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UNILEVER plc

Category analysis

A Governance

Nutrition general
- Unilever demonstrates a leading approach to integrating nutrition and well-being into its core business strategy. However there is scope to improve the breadth of topics the company addresses to contribute to nutrition related solutions for global challenges. For instance, Unilever could establish broad objectives in relation to the availability and affordability of healthy products for undernourished low-income populations and responsible marketing as well as engagement with experts regarding nutrition strategy.
- The Unilever Sustainable Living Plan (USLP), in place since 2010, is applied globally. It sets out three overarching goals and corresponding strategies, including the goal of ‘Improving Health and Well-being’ for over a billion people by 2020. Nutrition is a core component of Unilever’s holistic approach to improving well-being.
- The USLP addresses key public health challenges including heart health, obesity and undernutrition. This aligns with the priorities set out in the WHO Action Plan.
- The design and oversight of USLP is assigned to top executives and Board committees. The company demonstrates best practice by incorporating USLP targets into the remuneration packages of its CEO and directors.
- The company’s annual reporting on nutrition commitments and progress is detailed and verified both internally and externally. The Audit Committee is responsible for independent assurance of the USLP.

Undernutrition
- Unilever acknowledges it has a role to play in addressing the undernutrition issues faced by millions of people around the world. It aims, “To offer fortified foods at an affordable price to bring them within the reach of as many people as possible.”
- This commitment, pursued through both commercial and philanthropic strategies, could be strengthened by referring to specific populations most in need of support i.e. children under-2 and women of childbearing age and by focusing activities in priority countries (as are defined in the ATNI methodology).
- Unilever has conducted market research in multiple countries to assess the need for addressing undernutrition through micronutrient fortification. This is designed to enable the company to tailor its strategy to achieve the best possible outcomes.
- Unilever has several partnerships with governments, international agencies and NGOs, which reflect its ambition to make a global long-term contribution to addressing undernutrition.

B Products

Nutrition general
- Although Unilever makes a broad commitment to invest in R&D to improve the nutrition profile of the global product portfolio, it does not set specific spending level targets in monetary value.
- Targets and deadlines have been set for the reduction of all four negative nutrients levels for all relevant products globally, which is leading practice.
- Targets to increase levels of vegetables are lacking, leaving room to meet best practice.
- In 2014, 33% of the total portfolio met the company’s ‘Highest Nutrition Standards’, up from 31% in 2012, showing a 6.45% increase between 2012 and 2014.
- More than 50% of the global portfolio by volume complies with the Unilever Nutrition Criteria and the standards for advertising to children. At least one product in all brands meets the company’s healthy standard for children. Together these achievements are among the best for the companies assessed in the 2016 Global Index.
- At the core of Unilever’s nutrition strategy is a strong NPS that is applied globally across all products. It is the only company assessed to have an NPS published in a peer reviewed journal, which is industry best practice. Unilever is the only company to achieve maximum score in this area.

C Accessibility

Nutrition general
- Unilever has a global commitment to address the affordability of its healthy products in low-income countries. However, the company does not set related targets and does not have a designated executive to implement its strategy.
- The company conducts analysis on what constitutes an appropriate price for certain healthy products in developing countries to drive growth but does not appear to do so in developed markets.
- Disclosure on affordability and accessibility initiatives was mostly obtained on request. Unilever’s public disclosure in this regard remains limited and undermines its overall performance.
- Unilever’s actions to improve the accessibility of healthy products is weak. It does not report on or provide policies, targets or examples of activities in this area.

Undernutrition
- Unilever has a stated aim to offer its own fortified foods at an affordable price and promote nutritious cooking. While there is no specific objectives, there is evidence that the company implements both its own and joint initiatives in high priority developing countries.
- Unilever’s door-to-door selling model of fortified products in India, ‘known as Shakti’, increases accessibility of products in hard-to-reach areas and provides employment opportunities to underemployed populations. The success of this model led the company to replicate it in other developing countries including Egypt, Bangladesh and Pakistan.

D Marketing

Nutrition general
- Unilever continues to be a leading performer in this area. It discloses its approach to responsible marketing in detail and has committed to following international standards.
- The Unilever Marketing and Advertising Principles for Responsible Food and Beverage Marketing were adopted in 2003 and updated in 2014. They are publicly available and globally applicable to all marketing activities and communications on food and beverage products for children and other populations. The principles evolve constantly to become stricter with respect to forms and mediums of advertising and encompass most key elements of best practice. One exception is that the policy does not extend to advertising in and around secondary schools or to places where children gather. Despite some shortcomings, Unilever’s responsible marketing policy is the strongest of those assessed for the 2016 Global Index.
- Unilever lags behind some peers for the monitoring and compliance of its policy for all consumers. The company states that its marketing activities are monitored in-house, but an independent assessment is not evident.
Nutrition general
- Unilever has a codified commitment to support staff health and wellness in the Fairness in the Workplace pillar of its Sustainable Living Plan, with a program focused on nutrition, diet and activity.
- The Lamplighter program, developed in 2001 and available globally, is aimed at enhancing employees’ health, nutrition and well-being. Unilever sets a target to extend this program to all countries of operation with over 100 employees, although a deadline is not disclosed. The company articulates expectations of Lamplighter in terms of health and business benefits and it conducts its own assessments of the outcomes of the program. A third party evaluated the effectiveness of this program in 2009, however there have been no further external evaluations. Unilever publishes both health and business outcomes via third-party websites. However, the information disclosed is outdated since the health outcomes published are from 2009 and the business outcomes from 2008-2012. Unilever does not publish relevant information for recent accounting years, nor does it publish program outcomes on its own website. The company could improve its performance conducting third party evaluations of the Lamplighter program on a regular basis.
- Unilever has no disclosed formal global policy to provide breastfeeding friendly work-sites, but some sites already allow breaks and offer private rooms and fridges to store expressed milk.
- Generally, Unilever’s maternity leave policy differs by country and it could improve its performance in this area by adopting a global policy. In some but not all countries the company offers working conditions that exceed legal requirements. Nonetheless, Unilever offers flexible working environment and facilities for breastfeeding mothers across global operations.
- On its own and in collaboration with third parties, Unilever offers a wide range of programs for consumers focused on nutrition, healthy lifestyle or both. However, it does not commit only to support independently designed and implemented programs. Doing so would improve its performance in this area. Monitoring and evaluation of these programs is limited to general impact assessments and could be strengthened.

Undernutrition
- Unilever has no disclosed commitment to educate undernourished consumers about the benefits of a diverse diet, consumption of fortified foods and safe, timely and adequate feeding (including complementary to breastfeeding) for infants and young children.
- Unilever and its foundation support major projects and organizations working towards the eradication of undernutrition in developing countries through educational interventions. The company provides many examples of supporting leading programs and organizations such as SUN, Save the Children, the WFP, GAIN, and AIM among others.

Nutrition general
- Unilever is the top performer in this area. Performance could be further improved through the adoption of more robust monitoring measures and improvements to transparency, especially for fortified products.
- Unilever’s global labeling policy is detailed and includes guidelines for both front-of-pack (FOP) and back-of-pack (BOP) labeling. Regarding FOP labeling, Unilever commits to provide the amount of energy per portion as a percentage of Guideline Daily Amount (GDA) or an absolute quantity. Unilever does not have a policy committing it to use interpretive labeling on the front of packs. Doing so would bring it into line with best practice.
- For BOP labelling, Unilever is committed to displaying information for the ‘Big 8’ or ‘Big 4’ nutrients, depending on the package sizing.
- Unilever discloses the share of its product portfolio (in volume sold) carrying labels in accordance with its policy. However, it does not disclose the percentage of markets across which practice in line with the policy has been applied.
- By end of 2015, Unilever has committed to ensuring that all products in every market carry full nutrition labeling on pack. This commitment is ahead of those made by some of its peers, which commonly aim to achieve the same goal by the end of 2016.
- Unilever has a global set of guidelines for making health claims on its food and beverages; these follow best practice and are applicable to all markets.
- On request, Unilever stated that it tracks the number of products that can carry health and nutrition claims globally. This practice is uncommon in the industry and to be applauded.

Note
Sustainalytics Research is responsible for the scoring and ranking of company performance for the Access to Nutrition Index. Sustainalytics Research contributed to the report and company scorecards for the Index, and engaged with food and beverage companies as part of the data collection and analysis process. The user of the report and the information in it assumes the entire risk of any use it may make or permit to be made of the information. NO EXPRESS OR IMPLIED WARRANTIES

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