



Good food, Good life

## NESTLÉ S.A. – CLIMATE CHANGE ACTION - ADVOCACY POSITION AND PRINCIPLES

Acting on climate change is an urgent need. Unless there are immediate, rapid and large-scale reductions in global greenhouse gas (“GHG”) emissions, limiting warming to close to 1.5°C or even 2°C will be beyond reach. There is an ongoing need for international, regional and national Government policies and legislation to address this crisis as soon as possible, in addition to private sector efforts.

This document summarizes the climate advocacy principles that Nestlé S.A. supports and that are used in legislative advocacy. It may be updated from time to time as per the evolution of climate legislation and Nestlé’s climate action strategy. Any relevant updates will also be published.

These climate advocacy principles complement those already established in [Nestlé’s Net Zero Climate Roadmap](#) and are translated into specific advocacy efforts at global, regional and country levels.

### 1. NESTLÉ CLIMATE ADVOCACY PRIORITIES

At Nestlé, we support progressive climate action and policies that align with the Paris Agreement and the 1.5-degree pathway, and we want to be a positive change agent helping countries meet their climate targets and identify ways of going beyond existing plans.

We are convinced that we cannot achieve our ambitions on climate if they are not supported by the right guiding standards and public policies. That is why at Nestlé we have identified the need to advocate for critical Rules and Policies for climate, which we call Climate Advocacy Priorities. These are: 1) clear and fair rules for Natural Climate Solutions (insetting), Carbon Market & Pricing and offsetting, Disclosure & Reporting, and Environmental Claims); and 2) Policies to transform Agriculture, Energy, Logistics, and Packaging. Each Climate Advocacy Priority is led by one cross-functional working group, responsible for defining the corporate positions and strategies on the topic, validated by a Climate Advocacy Group at the global level. Implementation of these strategies is led by these working groups at global and regional level and by the local businesses, at country level.

All Nestlé positions on our Climate Advocacy Priorities are in alignment with the aims of the Paris Agreement and, therefore, in line with the preferred 1.5-degree pathway and the Nestlé Net Zero Roadmap. This approach should extend to the activities of trade associations or other types of private sector led coalitions where Nestlé is a member at global, regional and local levels.



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It is important that businesses are recognized and promoted as contributors and accelerators of decarbonization by public policy, including legislation. Business activity can thrive when rules are clear and certain and can complement public efforts. In particular, there is a clear role for Nestlé to play concerning the importance of agriculture as one of the key drivers in the fight against climate change. This is not only essential to achieving the aims of the Nestlé Net Zero Climate Roadmap, but also to our work towards advancing regenerative food systems at scale.

## **2. THE ROLE OF CLIMATE LEGISLATION TO FIGHT CLIMATE CHANGE**

We support strong and bold “Nationally Determined Contributions” (“NDCs”) that align with the 1.5-degree pathway.

We also encourage governments to translate their NDCs and other “Conference of the Parties” (COP) commitments into national/regional legislation to ensure execution of these ambitions and, therefore, deliver meaningful climate action.

The following are some of the main **principles** that we believe climate legislation should incorporate and that we will promote in our climate advocacy efforts:

### **4.1. Comprehensive policy and framework legislation.**

We support legislation that defines the institutional framework for climate change policy and implementation, and that includes long-term decarbonization and adaptation objectives. This framework legislation should also include long and mid-term goals, and ideally sectoral goals too, as well as the governmental institutions and processes needed to meet those objectives.

### **4.2. Transparency and disclosure. Measurement. Oversight.**

Climate legislation should require both the private and the public sectors to publish information on climate-related actions, physical risks, and vulnerabilities.

Legislation should also establish measurement, reporting, and verification systems to track progress, policy-making, and monitoring compliance.

Finally, legislation should establish the mechanisms by which a government or other authorities will exercise oversight of policy implementation.

### **4.3. Financing the cost of decarbonization fairly.**

Legislation should establish how a government will fund the implementation of its climate policies. It is important that the most effective interventions are selected after careful assessment and that the mechanisms established ensure the price paid for carbon effectively goes to finance real decarbonization efforts.

In parallel, governments should stop financing and subsidizing activities inconsistent with the climate strategy.



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The legislation must not allow ‘free riders’ or unfair treatment. Clear rules should apply equally, ensuring that efforts are imposed proportionally on all actors and avoiding disproportionate reliance on the commitment of a few sectors or players.

### **4.4. Avoidance of trade barriers.**

It is possible that some measures in principle destined to support the decarbonization of the economy may be perceived (or indeed be) a form of protectionism and therefore trigger “trade wars” among countries or blocks. This situation needs to be avoided as much as possible, as it will jeopardize climate action progress.

### **4.5. Just transition (the social aspect of climate change mitigation).**

Given our extensive experience in working to create more sustainable supply chains, Nestlé knows that people must be at the center of a just transition to a decarbonized world. Such a transition will likely affect many sectors in the current carbon-intensive economy (e.g., workers in traditional emission-intensive activities). Therefore, governments should include measures to support those sectors of the population most affected by the changes. This applies to the food system, where any shift to new methods of producing food in a less carbon intensive way, like regenerative agriculture practices, must safeguard incomes and the rights of farmers and workers.

### **4.6. Encouraging behavioral change at the consumer and societal level.**

Although each personal carbon footprint represents individually only a tiny fraction of global greenhouse gas emissions, consumers have a collective ability to influence industry and cultural changes. Hence, legislation must promote and incentivize consumer behavioral change. Availability of public transportation and shared vehicles, control and promotion of circular economy models are just some examples that could trigger rapid transformations towards a more sustainable economy and consumption.

### **4.7 Looking at other policies through the lens of climate change.**

Considering how crucial this issue is for the future of humanity, it is important to analyze any new public policy through the lens of climate to ensure its consistency with the aims of the Paris Agreement. Such policies should contribute and support progress on decarbonization, and should be climate-resilient (e.g., policies related to subsidies, public health, food, biodiversity). Nestlé supports the development of climate legislation that enables a regenerative food system at scale, providing affordable, nutritious, sustainable diets to everyone.