Nestlé: Driving climate action
December 14th, 2021

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Our purpose:
To unlock the power of food to enhance quality of life for everyone, today and for generations to come.

1867
Nestlé founded by Henri Nestlé; develops farine lactée to tackle high infant mortality

2006
CSV approach formally adopted

2017
Nestlé needs YOUth

2018
Nestlé for Healthier Kids

2019
Net Zero commitment
Institute of Packaging Sciences launched

2021
Net Zero Roadmap
Announcement of plans to support transition to regenerative food system

1997
Nestlé sets Nutrition, Health and Wellness vision

2012
Launch of CSV Commitments

2016
2030 CSV ambitions refined; targets set for next five years

2020

Nestlé: 2021 a year of action

2020: Announced CHF 3.2 billion to be invested (2021-2025) as part of Net Zero plan
The business case: transition to a just, regenerative food system

Systemic change is needed
- Unsustainable business models
- Extreme weather events
- Zoonotic diseases
- Declining yields

Shared value creation is key
- Regulatory change
- Supply chain resilience
- Local sourcing flexibility
- Sustainable livelihoods
- Food insecurity
- Emissions reduction and removals
- Biodiversity positive
- Consumer relevance
Agricultural accounts for the bulk of our carbon footprint

Total GHG emissions
113 million tonnes (CO2 equivalent) in 2018; 92 million in scope of UN 1.5°C pledge
Regenerative agriculture is essential to achieving our goals

**Biodiversity**
Increase plant and animal biodiversity above and below the ground.

**Soil**
Scale up farming practices that protect soil health and increase soil organic matter.

**Water**
Reduce chemical farm inputs, optimize organic fertilization, biological pest control and irrigation techniques.

**Livestock**
Integrate livestock and optimized grazing in farming systems where feasible.

**Farmers**
Supporting the transition to regenerative dairy is key

Emission factors: fresh milk production

- Energy & processing: 3%
- Transport: 1%
- Grazing & grassland fertilization: 8%
- Manure management: 12%
- Enteric fermentation: 40%
- Feed production: 36%

Source: Cool Farm Tool: 160 dairy farming archetypes
Establishing a pipeline of tailored solutions: test, learn, prove

<table>
<thead>
<tr>
<th>Research</th>
<th>Pilot</th>
<th>Engage</th>
<th>Deploy</th>
<th>Scale</th>
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</thead>
<tbody>
<tr>
<td>Lead farm <strong>Co-located</strong> with dairy R&amp;D hub in Konolfingen</td>
<td><strong>30+</strong> farm network developing 12 regional models</td>
<td><strong>3,500</strong> dairy agronomists</td>
<td><strong>200,000</strong> dairy farmers in Farmer Connect program</td>
<td><strong>Partnering</strong> with dairy associations and suppliers in key markets</td>
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<tr>
<td>Validating new technologies</td>
<td>Building baseline data <strong>1,000+</strong> farms in 2021</td>
<td>Business and financing model development</td>
<td>Data collection and monitoring</td>
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<tr>
<td>Methane reduction, manure management</td>
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<td>Provide training and technical assistance</td>
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14 December, 2021

Morgan Stanley: Driving climate action
Shifting to a Forest Positive strategy

Deforestation-free supply chains

Conservation and restoration in our supply chain

Sustainable landscapes in our sourcing regions

Interventions contributing to regenerative and equitable agricultural systems

Backed by transparent reporting and advocacy
Leveraging a toolkit approach: protect, renew and restore

Enhancing traceability and transparency

Global

- 4% Assessed on the ground
- 7% Assessed from the sky
- 10% Unknown
- 90% Traceable to low-risk origins
- 79% Traceable to low-risk origins

Mapping areas of future risk

Aceh, Indonesia

- Driving holistic landscape interventions

Cavally Forest, Côte d’Ivoire

- 1,500 hectares of trees to be replanted in the reserve by community members
- 1990
- 2015

Morgan Stanley: Driving climate action
Becoming Forest Positive is integral to achieving Net Zero

- **Deforestation-free commitment**
- **Forest Positive operational plan**
- **100% deforestation-free supply chains**
  - palm oil, sugar, soy, meat, and pulp and paper
- **Land rights action plan**
- **Global forest footprint**
  - 15 landscape interventions
- **200 m trees planted within our supply chains**
  - ("insetting")
- **100% deforestation-free supply chains**
  - cocoa and coffee

Timeline:
- 2010
- 2021
- 2022
- 2023
- 2024
- 2025
- 2030
- 2050
Evolving our product portfolio to empower consumers to make more sustainable choices
Working across the value chain to develop low carbon products

- Plant science
- Dairy agricultural science
- Process technologies
- Packaging / End of life
- Recipe design
- New product innovation

Modelling carbon impact
Generating impact and growth opportunities: plant-based
Tapping all avenues to evolve our product portfolio

Affordable plant-based

Sidestreams

Regenerative
Key takeaways

• **Purpose** and **leadership** are key

• Stakeholder **engagement** is critical, issues can be turned into **opportunities**

• It is a **journey**, the context is evolving, and we never have all the answers

• A willingness to embrace **system change** is needed

• **Collaboration** is essential and vital to addressing climate change

• There are opportunities with **consumers**