CARBON DISCLOSURE PROJECT

CDP 2009 Information Request

Respondent: Nestle

General introduction

Risk and Opportunities

1. Regulatory Risks: (CDP6 1(a)(i))

1.1 Is your company exposed to regulatory risks related to climate change?

We consider our company to be exposed to regulatory risks.

According to generally accepted information, climate change poses a variety of potential risks. Change in ecological balance and in weather patterns may possibly result in shortages in agricultural raw materials, shortages in water, floods, cyclones, ..., which may disrupt the supply chain, including means of transport. This may affect the supply of natural resources and energy. Their costs may then increase even more dramatically than it is already the case. Availability and reliability of both electricity and natural gas may be jeopardised. The energy sector is one of the largest sources of CO2 emissions, energy prices increase also due to the fact that utility companies try to pass on their increased compliance costs. Another non negligible impact is the administrative burden of participation in emission trading. Moreover, climate change may affect local communities and food consumption habits.

Further information

2. Physical Risks: (CDP6 1(a)(ii))

2.1 Is your company exposed to physical risks from climate change?

We consider our company to be exposed to physical risks.

As already mentioned in question 1 (a)(i), extreme weather events, changes in weather patterns, rising temperatures, sea level rise and other related phenomena may possibly result in shortages in agricultural raw materials and freshwater, which may disrupt the supply chain, including means of transport. This may affect the supply of natural resources and energy. Their costs may then increase even more dramatically than it is already the case in certain regions. Availability and reliability of both electricity and natural gas may be jeopardised locally. Nestlé carefully investigates possible impacts on its activities of such changes on a case by case basis when conducting risk assessment and/or claims related investigations. In addition, Nestlé has developed an exposure related data base where floods and other natural hazards exposures are documented and continuously updated.

Further information

3. Other Risks: (CDP6 1(a)(iii))

3.1 Is your company exposed to other risks as a result of climate change?

We consider our company to be exposed to other risks.

Climate change may affect local communities and food consumption habits.

Food industry is not a significant direct emitter of greenhouse gases in comparison to other industrial sectors such as power plants, metal, cement,..., and other sectors such as agriculture, transportation. As stated in The Nestlé Policy on Environmental Sustainabilty, Nestlé complies with applicable environmental legislation. Nestlé works with authorities and consultants to assist the installations included in the EU-ETS in each Member State in order to ensure compliance with lesgislation. Nestlé's first priority is to continue to improve its energy efficiency worldwide throughout its activities (manufacturing, logistics, administration) which results in a continuous reduction of greenhouse gas emissions. We have reduced our energy usage (per tonne of product) by 3% from 1999 to 2008 while in the same period increasing our production volume by 68%. Going forward, we will investigate setting energy consumption targets by product categories as we seek to achieve energy efficiency improvements of at least 5% in each of our key product categories over the next five years. In addition, fuel shift, e.g. from coal to gas, further reduces greenhouse gas emissions. As a result, Nestlé has been so far a net seller of GHG emission allowances in the European Union. However, as the energy sector is one of the largest sources of CO2 emissions, energy prices increase also due to the fact that companies try to pass on their increased compliance costs. Another non negligible impact is the administrative burden of participation in emission trading. Nestlé factories in developing countries present a significant opportunity to invest in clean development projects (combustion plant fuel switching, co-generation plants, new process technologies, etc) which will generate tradable emission that can be sold to improve capital investment payback. Nestlé closely monitors legal development and ISO work in the area of greenhouse gas emissions and periodically update its costs / benefit analysis, in order to be able to minimise the financial impact of the EU-ETS, e.g. through CDM and JI projects.
In addition to the numerous initiatives we are already operating to influence our suppliers of raw materials and help them improving their environmental performance such as Sustainable Agriculture Initiative Platform, we participate in the Carbon Disclosure Project (CDP), in order to share our strategy and results. This is part of our ongoing effort to enable our performance to be benchmarked and drive further improvements. In order to help develop relevant metrics for the industry, we are also participating in the Global Reporting Initiative (GRI) Food Processing Sector Suplement Working Group. We are currently conducting scientific quantitative approaches following the ISO 14040 standard on Life Cycle Assessment, the water and CO2 footprint of the entire supply chain, including production of agricultural raw materials, animal husbandry, transformation, transportation, distribution, consumption, recycling, of our food products for our major product categories. This enables us to clearly identify risks and environmental priorities beyond our factories and to define and help implement relevant additional improvement measures together with our business partners, including farmers, traders, retailers and consumers.

Further information

4. Regulatory Opportunities: (CDP6 1(b)(i))

4.1 Do regulatory requirements on climate change present opportunities for your company?

Regulatory requirements present opportunities for my company.

Consumption of some products can increase or decrease because of the weather evolution. The consumer habits changes could be seen as risks and/or opportunities. An other opportunity is to improve the energy efficiency worldwide throughout the activities.

Further information

5. Physical Opportunities: (CDP6 1(b)(ii))

5.1 Do physical changes resulting from climate change present opportunities for your company?

Physical changes present opportunities for my company.

Consumption of some products can increase/decrease because of the weather evolution. The consumer habits changes could be seen as risks and/or opportunities. An other opportunity is to improve the energy efficiency worldwide throughout the activities.

Further information

6. Other Opportunities: (CDP6 1(b)(iii))

6.1 Does climate change present other opportunities for your company?

Climate change presents other opportunities for my company.

Consumption of some products can increase/decrease because of the weather evolution. The consumer habits changes could be seen as risks and/or opportunities. An other opportunity is to improve the energy efficiency worldwide throughout the activities.

Further information

Greenhouse Gas (GHG) Emissions Accounting, Emissions Intensity, Energy and Trading

7. Reporting Year (CDP6 Q2(a)(ii))

Information about how to respond to this section may be found in “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)” developed by the World Resources Institute and the World Business Council for Sustainable Development (“the GHG Protocol”), see http://www.ghgprotocol.org/. ISO 14064-1 is compatible with the GHG Protocol as are a number of regional/national programme protocols. For more information see http://www.ghgprotocol.org/ and use the guidance button above.

Please provide CDP with responses to questions 7, 8, 9, 10.1, 10.2, 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last.

Questions 10.1, 10.2, 11.1, and 11.2 are on subsequent webpages and the dates that you give in answer to question 7 will be carried forwards to automatically populate those webpages.

7.1. Please state the start date and end date of the year for which you are reporting GHG emissions.

Start date: 01 January 2008
End date: 31 December 2008
Financial accounting year: 01 January 2008

8. Reporting Boundary: (CDP6 Q2(a)(i))

8.1. Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

Companies over which financial control is exercised – per consolidated audited Financial Statements.

8.2. Please state whether any parts of your business or sources of GHG emissions are excluded from your reporting boundary.

Head Offices and R&D Centers are excluded from our reporting boundary.

9. Methodology: (CDP6 Q2(a)(iii))

9.1. Please describe the process used by your company to calculate Scope 1 and Scope 2 GHG emissions including the name of the standard, protocol or methodology

you have used to collect activity data and calculate Scope 1 and Scope 2 GHG emissions.

Please provide your answer in the text box. In addition to this description, if relevant, select a methodology from the list of published methodologies. This will aid automated analysis of the data.

To measure progress towards its eco-efficiency objective, Nestlé performs periodical factory environmental surveys, a systematic, comprehensive and uniform approach for assessing the environmental performance of its factories. In the past, many individual Nestlé factories had used different methods to track environmental performance. To consolidate data, to benchmark best practices and to allow internal and external reporting, a system was established that defines standardised environmental performance indicators (EPIs) across Nestlé. In 1997, all manufacturing sites were required to report their performance results annually and consolidation of EPIs began on a Group wide basis. Because of the significant difference in products, the pharmaceutical group, Alcon, was not included in the past but has been included this year. The consolidated Group EPIs cover manufacturing operations and include greenhouse gases emissions. Greenhouse gases have been defined as the sum of all on-site emissions of CO2 - the main greenhouse - from combustion processes used to manufacture Nestlé products. These CO2 emissions can result from burning of fuels, including renewable ones, in boilers, roasters, dryers and electric generators. All the KPI's are aligned with the GHG protocol.

Select methodologies:

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

Please also provide:

9.2 Details of any assumptions made.

We use default values Value taken from: WRI/WBCSD GHG Protocol Initiative calculation tool

9.3 The names of and links to any calculation tools used.

Value taken from: WRI/WBCSD GHG Protocol Initiative calculation tool

Select calculation tools:

9.4 The global warming potentials you have applied and their origin.

9.5 The emission factors you have applied and their origin.

For Scope 2 we use Countries Defaults CO2 emission factors for electricity. Value taken from: WRI/WBCSD GHG Protocol Initiative calculation tool.
Source: International Energy Agency Data Services. 2006. "CO2 Emissions from Fuel Combustion (2006 Edition)".

Further information

10. Scope 1 Direct GHG Emissions: (CDP6 Q2(b)(i))

Instructions for question 10 and question 11 (following page)

When providing answers to questions 10 and 11, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

Please answer the following questions using Table 1.

Please provide:
10.1. Total gross global Scope 1 GHG emissions in metric tonnes of CO_2-e

Please break down your total gross global Scope 1 emissions by:
10.2. Country or region

Please provide CDP with responses to questions 10.1 and 10.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 1 (below) and table 5 (Q11.1 and 11.2) will be automatically populated with the dates that you give in answer to 7.1.

Electric utilities should report emissions by country/region using the table in question EU3.

Table 1 - Please use whole numbers only. Use the “Other” option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
Reporting year Q7.1 End date	31/12/2008
10.1 Total gross global Scope 1 GHG emissions in metric tonnes CO_2-e	4217927
10.2 Gross Scope 1 emissions in metric tonnes CO_2-e by country or region	
USA	867369
France	225886
Germany	122133
Brazil	204836
United Kingdom	206563
Italy	96986
Mexico	235347
Spain	192437
Canada	23130
Australia	41491
Russia	57262
China	205752
Japan	108563
Philippines	166826
Switzerland	50000
Rest of World	1413346

Your answer to question 10.1 will be automatically carried forward to tables 2 and 3 below if you add a country or region in answer to 10.2 or press “Save” at the end of the page.

Please tick the box if your total gross global Scope 1 figure (Q10.1) includes emissions that you have transferred outside your reporting boundary (as given in answer to 8.1). Please report these transfers under 13.5.

Where it will facilitate a better understanding of your business, please also break down your total global Scope 1 emissions by:

10.3. Business division
and/or
10.4. Facility

10.3. Business division (only data for the current reporting year requested)

Table 2 - Please use whole numbers only.

Business Divisions - Enter names below	Scope 1 Metric tonnes CO2-e
Total gross global Scope 1 GHG emissions in metric tonnes CO_2-e - answer to question Q10.1	4217927
Cereal Partners Worldwide	79259
Dairy Partners America	154150
Nespresso	3106
Nestlé Nutrition	187906
Nestlé Waters	149337
Purina PetCare	724131
Alcon	113439
Other Nestlé Food	2877593

10.4. Facility (only data for the current reporting year requested)

Table 3 - Please use whole numbers only.

Facilities - Enter names below	Scope 1 Metric tonnes CO2-e
Total gross global Scope 1 GHG emissions in metric tonnes CO_2-e - answer to question Q10.1	4217927
Shuangcheng Factory	129720
Girona Factory	107661
Bloomfield Nppc Factory	103473

Cagayan de Oro Factory	80870
Moga Factory	75881
King William Nppc Factory	71260
Estcourt Factory	68996
Toluca - Cafes y Culinary Factory	65472
Cabuyao Factory	57888
Lagos de Moreno-Lacteos Factory	56659

10.5. Please break down your total global Scope 1 GHG emissions in metric tonnes of the gas and metric tonnes of CO_2-e by GHG type. (Only data for the current reporting year requested.)

Table 4 - Please use whole numbers only.

Scope 1 GHG Type	Unit	Quantity
CO_2	Metric tonnes	4007169
CH4	Metric tonnes	
CH4	Metric tonnes CO_2-e	16
N2O	Metric tonnes	
N2O	Metric tonnes CO_2-e	25
HFCs	Metric tonnes	
HFCs	Metric tonnes CO_2-e	107091
PFCs	Metric tonnes	
PFCs	Metric tonnes CO_2-e	
SF6	Metric tonnes	
SF6	Metric tonnes CO_2-e	

10.6. If you have not provided any information about Scope 1 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 1 GHG emissions information in future.

Further information

The total amount for Scope 1 is the sum of all on-site greenhouse gas emissions at Nestlé factories which arise from combustion processes and refrigerants leakage. Greenhouse gases arising from transportation and business travel are not included. Since 2008, Greenhouse gas emission (direct) includes refrigerant leakages. Without refrigerant leakages, the reduction over the last 5 and 10 years are respectively 10% and 17%.
Both absolute Greenhouse gas emission (direct) and Greenhouse gas emission (direct) rate per tonne of product have been constinuously decreasing over the last 10 years. These reductions have been achieved through energy savings and fuel-switching projects where fuels such as coal and heavy fuel oil were replaced by cleaner-burning fuels such as natural gas.
In particular, while greenhouse gas emission slightly decreased (-0.6%) in 2008, energy consumption increased by 1.8%, reflecting a significant switch to cleaner energy sources.
Although each facility reports GHG emissions, we have included only the 10 highest emitters due to the high number (456) of factories we operate worldwide.

11. Scope 2 Indirect GHG Emissions: (CDP6 Q2(b)(i))

Important note about emission factors where zero or low carbon electricity is purchased:

The emissions factor you should use for calculating Scope 2 emissions depends upon whether the electricity you purchase is counted in calculating the grid average emissions factor or not – see below. You can find this out from your supplier.

Electricity that IS counted in calculating the grid average emissions factor:
Where electricity is sourced from the grid and that electricity has been counted in calculating the grid average emissions factor, Scope 2 emissions must be calculated using the grid average emissions factor, even if your company purchases electricity under a zero or low carbon electricity tariff.

Electricity that is NOT counted in calculating the grid average emissions factor:
Where zero or low carbon electricity is sourced from the grid or otherwise transmitted to the company and that electricity is not counted in calculating the grid average, the emissions factor specific to that method of generation can be used, provided that any certificates quantifying GHG-related environmental benefits claimed for the electricity are not sold or passed on separately from the electricity purchased.

Click here to see the instructions from the previous page on answering question 11.

Please answer the following questions using Table 5.

Please provide:

11.1. Total gross global Scope 2 GHG emissions in metric tonnes of CO_2-e.

Please break down your total gross global Scope 2 emissions by:

11.2. Country or region

Please provide CDP with responses to questions 11.1 and 11.2 for the three years prior to the current reporting year if you have not done so before or if this is the first time you have answered a CDP information request. Please work backwards from the current reporting year, so that you enter data for your oldest reporting period last. Table 5 will be automatically populated with the dates that you gave in answer to 7.1.

Table 5 - Please use whole numbers only. Use the "Other" option in the drop down menu to enter the name of a region.

Reporting year Q7.1 Start date	01/01/2008
Reporting year Q7.1 End date	31/12/2008
11.1 Total gross global Scope 2 GHG emissions in metric tonnes CO_2-e	3156526
11.2 Gross Scope 2 emissions in metric tonnes CO_2-e by country or region	
USA	1166415
France	47347
Germany	93434
Brazil	51814
United Kingdom	122989
Italy	106849
Mexico	114240
Spain	43509
Canada	37797
Australia	157084
Russia	48093
China	124579
Japan	18803
Philippines	8991
Switzerland	2907
Rest of World	1011675

Your answer to 11.1 will be automatically carried forward to tables 6 and 7 below if you add a country or region in answer to 11.2 or press "Save" at the end of the page.

Where it will facilitate a better understanding of your business, please also break down your total global Scope 2 emissions by:

11.3. Business division
and/or
11.4. Facility

11.3. Business division (only data for the current reporting year requested)

Table 6 - Please use whole numbers only.

Business Divisions - Enter names below	Scope 2 Metric tonnes CO2-e
Total gross global Scope 2 GHG emissions in metric tonnes CO_2-e - answer to question Q11.1	3156526
Cereal Partners Worldwide	87514
Dairy Partners America	47241
Nespresso	332
Nestlé Nutrition	100579
Nestlé Waters	610970
Purina PetCare	435085
Alcon	154348
Other Nestlé Food	1720457

11.4. Facility (only data for the current reporting year requested)

Table 7 - Please use whole numbers only.

Facilities - Enter names below	Scope 2 Metric tonnes CO2-e
Total gross global Scope 2 GHG emissions in metric tonnes CO_2-e - answer to question Q11.1	3156526
Gaffney Factory	69436

NW Hollis Factory	55651
Laurel, MD Factory	44249
East London Factory	42979
Springville Factory	42724
Bakersfield Factory	41013
Shuangcheng Factory	38765
NW Hawkins Factory	36785
Davenport Nppc Factory	35676
Mt Sterling Factory	33536

11.5. If you have not provided any information about Scope 2 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 2 GHG emissions information in future.

Further information

The total amount for Scope 2 is the sum of all greenhouse gas emissions arising from the production of energy purchased by Nestlé factories (electricity, steam, hot water). These emissions phisically occur at the facility where the electricity, steam or hot water is generated (GRI G3 Environmental Indicator EN16, corresponding to GHG Protocol Scope 2 emissions). Supplier information or publicly available country-specific default factors are used to calculate this indicator. It covers scope 2 of the WRI/WBCSD GHG Protocol and addresses part of the GRI G3 Environmental Indicator EN16.

Although each facility reports GHG emissions, we have included only the 10 highest emitters due to the high number (456) of factories we operate worldwide.

12. Contractual Arrangements Supporting Particular Types of Electricity Generation: (CDP6 Q2(b)(i)- Guidance)

12.1. If you consider that the grid average factor used to report Scope 2 emissions in question 11 does not reflect the contractual arrangements you have with electricity suppliers, (for example, because you purchase electricity using a zero or low carbon electricity tariff), you may calculate and report a contractual Scope 2 figure in response to this question, showing the origin of the alternative emission factor and information about the tariff.

Supplier information or publicly available country-specific default factors are used to calculate this indicator. It covers scope 2 of the WRI/WBCSD GHG Protocol and addresses part of the GRI G3 Environmental Indicator EN16.

12.2. If you retire any certificates (eg: Renewable Energy Certificates) associated with zero or low carbon electricity, please provide details.

We do not retire any certificates associated with zero or low carbon electricity.

Further information

13. Scope 3 Other Indirect GHG Emissions: (CDP6 Q2(c))

For each of the following categories, please:
- Describe the main sources of emissions,
- Report emissions in metric tonnes of CO_2-e,

- state the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Notes about question 13

When providing answers to question 13, please do not deduct offset credits, Renewable Energy Certificates etc, or net off any estimated avoided emissions from the export of renewable energy, carbon sequestration (including enhanced oil recovery) or from the use of goods and services. Opportunities to provide details of activities that reduce or avoid emissions are provided elsewhere in the information request.

Carbon dioxide emissions from biologically sequestered carbon e.g. carbon dioxide from burning biomass/biofuels should be reported separately from emissions Scopes 1, 2 and 3. If relevant, please report these emissions in question 15. However, please do include any nitrous oxide or methane emissions from biomass/biofuel combustion in your emissions under the three scopes.

13.1 Employee business travel
Describe the main sources of emissions

Emissions in metric tonnes CO_2-e.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

13.2. External distribution/logistics
Describe the main sources of emissions

Nestlé's direct carbon footprint comes mainly from its factories. Although transport and logistics account for less than 10% of total direct CO2 emissions, we will survey these areas in order to identify future potential reductions in cost, fuel consumption and GHG emissions.

Emissions in metric tonnes CO_2-e.

Total of 2.4 mio tonnes of CO2 out of which 250000 tonnes CO2 from our own transport fleet.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

The total distance driven by trucks for distribution was calculated based on the overall tonnage of products distributed to customers, an average load factor of trucks, an estimated average distance for complete distribution and an estimate for empty running of the trucks. A truck uses in average 35 litres of diesel per 100 km, resulting into a total fuel consumption of 920 mio litres of diesel. Using an emission factor of 2.63 kg CO2 / liter of diesel, this generates a total of 2.416 mio tonnes of CO2.

These figures were cross-checked with two other top-down approaches: analysing the distribution costs lead to an estimated fuel consumption of 966 mio litres of diesel and 2.54 mio tonnes of CO2 (5% more than first calculation). Calculating the CO2-emissions based shipped tonne.kms and an average CO2-emission of 72 g CO2/tonne.km gives an estimate of total 2,36 mio tonnes of CO2-emissions (2% smaller than first calculation).

We estimate that about 10% of our transports are done with trucks owned by Nestlé, leading to the rounded estimates of 300 mio km driven by our fleet, generating about 250'000 tonnes of CO2. The major part of transport (90% of our transports) are however done by external carriers.

13.3 Use/disposal of company's products and services

For auto manufacture and auto component companies – please refer to the additional questions for these sectors before completing question 13.3.
Describe the main sources of emissions

Packaging is essential for food safety. It also helps to avoid wastage before and after purchase by maintaining freshness for the consumer. Our strategy is based on optimising materials, developing eco-efficient packaging, and providing meaningful information to consumers on recycling and disposal. A key initiative this year was our collaboration on PIQET, an important new packaging eco-design tool adopted by Nestlé. Design and technology innovations go hand in hand in order to reduce environmental impacts without compromising consumer needs. Our new Nestlé NaturNes babyfood pot is not only convenient and easy to use but requires less energy and produces fewer CO2 emissions over its life cycle than the previous glass jar.
Nestlé Waters' lightweighet EcoShape bottle is another step forward in reducing packaging materials, and is just one example of progress made since 1991, when Nestlé began a continuous review of packaging reduction opportunities in all its businesses. As a result, we have reduced the volume of packaging material used per litre of bottled water by 19.6% over the last five years, saving 43792 tonnes of packaging material in 2008 alone. Worldwide, the Group's total packaging material savings from 1991 to 2008 amounted to 392000 tonnes and CHF 683 million.

Some products require additional preparation by the consumer before consumption, eg. boiling water for a cup of NESCAFE or a bowl of MAGGI soup, which generate GHG emissions.

Emissions in metric tonnes CO_2-e.

GHG emitted at consumption stage is included in Life Cycle Assessments that we make for our different product categories following ISO 14040 standard.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

13.4 Company supply chain
Describe the main sources of emissions

GHG emitted in the supply chain is included in Life Cycle Assessments that we make for our different product categories following ISO 14040 standard. We encourage our agricultural raw material suppliers to optimise their energy usage, as part of sustainable agriculture practices. It should be noted that agricultural raw materials used to manufacture food products absorb CO2 during their growth.

Emissions in metric tonnes CO_2-e.

According to the Life Cycle Assessments that we make for our different product categories following ISO 14040 standard, the amount of GHG emissions varies depending on the type of product.

State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

In addition to the numerous initiatives we are already operating to influence our suppliers of raw materials and help them improving their environmental performance, we

participate in the Carbon Disclosure Project (CDP), in order to share our strategy and results. This is part of our ongoing effort to enable our performance to be benchmarked and drive further improvements. We are currently conducting scientific quantitative approaches following the ISO 14040 standard on Life Cycle Assessment, the water and CO2 footprint of the entire supply chain, including production of agricultural raw materials, animal husbandry, transformation, transportation, distribution, consumption, recycling, of our food products for our major product categories. This enables us to clearly identify environmental priorities beyond our factories and to define and help implement relevant additional improvement measures together with our business partners, including farmers, traders, retailers and consumers.

13.5 Other
If you are reporting emissions that do not fall into the categories above, please categorise them into transferred emissions and non-transferred emissions (please see guidance for an explanation of these terms).

Please report transfers in the first three input fields and non-transfers in the last three input fields.

Transfers
Describe the main sources of emissions

Transfers
Report emissions in metric tonnes of CO_2-e.

Transfers
State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

Non-transfers
Describe the main sources of emissions

Non-transfers
Report emissions in metric tonnes of CO_2-e.

Non-transfers
State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions.

13.6 If you have not provided information about one or more of the categories of Scope 3 GHG emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 3 indirect emissions information in future.

Further information

We identify Scope 3 emissions per product category through LCAs.

14. Emissions Avoided Through Use Of Goods And Services (New for CDP 2009)

14.1. If your goods and/or services enable GHG emissions to be avoided by a third party, please provide details including the estimated avoided emissions, the anticipated timescale over which the emissions are avoided and the methodology, assumptions, emission factors (including sources), and global warming potentials (including sources) used for your estimations.

According to the Life Cycle Assessments made on different product categories, total GHG emitted along the life cycle of our products are generally fewer than those of equivalent home made products, eg. a cup of coffee made from NESCAFE soluble coffee generates 41% less GHG than a cup of coffee made from roast and ground coffee.
Our proprietary and revolutionary aseptic process means that NaturNess baby foods retain nutrients more effectively and capture more of the taste of natural ingredients than competitor products. NaturNess also benefits the environment by using plastic rather than glass jars, thereby reducing primary energy consumption by up to 27% and greenhouse gas emissions by up to 31%.
For further information, please see attached scientific paper "Life cycle assessment of two baby food packaging alternatives: glass jars vs plastic pots".

Further information

http://cdp.cdproject.net/attachedfiles/Responses/53622/8211/LCA baby jars pots.pdf

http://cdp.cdproject.net/attachedfiles/Responses/53622/9255/Humbert et al 2009 - LCA Coffee - Online.pdf

15. Carbon Dioxide Emissions from Biologically Sequestered Carbon: (New for CDP 2009)

An example would be carbon dioxide from burning biomass/biofuels.

15.1. Please provide the total global carbon dioxide emissions in metric tonnes CO_2 from biologically sequestered carbon.

Emissions in metric tonnes CO_2 - Please use whole numbers only

689734

Further information

Renewable sources of energy include spent coffee grounds, Wood and cocoa shells.

16. Emissions Intensity: (CDP6 Q3(b))

16.1. Please supply a financial emissions intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

We are investigating a new indicator measuring environmental impact, eg GHG emissions or water footprint, vs added value.

16.1.1. Give the units. For example, the units could be metric tonnes of CO_2-e per million Yen of turnover, metric tonnes of CO_2-e per US$ of profit, metric tonnes of CO_2-e per thousand Euros of turnover.

Turnover would be appropriate provided GHG emissions would cover life cycle of products until and excluding consumption stage.

16.1.2. The resulting figure.
Use a decimal point if necessary. Please use a “.” rather than a “,” i.e. please write 15.6 rather than 15,6

16.2. Please supply an activity related intensity measurement for the reporting year for your combined Scope 1 and 2 emissions.

Please describe the measurement.

Already provided. See chapters 10 and 11.

16.2.1. Give the units e.g. metric tonnes of CO_2-e per metric tonne of output or for service sector businesses per unit of service provided.

Already provided. See chapters 10 and 11.

16.2.2. The resulting figure.
Use a decimal point if necessary. Please use a “.” rather than a “,” i.e. please write 15.6 rather than 15,6

7374453

Further information

17. Emissions History: (CDP6 Q2(f))

17.1. Do emissions for the reporting year vary significantly compared to previous years?

No - Please go to question 18.

If the answer to 17.1 is Yes:

17.1.1. Estimate the percentage by which emissions vary compared with the previous reporting year.

This box will accept numerical answers containing a decimal point. Please use "." not "," i.e. write 10.6, not 10,6.

Have the emissions increased or decreased?

Further information

18. External Verification/Assurance: (CDP6 Q2(d))

18.1. Has any of the information reported in response to questions 10 – 15 been externally verified/assured in whole or in part?

Yes, it has been externally verified/assured in whole or in part.(Please continue with questions 18.2 to 18.5)

It would aid automated analysis of responses if you could select responses from the tick boxes below. However, please use the text box provided if the tick boxes menu options are not appropriate.

18.2. State the scope/boundary of emissions included within the verification/assurance exercise.

Scope 1 Q10.1
Scope 2 Q11.1
Avoided emissions Q14.1
Emissions from biologically sequestered carbon Q15.1

Please use the text box below to describe the scope/boundary of emissions included within the verification/assurance exercise if the tick box menu options above are not applicable.

Bureau Veritas UK has been engaged to provide external assurance to the stakeholdersof Nestlé SA (Nestlé), over the Creating Shared Valu Report (CSV) content and CSV actions as indicated in the Nestlé Management Report 2008. The scope of the assurance included: 1. a review of related activities undertaken by Nestlé over the reporting period January 2008 to December 2008; 2. a limited review of information from external partners relating to materiality assessment and stakeholder convenings; 3. a review of information relating to Nestlé's issues, responses, performance data, case studies and underlying systems to manage such information and data; 4. an evaluation of Safety, Health and Environment (SHE) data and systems; 5. a pilot assessment of the implementation of CSV related policies and processes at the market level. As part of its review, Bureau Veritas undertook the following: - interviews with key management at Nestlé's head office; - review of processes for identification and collation of relevant information, report content and performance data from Group operations globally; - verification of performance data and factual information within the Report; - visits to approximately 3% of operational sites across nine countries to evaluate the SHE data management systems and data reliability and accuracy; - a visit to Nestlé South Africa to review the understanding and implementation of market level CSV related processes as presented within the Report.

18.3. State what level of assurance (eg: reasonable or limited) has been given.

Based on their review, the opinion is that the Report: 1. includes information that is reliable, understandable and clearly presented; 2. provides a reasonable account of relevant activities and performance over the reporting period; 3. presents a continuation of discussions around issues established during the last CSV report (albeit in a précis format), and as such does not omit any subject area considered to be of material importance although more commentary on performance relating to "Our People" KPIs should have been included; 4. demonstrate an improvement on previous reporting by the inclusion in the text of the issues and challenges that Nestlé faces. Additional information provides context and a better understanding of Nestlé's responses to such issues; 5. provides an account that is inclusive of related Nestlé activities, although it should be noted that due to the brevity of the CSV content within the Report, all relevant stakeholders concerns cannot be addressed in full. The review was carried out to provide reasonable, rather than absolute assurance and BV believes the scope above provides a reasonable basis for their conclusions.

18.4. Provide a copy of the verification/assurance statement.

Please attach a copy/copies.

http://cdp.cdproject.net/attachedfiles/Responses/53622/8336/2008 CSV Report Assurance Statement_Final.pdf

18.5. Specify the standard against which the information has been verified/assured.

GHG Protocol

18.6. If none of the information provided in response to questions 10-15 has been verified in whole or in part, please state whether you have plans for GHG emissions accounting information to be externally verified/assured in future.

Further information

19. Data Accuracy: (CDP6 Q2(e) – New wording for CDP 2009)

19.1. What are the main sources of uncertainty in your data gathering, handling and calculations e.g.: data gaps, assumptions, extrapolation, metering/measurement inaccuracies etc?

If you do not gather emissions data, please select emissions data is NOT gathered and proceed to question 20.

Emission data is gathered.

For scope 1, GHG emissions are calculated from emission factors corresponding to each fuel. These factors come from either precise measurements or are default values. Similarily, for Scope 2, the GHG emissions are calculated from emission factors corresponding to the electricity that is bought. These factors are either provided by the supplier or are local default values.

The use of default values may introduce uncertainty in the calculation of GHG emissions.

19.2. How do these uncertainties affect the accuracy of the reported data in percentage terms or an estimated standard deviation?

The uncertainties affect the accuracy of the reported data in percentage less than 5%.

19.3. Does your company report GHG emissions under any mandatory or voluntary scheme (other than CDP) that requires an accuracy assessment?

Yes (Please answer the following questions - 19.3.1, 19.3.2).

19.3.1 Please provide the name of the scheme.

EU emissions trading scheme

19.3.2. Please provide the accuracy assessment for GHG emissions reported under that scheme for the last report delivered.

In the implementation of EUETS, the regulatory authority provides a GHG permit to EUETS installations. That permit lists all metering to be included in the Monitoring & Reporting Plan, along with a metering uncertainty calculation. This also contributes to stating "Tiers" as defined in the Monitoring and Reporting Guidelines of the EU Directive. The external verifier will submit a report on an annual basis that verifies the calculation of emissions in accordance with the Monitoring Plan. The verifier signs that the emissions stated are compliant to the rules and principles of the directive, which specifically lists the Principle of Trueness (Accuracy). There is no specific calculation of accuracy each year.

Further information

20. Energy and Fuel Requirements and Costs: (New for CDP 2009)

Please provide the following information for the reporting year:

Cost of purchased energy

20.1. The total cost of electricity, heat, steam and cooling purchased by your company.

669567512

Select currency

Swiss franc

20.1.1. Please break down the costs by individual energy type.

Table 8 - The “Cost” column will not accept text. Please use whole numbers only.

Energy type	Cost	Currency
Electricity	650002879	Swiss franc
Heat	2620501	Swiss franc
Steam	16944132	Swiss franc
Cooling		Swiss franc

Cost of purchased fuel

20.2. The total cost of fuel purchased by your company for mobile and stationary combustion.

774876932

Select currency

Swiss franc

20.2.1. Please breakdown the costs by individual fuel type.

Table 9 - The cost column will not accept text. Please use whole numbers only.

Mobile combustion fuels	Cost	Currency

Stationary combustion fuels	Cost	Currency
Anthracite coal	2676630	Swiss franc
Butane	3700909	Swiss franc
Other coal-based fuels	22763775	Swiss franc
Other primary solid biomass fuels	19038696	Swiss franc
Diesel	55423799	Swiss franc
HFO	159312187	Swiss franc
LFO	34400465	Swiss franc
LPG	1355519	Swiss franc
LOPG	22181670	Swiss franc
Natural gas	434253445	Swiss franc
Propane	4128456	Swiss franc
Wood (wet)	15641381	Swiss franc

Energy and fuel inputs

The following questions are designed to establish your company's requirements for energy and fuel (inputs). Please note that MWh is our preferred unit for answers as this helps with comparability and analysis. Although it is usually associated with electricity, it can equally be used to represent the energy content of fuels (see CDP 2009 Reporting Guidance for further information on conversions to MWh).

Purchased energy input

20.3 Your company's total consumption of purchased energy in MWh.

Please use whole numbers only.

6732662 MWh

Purchased and self produced fuel input

20.4. Your company's total consumption in MWh of fuels for stationary combustion only. This includes purchased fuels, as well as biomass and self-produced fuels where relevant.

Please use whole numbers only.

17412680 MWh

In answering this question and the one below, you will have used either Higher Heating Values (also known as Gross Calorific Values) or Lower Heating Values (also known as Net Calorific Values).
Please state which you have used in calculating your answers.

We have used Net Calorific Values for this calculation.

20.4.1. Please break down the total consumption of fuels reported in answer to question 20.4 by individual fuel type in MWh.

Table 10 - Please use whole numbers only

Stationary combustion fuels	MWh
Anthracite coal	228126
Butane	44498
Other coal-based fuels	1078357
Other primary solid biomass fuels	994367
Diesel	656941
HFO	3106100
LFO	405596

LPG	24770
LOPG	290083
Natural gas	10162610
Propane	51158
Wood (wet)	764582

Energy output

In this question we ask for information about the energy in MWh generated by your company from the fuel that it uses. Comparing the energy contained in the fuel before combustion (question 20.4) with the energy available for use after combustion will give an indication of the efficiency of your combustion processes, taking your industry sector into account.

20.5. What is the total amount of energy generated in MWh from the fuels reported in question 20.4?

Please use whole numbers only.

246083 MWh

20.6. What is the total amount in MWh of renewable energy, excluding biomass, that is self-generated by your company?

Please use whole numbers only.

1111111 MWh

Energy exports

This question is for companies that export energy that is surplus to their requirements. For example, a company may use electricity from a combined heat and power plant but export the heat to another organisation.

20.7. What percentage of the energy reported in response to question 20.5 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

20.8. What percentage of the renewable energy reported in response to question 20.6 is exported/sold by your company to the grid or to third parties?

Please use whole numbers only.

Further information

21. EU Emissions Trading Scheme: (CDP6 Q2(g)(i) – New wording for CDP 2009)

Electric utilities should report allowances and emissions using the table in question EU5.

21.1. Does your company operate or have ownership of facilities covered by the EU Emissions Trading Scheme (EU ETS)?

Yes (Please answer the following questions - 21.2 to 21.4)

Please give details of:

21.2. The allowances allocated for free for each year of Phase II for facilities which you operate or own. (Even if you do not wholly own facilities, please give the full number of allowances).

Table 11 - Please use whole numbers only.

	2008	2009	2010	2011	2012
Free allowances metric tonnes CO2	563156	558241	558241	558241	558241

21.3. The total allowances purchased through national auctioning processes for the period 1 January 2008 to 31 December 2008 for facilities that you operate or own. (Even if you do not wholly own facilities, please give the total allowances purchased through auctions by the facilities for this period).

Total allowances purchased through auction

0

21.4. The total CO_2 emissions for 1 January 2008 to 31 December 2008 for facilities which you operate or own. (Even if you do not wholly own facilities, please give the total emissions for this period.)

Total emissions in metric tonnes

527458

Further information

22. Emissions Trading: (CDP6 Q2(g)(ii) - New wording for CDP 2009)

Electric utilities should read EU6 before answering these questions.

22.1. Please provide details of any emissions trading schemes, other than the EU ETS, in which your company already participates or is likely to participate within the next two years.

We only participate in the EU ETS. (Please go to question 22.2)

22.2. What is your overall strategy for complying with any schemes in which you are required or have elected to participate, including the EU ETS?

Our EU-ETS strategy is to remain net seller of allowances. We have therefore developed the following action plan:

1 – Facilities which might face a deficit submitted an action plan before the end of 2008 in order to fulfil their EU-ETS allowances before the end of 2012.
2 – Evolution of CO2 emissions and progress on the corresponding action plans set by the facilities are analysed on a quarterly basis
3 – Potential climate projects in emerging markets are continuously identified to create Certified Emission Reductions (CER) since these CER could offset potential deficits of Nestlé facilities in Europe or be traded on the Carbon credit market and create additional revenues for Nestlé.

Further information

22. Carbon credits

22.3. Have you purchased any project-based carbon credits?

No. (Please go to question 22.5)

Please indicate whether the credits are to meet one or more of the following commitments:

Please also:

22.4 Provide details including the type of unit, volume and vintage purchased and the standard/scheme against which the credits have been verified, issued and retired (where applicable).

22.5. Have you been involved in the origination of project-based carbon credits?

Yes. (Please answer the following question)

22.6. Please provide details including:

• Your role in the project(s),
• The locations and technologies involved,
• The standard/scheme under which the projects are being/have been developed,
• Whether emissions reductions have been validated or verified,
• The annual volumes of generated/projected carbon credits,
• Retirement method if used for own compliance or offsetting.

Our Graneros NESCAFE facility was the first overall to establish the UNCCC methodology related to fuel shift from coal to gas then used in other similar projects.

Please see the attached information for further details.

22.7. Are you involved in the trading of allowances under the EU ETS and/or project-based carbon credits as a separate business activity, or in direct support of a business activity such as investment fund management or the provision of offsetting services?

No. (Please go to question 23)

22.8. Please provide details of the role performed.

Further information

http://cdp.cdproject.net/attachedfiles/Responses/53622/9176/Graneros Plant Fuel Switching Project.pdf

Performance

23. Reduction plans & goals: (CDP6 Q3(a))

23.1. Does your company have a GHG emissions and/or energy reduction plan in place?

Yes. (Please go to question 23.3)

23.2. Please explain why.

It would aid automated analysis of responses if you could select a response from the options below as well as using the text box. However, please just use the text box provided if the options are not appropriate.

If the menu options above are not appropriate, please answer the question using the text box below:

Goal setting

23.3. Do you have an emissions and/or energy reduction target(s)?

Yes. (Please answer the following questions)

23.4 What is the baseline year for the target(s)?

The baseline year for the targets is the previous year.

23.5. What is the emissions and/or energy reduction target(s)?

Going forward, we will investigate setting energy consumption targets by product categories as we seek to achieve energy efficiency improvements of at least 5% in each of our key product categories over the next five years.

23.6. What are the sources or activities to which the target(s) applies?

Nestlé's activities worldwide.

23.7. Over what period/timescale does the target(s) extend?

Going forward, we will investigate setting energy consumption targets by product categories as we seek to achieve energy efficiency improvements of at least 5% in each of our key product categories over the next five years.

Further information

23. GHG emissions and energy reduction activities

23.8. What activities are you undertaking or planning to undertake to reduce your emissions/energy use?

Reducing of GHG emissions are driven by:
- Energy reduction targets set at global and local levels. We will investigate setting energy consumption targets by product categories as we seek to achieve energy efficiency improvements of at least 5% in each of our key product categories over the next five years.
- Local initiated Clean Development Mechanism projects, including fuel conversion (e.g. conversion from coal to natural gas at our Graneros factory in Chile, new co-generation plant at our Himeji factoy in Japan,...),
- Focused GHG reduction projects in factories qualified for the EU Emissions Trading Scheme.
- Co-generation plants when relevant
- Energy management software
- Renewable energy sources (solar energy, biomass energy, geothermal energy, photovoltaic energy)

This will result in annual GHG emissions reduction of at least 5% in each of our key product categories over the next five years.

Further information

23. Goal evaluation

23.9. What benchmarks or key performance indicators do you use to assess progress against the emissions/energy reduction goals you have set?

To measure progress towards its eco-efficiency objective, Nestlé performs periodical factory environmental surveys, a systematic, comprehensive and uniform approach for assessing the environmental performance of its factories. To consolidate data, to benchmark best practices and to allow internal and external reporting, a system was established that efines standardised environmental perfomance indicators (EPIs) across Nestlé. In 1997, all manufacturing sites were required to report their performance results annually and consolidation of EPIs began on a Group wide basis. From 2005, some KPI's are reported monthly (like energy consumption).

Further information

23. Goal achievement

23.10. What emissions reductions, energy savings and associated cost savings have been achieved to date as a result of the plan and/or the activities described above? Please state the methodology and data sources you have used for calculating these reductions and savings.

Nestlé's first priority is to continue to improve its energy efficiency worldwide throughout its activities (manufacturing, logistics, administration) which results in a continuous reduction of greenhouse gas emissions. We have reduced our energy usage by 3% from 1999 to 2008 while in the same period increasing our production volume by 68%.

23.11. What investment has been required to achieve the emissions reductions and energy savings targets or to carry out the activities listed in response to question 23.8 and over what period was that investment made?

Table 13 - The “Investment number” column will not accept text. Please use whole numbers only.

Emission reduction target/energy saving target or activity	Investment number	Investment currency	Timescale
Factory investment	30000000	Swiss franc	Annual basis

Further information

23. Goal planning & investment

Electric utilities should read the table in question EU3 for giving details of forecasted emissions.

23.12. What investment will be required to achieve the future targets set out in your reduction plan or to carry out the activities listed in response to question 23.8 above and over what period do you expect payback of that investment?

Table 14 - The “Number” column will not accept text. Please use whole numbers only.

Plan or action	Investment number	Investment currency	Payback
Factory investment	40000000	Swiss franc	3 to 5 years

23.13. Please estimate your company’s future Scope 1 and Scope 2 emissions for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

If possible, please use table 15 below to structure your answer to the question or alternatively use the text box below.

See table 15

Scope 1 forecasted emissions in Table 15 below are in the following units.

Scope 2 forecasted emissions in Table 15 below are in the following units.

Table 15 - The “Scope” columns will not accept text. Please use whole numbers only.
Type in the name of the territory or region for which you are giving data and then press “Add Territory/Region”. If giving a global figure instead of separate figures for regions or territories, please write “global” in the box labelled “Enter name of territory or region”.

Click here to see a sample table.

Future reporting years:										
End date for year end DD/MM/YYYY	31/12/2009		31/12/2010		31/12/2011		31/12/2012		31/12/2013	
Emission forecasts	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
USA	858695	1154750	850108	1143203	841607	1131771	833191	1120453	824859	1109249
France	223627	46873	221390	46404	219176	45940	216985	45481	214815	45026
Germany	120911	92499	119702	91574	118505	90658	117320	89752	116147	88854
Brasil	202787	51295	200759	50782	198752	50275	196764	49772	194796	49274
United Kingdom	204497	121759	202452	120541	200427	119336	198423	118142	196439	116961

23.14. Please estimate your company's future energy use for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

If possible, please use table 16 below to structure your answer to the question or alternatively use the text box below.

We will investigate setting energy consumption targets by product categories as we seek to achieve energy efficiency improvements of at least 5% in each of our key product categories over the next five years.

Table 16 - Please use whole numbers only.
Type in the name of the territory or region for which you are giving data and a description of the data you are giving e.g. electricity consumption. Then press "Add Row". If giving a global figure instead of separate figures for regions or territories, please use the word "global". This table will also accept different types of units e.g. units of volume or mass.

Click here to see a sample table.

Future reporting years:										
End date for year end DD/MM/YYYY										
Energy use estimates for territory/region	Number	Units	Number	Units	Number	Units	Number	Units	Number	Units

23.15. Please explain the methodology used for your estimations and any assumptions made.

We will investigate setting energy consumption targets by product categories as we seek to achieve energy efficiency improvements of at least 5% in each of our key product categories over the next five years.

Further information

24. Planning: (CDP6 Q3(c))

24.1. How do you factor the cost of future emissions into capital expenditures and what impact have those estimated costs had on your investment decisions?

We are including the cost per ton of CO2 in the sensitivity analysis to evaluate the impact on the ROIC.

Further information

Governance

25. Responsibility: (CDP6 Q4(a))

25.1. Does a Board Committee or other executive body have overall responsibility for climate change?

Yes. (Please answer question 25.3 and 25.4)

25.2 Please state how overall responsibility for climate change is managed and indicate the highest level within your company with responsibility for climate change.

Mr. J. Lopez, Nestlé Executive Vice President, Nestlé S.A. Responsible for Operations and member of the Executive Board, is in charge of Climate Change related issues. Nestlé Environmental Officers at national level and at the international head-office are in charge of managing climate change related issues. Their compensation is linked to attainment of energy savings, thus of GHG reduction targets. Information on The Nestlé Policy on the Environmental Sustainability, performance and activities, including these related to GHG emissions, are available in the annual Nestlé Management Report, in The Nestlé Creating Shared Value Report as well as on Nestlé internet site (www.environment.nestle.com)

25.3. Which Board Committee or executive body has overall responsibility for climate change?

Executive Board.

25.4. What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

Following the objectives and the KPI's. Monthly Board meetings discuss evolution, results and perspectives. In addition, monthly meetings of the Operations Sustainability Committee discuss new projects.

On a quarterly basis the information related to EU-ETS (Phase II) in our factories is gathered and analysed, establishing actions plans per factory.

Further information

http://cdp.cdproject.net/attachedfiles/Responses/53622/7877/Corporate Governance Report.pdf

26. Individual Performance: (CDP6 Q4(b))

26.1. Do you provide incentives for individual management of climate change issues including attainment of GHG targets?

Yes. (Please go to question 26.2)

26.2. Are those incentives linked to monetary rewards?

Yes. Their compensation is linked to attainment of energy savings, thus of GHG reduction targets.

26.3. Who is entitled to benefit from those incentives?

Management involved, directly or indirectly, in activities consuming energy and emitting GHG.

Further information

To measure progress towards its eco-efficiency objective, Nestlé performs periodical factory environmental surveys, a systematic, comprehensive and uniform approach for assessing the environmental performance of its factories. To consolidate data, to benchmark best practices and to allow internal and external reporting, a system was established that defines standardised environmental perfomance indicators (EPIs) across Nestlé. In 1997, all manufacturing sites were required to report their performance results annually and consolidation of EPIs began on a Group wide basis. From 2005, some KPI's are reported monthly (like energy consumption).

27. Communications: (CDP6 Q4(c))

27.1. Do you publish information about the risks and opportunities presented to your company by climate change, details of your emissions and plans to reduce emissions?

Yes.

If so, please indicate which of the following apply and provide details and/or a link to the documents or a copy of the relevant excerpt:

27.2. The company's Annual Report or other mainstream filings.

Yes

The Annual Management Report describes climate change strategy, projects, results. Also, in the web page:
http://www.nestle.com/CSV/EnvironmentalSustainability/EnvironmentalSustainability.htm

27.3. Voluntary communications (other than to CDP) such as Corporate Social Responsibility reporting.

Yes

The Annual Management Report describes climate change strategy, projects, results. Besides, in the web page:
http://www.nestle.com/CSV/EnvironmentalSustainability/EnvironmentalSustainability.htm

Further information

In addition, Investors Relations organize periodical meetings with the financial community.

http://cdp.cdproject.net/attachedfiles/Responses/53622/9161/Management Report.pdf

28. Public Policy: (CDP6 Q4(d))

28.1. Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading?

Yes

We actively participate in different international business organizations addressing climate change such as WEF, ERT, ICC, CIAA (Environment Committee Chair), as well as local business organizations. These organizations engage with policymakers.

Further information