

We help our clients to innovate, access new markets and realise global opportunities in food and beverage

- Global regulatory affairs
- Consumer science
- Analytical science
- Membership services

>500 food  
and beverage  
projects per  
year

100 years in  
operation

20+ languages  
150+ territories

2 R&D centres  
with 15,000  
sq m labs



# The Dawn of a new age

## Agenda

- 1 3 thoughts from 2019
- 2 2 initiatives you can apply from today
- 3 Q&A



## What we do

### INNOVATE

Qualifying and enabling new products or technologies

### ACCESS NEW MARKETS

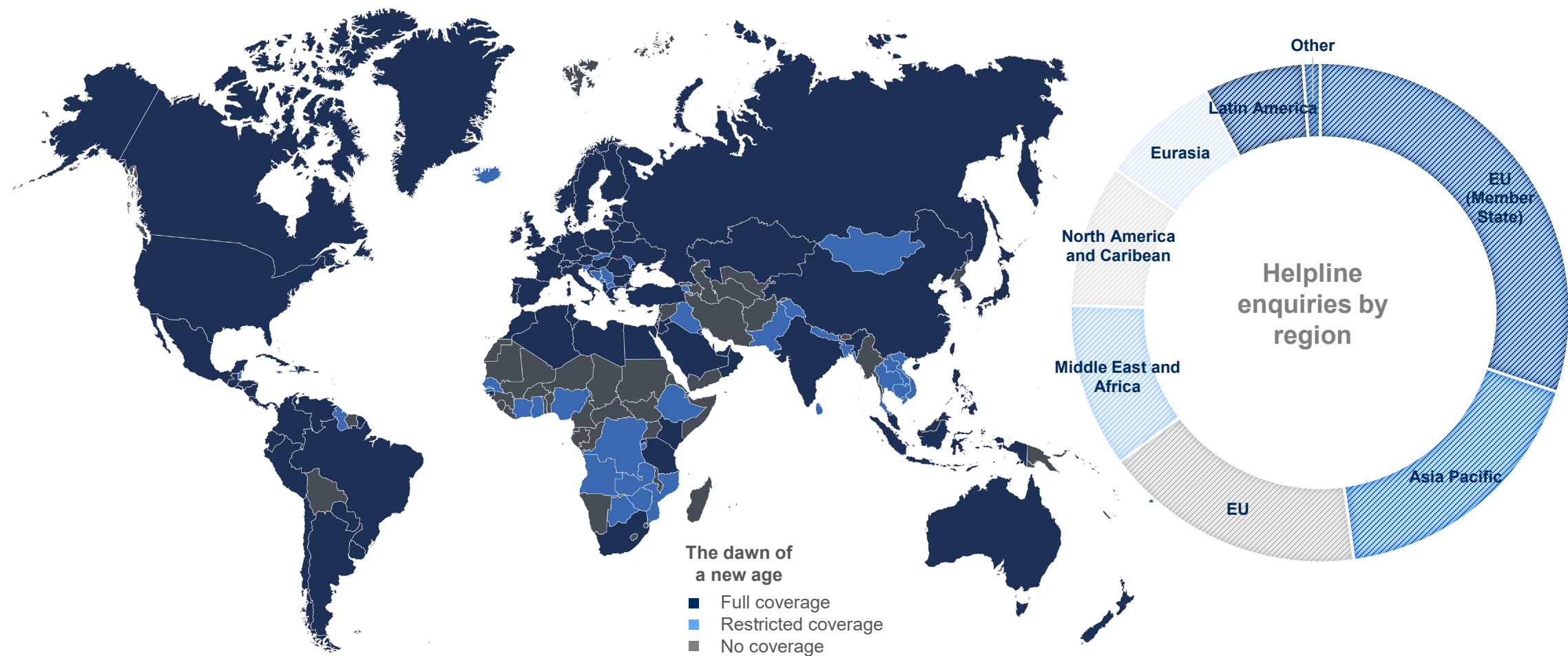
Supporting entry to new categories or territories

### REALISE GLOBAL OPPORTUNITIES

Aligning global activity to deliver greater efficiency and agility



We are fully embedded in the world of food and beverage, and have been since 1919





An aerial photograph of a large crowd of people walking on a paved plaza. The plaza is divided into large, geometric sections of different colors: light green, reddish-brown, and dark grey. The people are scattered across the entire area, moving in various directions. The perspective is from directly above, looking down on the crowd.

# The dawn of a new age

## Three thoughts from 2019

1

The growing  
consumer influence  
on policy and  
regulation

2

The pace of change  
accelerating

3

The increasing  
divergence of  
global regulation  
despite shared  
sentiment



# A new age of SNRA

Today



## **Behaviours**

Reactive  
Compliance  
Stakeholder  
"Says no"  
Local

Tomorrow



## **Behaviours**

Proactive  
Advocates  
Leads  
Enables  
Global

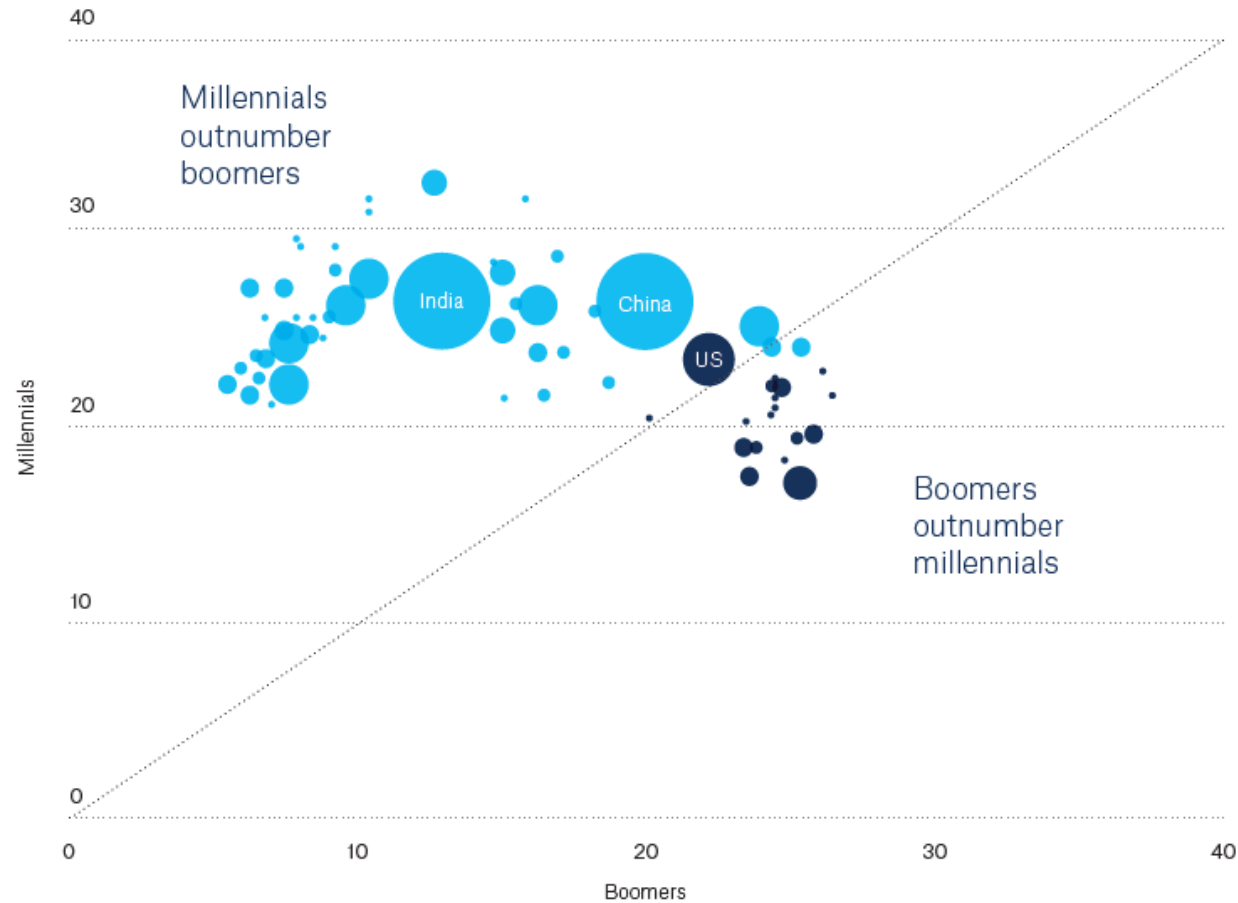
Time allocation of nutrition and scientific regulatory affairs functions

# #1

# The growing consumer influence on policy and regulation



# The millennial effect: driving growth opportunities to new markets where existing networks, decision bias and intuition are less relevant



*There are more millennials  
in China than the entire  
population of the US*

# Macro socio-economic disruption placing an emphasis on trust and transparency

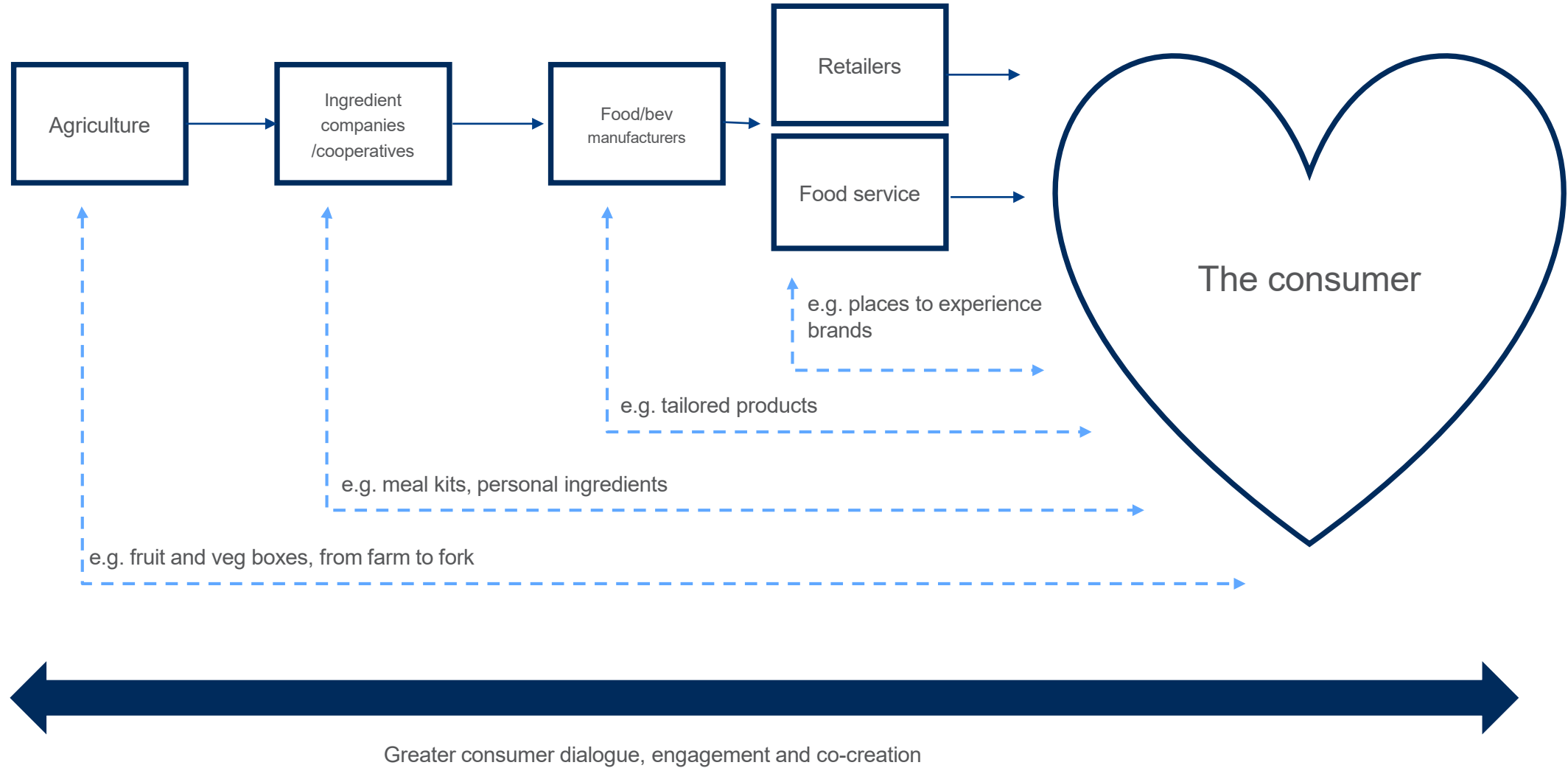


*‘By 1979, we knew nearly everything we understand today about climate change – including how to stop it.’*

— Nathaniel Rich, *The Decade We Could Have Stopped Climate Change*



# The battle is on to understand the consumer



*‘Perception is more important than reality. If someone perceives something to be true, it is more important than if it is in fact true.’*

— Ivanka Trump





# European Citizen's Initiative "Ban glyphosate"

"Ban glyphosate and protect people and the environment from toxic pesticides"

- Concerns raised:
  - Transparency of the EU risk assessment
  - Quality and independence of scientific studies
- Commission's commitment (Dec 2017) to introduce a legislative proposal in spring 2018

Registered  
25/01/2017



Submitted  
06/10/2017



Answered  
12/12/2017



# Fitness check of the General Food Regulation

## The system was found to work well

- No systematic failures
- EFSA improved the scientific basis of EU measures

## Opportunities for improvements

- Civil society perceived a certain lack of transparency and independence
- Risk communication was not always effective enough





# Turkey

Turkey: Labelling Regulation updated according to consumers' religious concerns and demands: statement for **alcohol and pork derivatives** presence on labels.

Absence of alcohol and pork derivatives in products voluntarily declared by mainly local brands until 2013



Increased consumer sensitivity and questions regarding brands that did not share these declarations triggered the change



The Turkish Food Codex Labelling Regulation amended 03/09/2013



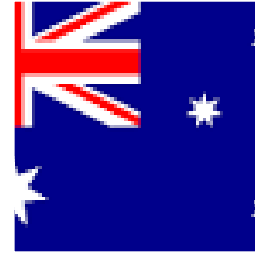


# Country of origin labelling: Japan and Australia

## Origin of primary ingredient labelling



- Countries of origin of ingredients will should be declared for all processed foods.
- But no applicable to imported food
- 
- There is a transitional period until March 2022.



## Country of origin labelling

- a) Statement of the **country of origin** of the food in the package; or
- if the food was packaged using **food from more than one country**, a statement that:
  - identifies the **country** where the **food was packaged**; and
  - indicates that the food is of **multiple origins** or that it is comprised of **imported ingredients**.
- For food other than non-priority food, the 'country of origin' statement must be in a clearly defined box.

# #2

## The pace of change accelerating



Help me achieve my goals

8%  
are trying to eat  
more **protein**

6%  
are trying to cut  
**dairy** from their  
diet

44%  
are trying to eat  
less **sugar**

14%  
are trying to eat  
less **meat**

1 in 20  
are trying to cut  
**gluten** from  
their diet

$\frac{1}{4}$   
are trying to cook  
more from **raw  
ingredients**

1 in 5  
are trying to drink  
less **alcohol**



# Accelerating change due to safety concerns

## Australia

### Prohibition for retail sale of pure and highly concentrated caffeine food products

## Background

In July 2019, FSANZ was asked to prepare recommendations for strengthening regulations and consumer warnings.

The following 5 recommendations were suggested by the Working Group:

- 1. Development of urgent proposal to prohibit the sale of these products;**
2. Develop a maximum limit for caffeine in foods;
3. Launching a campaign for consumers to understand safe caffeine consumption;
4. Publication of guidance agreed by enforcement agencies;
5. Targeted research on caffeine consumption as part of the Intergenerational Health and Mental Health Study.

## Timeline

Proposal (P1054) published end of September 2019 – Gazettal estimated for mid December 2019

Further info: <https://www.foodstandards.gov.au/Documents/CaffeineReport2019.pdf>

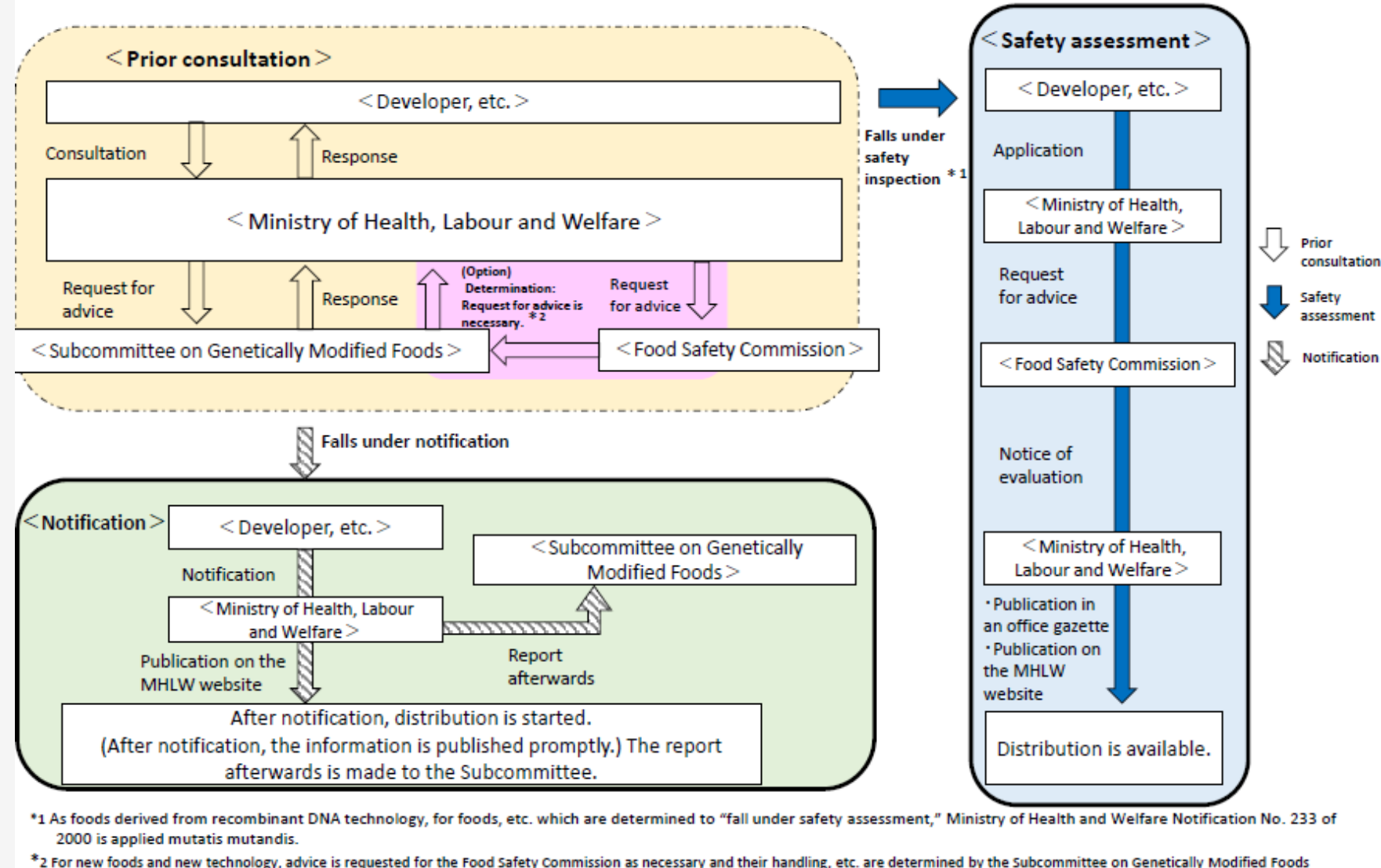


# Accelerating change due to simplified process

## 1. Japan – Geno editing

Flow diagram of handling of foods derived from genome editing technology

Appendix



# Accelerating change due to simplified process

## 2. EU – Novel food

### NEW Regulation (EU) 2015/2283 on novel foods to accelerate approval timelines (1<sup>st</sup> Jan 2018)

Commission Implementing Regulations	Establishing/Setting out
2017/2470	A list of authorised novel foods (as amended)
2017/2469	Administrative and scientific requirements for novel food applications
2017/2468	Administrative and scientific requirements for traditional foods <u>from third countries</u>
2018/456	Procedural steps of the consultation process for determination of novel food status

**Revoking:** Regulations (EC) Nos 258/97 and 1852/2001

# #3

## The increasing divergence of global regulation despite shared sentiment

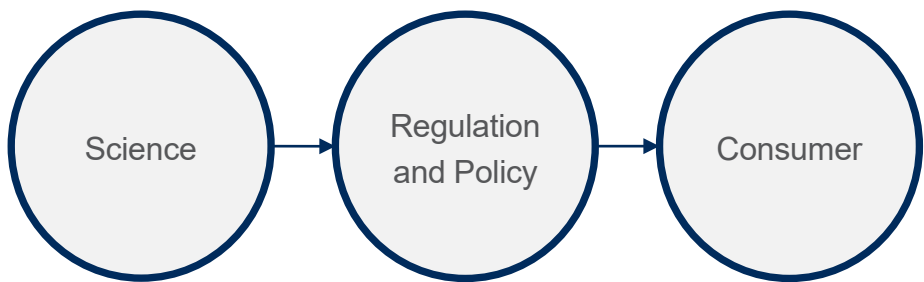


# Accentuating complexity within regulatory frameworks



# The increasingly dynamic relationship between regulation, science and consumer influence is shifting the regulatory centre-of-gravity from developed markets

## Past

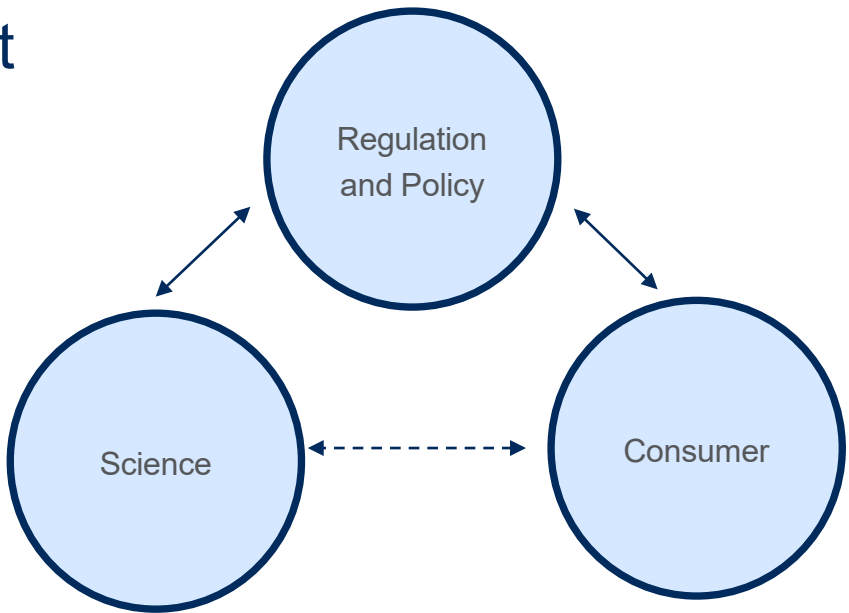


**Past:** Science informed regulation and policy which in turn influenced consumer behaviour



**Past:** Developed markets set the example

## Present



**Present:** Dynamic relationship between science, the consumer, regulation and policy. Perspectives may contradict each other



**Present:** Global regulation development and replication

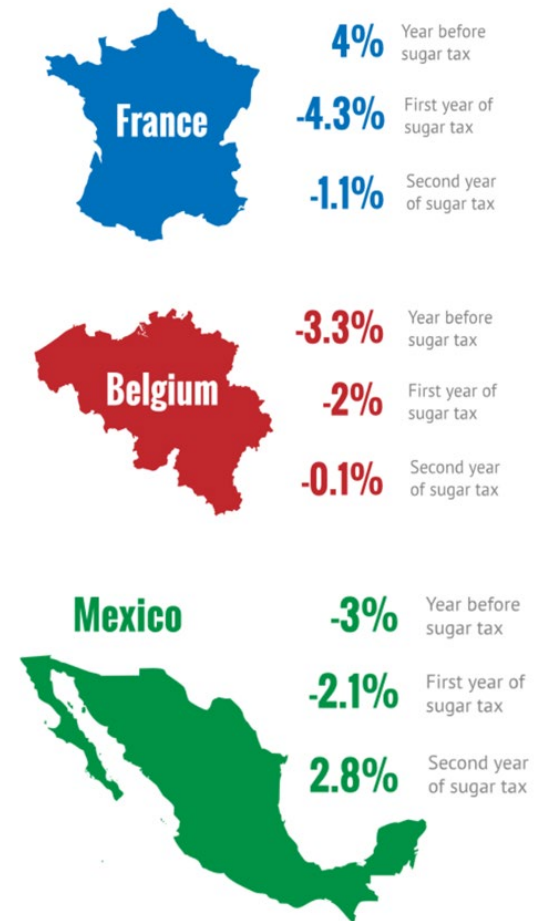
Levies are being adopted as a global mechanism to encourage sugar reduction initiatives, however these vary significantly by market.

### Varying national approaches to a sugar reduction levy

- **France** - 17 pence per L for products containing 11g of sugar in every 100ml.
- **Belgium** - €0.068 per litre
- **Mexico** - 1 MXN per litre tax (~0.08 USD) on sodas.
- **United Arab Emirates** - 50% tax on soft drinks and a 100% tax on energy drinks.
- **UK** - decision to roll out taxes of up to 24 pence on certain drinks.

The impact on consumption of early adopters of the tax is triggering harsher levies in other markets, which **could perpetuate deeper restrictions**

Volume growth of carbonated soft drinks before and after sugar tax





FOP nutrition labelling is becoming a mandatory requirements in more and more countries over the last decade the specific requirements vary significantly by market.

Nutrient-specific	Summary indicator	Food group information
<div>Each serving contains:</div> <div><div>Calories 218 11%</div><div>Sugars 6.3g 7%</div><div>Fat 3.2g 5%</div><div>Saturates 1.4g 7%</div><div>Salt 0.2g 3%</div></div> <div>of an adult's guideline daily amount</div> <div><div>EXCELLENT SOURCE IRON</div><div>EXCELLENT SOURCE CALCIUM</div><div>NATURALLY FAT FREE</div></div> <div><div>250 CALORIES/ BOTTLE</div><div>120 CALORIES /250 mL</div><div>70 Awesome CALORIES</div></div> <div><div>LOW Fat 4.3g</div><div>LOW Saturates 2.0g</div><div>MED Salt 1.60g</div><div>LOW Sugars 6.0g</div><div>Calories 275</div></div> <div><div>HIGH IN FAT</div><div>HIGH IN SODIUM</div><div>HIGH IN SUGAR</div></div>	<div><div>Sensible Solution™</div><div>HEALTHY CHOICE® BASED ON INTERNATIONAL DIETARY GUIDELINES</div><div>NuVal™ 1-100 Nutritional Scoring System</div><div>SMART CHOICES™ MADE EASY</div><div>Snack Wise</div><div>Health Check® HEART &amp; STROKE FOUNDATION</div><div>1 SERVING PORTION = 4 POINTS VALUE OF ONE TABLESPOON</div><div>®</div></div>	<div><div>100% WHOLE GRAIN 1</div></div>

# Meeting the requirements of this new era

# A new age of SNRA

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Time allocation of nutrition and scientific regulatory affairs functions



# The new you...

## Free up time

- ✓ Simplify or outsource compliance activity

## Invest in science

- ✓ Regain and reaffirm trust by removing ambiguity or 'bad science' in policy, regulation and consumer perception

## Be global

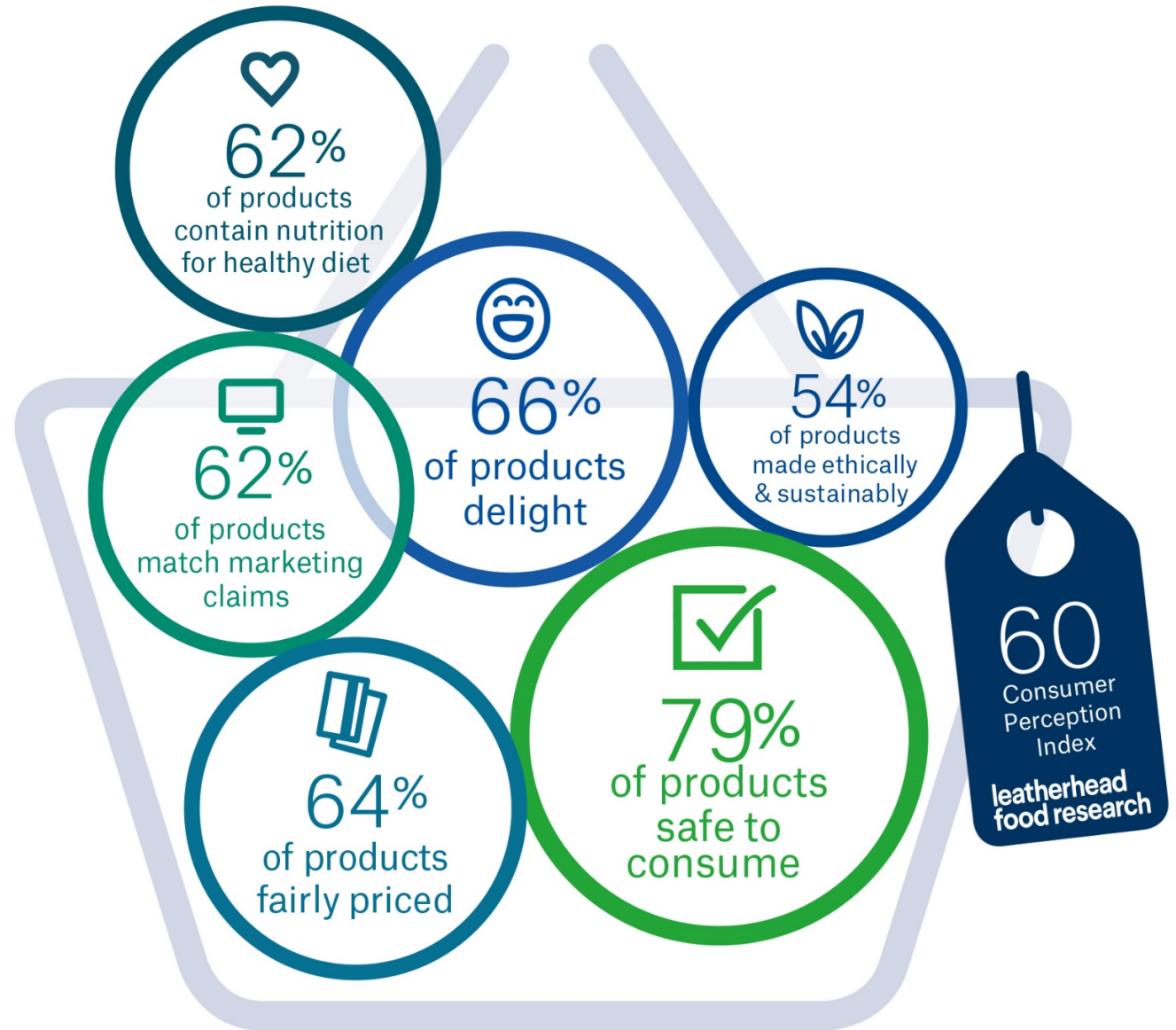
- ✓ Scan globally to prepare the business for change
- ✓ Leverage scale to influence policy and regulation for efficiency and agility



# #1

## The challenger brand opportunity

# Falling out of love with food and beverage?



Based on the average answers of 6,434 consumers from the UK, the USA, France, China and Brazil in August 2018



**70% of CPG-  
sector growth  
has come  
from small  
and medium  
sized brands**

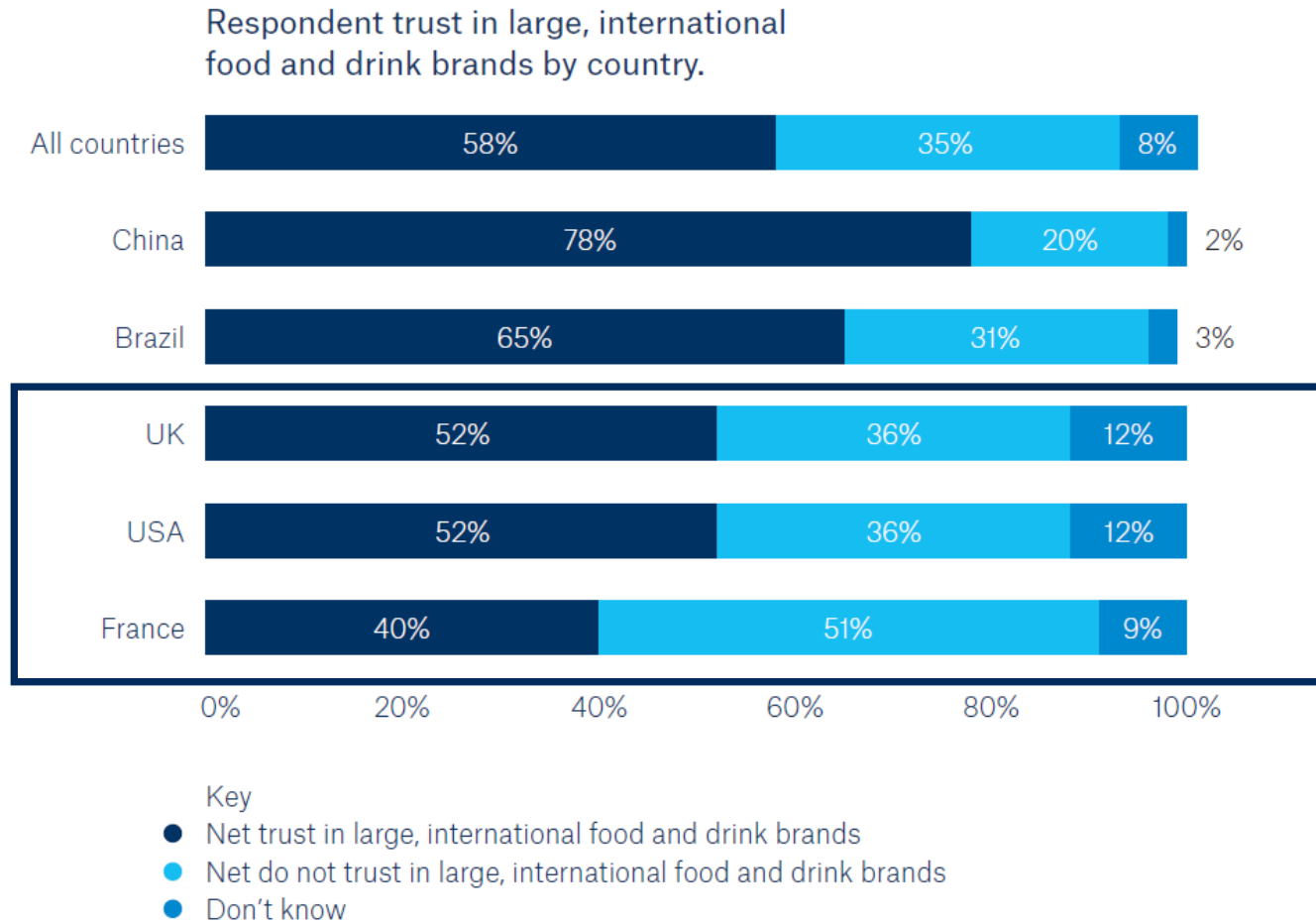


*'It's easy for smaller players to enter the market and give consumers what they are looking for. There are not the barriers there used to be ... and they can drive visibility in a similar way to the big CPG companies.'*

— Technology  
Development, Food Brand



# Trust differs between BRIC and developed markets





# Harnessing challenger brand innovation: regulatory concept review

## What is it?

An audit framework used to evaluate the commercial relevance of a product against clearly defined business objectives  
(typically related to multiple-market compliance of formulations and on-pack communication)

## Why use it?

- Agility: Quickly qualifies the commercial relevance of new product concepts
- Efficiency: Aligns internal teams on the reality of the possible

### Concept review framework

#### Formats and formulations

- Compliance today and tomorrow

#### Processing and delivery mechanism

- New technologies to create, distribute or deliver

#### Claims potential

- Scientifically substantiated?

#### Consumer perception

- Education, positioning

Market	Processing and delivery mech.	Claims	Consumer
EU			
LATAM			
MENA			

# #2

## The increasing desire for compliance-by-design

# Compliance-by-design (step1): horizon scanning?

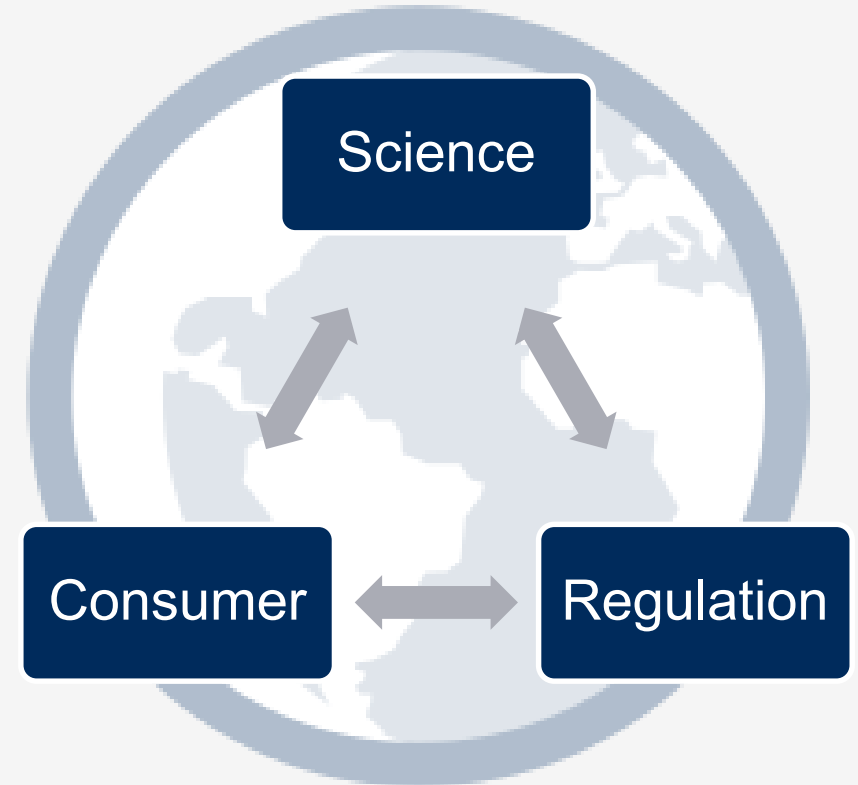
## What is it?

Horizon scanning is a technique used to identify emerging opportunities, and potential threats across the regulatory, science and consumer landscape.

## Benefits:

Provides insight at an early stage, allowing the business to think and proactively engage (not just react)

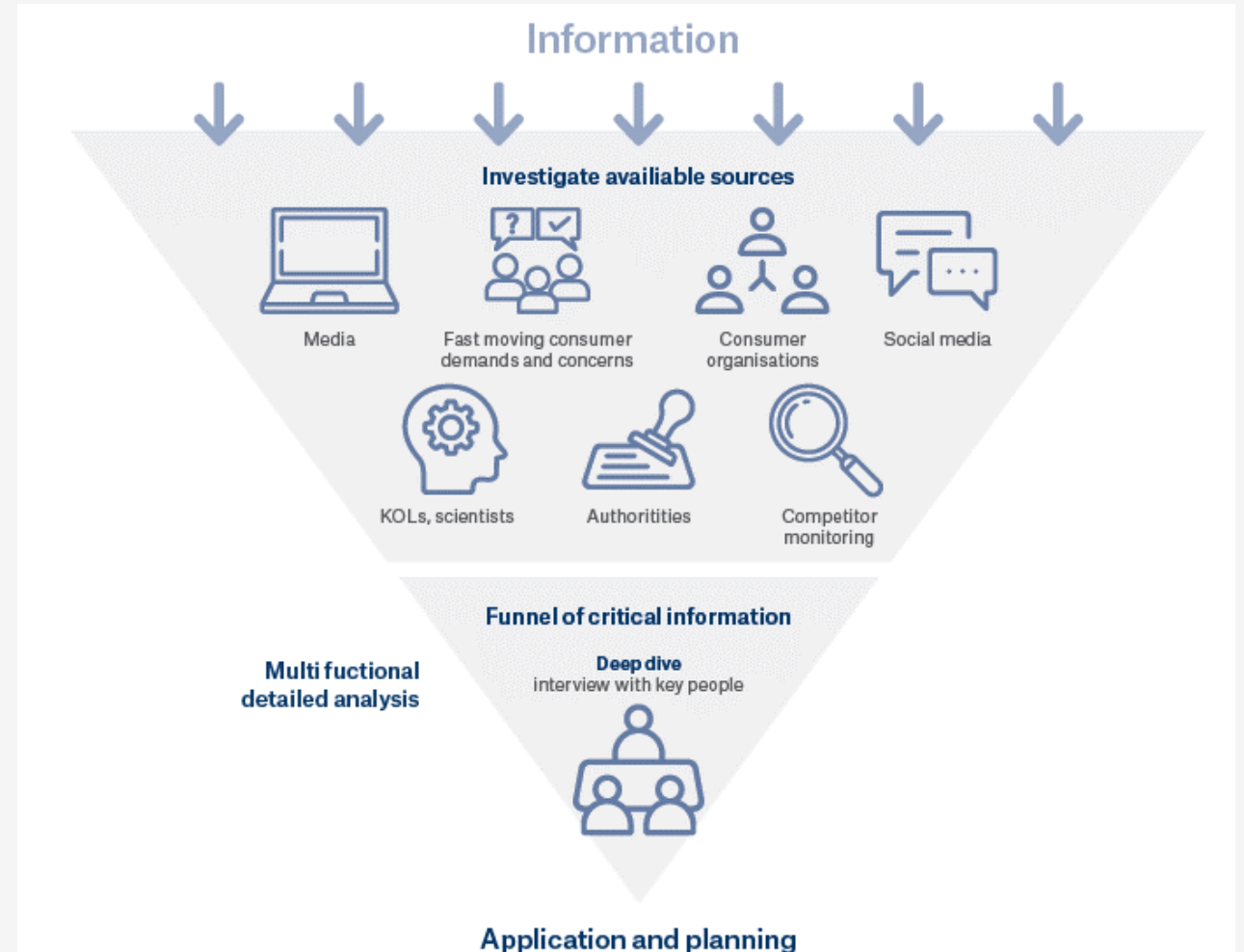
- You gain time to evolve your strategy
- Provides you flexibility to plan your advocacy
- You can gain advantage in the market by preparing your product portfolio.





# Leatherhead methodology - horizon scanning

- ✓ A range of information sources harnessing consumer, science and regulatory perspectives (not just regulatory documents)
- ✓ Global research (not limited to target markets)
- ✓ An ongoing process – frequency of information updates vary with pace of change
- ✓ Focussed on specific topics of interest based on 'heat' of interest and relevance to your business



To conclude...

# Conclusion

The demands on SRA professionals are changing due to:

- 1 The growing consumer influence on policy and regulation
- 2 The pace of change accelerating
- 3 The increasing divergence of global regulation despite shared sentiment

There are tools you can apply today

- 1 Challenger brand opportunity – concept review
- 2 Compliance by design – horizon scanning



# The fundamentals

## Free up time

- ✓ Simplify or outsource compliance activity

## Invest in science

- ✓ Regain and reaffirm trust by removing ambiguity or 'bad science' in policy, regulation and consumer perception

## Be global

- ✓ Scan globally to prepare the business for change
- ✓ Leverage scale to influence policy and regulation for efficiency and agility





# leatherhead food research

innovate | access new markets | realise global opportunities