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Clean-up Act HUL Takes the Lead in Reducing Palm Oil Content in Soaps

Will cut use by 25% to offset volatility in commodity prices as well as reduce environmental impact

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Mumbai: India's biggest consumer goods maker Hindustan Unilever is reducing the content of palm oil and its derivatives in soaps by 25%, part of a wider strategy to offset volatility in commodity prices as well as reduce environmental impact. The company said this is a global first.

The technology developed by HUL will be rolled out in other countries by parent Unilever, for which India is among the biggest soap markets worldwide. The maker of Lux and Lifebuoy said the innovation, dubbed Stratos, took HUL almost five years to develop. It will replace palm with a proprietary mix including plant-derived polysaccharides, vitamin blends and natural fatty acids, which will help improve the product besides having a fourth less palm oil and derivatives than currently present in a grade 1 soap.

HUL is the market leader with over 38% of India's soap market worth ₹24,000 crore.

"Since there is less palm used, that allows us a huge amount of savings, which we can use to reinvest in other ingredients that make our products superior," said Ankush Wadehra, vice president, skin cleansing, HUL.

"A reduction in TFM (total fatty matter) certainly helps us in managing the inflation-deflation cycles of commodities. Many times, our pricing decisions are governed by the way commodities are going and we are derisking ourselves through less exposure to them." Palm oil and its derivatives account for over 20% of the input costs of consumer companies, including HUL, and are among the most volatile of their inputs.

In India, soap quality is often measured by the total amount of oils and fats used to make the soap bar, often referred to as total fatty matter (TFM). High TFM has tradition-

New Soap Dish

HUL has developed a tech, Stratos, for soaps

It has plant-derived polysaccharides, vitamin blends and natural fatty acids



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Prices still 80% up from pre-Covid levels

nally been incorrectly equated with superior soap quality, said HUL. A soap's performance depends more on the type of fatty matter present rather than TFM.

"We have been able to do that in

terms of how we bring in optimisation, to deliver real benefits to the consumer," said Vibhav Sanzgiri, executive director, R&D, HUL. "If we start out with the purpose of just doing cost reduction for the sake of it, then that is not going to benefit your consumer. We started out by saying: What is the benefit of having so much palm? And there is no benefit. So, the main focus was: What is the consumer problem that we are trying to address?"

The efficacy and benefits of the new soap bar's formulation have been tested with thousands of Indian consumers, apart from independent clinical studies by dermatologists and lab tests.

"On this technology, we have filed 22 patents that tell you how novel and innovative it is," Sanzgiri said.

Soap bar makers use palm oil as the main source of fatty acids. The tree is grown in Southeast Asia, Central and West Africa, and Central America.