



Nestlé in Society Creating Shared Value

Geneva Stakeholder Convening

31 March 2016



Welcome

Rob Cameron

Executive Director
SustainAbility

Our Objectives

- Listen and respond to stakeholders' perceptions of Nestlé's Creating Shared Value commitments and performance.
- Improve Nestlé's understanding of its role in stimulating collective action to support the Sustainable Development Goals.

Terms of our Convening

- Housekeeping
- Presence, sharing and learning
- Introductions
- Chatham House Rule and social media

“When a meeting is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”

Agenda

- 9:00** **Welcome**
- 9:30** **Nestlé and Creating Shared Value**
Creating Shared Value and Nestlé Commitments
Feedback and Q&A
- 10:45** **Coffee break**
- 11:00** **The Future of the Food System**
- 12:30** **Lunch**

- 13:15** **Break out discussions:**
Nutrition and health
Water
Human rights and compliance
Agriculture
- 15:15** **Coffee**
- 15:45** **Feedback to Nestlé**
- 17:00** **Close**

Nestlé and Creating Shared Value

Janet Voûte

Vice President, Global Head of Public Affairs
Nestlé S.A

Annual Report Package - 2015



Annual Review



Corporate
Governance



Nestlé in Society



Our Business – Sales

What we sell (in CHF billion)

**Powdered and
Liquid Beverages**

19.2
(21.6%)

**Nutrition and
Health Science**

14.9
(16.8%)

**Milk products
and Ice cream**

14.6
(16.4%)

**Prepared dishes
and cooking aids**

12.6
(14.2%)

PetCare

11.5
(13.0%)

Confectionery

8.9
(10.0%)

Water

7.1
(8.0%)

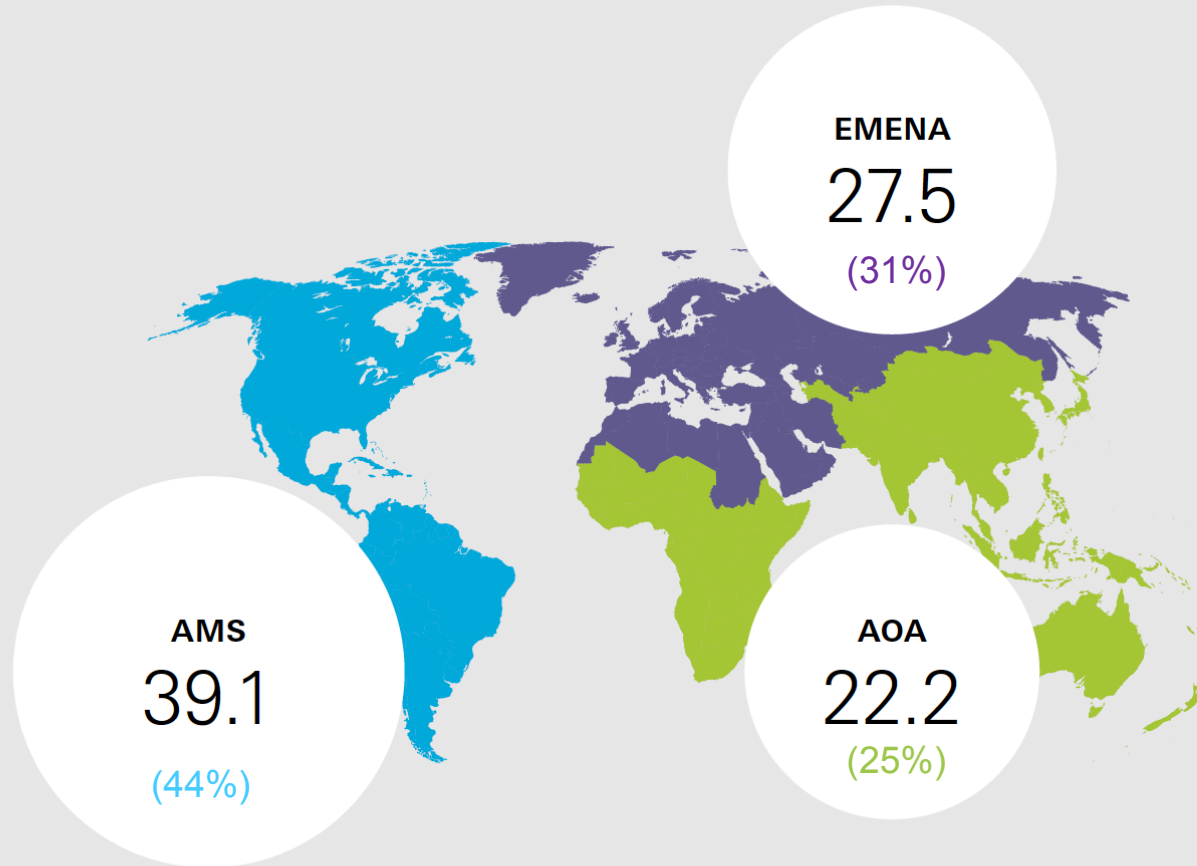
**Total Group
sales (in CHF)**

**88.8
billion**

(% of total sales)

Our Business – Operations

Where we sell (in CHF billion)



(% of total sales)

Our Business – Shared Value

Number of employees

335 000

Number of countries we sell in

189

**Total group salaries and social
welfare expenses (in CHF)**

16 billion

**Corporate taxes paid in 2015
(in CHF)**

3.3 billion

Creating Shared Value at Nestlé

“For a company to be successful over the long term and create value for shareholders, it must create value for society.

Creating Shared Value is built up on a set of principles and values... based on respect.”



Peter Brabeck-Letmathe, Chairman of the Board, Nestlé S.A.



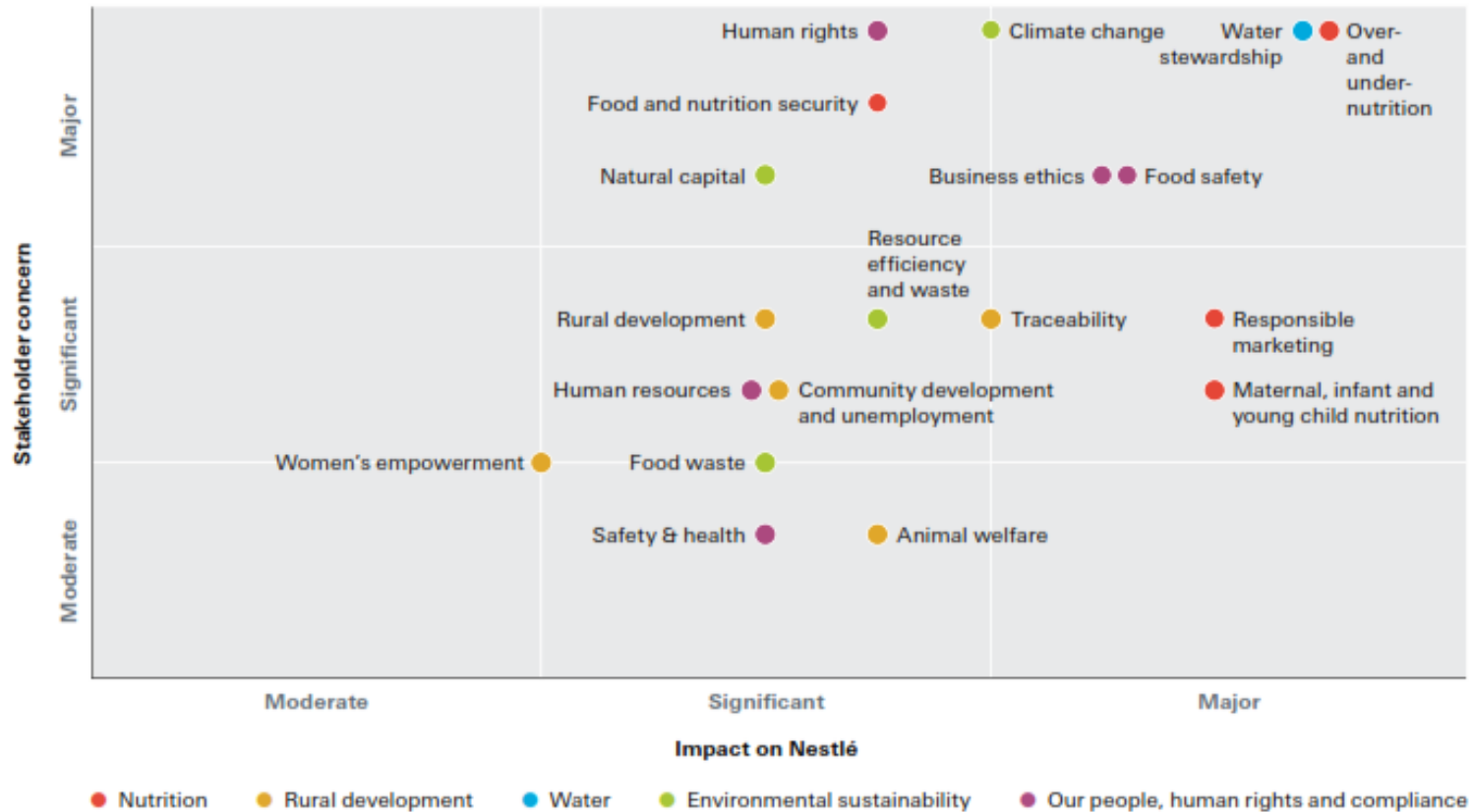
Paul Bulcke, Chief Executive Officer, Nestlé S.A.

From Storytelling to Commitments



Materiality – Basis for Reporting

Nestlé materiality matrix



Our Commitments



Nutrition, health and wellness

- Build knowledge leadership in children's nutrition
- Lead the industry in nutrition and health research through collaboration
- Provide nutritionally sound products designed for children
- Help reduce the risk of undernutrition through micronutrient fortification
- Reduce sodium (salt) in our products
- Reduce sugars in our products
- Reduce saturated fats and remove trans fats in our products
- Encourage consumption of whole grains and vegetables
- Deliver nutrition information and advice on all our labels
- Provide Portion Guidance for consumers
- Promote healthy diets and lifestyles, including physical activity
- Promote healthy hydration as part of a healthy lifestyle
- Provide education programmes for good nutrition and feeding practices
- Ensure responsible marketing communication to children
- Market breast-milk substitutes responsibly



Water

- Work to achieve water efficiency and sustainability across our operations
- Advocate for effective water policies and stewardship
- Treat the water we discharge effectively
- Engage with suppliers, especially those in agriculture
- Raise awareness on water conservation and improve access to water and sanitation across our value chain



Environmental sustainability

- Improve resource efficiency in our operations
- Provide climate change leadership
- Promote transparency and proactive long-term engagement in climate policy
- Improve the environmental performance of our packaging
- Assess and optimise the environmental impact of our products
- Provide meaningful and accurate environmental information and dialogue
- Preserve natural capital, including forests



Rural development

- Roll out the Rural Development Framework to understand the needs of farmers
- Implement responsible sourcing in our supply chain
- Roll out the *Nestlé Cocoa Plan* with cocoa farmers
- Continuously improve our green coffee supply chain



Our people, human rights, and compliance

- Assess and address human rights impacts in our operations and supply chain
- Eliminate child labour in key categories
- Ensure that all employees and stakeholders can easily report possible compliance violations
- Work against corruption and bribery
- Ensure that all Nestlé employees are covered by a certified Safety and Health Management System
- Enhance gender balance in our workforce
- Provide training on *Corporate Business Principles*, Nutrition, and Environmental Sustainability
- Roll out the Global Youth Initiative across all operations

Our Commitments



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Rural development

Roll out the Rural Development Framework to understand the needs

Continuously improve our green coffee supply chain



Our people, human rights, and compliance

Assess and address human rights supply

categories

Ensure that all employees and stakeholders can easily report possible compliance violations

Work against corruption and bribery

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Enhance gender balance in our workforce

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Rural development

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Help reduce the risk of under-nutrition through micronutrient fortification

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Water

- Work to achieve water efficiency and sustainability across our operations
- Advocate for effective water policies and stewardship
- Treat the water we discharge effectively
- Engage with stakeholders to ensure that those who are most vulnerable to water scarcity are not negatively impacted
- Raise awareness of water scarcity and its impact on communities



Environmental sustainability

- Improve resource efficiency in our operations
- Provide climate change leadership
- Promote transparency and proactive long-term engagement in climate policy
- Engage with stakeholders to ensure that those who are most vulnerable to climate change are not negatively impacted
- Raise awareness of climate change and its impact on communities



Rural development

- Roll out the Rural Development Framework to understand the needs of farmers
- Implement responsible sourcing in our supply chain
- Roll out the *Nestlé Cocoa Plan* with cocoa farmers



Our people, human rights, and compliance

- Assess and address human rights impacts in our operations and supply chain
- Eliminate child labour in key categories
- Ensure that all employees and contractors are covered by a certified Safety and Health Management System
- Enhance gender balance in our workforce
- Provide training on *Corporate Business Principles*, Nutrition, and Environmental Sustainability
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Provide Portion Guidance for consumers

- Preserve natural capital, including forests

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Water

Build knowledge leadership in children's nutrition

- Engage with suppliers, especially those in agriculture
- Raise awareness on water conservation and improve access to water and sanitation across our value chain



Environmental

- long-term engagement in climate policy
- Improve the environmental performance of our packaging
- Assess and optimise the environmental impact of our products
- Provide meaningful and accurate environmental information and dialogue
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Rural development

- cocoa farmers
- Continuously improve our green coffee supply chain



Our people, human resources and community

- Ensure that all employees and stakeholders can easily report possible compliance violations
- Work against corruption and bribery
- Ensure that all Nestlé employees are covered by a certified Safety and Health Management System
- Enhance gender balance in our workforce
- Provide training on Corporate Business Principles, Nutrition, and Environmental Sustainability
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Our Commitments



Nutrition, health and wellness

- Build knowledge leadership in children's nutrition
- Lead the industry in nutrition and health research through collaboration
- Provide nutritionally sound products designed for children
- Help reduce the risk of undernutrition



Water

- Work to achieve water efficiency and sustainability across our operations
- Advocate for effective water policies and stewardship
- Treat the water we discharge effectively
- Engage with suppliers, especially



Environmental sustainability

- Improve resource efficiency in our operations
- Change leadership
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Environmental sustainability

- Improve resource efficiency in our operations
- Provide climate change leadership
- Promote transparency and long-term engagement
- Improve the performance of our supply chain



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Environmental sustainability

- Improve resource efficiency in our operations
- Provide climate change leadership
- Promote transparency and proactive long-term engagement in climate policy
- Improve the environment



Rural development

- Roll out the Rural Development Framework to understand the needs of farmers
- Implement responsible sourcing in our supply chain
- Partner with smallholder farmers to improve their livelihoods
- Improve our green supply chain



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Assess and address human rights impacts in our operations and supply chain

Key Achievements



Nutrition, health and wellness

192 billion

Number of servings of fortified foods provided worldwide

8041

Number of products renovated for nutrition or health considerations



Rural development

760 000

Number of farmers supplying directly to Nestlé

10 950

Total number of Tier 1 suppliers audited from 2010–2015



Water

41.2%

Cumulative reduction since 2005 of direct water withdrawals per tonne of product in every product category

7.7 million m³

Quantity of water in our operations either recycled or reused

Key Achievements



Environmental sustainability

42.7%

Cumulative reduction since 2005
of greenhouse gas (GHG) emissions

105

Number of factories achieving
zero waste for disposal



Our people, human rights and compliance

6049

Number of work opportunities
offered to young people by Nestlé
in Europe

34%

Percentage of women holding
leadership roles

CSV and Nestlé – External Recognition



FTSE4Good



Stakeholder Convenings



Washington
D.C.
2008, 2015

Kuala Lumpur
2009

Geneva
2009, 2016

New Delhi
2011

Nairobi
2012

London
2011, 2012,
2013, 2014,
2015

Jakarta
2014

What We Heard at Convenings in 2015

Participants wanted Nestlé to:

- Extend leadership in public policy;
- Further develop the CSV approach, including:
 - Develop and communicate a long-term CSV vision and ambition;
 - Ensure the company will continue to progress in areas where it has achieved targets;
 - Enhance transparency and engagement around CSV;
 - Set science-based targets;
 - Collaborate with peers, governments, NGOs and the supply chain;
- Expand Nestlé's role in supporting the delivery of the Sustainable Development Goals (SDGs); and
- Focus on the reduction of poverty and the elimination of stunting.

The Sustainable Development Goals



The Sustainable Development Goals



How can we Simplify our Societal Commitments?

Healthy Living



Healthy Environment



Healthy Communities



The Future of the Food System

- What would be the characteristics of a sustainable, healthy food system?
- What are the levers for change and where does power lie?
- What is the role of food companies and specifically Nestlé's role?

Afternoon break out discussions

- Nutrition and health – Rousseau room
- Water – Dunant room
- Human rights and compliance – Calvin room
- Agriculture – Hodler room

Thank you

