

United Biscuits Health & Nutrition Programme



In 2005 United Biscuits (UB) embarked on a major ten-year programme to improve the nutritional content of its products by removing hydrogenated vegetable oil (the main source of trans fats), reducing saturated fat and salt and by removing artificial additives such as flavour enhancers (including MSG), sweeteners, colours and artificial flavours. This document summarises the substantial progress we have made by the half-way-point in our programme and details our goals for the remaining five years.

Working with the Consumer

UB recognises that the causes of obesity are complex and diverse and that food manufacturers have a role to play in the solution. However, a balanced diet and healthy lifestyle can accommodate treats such as biscuits and snacks, and the majority of consumers recognise this fact. The contribution of snacks and biscuits to the total diet is probably less than many would expect, as the charts on the following pages demonstrate.

To make progress on health and nutrition we need to work with the consumer: firstly to make the products they enjoy healthier whilst still delivering great taste; secondly to make new, healthier products; and finally, to clearly communicate nutrition information on packs to help people make more informed choices.

Reducing Packs and Portion Sizes

UB recognises that consumers require a choice of pack sizes for different eating occasions and we have developed a broad range of portion sizes to reflect this. We're reformulating the recipes or re-sizing several products in our range so that they offer fewer Calories per portion. For example, the Penguin biscuit bar has recently reduced to 106 Calories per bar. Further development will continue in this area.

Many of our brands already exist in a format that offers consumers fewer than 100 Calories per portion. For example Skips, Penguin Wafer, Original Twiglets, Space Raiders and many of our crackers and our plain sweet biscuits in the McVitie's portfolio contain fewer than 100 Calories each. One Digestive biscuit, for example, is 70 Calories, a Hobnob is 67 Calories, Ginger Nuts are 46 Calories per biscuit, a Rich Tea is 38 Calories, a Fruit Shortcake is 37 Calories, Jacob's Cream Cracker is 35 Calories and Carr's Table Water is just 14 Calories.

The pack weight on many of our savoury snack and biscuit brands has been reduced in recent years resulting in reductions in Calories per portion of between 7% and 21%. Where sharing packs are sold, the number of servings per pack is clearly communicated, alongside the Calories and nutrition information for each serving.

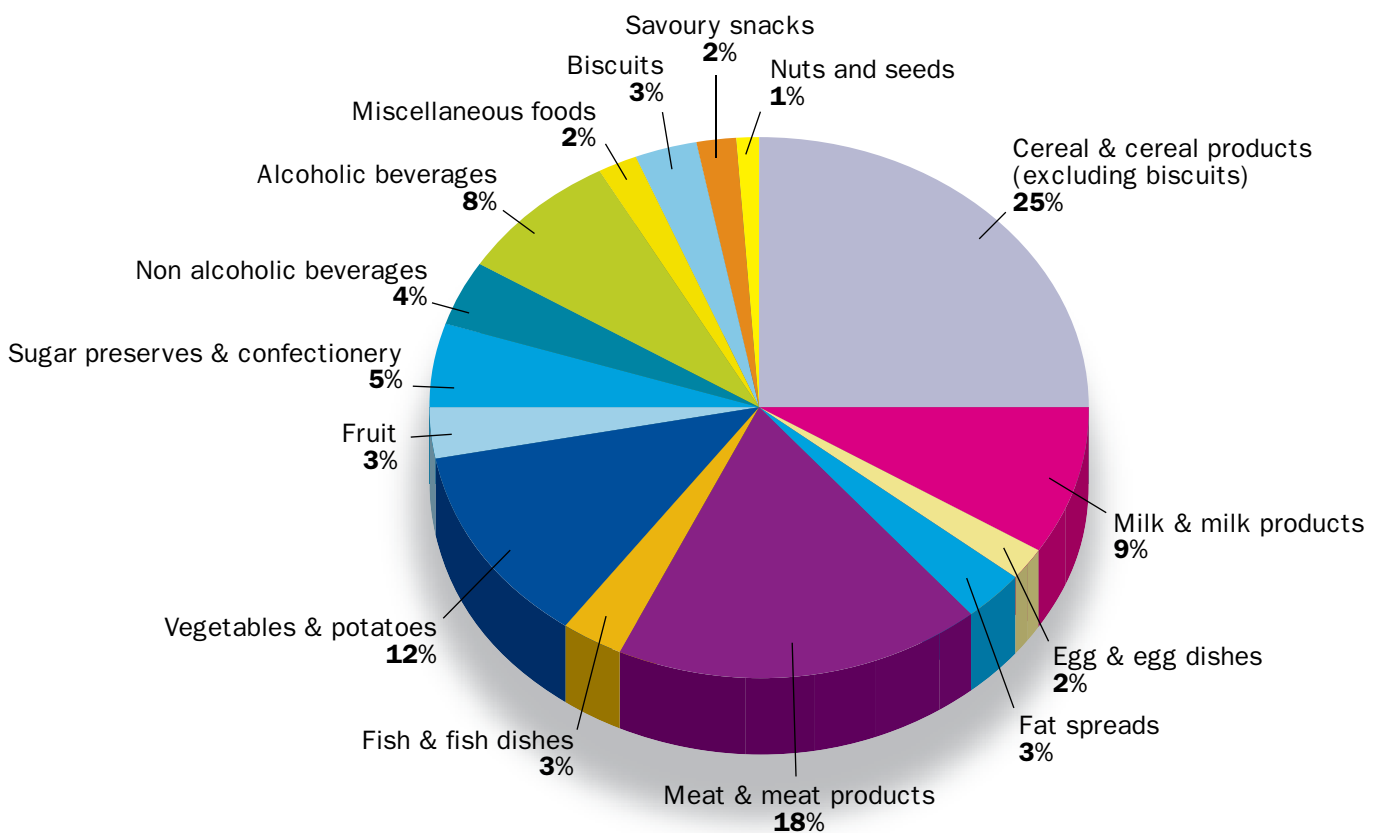
We need to ensure that we bring consumers with us on portion size reduction; if we simply radically reduce the size of a biscuit then the consumer may decide to eat two instead of one and consumption of Calories would increase. We are exploring ways of setting portion sizes in a way that will be clear and supported by consumers.

Portfolio Profile

Our business comprises over 20 leading brands across cakes, biscuits, crisps, baked snacks and nuts. The categories in which we operate provide a relatively low proportion of Calories, saturated fat, and salt (sodium) to the UK diet.

The graph below shows the share of Calories from various food product categories in an adult's daily diet.

Share of total Calories by product category



Source: National Diet & Nutrition Survey (2008/9 data)

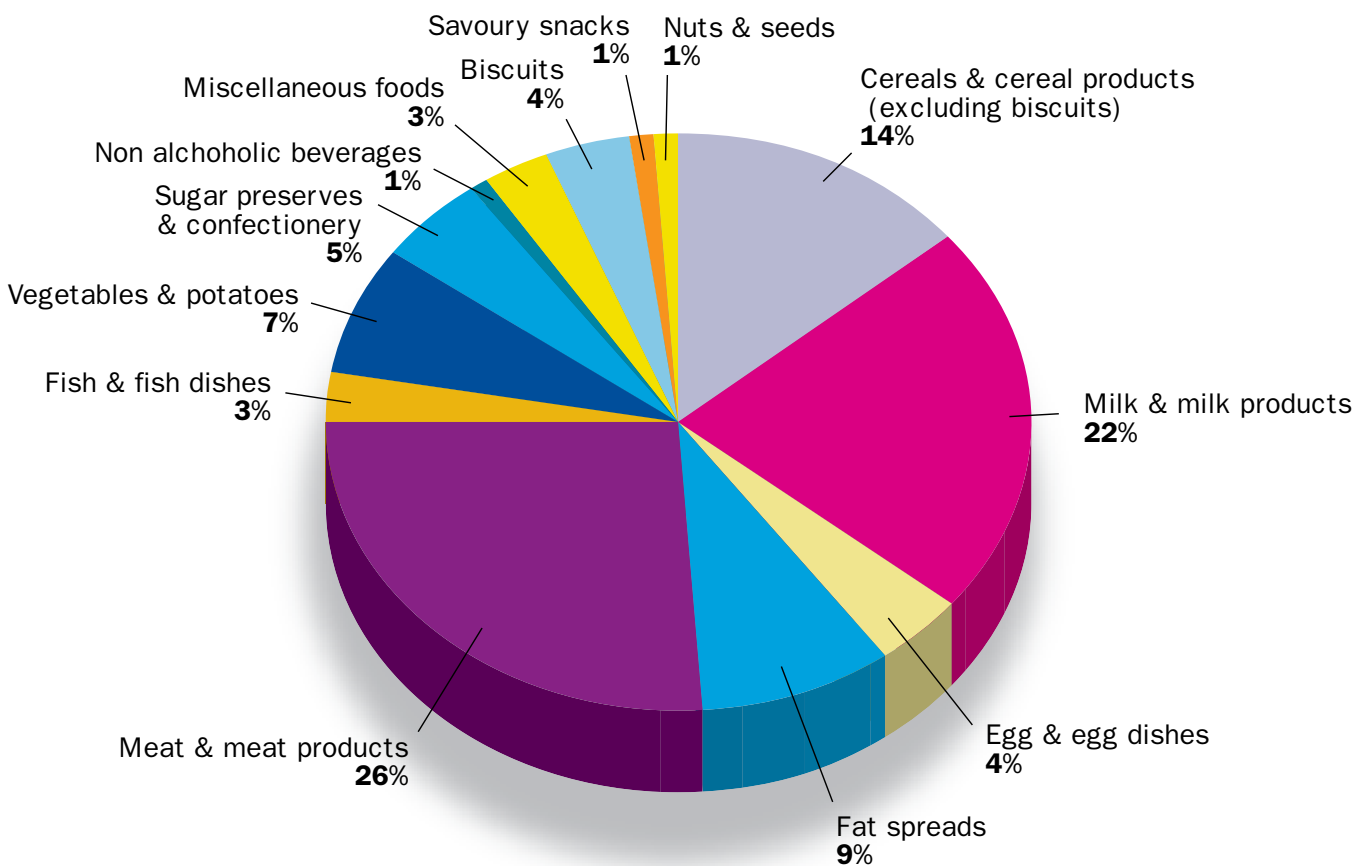
UB nutrition fact

UB provides clear ingredients and nutrition information to show how snacks can fit into a healthy, balanced diet via the '123 Healthy Balance' website – details of which are provided on the back of packs produced for the UK. Products' nutrition details are also provided on the back of packs and on the majority of packs via GDA icons on the front. UB is committed to rolling out front of pack GDA icons all on brands.

Reducing Saturated Fat

Share of saturated fat by product category

The graph below shows the share of saturated fat from various food product categories in an adult's daily diet. As you will see, biscuits and snacks contribute a relatively small amount of saturated fat to the average adult's diet.



Source: National Diet & Nutrition Survey (2008/9 data)

UB nutrition fact

Over 92% of UB's bagged snacks have saturated fat levels of less than 4%.

UB nutrition fact

UB products contain 11,000 tonnes less saturated fat in 2010 compared to 2005.

Targets - Start date 2005 – end date 2015

- Reduce on average the saturated fat content across our branded plain, sweet and savoury biscuits by 30%
- Saturated fat content on chocolate coated biscuits to be lower than industry average (i.e. below the market and competitors)
- All fried snacks will be cooked in sunflower oil (excluding nuts)
- All baked snacks will have at least one significant reduction in saturated fat
- Reduce the saturated fat across our cakes range by 5%

Sweet and Savoury Biscuits

UB has made huge progress to date in reducing the levels of saturated fat in its products. We have focussed initially on some of our largest selling brands so that as many consumers as possible can benefit from the improvements we have achieved. Listed below are some of the reductions already achieved.

Product	Percentage reduction in saturated fat achieved	Saturated fat in grams per 100g before reduction	Saturated fat in grams per 100g in 2010
McVitie's Digestives	80%	10.1	2.0
McVitie's Light Digestive	80%	7.5	1.5
McVitie's Rich Tea	79%	7.3	1.5
McVitie's Hobnobs	75%	9.5	2.3
McVitie's Light Rich Tea	75%	4.9	1.2
McVitie's Light Hobnobs	68%	6.1	1.9
go ahead! Crispy Slices	67%	3.7	1.2
Jacob's Light Cream Crackers	61%	2.8	1.1
Mini Cheddars Crinklys*	44%	15.8	8.9
Jacob's Cornish Wafer	43%	24.6	14.0
Mini Cheddars*	34%	17.2	11.3
Jacob's High Fibre Cream Crackers	34%	9.1	6.0
Jacob's Cream Crackers	34%	6.2	4.1

* Average values across all variants

Chocolate Coated Biscuits

The biscuit industry is experiencing technical challenges in reducing the saturated fat content of chocolate coated biscuits due to the interaction of different ingredients. However, UB is continuing to work at developing a solution and to ensure that the saturated fat levels in chocolate coated products are below the industry average.

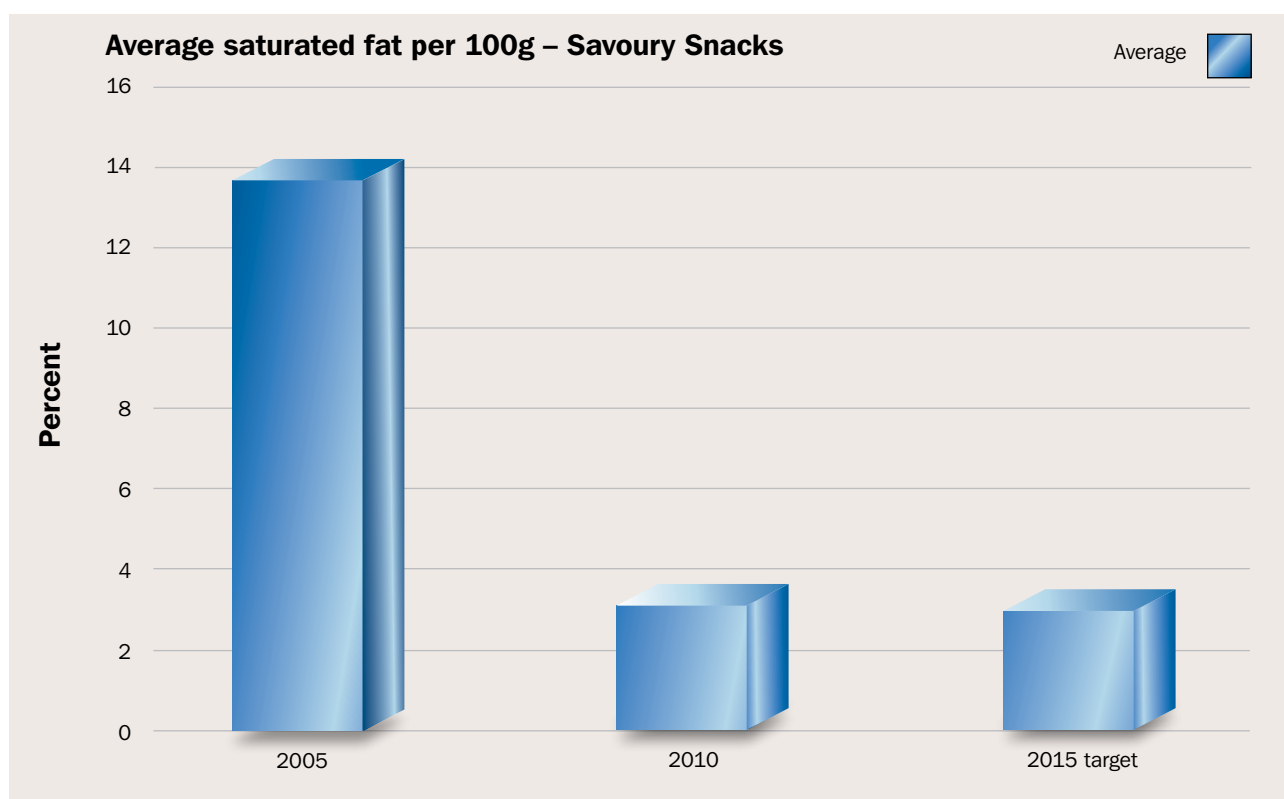
Savoury Snacks

Over 80% of our savoury snacks (excluding nuts) are cooked in sunflower oil – an oil that is naturally lower in saturated fat than oils used historically in the snacks category. Since 2005 we have achieved substantial reductions in saturated fat levels that were completed in stages over several years.

Here are some examples of reductions we've made in the savoury snacks category:

Product	Percentage reduction in saturated fat achieved	Saturated fat in grams per 100g before reduction	Saturated fat in grams per 100g in 2010
KP Crisps	80%	15.6	3.1
KP Mini Chips	80%	13.9	2.8
Brannigans	80%	13.3	2.7
Roysters	80%	14.2	2.9
Frisps	80%	15.1	3.1
Nik Naks	79%	17.4	3.6
Skips	79%	13.2	2.8
Wheat Crunchies	79%	11.3	2.4
Space Raiders	78%	10.1	2.2
McCoy's	70%	13.5	4.0
Discos	59%	14.0	5.7

All values are average for the brand



The majority of our bagged savoury biscuits have already had one saturated fat reduction but we are continuing to work towards further reductions over the remaining term of our programme.

Cakes

UB has also been working to reduce the saturated fat in our cakes range. Specific achievements to date include:

Product	Percentage reduction in saturated fat achieved	Saturated fat in grams per 100g before reduction	Saturated fat in grams per 100g in 2010
Hobnob Flapjack	40%	9.1	5.4
Oat and Syrup Flapjack	37%	12.7	7.9
Chocolate Hobnob Flapjack	36%	10	6.4
Fruit Flapjack	36%	10	6.4

The above reductions relate to single flapjacks and are different in multipack products.

FSA Recommendations

Earlier this year the Food Standards Agency (FSA) introduced recommendations for reductions in saturated fat in biscuits and cakes with a baseline of 2008. The target reductions apply to all existing mainstream products and all new products compared to the nearest equivalent product on the market in 2008.

The FSA has recognised the reductions already made in the savoury snacks category and has therefore not set guidelines for further saturated fat reductions in snacks.

The targets for the biscuit and cake categories are as follows:

Category	Target Saturated Fat Reduction	Time frame
Plain sweet and savoury biscuits	10%	End of 2012
Creams and biscuits with non chocolate inclusions	5%	End of 2012
Chocolate biscuits	5%	End of 2014
Plain cakes	10%	End of 2012
Non-plain cakes	5%	End of 2014

Clearly UB's saturated fat reduction programme predates the FSA targets. Much of UB's good work to date will count towards the FSA targets, however UB also made several reductions prior to the 2008 baseline, including reformulations of popular bagged savoury biscuits such as Mini Cheddars and Crinklys and classic crackers such as Jacob's Cornish Wafer.

UB is committed to a long term goal to continue reducing the saturated fat content of its portfolio, where it is technically and commercially feasible to do so. UB recognises the public health benefits associated with reductions in saturated fat and is supportive of the aim to reduce the population's intake. Whilst for some products (e.g. McVitie's Digestives) we have already greatly exceeded the FSA targets, given the scale and complexity of our business, it is not feasible to reduce saturated fat across every single product within the timescales set by the FSA.

Removing the Main Source of Trans Fats



Targets - Start date 2005 – end date 2015

- Remove partially hydrogenated vegetable oil (the main source of trans fats) from all UB manufactured products

UB led the way among biscuit manufacturers by removing partially hydrogenated vegetable oil (the main source of trans fats) from biscuit doughs in 2004. Since then, we have phased out the use of hydrogenated vegetable oil in all UB manufactured products.

Most of the oil we use in our branded snack portfolio is sunflower oil.

Where we use palm oil in our products, it is from segregated sustainable sources.



Providing Reduced Fat Alternatives

More and more consumers are choosing lower fat snacks as part of a healthy, balanced diet and lifestyle.

UB offers a range of reduced fat biscuits and crackers, which contain at least 30% less fat than the standard versions of the product:

- The McVitie's Lights range of Digestives, Rich Tea, Hobnobs and Milk Chocolate Digestives offers consumers 30% less fat than the standard ranges of these biscuits
- Jacob's Light Cream Crackers offer consumers 50% less fat than the standard Jacob's Cream Cracker



Removing Artificial

Target - Start date 2005 – end date 2015

- There will be no artificial colours or flavours in any UB product
- Remove artificial flavour enhancers including Monosodium Glutamate (MSG) from UB products

UB has been working towards this goal for a number of years. In the UK biscuit categories we have made good progress with 94% of our savoury biscuits and 82% of our sweet biscuits free from artificial colours and flavours. 61% of our cakes range is free from artificial colours and flavours.

Products that are free from artificial colours and flavours include:

- McVitie's Digestives, Hobnobs and Rich Tea
- Jacob's Cream Crackers
- Penguin Biscuit Bar
- Original Twiglets
- Hula Hoops
- Skips
- Carr's Range
- Phileas Fogg

UB will continue to work towards removing all artificial colours and flavours from our product range by 2015.

UB has been removing MSG and other artificial flavour enhancers from its portfolio for a number of years. As part of this programme UB has removed artificial flavour enhancers from Hula Hoops, Skips, Wheat Crunchies, Discos, Nik Naks*, Mini Cheddars*, Crinklys, McVitie's Krackawheat and a number of KP Nuts products. Additionally, UB has launched the Phileas Fogg range and Jacob's Crackobites without the use of artificial flavour enhancers.

** Excludes Scampi & Lemon Nik Naks and Branston Pickle Mini Cheddars. We are still working on these products.*

Achievements in the bagged snacks portfolio include:

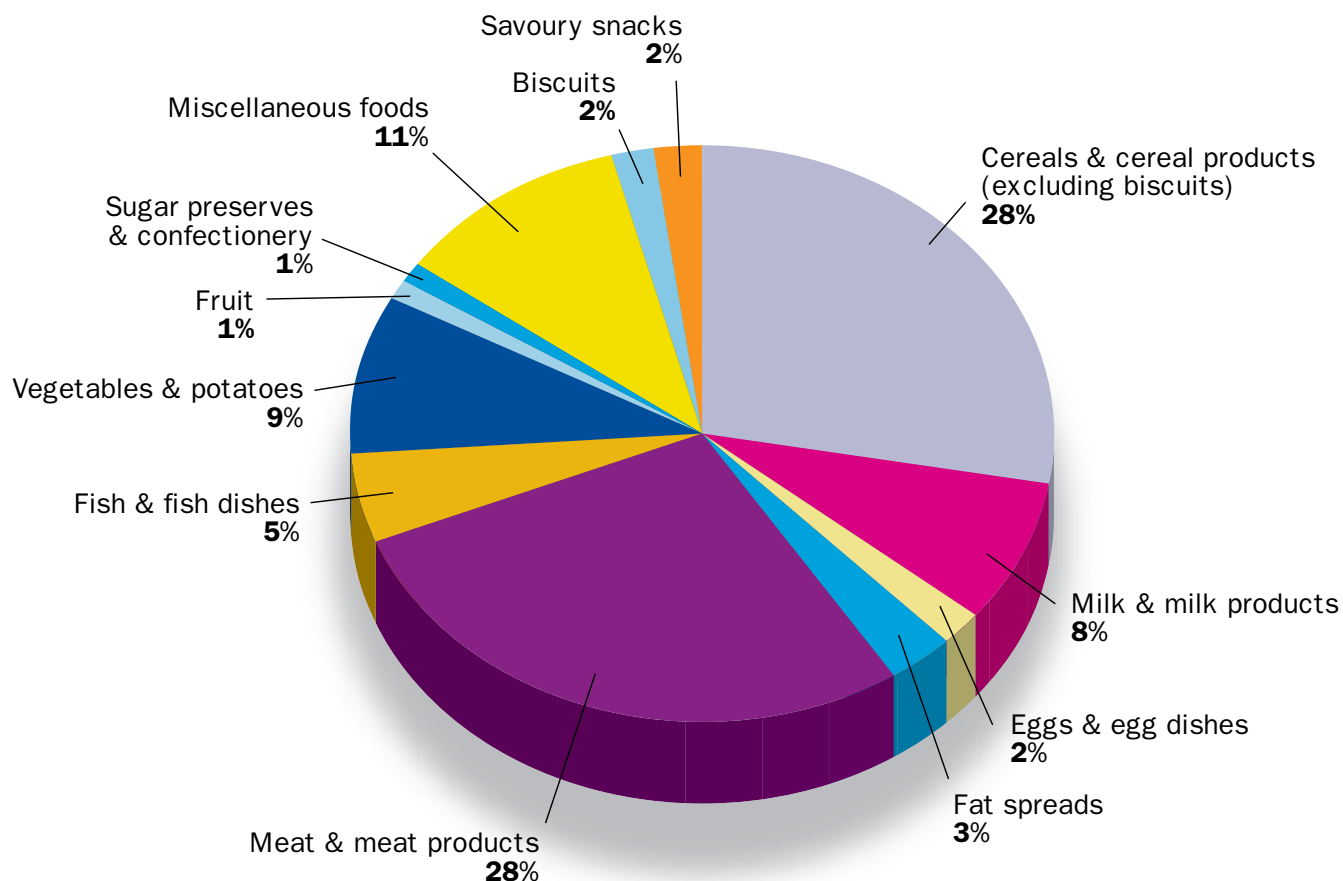
- 99% of the bagged snacks portfolio is free from artificial colours.
- 94% of the bagged snacks portfolio is free from artificial sweeteners.
- 58% of the bagged snacks portfolio is free from added MSG.



Reducing Salt

Share of sodium/salt equivalent by product category

The graph below shows the share of sodium/salt equivalents from various food product categories to an adult's daily diet.



Source: National Diet & Nutrition Survey (2008/9 data)



Targets - Start date 2005 – end date 2015



- In February 2004, UB made a commitment to the Department of Health for a 17% reduction in total sodium in biscuits and cakes and an 18% reduction in crisps and snacks over a five year period.
- Continue with sodium reduction programme to reach a total reduction of 30% in biscuits and cakes and 25% sodium reduction in crisps and snacks.

Salt is also known as sodium chloride - so sodium is a part of salt. The sodium content of a product is often derived from other ingredients, such as baking soda (sodium bicarbonate), cheese powder, yeast and flavourings, as well as salt. In UB's biscuit and cake portfolio reductions have focussed on removing added salt, whereas in the crisps and snacks portfolio, in addition to salt reduction, UB has also changed recipes to reduce or replace other ingredients containing sodium.

UB has surpassed the commitment it made to the Department of Health by achieving a 23% sodium reduction across its biscuits and cakes portfolio and 18% in the crisps and snacks categories. This has been achieved gradually to ensure consumers' tastes adapted over time. This phased approach has enabled us to achieve substantial salt reductions in some of our most popular brands as shown in the examples below.



Product	Percentage reduction in salt achieved	Salt equivalent grams per 100g before reduction	Salt equivalent grams per 100g in 2010
McVitie's Hobnobs	43%	1.4	0.8
McVitie's Rich Tea	33%	1.2	0.8
McVitie's Digestives	24%	1.7	1.3
McVitie's Milk Chocolate Digestives	23%	1.3	1.0
Hula Hoops (average of all flavours)	32%	3.1	2.1
Wheat Crunchies (average of all flavours)	55%	3.3	1.5
Skips (average of all flavours)	37%	3.8	2.4

In 2006 when UB was part way through its programme, the Food Standards Agency (FSA) published voluntary salt and sodium targets for a large number of product categories to be achieved by 2010. These targets were subsequently revised downwards in some categories.

UB has products in nine of the FSA's categories. In six categories our portfolio already meets the 2010 targets. We are working towards achieving the 2010 targets in the remaining categories.

In 2009 the FSA published new targets for 2012. UB is committed to progress with work on a new salt reduction programme aimed at meeting these targets.

Reducing Sugar

Target - Start date 2005 – end date 2015

- Reduce by 15% the sugar in go ahead! Crispy Fruit Slices and Yogurt Breaks and by 10% in Penguin.



UB uses sugar in its products as it provides flavour, bulk and texture. We recognise that some consumers may want to reduce their sugar intake and we provide clear labelling of the sugar content of our products, plus guideline daily amounts, to assist consumers in making informed choices.

The sugar content listed on packs includes sugar and syrups added directly to the recipe as well as other forms of naturally occurring sugar such as the fructose in fruit.

UB includes fruit in some products, particularly in the go ahead! range, and aims to develop more products containing significant proportions of fruit. The total sugar content declared on pack will therefore include added sugar and the sugar derived from ingredients like fruit.



Innovation and Investment

A health and nutrition programme of this scale requires significant investment in many areas of the business:

- expertise in the functionality of innovative healthier ingredients
- development of enhanced technical skills amongst employees
- new research and development facilities and pilot plant capability
- new manufacturing processes and skills
- new ingredient handling facilities

As an example UB invested £21m on a project to reduce the saturated fat in McVitie's Digestives, Hobnobs and Rich Tea biscuits. The investment was spent on new ingredients, equipment to handle the new ingredients and processes, plus consumer research and communications to ensure that changes to product recipes were acceptable to our consumers.

Over 200 UB employees are involved in innovating and developing new and existing products. These include Consumer Insight teams who explore the changing needs and preferences of our consumers so that we can stay ahead of their requirements. Our Technical teams then work at the forefront of food technology and explore what is possible, looking at ingredient development, packaging formats, flavour technologies and sensory tasting.

Factory specialists look at how we can put these ideas into mass production and Quality Assurance teams ensure that new developments meet the high standards that the business and our consumers expect. Together these experts, spread across various functions, work to ensure that the UB Health and Nutrition programme continues to develop and improve the wide and popular range of UB's products.



Test oven facilities used by our Technical team

Group Performance

The statistics on diets and reductions achieved in the preceding pages relate just to the UK, which represents approximately 70% of UB's business. However UB has a growing global presence with factories in France, Belgium, Holland, and now in India.

Our factories in mainland Europe are working towards their own reductions in saturated fat, salt and sugar and the removal of artificial colours and flavours. While they have different starting points for reductions, they are working towards matching the same salt, saturated fat and sugar levels in products as we are aiming for in the UK. They have already made good progress, for example, since 2005:

- Sultana and Fruit & Form crispy slices plus Verkade Digestive Original and Digestive Crunchy have seen a 50% reduction in saturated fat
- All Verkade and BN children's products are free from artificial colours
- Sultana Savoury Slices have had a 23% reduction in salt and a 40% reduction in saturated fat
- Sultana Yogurt Breaks have had a 12% reduction in saturated fat

In India the factory has only just opened and so there are no historic achievements, but we want to ensure that this business also benefits from our skills and experience in manufacturing quality products. While catering for a different market and different consumer preferences, we will ensure that UB products in India are of a high quality.



Digestives





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