Nestlé Farm Animal Welfare Q&A

Management Commitment and Policy

Q1. Is animal welfare a business issue for Nestlé?

Yes, animal welfare is a critical business issue for Nestlé. As the world's largest food and beverage company the health and welfare of the animals in our supply chain is important to us and our consumers. We source a significant amount of milk for our dairy business and we use meat, poultry and eggs in some of our food products – varying by region and business. Some of our major product categories, including coffee and water, do not use a high percentage of animal derived proteins.

Q2. Does Nestlé have a policy or commitment on farm animal welfare?

Yes, we have a global animal welfare commitment, published in 2014. Between 2014 and 2019, we published additional commitments on specific welfare issues such as switching to cage free eggs and improving broiler chicken welfare in Europe and in North America.

Q3. What scope does Nestlé's animal welfare commitment cover?

Our commitments are global, unless otherwise specified. For example, our commitments on broiler chicken welfare cover Europe and the United States.

Q4. What is Nestlé's position on the avoidance of close confinement and intensive systems for livestock?

As stated in our Responsible Sourcing Standard (Chapter 4.2.10.4.5), we believe in phasing out close confinement and permanent tethering systems for farm animals, including cages, crates or tie stalls in favor of group or free housing in pens, barns and free access stalls. We are working with our suppliers to establish action plans to eliminate close confinement. We promote continuous improvement of welfare standards as outlined in our 2014 farm animal welfare commitment.

Q5. What is Nestlé's position on using farm animals subject to genetic engineering or cloning and/or their progeny or descendants in Nestle products?

We do not produce any products, or use any ingredients from farm animals or their offspring that have been subject to genetic engineering or cloning. We prohibit farmers within our supply chains from using cloned or genetically modified animals and their derivatives. Our Responsible Sourcing Standard specifies this, which applies globally.

Q6. What is Nestlé's position on growth promoting substances?

Nestlé does not support the use of veterinary medicines with performance enhancing effects in farm animals for the purposes of growth promotion. Any use of such medicines for purely therapeutic purposes should only be carried out under veterinarian advice.

Regulations and opinions on the use of performance enhancing medication vary significantly around the world. We will not advocate for the approval of performance enhancers in countries where they are not currently permitted for use.

Q7. What is Nestlé's position on the reduction or avoidance of antibiotics for prophylactic use in farm animals?

The appropriate use of antimicrobials is essential for protecting human and animal health, and for ensuring correct standards of animal welfare. We share concerns over the emergence of antimicrobial resistance. As stated in our Nestlé Responsible Sourcing Standard, the use of antimicrobials should take place under veterinary prescription for therapeutic purposes. The prophylactic use of antimicrobials should be limited to the strictest minimum amount required, timed to prevent outbreaks of contagious diseases.

We oppose the use of antimicrobials for growth promotion in animals. We also oppose the use of antimicrobials categorized by the World Health Organization as "critically important" or "highly important" for human use, which are not approved for veterinary use.

To help address antimicrobial resistance, we endorse international efforts, including the tripartite (FAO-OIE-WHO) approach to promote the responsible use of antimicrobial agents, aimed at minimizing the development of antimicrobial resistance. Alongside this, we continue to work with our suppliers to support practices and innovations that reduce the need to use antimicrobials in our supply chain, while maintaining animal welfare.

Q8. What is Nestlé's position on the avoidance of painful procedures for farm animals?

As stated in our Responsible Sourcing Standard, we require our suppliers to avoid using painful procedures for farm animals and to review and use alternatives where possible. Where painful procedures cannot be avoided, veterinarian support is needed, and pain should be managed using anesthesia and analgesia where available. Our Standard also states that farmers should phase out tail docking (cattle & pigs), dehorning, disbudding without anesthesia and analgesia, castration without anesthesia and analgesia (cattle & pigs), and non-therapeutic beak trimming (laying hens).

Q9. What is Nestlé's position on the avoidance of meat from animals that have not been subjected to pre-slaughter stunning? Do you also have a position on avoiding ingredients from finfish that have not been rendered insensible?

Our Responsible Sourcing Standard sets out our requirement that for chickens, farmers should stop live shackle slaughter and implement Low Atmospheric Pressure Stunning or Controlled Atmosphere Killing – multi-stage or with inert gas. Non-stun slaughter is currently permitted in certain regions where it is legally required. On a global basis, Nestle supports the principle of pre-slaughter stunning and the five freedoms of animal welfare.

Q10. What is Nestlé's position on long distance live transportation of animals?

The welfare of animals at all stages of our supply chain, including during transport, is important to us. Requirements on live transportation form part of our publicly available Responsible Sourcing Standard (Chapter 3.3.3). In addition to following all local laws and regulations regarding transportation, our standard lays out the minimum requirements we expect our suppliers to follow, covering equipment, space, water, feed, and loading.

Governance and Management

Q11. Who is responsible for farm animal welfare at Nestlé?

Nestlé's Executive Director for Operations has responsibility for overseeing farm animal welfare. All employees are required to uphold Nestlé's values of respect, including respect for animals.

Q12. What are Nestlé's objectives and targets for managing farm animal welfare?

We have made several time limited public objectives for improving farm animal welfare, such as our commitments on cage free eggs and improved broiler chicken welfare in Europe and North America. Work continues on other important issues based on our public global animal welfare commitment, including the elimination of on farm practices such as close confinement.

Q13. Does Nestlé report on its performance against its animal welfare policy and/or objectives?

Yes, we report publicly on specific commitments and policies, such as progress against our cage free commitment in Europe. We are committed to increasing year on year our public reporting on actions and progress to improve farm animal health and welfare.

Q14. What are Nestlé's internal processes for ensuring farm animal welfare policies and commitments are implemented effectively?

Nestlé has a global steering group overseeing policy, advocacy, responsible sourcing and operational implementation and progress on animal welfare. This meets four times per year, supplemented by additional discussions where required. We report on progress against public commitments.

We train our buyers on responsible sourcing and we assess our suppliers against our Responsible Sourcing Standard, which includes requirements on animal welfare, labour practices and environmental impact. We engage with independent auditors such as SGS and Bureau Veritas, who carry out farm assessments using a responsible sourcing assessment tool. If these assessments find that our suppliers are in breach of the Nestlé Responsible Sourcing Standard and do not commit to actions to remediate gaps, then we reserve the right to review commercial relationships.

Nestlé also has an official partnership with the not-for-profit organization Compassion in World Farming (CIWF), which supports us on topics related to animal welfare. For example, CIWF leads a twice-yearly dedicated internal training session on animal welfare for Nestlé staff working with animal products.

Q15. How does Nestle implement its animal welfare policy through the supply chain?

Implementation of the requirements laid out in our Responsible Sourcing Standard, including on animal welfare, are mandatory for our suppliers. Nestlé's global Responsible Sourcing team works with suppliers to organize farm assessments. These identify practices at farm level and assess if and how far they comply with our Responsible Sourcing Standard. We also increasingly working with suppliers to fund impactful and innovative projects supporting advancements in animal welfare (see Q17).

Q16. Does Nestle require adherence to farm animal welfare schemes to a prescribed standard in its supply chain?

We are improving farm animal welfare in our supply chain through specific public commitments and pilot projects. Farm-level assurance standards do form part of our supply chain alongside our own Responsible Sourcing standard, although we do not currently require the use of such schemes by our suppliers. As part of our commitments on cage free eggs and improved broiler chicken welfare in Europe and North America we are reviewing on a regional basis which farm animal welfare schemes best apply.

Innovation and Leadership

Q17. Is Nestle investing in projects to advance farm animal welfare practices in the industry?

Yes. We are increasingly working with our suppliers to support projects that deliver advancements in animal welfare. Recent examples include:

- Financial support for the construction of one of the first cage-free hen breeding facilities in China. This project has attracted interest and hosted visits by government officials and industry stakeholders, who consider it a leading example in China. We have also organized a visit to the facility for our partner Compassion in World Farming (CIWF).
- Leading the organization and funding of a seminar in Iowa (United States) on sow housing. Our objective was to share knowledge and support the adoption of open sow housing practices in North America as an alternative to conventional gestation stalls.
- Sponsoring a project in the United States to study the animal welfare benefits of environmental enrichment devices in pig production. This project studied three different types of enrichment devices that appear suitable and measured their effects on pig welfare from birth to slaughter.
- Financial support for innovative pig producing farmers in France, testing a variety of enhanced animal welfare practices including using dynamic sow farrowing crates, which can open (more freedom for sows), avoiding painful practices such as castration and tail docking, using enrichment materials and avoiding the use of antimicrobials after weaning.
- Financial and technical support for German farmers to share knowledge on tackling lameness issues in dairy cows.
- Financial and infrastructure support in Indonesia and Morocco to improve the welfare conditions of dairy calves and dairy cattle.
- Using connected health and welfare monitoring sensors in dairy cattle to support farmers in their day-to-day monitoring of animal welfare.

We constantly look for new project opportunities and expect our suppliers to submit proposals. Our focus will increasingly be on supporting impactful and innovative pilot projects.

Q18. What awards has Nestle received for its work on farm animal welfare?

Nestlé received the 2018 Good Egg award from Compassion in World Farming (CIWF) for our commitment on sourcing cage free eggs worldwide by 2025.

Q19. Does Nestle promote higher farm animal welfare to consumers through education and/or awareness-raising activities?

For our Thomy brand of mayonnaise, Nestlé communicates our use of free-range eggs as ingredients in appropriate markets. (see for examples - https://www.thomy.ch/fr/nos-engagements)

The Herta S´Engage – Filière Preference program put in place by our Herta charcuterie brand includes animal welfare information for consumers both on pack and online. This program started in 2013 and now includes more than 300 pig-producing farmers in France. We communicate directly with consumers on the animal welfare benefits. For example, we have produced a 3D virtual film visit to a pig farm to allow consumers to view the production conditions at one of our Filière Préférence farms.

Q20. What is Nestlé's position on promoting non-animal devised protein products alongside animal protein products? Through this, are you aiming to reduce or substitute a proportion of the animal protein you sell?

Whether they come from plant based or animal sources, our aim is to source sustainably and efficiently produced agricultural raw materials for use as ingredients. Alternative proteins can be produced through an efficient use of resources (e.g. land and water) and have a role to play in delivering increasingly sought-after protein-rich diets. To meet this evolving consumer demand, we are investing in plant-based alternatives for some of our food and beverage portfolio. At the same time, we continue to offer products using animal proteins and to work on improving the sustainability of their production through, for example, supporting the cross industry Dairy Sustainability Framework (DSF) where Nestlé is a significant and active member.

For more detail on Nestlé and plant based protein, visit our dedicated website:
https://www.nestle.com/stories/meat-alternative-plant-based-proteins

Performance Reporting and Impact

Nestlé recently conducted a representative survey with our dairy, meat, poultry and egg suppliers to map out animal welfare practices in our supply chain. The data collected are not exhaustive. The information provides a snapshot of expected performance taking into account significant regional variations - based on differing regulatory regimes and farming practices.

Q21. What proportion of animals for your own-brand products in your global supply chain are free from confinement (i.e. those in barn, free range, indoor group housed, outdoor bred/reared)?

The use of confinement systems varies significantly depending on local regulations, practices and the type of animal.

In 2017, Nestlé made a formal global commitment regarding the confinement of laying hens and the use of cage free eggs. The current implementation of this commitment varies regionally. In Europe, over 60% of the volume of eggs we use is already cage-free. Based on our latest estimates and the data obtained from our recent supplier survey we estimate that globally, 16 to 19% of the global volume of eggs we procure is already cage-free. By 2025, our commitment is to reach 100%. We are committed to reaching 100% in the USA and Europe by the end of 2020.

Regarding pig production, and more precisely sow housing, regulatory changes are influencing the situation. In Europe, Canada and an increasing number of states in the US, individual confinement of sows, 4 weeks after service, is now illegal. This is not the case in other major pig producing countries,

regions and states. As a company, we support the adoption of open sow housing systems. For example, we organized and sponsored a seminar on this topic in 2019 in Iowa, a major pig producing state.

Based on the data gathered from our survey, our estimate is that globally, around 68% of our pork volume now comes from open sow housing systems (4 weeks after service).

Q22. What proportion of animals in your global supply chain do not undergo painful procedures?

In conventional producing systems, farmers perform procedures such as tail docking for pigs or carry out pig castration to avoid cases of tail biting (pigs are naturally curious and in intensive systems will play / chew each other's tails) and meat quality defects (bore taint).

As defined in our Responsible Sourcing Standard, we believe in avoiding painful procedures for animals wherever possible. Producers should carefully review and, where possible, use alternatives. We are financially supporting projects that test environmental enrichment devices both in Europe and in North America. These projects aim to create a more interesting / interactive environment for the animals, therefore reducing the need for painful procedures like tail docking.

The same approach applies to pig castration. In France, we are financially supporting farmers who are currently testing management approaches that end the need to castrate pigs. We also source from European suppliers and countries (e.g. Spain) that have already stopped castration.

We are building data on the proportion of animals in our supply chain do not undergo painful procedures. For example, 62% of the global volume of eggs we use comes from hens that have not been beak trimmed to avoid feather loss. Regulatory changes in Europe – particularly in Germany where the practice of beak trimming is now illegal – are helping drive this progress.

Q23. What proportion of animals in your global supply chain are subject to pre-slaughter stunning?

Pre-slaughter stunning is an important process to avoid pain during slaughter. On a global basis, Nestlé supports the stunning of animals before slaughter. Based on our recent supplier survey and excluding the small amount of halal/kosher meat/poultry we use 100% of the volume of meat and poultry we use is subject to pre-slaughter stunning. Pre-slaughter stunning is standard industry practice in many countries.

Q24. What is the average, typical or maximum permitted live transport times for the animals in your global supply chain?

Our Responsible Sourcing Standard (Chapter 3.3.3) sets the requirements our suppliers must apply during the transport of animals. We collaborate with suppliers and encourage the roll out of training programs for staff that transport animals.

Pigs in our supply chain are transported under regular planned circumstances for an average of 2.7 to 3.7 hours in one journey. In the case of beef cattle, they are generally transported over longer distances/periods for an average of 6 to 7 hours. In the case of chickens, distances are shorter, with regular, planned transport. The average is 1.4 to 2.4 hours. These data are indicative only and require further analysis to identify where improvements may be required.

Q25. What information do you have on welfare outcome measures in your supply chain (i.e. measures linked to the physical, emotional and/or behavioral wellbeing of animals)?

Data shows that the level of tail biting in pigs (inspected at slaughter) in our supply chain is on average 1.4 to 4.1%.

For dairy cows, the level of severe lameness for dairy cows is on average 1.8 to 4.4% in our supply chain. In Germany, we are now collaborating with one of our suppliers to train farmers on reducing the level of lameness in dairy cows.

Q26. What do you report on regarding farm animal welfare?

We report publicly on specific commitments, such as progress against our cage free commitment in Europe. Our recent farm animal welfare survey, carried out with our dairy, meat, poultry, and egg suppliers, has started providing more information that we are assessing and publishing.

Q27. What proportion of laying hens (for shell eggs and fresh/frozen products and ingredients) in your global supply chain are now cage-free?

In Europe, over 60% of the volume of eggs we use is already cage-free. Based on our latest purchasing information and the data obtained from our recent supplier survey, globally 16 to 19% of the volume of eggs we use is cage-free. By 2025, our commitment is to reach 100%. We have committed to facilitating this transition by 2020 in Europe and the USA.

Q28. What proportion of the fresh/frozen pork products and ingredients that you use is sourced from pigs that are free from sow stalls?

Globally 68% of our pork volume consumption comes from open sow housing systems (4 weeks after service).

As a company, we continue to support the adoption of open sow housing systems around the world. In Europe, Canada and an increasing number of states in the United States, individual confinement of sows in stalls, more than 4 weeks after service, is illegal. This is not the case in other major pig producing countries, regions and states.

Q29. What proportion of fresh/frozen milk or milk products and ingredients that you use is sourced from cows that are free from tethering?

The adoption of free tethering dairy production systems varies by country and region. In developing countries, where farmers typically own only three or four cows, the use of tethering systems is still common practice.

In Indonesia, Nestlé is financially supporting the construction of a pilot for a free stall calve facility together with one of our dairy cooperative partners. This project aims to serve as a model and example for other dairy cooperatives and farmers to adopt free tethering systems.

Globally 86% of the milk volume we source directly from farmers comes from free tethering systems. In the case of dairy ingredients, which we buy from suppliers in New Zealand, North America and Europe, around 95% of the global volume we source comes from free tethering systems.

Q30. What proportion of broiler chickens for your fresh/frozen products and ingredients that you use is reared at lower stocking densities (specifically, 30 kg/m2 or less)?

Nestlé has recently made a commitment to improve broiler chicken welfare in Europe and North America. This commitment includes the eventual reduction of stocking densities to 30 kg/m^2. In the United States this will happen by 2024 while in Europe the change will happen by 2026. We will begin reporting on progress in 2020.

Q31. What proportion of laying hens in your global supply chain is free from beak trimming or tipping?

The practice of beak trimming of laying hens varies upon countries and regions. In some countries, such as Germany, the practice is already illegal. Around 60% of the global volume of eggs we source comes from hens that have not been beak trimmed.

Q32. What proportion of the pigs in your global supply chain are free from tail docking?

We do not currently report this data. However, we are financially supporting projects testing pig environmental enrichment devices both in Europe and in North America. The objective of these projects is to create a more interesting / interactive environment for the pigs and therefore reduce the need for tail docking.

Q33. What proportion of dairy cows in your global supply chain is free from tail docking?

Historically, cows were tail docked to improve hygiene and facilitate operations during milking. With time, regulatory changes and the introduction of national dairy production schemes (e.g. the US FARM Program), the frequency of tail docking cows has significantly reduced.

Based on our recent survey of suppliers of dairy ingredients, along with farmers who supply fresh milk directly to Nestlé, almost all (99%) of the dairy cows in our supply chain are free from tail docking.

Q34. What proportion of animals (excluding fin fish) in your global supply chain is pre-slaughter stunned?

Pre-slaughter stunning is an important process to avoid pain during slaughter. On a global basis, Nestlé supports the stunning of animals before slaughter. Based on our recent supplier survey and excluding the small amount of halal/kosher meat/poultry we use, our data indicate that all (100%) of the volume of meat and poultry we use is subject to pre-slaughter stunning. Pre-slaughter stunning has now become an industry standard.

Q35. What proportion of animals (excluding fin fish) in your global supply chain is transported within specified maximum journey times?

We do not define specific maximum transport journey times and follow local regulations on this in the countries where we operate. Our Responsible Sourcing Standard (Chapter 3.3.3) sets the requirements for conditions that our suppliers must put in place during the transport of animals.

We do monitor transportation times. Based on the data collected in our recent survey, we see that average transportation times for pigs under regular planned circumstances is between 2.7 to 3.7 hours in one journey. Beef cattle are transported over longer distances and for longer periods – on average 6 to 7 hours. For chickens, the distances are shorter, with regular, planned transport. The average is 1.4 to 2.4 hours. These data are indicative only and require further analysis to identify where improvements may be required.