported)

\textsuperscript{3} Families with children. Food surplus and waste in the UK, WRAP, 2021 Inflation adjusted.