Creating Shared Value and meeting our commitments

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Nestlé
Nestlé at a glance

• Started in **1866** as an infant nutrition company

• Our objective is to be the **recognised leader in Nutrition, Health and Wellness**

- **CHF 92.2 billion** sales
- **333,000** employees in **196** countries
- **> 1 billion** products sold every day
- **447 factories in 86 countries**
- **CHF 1.5 billion** R&D investment
- **680,000 farmers supplying directly to Nestlé**
Creating Shared Value at Nestlé

“For a company to be successful over the long term and create value for shareholders, it must create value for society at the same time.”

At Nestlé, this begins with the creation of superior long-term value for shareholders by offering products and services that help people improve their nutrition, health and wellness.

We focus our efforts in the areas of nutrition, water and rural development.

We actively manage our commitments to environmental and social sustainability, necessary for operating our factories and for the sustainable development of the communities and countries where we operate.

We recognise that our position in society brings both opportunities and responsibilities: to do business in compliance with national laws, international standards and our own values and principles.
Creating Shared Value was born at Nestlé
Reporting on Creating Shared Value 2004-2013

From storytelling... ...to committing
Our commitments

Nutrition

Build knowledge leadership in children’s nutrition through a deep understanding of their dietary intakes and lifestyle habits

Lead the industry in nutrition and health research through internal programmes and external collaborations with top institutions

Provide nutritionally sound products designed for children

Help reduce the risk of under-nutrition through micronutrient fortification

Reduce sodium (salt) in our products

Reduce sugars in our products

Reduce saturated fats and remove trans fats originating from partially hydrogenated oils in our products

Help increase consumption of whole grains and vegetables, including via healthier home cooking

Deliver nutrition information and advice on all our labels

Provide portion guidance

Promote healthy diets and lifestyles / physical activity

Promote healthy hydration as part of healthy lifestyles

Implement nutrition education programmes to promote good nutrition practices

Rural development and responsible sourcing

Roll out the Rural Development Framework

Roll out the Nestlé Cocoa Plan

Roll out the Nescafé Plan

Implement responsible sourcing

Water

Work to achieve water efficiency across our operations

Advocate for effective water policies and stewardship

Treat the water we discharge effectively

Engage with suppliers, especially those in agriculture

Raise awareness of water access and conservation

Environmental sustainability

Improve resource efficiency

Improve the environmental performance of our packaging

Assess and optimise the environmental impact of our products

Provide climate change leadership

Preserve natural capital, including forests

Provide meaningful and accurate environmental information and dialogue

Our people, human rights, and compliance

Assess and address human rights impacts in our operations and supply chain

Eliminate child labour in key commodities (cocoa, hazelnuts, vanilla)

Market breast-milk substitutes responsibly

Ensure that all Nestlé units have the necessary systems in place to deliver the same level of basic safety and health protection for all employees

Enhance gender balance

Offer 20,000 job opportunities for young people below 30 years of age at Nestlé in Europe

Provide training and education for our employees in CSV, Nutrition Quotient (NQ) and environmental sustainability
Stakeholder engagement

Washington 2008
Kuala Lumpur 2009
Geneva 2009
New Delhi 2011
Nairobi 2012
## Listening to our stakeholders

### Nestlé Materiality matrix

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<th>Increasing concern to stakeholders</th>
<th>Increasing or current impact on Nestlé</th>
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<td>Manufacturing</td>
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<td>Climate change</td>
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<td>Public policy, advocacy and lobbying</td>
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<td>Rural development</td>
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<td>Transport and distribution</td>
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<td>Employee health and safety</td>
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**Future directionality:**

- Increasing stakeholder concern and business impact
- Steady stakeholder concern and business impact
- Increase in stakeholder concern
Increased transparency in reporting
Promoting optimal nutrition health and wellness throughout life course

Source: WHO

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Our global R&D network

34 facilities worldwide
• 3 Research Centres
• 31 Product Technology and R&D Centres
Addressing nutritional needs of mothers and babies

- First 1000 Days
- Start Healthy Stay Healthy
- Promotion of breastfeeding
- FITS: Feeding Infants & Toddlers Study

KNHS: Kids Nutrition & Health Study
Addressing nutritional needs of children and families

- Salt, fat, sugar reductions
- Portion guidance
- Nutrition info and advice on labels
- Healthy hydration
- Healthy diets and physical activity

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Creating Shared Value and meeting our commitments
Addressing nutritional needs of children and families through fortification
How we help address water challenges

- **Work** to achieve water efficiency across our operations
- **Advocate** for effective water policies and stewardship
- **Treat** the water we discharge effectively
- **Engage** with suppliers, especially those in agriculture
- **Raise** awareness of water access and conservation
How we help address rural development challenges

- Roll out the Rural Development Framework
- Roll out the Nestlé Cocoa Plan
- Roll out the Nescafé Plan
- Implement responsible sourcing
What we hope to see from the investor community

- Understand and value the importance of Creating Shared Value to the long-term performance of our business

- Careful review of Nestlė in Society: Creating Shared Value reporting

- Focus on indices/reports: FTSE4Good, CDP, DJSI, Access to Nutrition Index, Oxfam Behind the Brands