

Nestlé Policy on Transparent Interactions with Public Authorities



Nestlé

Issuing department

Corporate Communications
Corporate Governance and Compliance

Target audience

Nestlé employees interacting with public authorities in relation to public policy development and implementation, including engagements with public authorities in the context of lobbying

Approver

Nestlé Executive Board

Repository

All Nestlé Principles and Policies, Standards and Guidelines can be found in *NestleDocs*, on the Nest

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Preamble

In line with its purpose of enhancing quality of life and contributing to a healthier future, Nestlé engages with public authorities in view of working towards positive outcomes for both business and society. Nestlé believes that transparent and constructive engagement is a vital part of policy decision-making process and as such, communicates its advocacy priorities and objectives transparently. Nestlé also believes in open dialogue, supports multi-stakeholders actions and adopts responsible business practices.

The purpose of this Policy is to ensure:

- that all interactions with public authorities¹ on behalf of Nestlé are done in accordance with applicable national and local laws and regulations, established corporate business principles and company internal rules, and are conducted transparently and professionally, and
- that relevant Nestlé employees and duly authorized third parties assigned to conduct lobbying² activities regulated by law have a clear understanding of what transparent and responsible lobbying is.

This Policy shall apply to interactions of Nestlé with public authorities in relation to public policy development and implementation, including engagements with public authorities in the context of lobbying.

Compliance with the Principles set out in this Policy is mandatory for all Nestlé employees and third parties acting on behalf of the company. In case of reasonable doubt, Nestlé employees must seek guidance from their line manager, the Legal Function, the Compliance Officer, or Corporate Communications.

Some countries have established laws on lobbying. The Market Legal Function or the Compliance Officer should provide appropriate guidance on the definition of “lobbying” and applicable laws. At all times, relevant Nestlé employees or duly authorized third parties carrying out lobbying activities shall convey only Nestlé’s positions. They shall regularly report on the contents and outcome of the lobbying activities.

WHO CAN PARTICIPATE IN LOBBYING ACTIVITIES ALLOWED AND REGULATED BY LAW AND ON BEHALF OF NESTLÉ

Nestlé employees must receive approval from their line managers before any activities covered under this Policy are conducted for the first time.

The appointment of a third party acting on behalf of Nestlé requires the same prior approval.

In case of reasonable doubt, the Line Manager prior to giving the approval, will consult with the Market Legal Function, Compliance Officer and Corporate Affairs/Communications. Where applicable, prior consultation should also involve subject matter experts.

1 Based on an OECD convention, defined as: “Any person holding a legislative, administrative or judicial office, whether appointed or elected; any person exercising a public function, including for a public agency or a publicly-owned enterprise; and any official or agent of a public international organization.”

2 OECD’s Lobbyists, Governments and Public Trust (2014) the term “lobbying” generally refers to oral or written communication with a public official to influence legislation, policy or administrative decisions and includes any activity where an attempt is made to influence public decision-making processes.

Governing Principles

As is true for everything we do, any interaction with public authorities in relation to public policy development and implementation, including engagements with public authorities in the context of lobbying must comply with local laws and regulations, the Nestlé Corporate Business Principles, the Nestlé Code of Business Conduct and other relevant internal rules.

These principles underpin open, transparent and responsible interactions with public authorities. These principles also apply whenever a third party is acting on behalf of Nestlé in these interactions with public authorities:

- **Integrity and honesty.** When interacting with public authorities, Nestlé employees must at all times act with integrity and honesty and in a fair and professional manner. Employees must always be open, transparent and accurate about the purpose of the interaction.
- **Good judgement and common sense.** In situations not governed by specific laws or internal rules, employees shall use good judgement and common sense, always guided by the Nestlé value of respect and the principles set out under this Policy and in case of reasonable doubt, seek advice and direction from their line managers.
- **Transparency in formal or informal representations on behalf of Nestlé.** Nestlé employees must, before establishing formal or informal representation to public authorities on behalf of Nestlé, disclose their identity and relationship with Nestlé, the purpose of the representation and the Nestlé position or standpoint.
- **Improper Influence.** Nestlé employees must never, directly or indirectly or through intermediaries, offer or promise any financial or other advantage to public authorities for the purpose of obtaining information or influencing their decision-making. Moreover, the Nestlé employee must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof.
- **Personal conflict of interest.** Interactions and engagements with public authorities can involve risks which the Nestlé employee should know how to recognize, manage and if possible, avoid. One such risk is when the Nestlé employee faces a conflict of interest. A Conflict of Interest occurs when personal interests of an employee or the interests of a third party compete with the interests of Nestlé. In such a situation, it can be difficult for the employee to act fully in the best interests of Nestlé. In these situations, the Nestlé employee shall disclose it to the line manager, who will consult the Market Legal Function and Compliance Officer in order to manage the conflict in a fair and transparent manner. The management of any form of conflict of interest situation must not lead to improper or unlawful action.

- **Conflicting Opinion within Industry.** If Nestlé does not agree with an agenda or position of e.g. an industry or trade association, or industry alliance or any of its member companies, Nestlé should communicate transparently its position to the industry organisation. Nestlé reserves its right to act as an individual company and engage independently with public authorities. In this context, Nestlé will use best efforts to prevent the misrepresentation of its positions by the industry organisation

- **Support to public authorities to tackle societal issues.** Nestlé shall, to the best of its abilities, support the actions of public authorities that aim to enhance quality of life and contribute to a healthier future for individuals and families, for communities and for the planet. This includes, but is not limited to, support to government efforts to address malnutrition and diet related chronic diseases.

Nestlé shall support governments in their efforts to promote and protect breastfeeding, as well as their efforts to implement the World Health Organization International Code of Marketing of Breast-milk Substitutes.

It is clear that no support of any nature shall be offered or extended to a public authority or government official in connection with or in the context of a pending or imminent decision affecting Nestlé.

- **Employment of Former Public Officials.** If employing former public officials, measures should be taken to fully understand and comply with the rules and regulations laid down by the government, the relevant institution and with established best-practices in particular with regards to confidentiality and potential conflict of interest.
- **Formal Representations on behalf of Industry.** Nestlé employees acting as a formal representative to public authorities on behalf of an industry or trade association or industry alliance, must be open and transparent about the nature of the organisation, its position or standpoint and the organisation's connection with Nestlé. At all such times, the Nestlé employee must only approach public authorities on a topic with a clear mandate from the industry organisation.

- **Accurate Information.** Nestlé employees must provide complete and accurate information to public authorities. Information provided must differentiate between facts and opinions. Employees must never knowingly mislead anyone and shall use proper care to avoid doing so inadvertently.

- **Sensitive Information.** Nestlé employees must respect and honour the intellectual property of third parties and must protect Nestlé information that is confidential, and not divulge such information to other third parties. Under exceptional circumstances and for very specific and limited purposes, Nestlé information that is confidential can be disclosed after prior consultation with the Market Legal Function and approval of the Line Manager.

- **Written Agreement and Third Party Fees.** A written agreement is required whenever Nestlé specifically contracts a third party to undertake lobbying activities on its behalf. The agreement, at the minimum, should state clear objectives, the desired outcome and the basis for fees. Such agreements and the proposed fees structure should be approved by the Market Legal Function and Compliance Officer.

- **Records and documentation.** As part of its internal controls against improper influence, Nestlé ensures that all business transactions and financial flows are properly recorded, classified and documented. This includes any services paid to third parties acting on behalf of Nestlé with the objective of providing inputs on public policy development and implementation directed at policymakers or other participants in the policy decision making processes.

Application of the Policy

This Policy is mandatory. The principles of good behaviour and practices contained in this Policy must be implemented by the Markets in their interactions and engagements with public authorities in relation to public policy development and implementation, including lobbying activities. Markets, Businesses and Zones are required to implement the training programs provided by the Centre.

This Policy must be read and used together with the following Reference Documents:

- *Nestlé purpose and values*
- *Nestlé Corporate Business Principles*
- *Nestlé Code of Business Conduct*
- *Guidance on Nestlé's Commitment against Bribery and Corruption (Appendix to the Nestlé Code of Business Conduct)*
- *Nestlé Organisation Principles*
- *Nestlé Information Classification Standard*
- *Nestlé Group Antitrust Law Policy*
- *Nestlé Policy Instructions on the Implementation of the WHO Code*
- *Nestlé Industry Affairs Guidelines*
- *Nestlé Policy on Public-Private Science and Research Partnerships*

