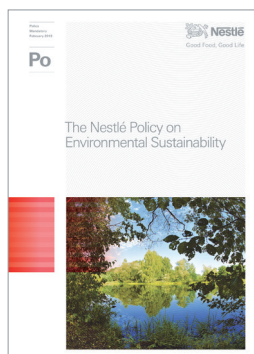


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## Appendix to The Nestlé Policy on Environmental Sustainability

# Nestlé Commitment on Climate Change

Increasing levels of anthropogenic green house gases (GHG) in the atmosphere are causing changes to the climate and thereby the ecosystems and processes upon which human prosperity is based. Of particular concern are changes to the weather patterns, water availability, and agricultural productivity, as well as the loss of biodiversity upon which much of the resilience of natural systems is built.

Current forecasts indicate that even with rapid action to curb global GHG emissions in the next decade, the world is still likely to see temperatures rise more than 2 degrees Celsius over pre-industrial levels. Whilst increased temperatures of 2-3 degrees may be positive overall for global agricultural yields, they will involve potentially severe consequences at national and regional levels. These might include changes to the suitability of the current growing areas for crops such as cocoa and coffee. Increases above 3 degrees would be progressively more serious for food production across all regions, and would also lead to sea level rises and disruptions in global supply chains due to severe weather events.

Nestlé believes that it is imperative that governments, companies and individuals take measures to reduce the production of green house gases. They each have different responsibilities and roles: Governments provide stable legal and policy frameworks that create a level playing field and provide incentives to guide behaviour to tackle climate change<sup>1</sup>; companies compete to produce the most energy efficient products and services and increase climate resilience with their suppliers; and consumers

choose the most sustainable products. Nestlé itself aims to constantly lower the GHG emissions associated with the production and distribution of its food and beverages, and to design products that help consumers lower their own GHG emissions in the use of those products.

With the impacts of rising global temperatures already visible, Nestlé also believes that a new emphasis needs to be made by Governments, companies and other stakeholders to increase efforts in helping family farmers become resilient to weather changes. There is a general need for the provision of better information and insights for all stakeholders on climate change adaptation, plants that are better adapted for changing climate, and help for farmers to adopt better agricultural practices and landscape management techniques.

Nestlé acknowledges the interest from consumers to know about the impact of food products during their entire life cycle from farm to consumer and beyond. Nestlé is committed to meaningful and accurate environmental information and dialogue based on scientific evidence about our products, activities and services at corporate, market and product brand level. Nestlé believes that on-pack labelling may not be the best option for communicating complex issues and data on environmental impacts. Further, it believes that the labelling of products with a single indicator such as CO<sub>2</sub>, or

<sup>1</sup> Government policies and incentives to tackle climate change should not have perverse effects on food supply and food security.

carbon footprint, is problematic as this neglects other important and inter-related factors such as water. Nestlé is therefore helping consumers make informed choices through credible, substantiated communication; leveraging relevant contact points (e.g. digital, packaging and point-of-sale) to inform consumers of environmental improvements, as well as action they can take when using our products and handling used packaging.

### **Nestlé Commitments**

On **mitigation** Nestlé commits to:

- Continue to target the reduction of GHG emissions from its direct operations. The emphasis at the factories will be on energy efficiency and to increase the amount of energy derived from sustainably-managed renewable sources.
- Extend the scope of its GHG reduction efforts along the value chain, including sourcing of raw materials (see next point), manufacturing, packaging, distribution, and consumer use and beyond.
- Identify the reduction potential and put in place programmes for the different GHGs, particularly CO<sub>2</sub>, methane, NOx and F-Gases.
- Further reduction in waste in the supply chain.
- Implement a strategy to tackle deforestation associated with its procurement of agricultural commodities. The strategy includes protection for high carbon soils and forests.

On **adaptation** Nestlé commits to:

- Engage with governments, farmers and other stakeholders to develop vulnerability assessments, action plans and strategies for different regions and sectors to climate change.
- Participate in the public policy dialogue to support liberalisation of agricultural trade to enable market-led adaptation to changing regional pattern of agricultural production
- Identify practical actions and agricultural systems that can be implemented at farm level and provide technical assistance to farmers through our farm advisors. Particular emphasis will be given to water stewardship.
- Include enhanced resilience to climate change in our plant breeding programmes, in order to be able to provide farmers with improved genetic material.
- Develop early warning systems and monitor climate changes at farm and landscape levels.
- Synthesise information on climate adaptation, and findings from our own work, and share this with farmers, governments and other stakeholders, in order to improve knowledge on climate adaptation.

On **reporting**, Nestlé commits to:

- Report, via the Nestlé website and annual report, as well as specialist reports such as the Carbon Disclosure Project (CDP) Investor, Water and Supply Chain Programmes and Forest Disclosure Project, on:
  - its activities to mitigate the causes of, and adapt to the effects of, climate change.
  - GHG emissions arising from its own direct operations.
  - measures it is taking to improve performance on GHG emissions at farm/forest and consumer levels.
- Apply a product lifecycle approach across the value chain from farm to consumers and beyond when considering the provision of consumer information.
- Work actively with governments, trade bodies and NGOs to assess and test responsible approaches to provide environmental information, including CO<sub>2</sub>, to consumers.