

Media backgrounder: Operations

Switching to renewable electricity and cleaner logistics

Limiting global warming to 1.5°C will require major changes to the way we move goods around the world. Our 2050 ambition will be realized through a cleaner, leaner logistics network that delivers ingredients from the farm to our factories, and our products to distribution centers around the world. It also relies on a significant shift in the way we power our operations, moving to cleaner sources of power. Key actions include:

1) Switching to 100% Renewable Electricity

- In the Middle East, Nestlé <u>built the largest ground mounted private solar plant in</u> <u>the UAE</u>, generating 85% of the electricity for our Al Maha factory in Dubai. The plant started generating in September 2019 and eliminates approximately 4500 tonnes of CO2 per year from our operations.
- In the UK, <u>Nestlé has already transitioned to 100% renewable electricity</u>, including through 4000 solar panels installed on our factories in Fawdon and Tutbury. Nestlé UK & Ireland also sources hydro power in Buxton, making up around 30% of the electricity requirements of our waters factory in the town. The rest of our electricity needs come from wind power investments in Scotland and other parts of the UK.

2) Investing in circular methods of production

• **Circular Economy:** Nestlé Spain has launched a <u>new coffee grounds titration boiler</u> in <u>Girona factory</u> (soluble coffee and beverages in single-dose capsules). The boiler, paid through an investment of 17.2 million euros, uses the sediment from preparing soluble coffee to produce steam. 80% of the grounds from the production of soluble coffee is recovered as a boiler biofuel. The new facility will provide 125,000 tons of steam per year, which represents a 25% reduction in natural gas consumption at the factory.

3) Switching to cleaner fuel trucks

- Nestlé is a member of the <u>European Clean Trucking Alliance</u> working with NGOs, shippers, logistics and consumer goods companies. Together they share the goal of accelerating the decarbonization of road freight transport in the EU.
- <u>ZOÉGAS introduces its first electric truck for more sustainable transport solutions</u> (<u>Sweden</u>) Nestlé's Zoégas business in the Nordics is moving towards achieving zero environmental impact, including through adopting sustainable transport solutions.

From mid-October 2020, all transport from the Zoégas factory to its distribution warehouse will be completed by electric truck. This change will reduce the CO2 footprint of the company's transportation by 40%. During 2021, all Zoégas transport activities are expected to be completely carbon neutral.

• Nestlé continues to actively collaborate with our <u>logistics service provider Galliker</u> in <u>Switzerland</u> which s piloting natural gas, electric and hydrogen trucks.