



Business
Sustainability
through
Environmental
& Social
Performance

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These slides differ to those shown at
the Nestlé Investor Seminar 2011

Disclaimer

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

Carbon Disclosure Project 2010 Global 500 Report

On behalf of 534 investors with



Report written for
Carbon Disclosure Project by:

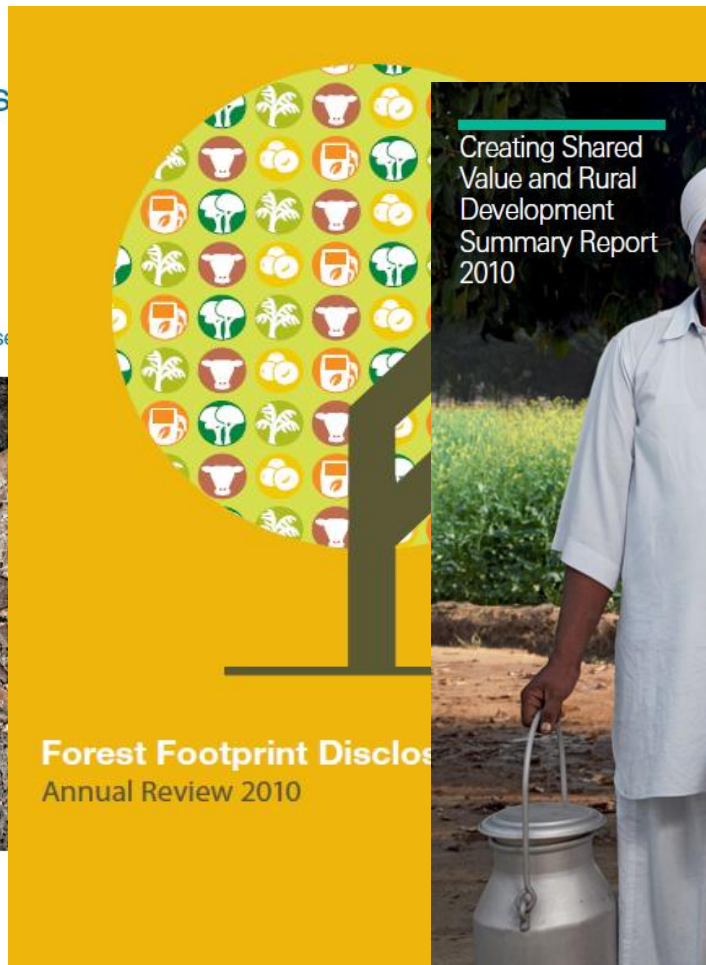


CDP Water Disclosure Global Report

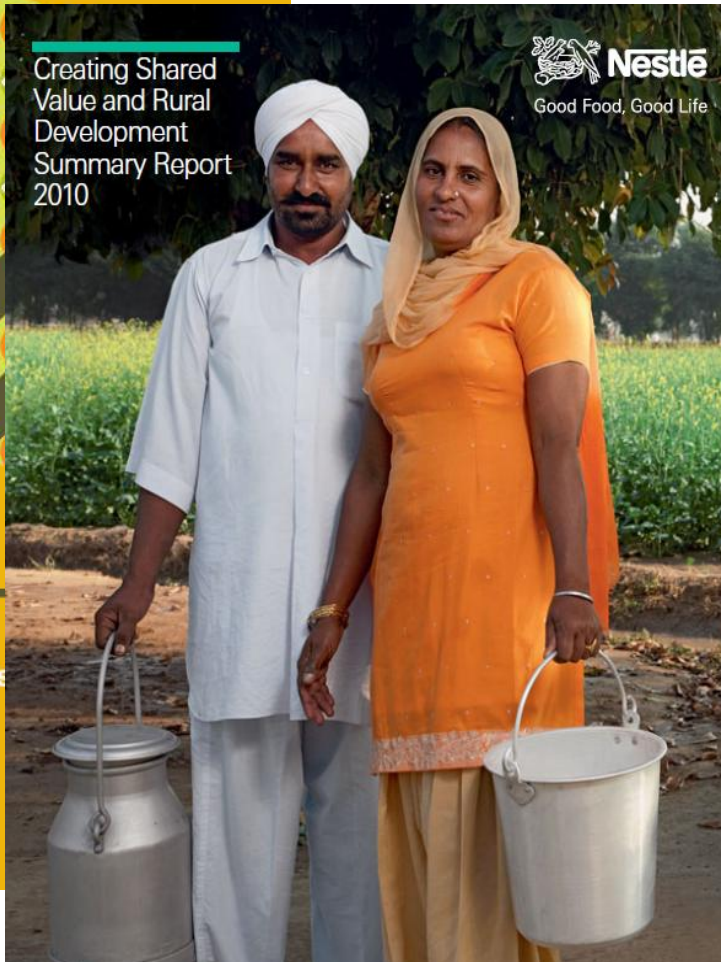
On behalf of 137 investors with assets



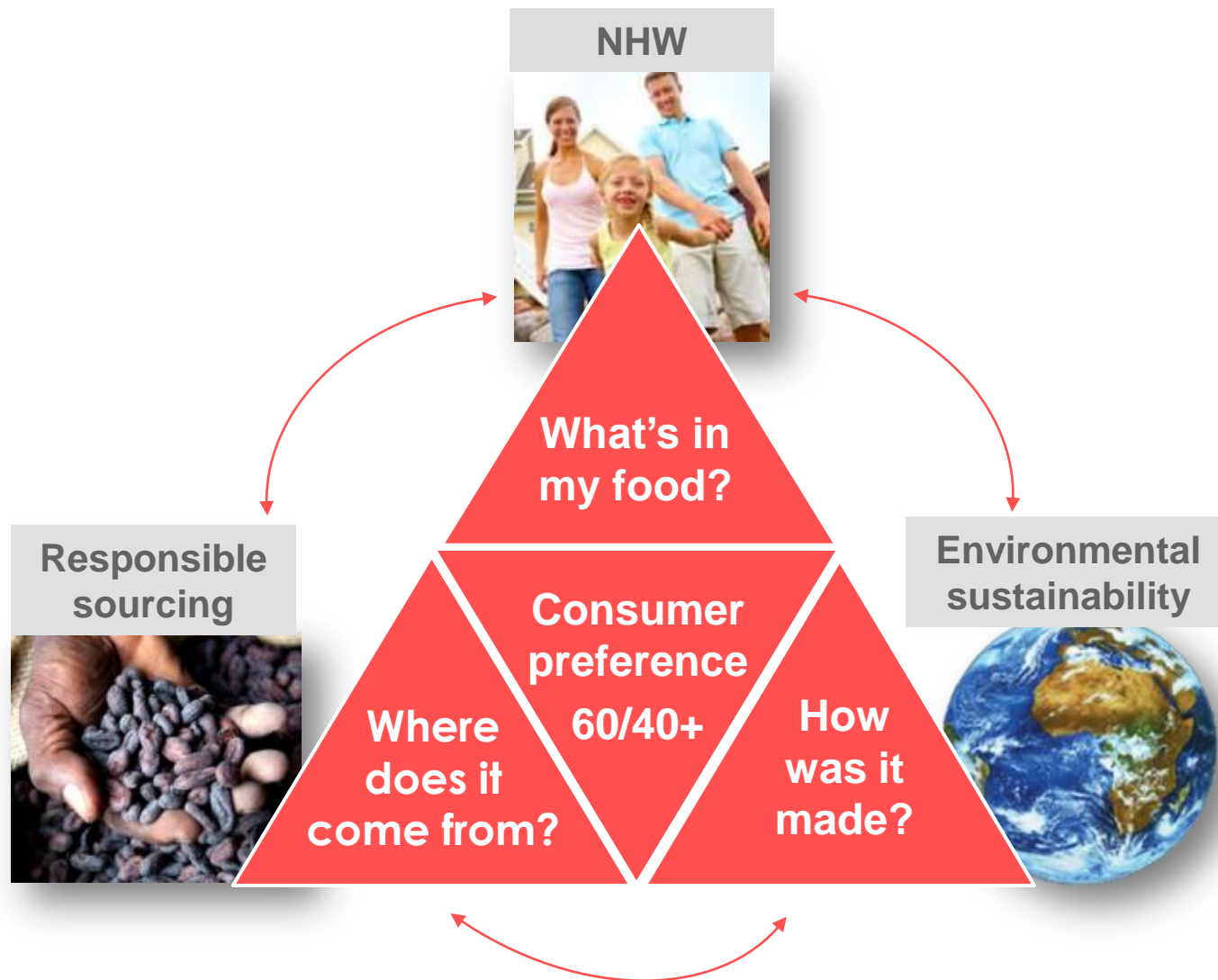
Report written for
Carbon Disclosure Project by:



Creating Shared Value and Rural Development Summary Report 2010



Consumers looking at brands more holistically



Tastier and healthier, and so much more

You are here: Home > Brands

Brands

- Baby foods
- Bottled water
- Cereals
- Chocolate & confectionery
- Coffee
- Culinary, chilled & frozen food
- Dairy
- Drinks
- Food service
- Healthcare nutrition
- Ice cream
- Petcare
- Sports nutrition
- Weight management

"Good Food, Good Life" ...these words represent the promise we commit to everyday, everywhere - to enhance lives, throughout life, with good food and beverages.



TASTIER AND HEALTHIER



We believe that all foods and beverages can be enjoyable and play an important role in a balanced and healthy diet and lifestyle. Nestlé is committed to contribute to the... More...

SO MUCH MORE



At Nestlé, quality goes well beyond the product itself. Throughout the world and across our brands, we're involved in a broad range of social and environmental initiatives that together make quite a difference. More...

- Download
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Brands A - Z

Know the brand product you Go to our

Nutrition

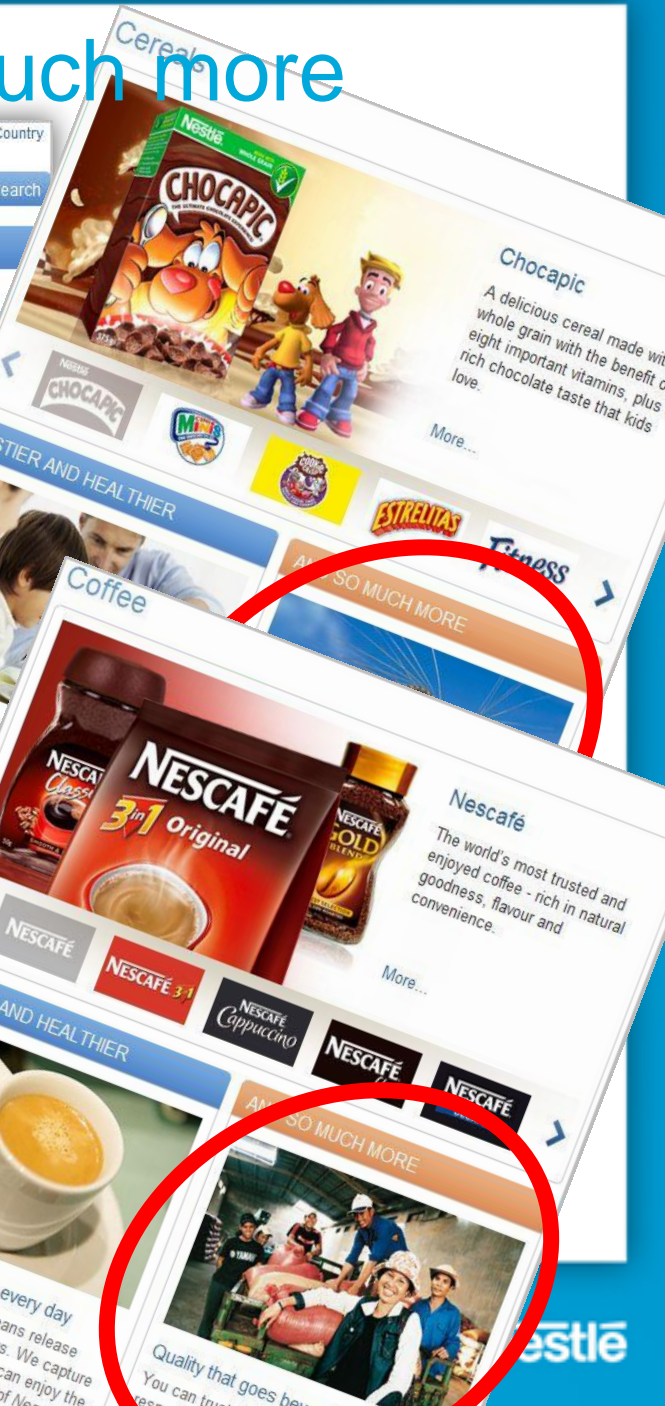
Whole grains ins Our breakfast cere grain - an important So whether you are breakfast cereal to give you a good sta information

Related information

Progress forestry p

Nestlé's enviro aware

Brand c



Chocapic
A delicious cereal made with whole grain with the benefit of eight important vitamins, plus rich chocolate taste that kids love.

Nescafé
The world's most trusted and enjoyed coffee - rich in natural goodness, flavour and convenience.

Nescafé 3-in-1 Original

Nescafé Gold

Nescafé Cappuccino

TASTIER AND HEALTHIER

SO MUCH MORE

Coffee

Enjoy quality moments every day With fine roasting, coffee beans release wonderful aromas and flavours. We capture this natural goodness so you can enjoy the rich aroma and delicious taste of Nescafé anywhere, any time. More

Quality that goes beyond...

Nestlé Approach to Business



Focussing on a few issues where Nestlé will add value and leave a net positive benefit

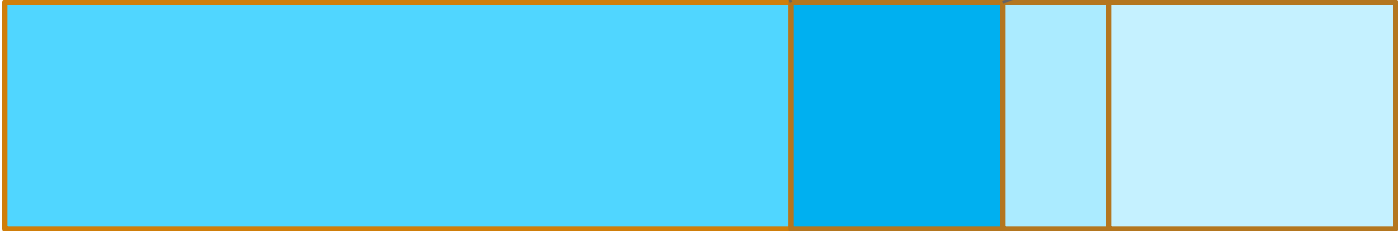
Constant performance improvement on key metrics: water, waste, energy, packaging

Laws, Codes of Conduct, Business Principles, Core Values, Societal Expectations,

Continuous Improvement 2000-2010

443 Factories

	Absolute Change
Production	+73%
Water	-32%
Waste	-25%
GHG	-16%



Agriculture

Factories

Logistics

Consumer Use

Creating Shared Value



Rural Development



Water



Nutrition

Business Sustainability



Limits/Access to Resources

Natural capital & Ecological limits
Biodiversity, water, soil, the atmosphere
Land allocation & productivity
Peak oil, water tables, bee populations
Wild harvested populations

The Needs of Society

2500 Mn without improved sanitation
1400 Mn in poverty & food insecure
1000 Mn without clean water
215 Mn child labourers
51 Mn: born/yr with no birth certificate

Food Security

Definition

Food Availability: sufficient quantities of food of appropriate quality.

Food Access: adequate resources for acquiring appropriate foods for a nutritious diet.

Utilization: of food through adequate diet, clean water, sanitation and health care to reach nutritional well-being.

Stability: having access to adequate food at all times, - no loss as a consequence of sudden shocks or cyclical events.

Source FAO Food Security Brief 2006

Nestlé

Food Availability: Operations in 83 countries. Sales in every country, every day of the year.

Food Access: 4860 Popularly Positioned Products (PPPs), formulated & packaged to make accessible to people on lower income levels.

Utilization: micronutrient fortification & Nestlé Nutrition products.

Stability: outspoken on biofuels, resilience to climate & water events, response to natural disasters (floods, earthquakes)

Food Security: Causes & Solutions

Diet & Nutrition

Food Losses & Food Waste

Climate

Water

Biodiversity

Degraded Land

Agricultural Practices & Productivity

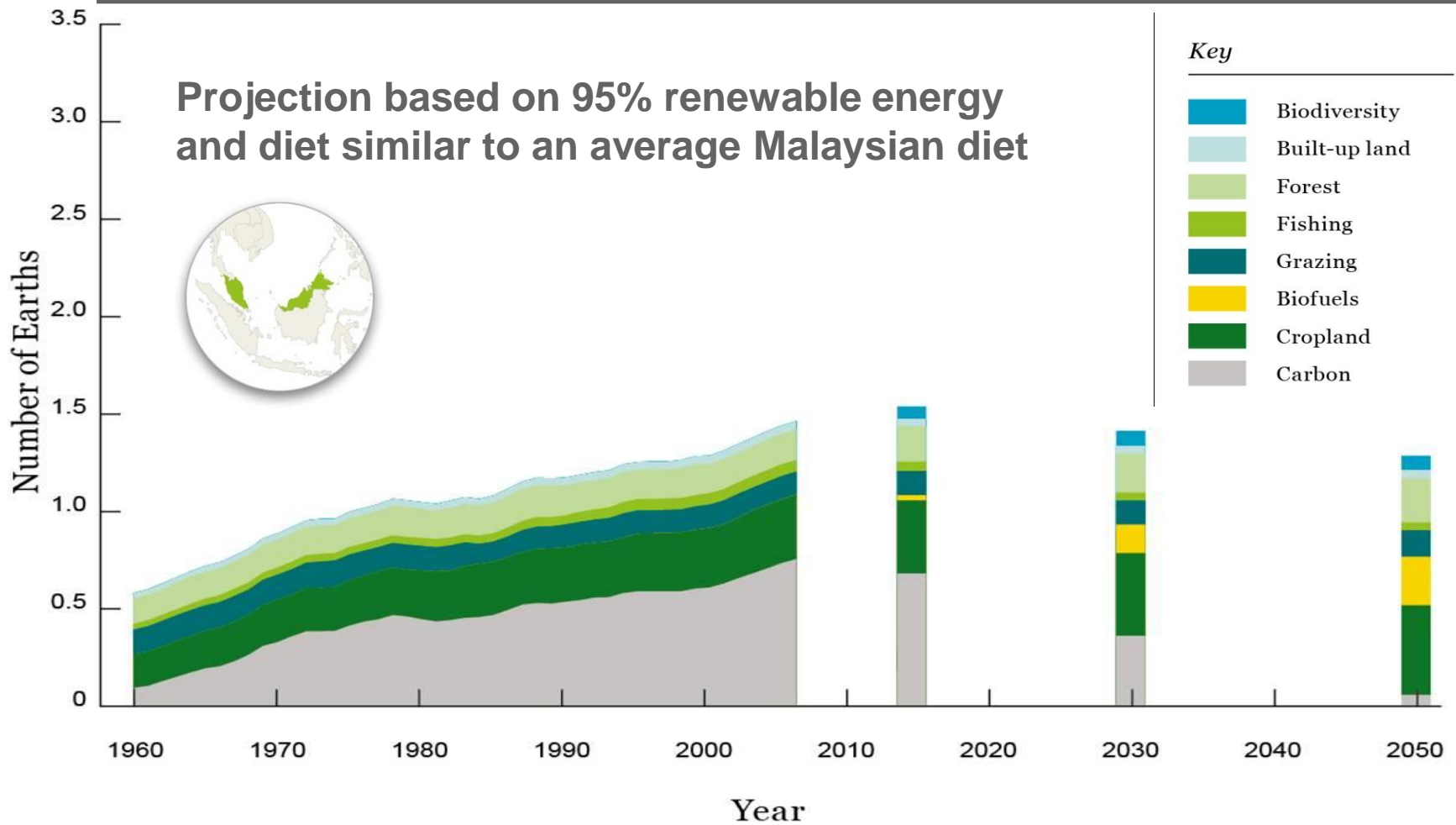
Land Tenure

Biofuels

Subsidies & Trade Policies

Financial & Commodity Speculation

Diet & Nutrition



WWF Living Planet Report 2010 Source Data: Global Footprint Network, FAO, 2006

Food Losses & Food Wastage

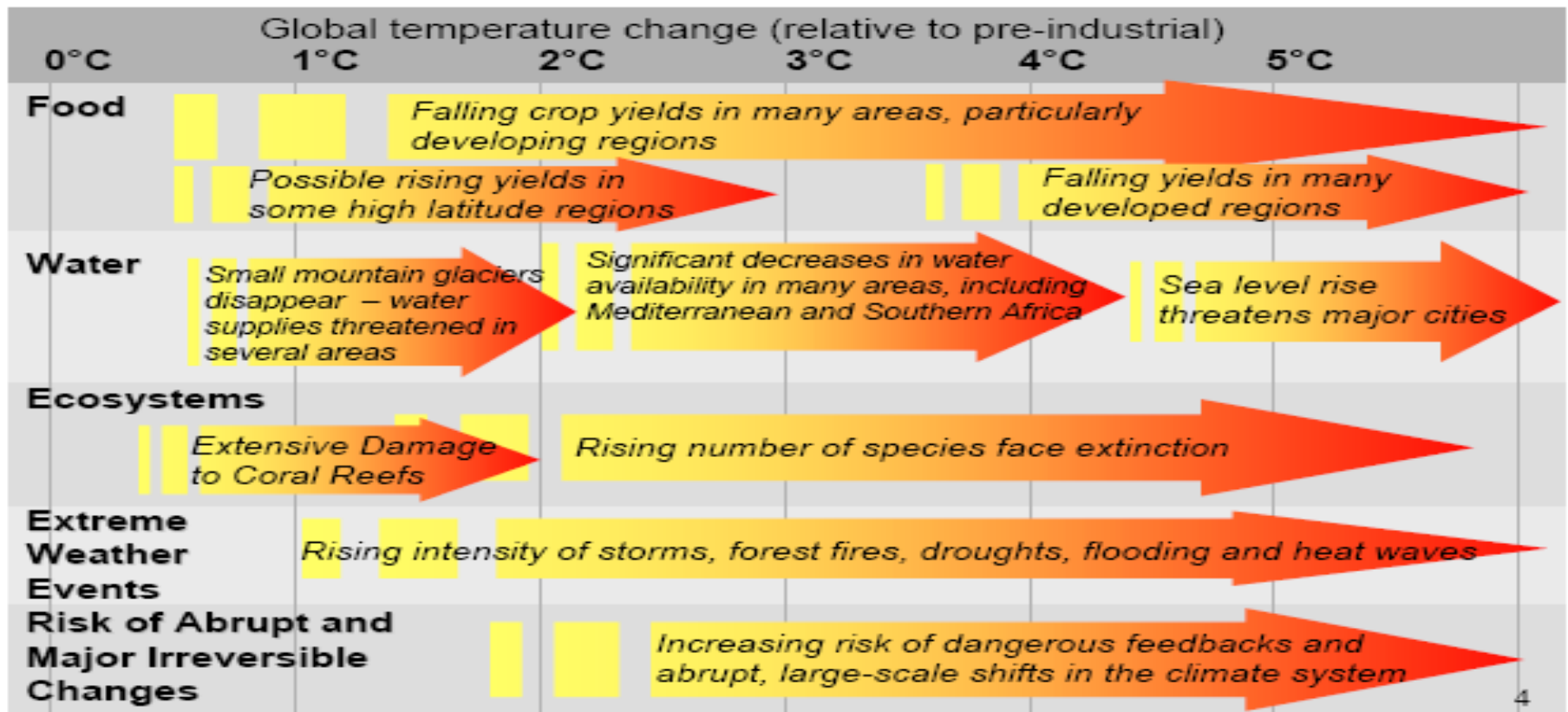
Western world: 670 Mn T
40% in retail & by consumer



Developing world: 630 Mn T
40% in post-harvest & processing



Climate Adaptation



Source: Stern Report / IPCC

Climate Change & Agricultural Productivity

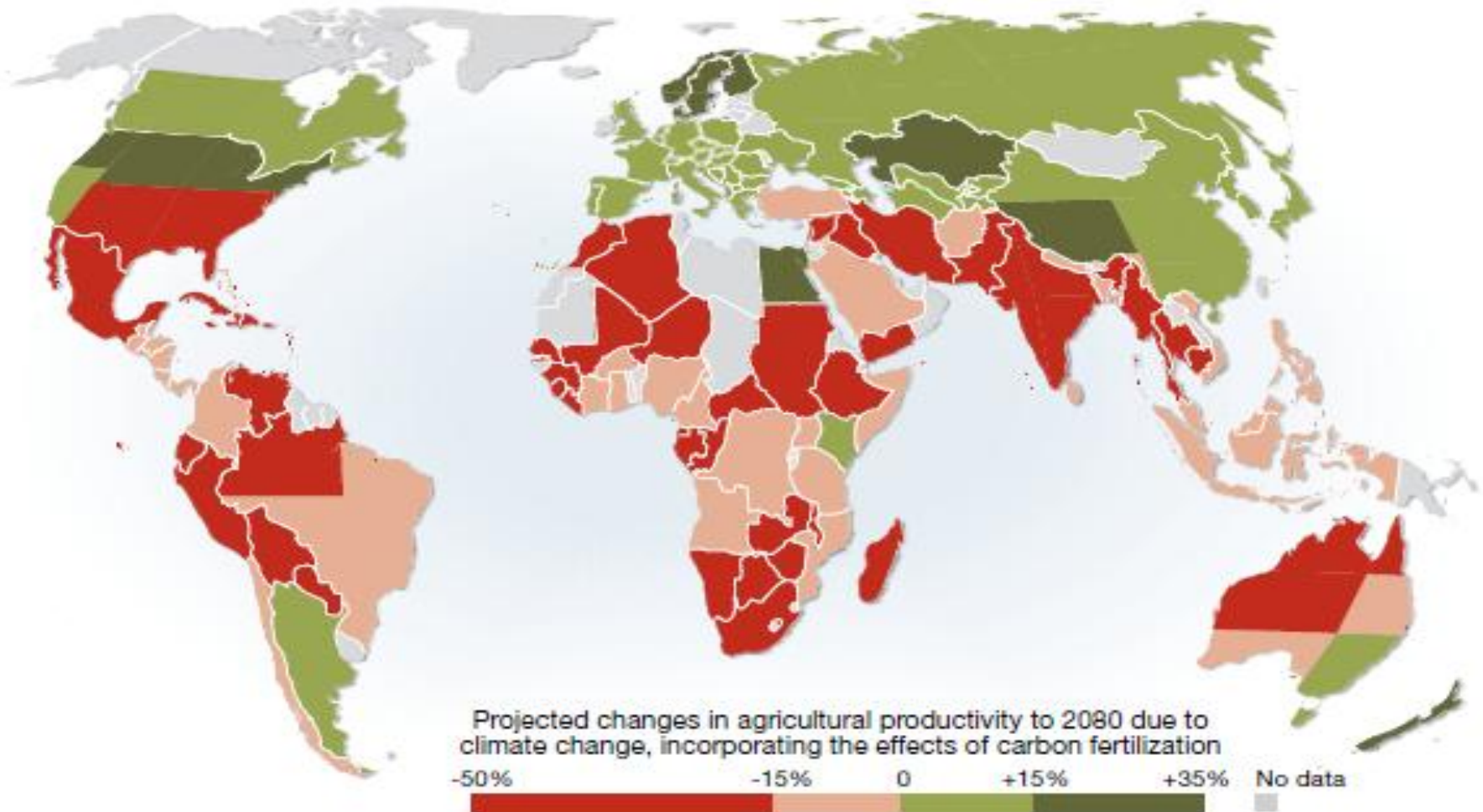


Figure 18: Projected losses in food production due to climate change by 2080. (Source: Cline, 2007).

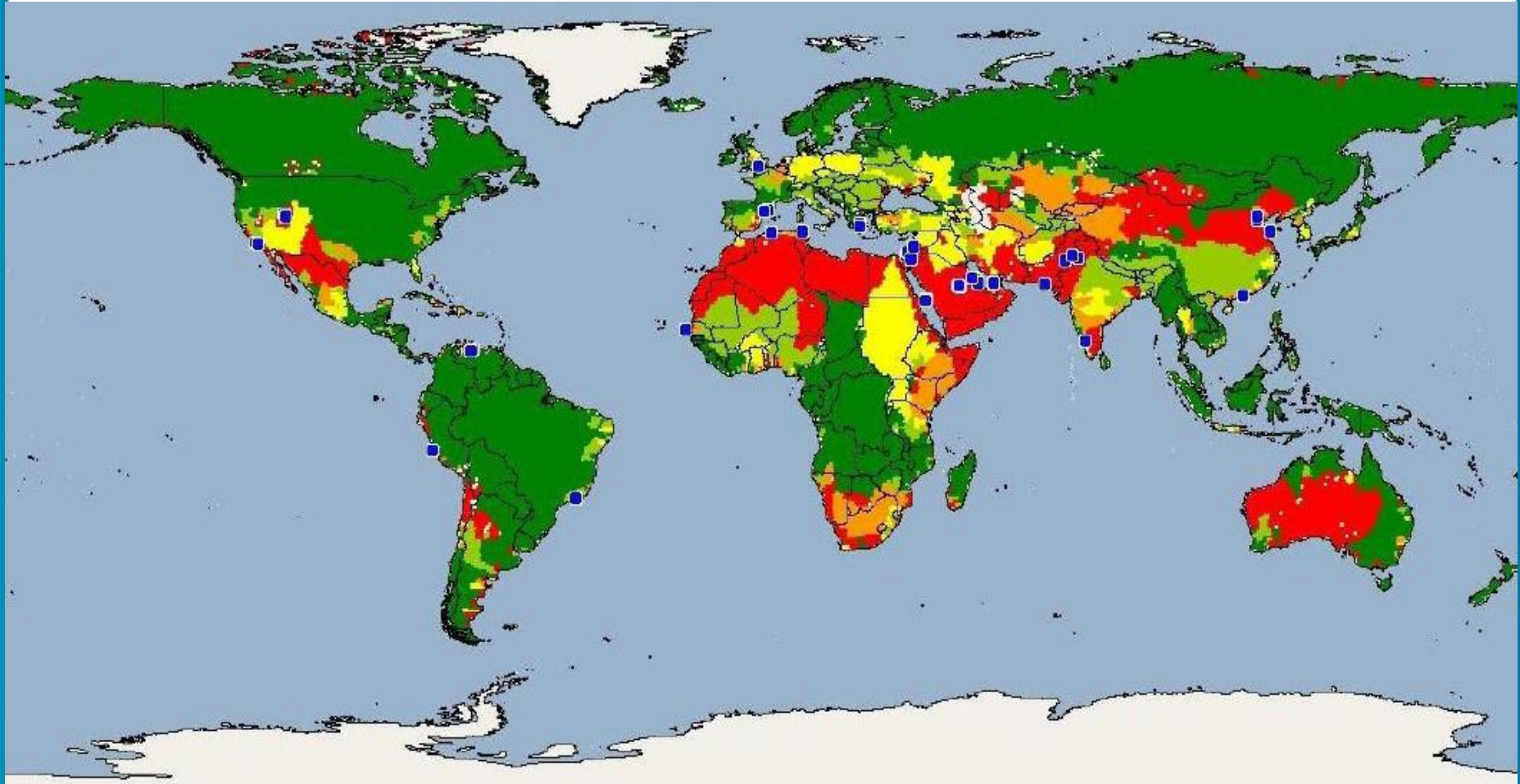
Climate Adaptation

- 1980-2008 crop yield increase (practices, plant breeding)
- Climate change reduced advances by about 10%*
 - reduction in wheat output of 5.5%
 - reduction in corn output of 3.8%
- Nestlé focus on cocoa & coffee
 - importance of micro-climates
 - reducing stresses
 - good agricultural practices
 - water management



* Journal of Science 9th May 2011

Water Scarcity



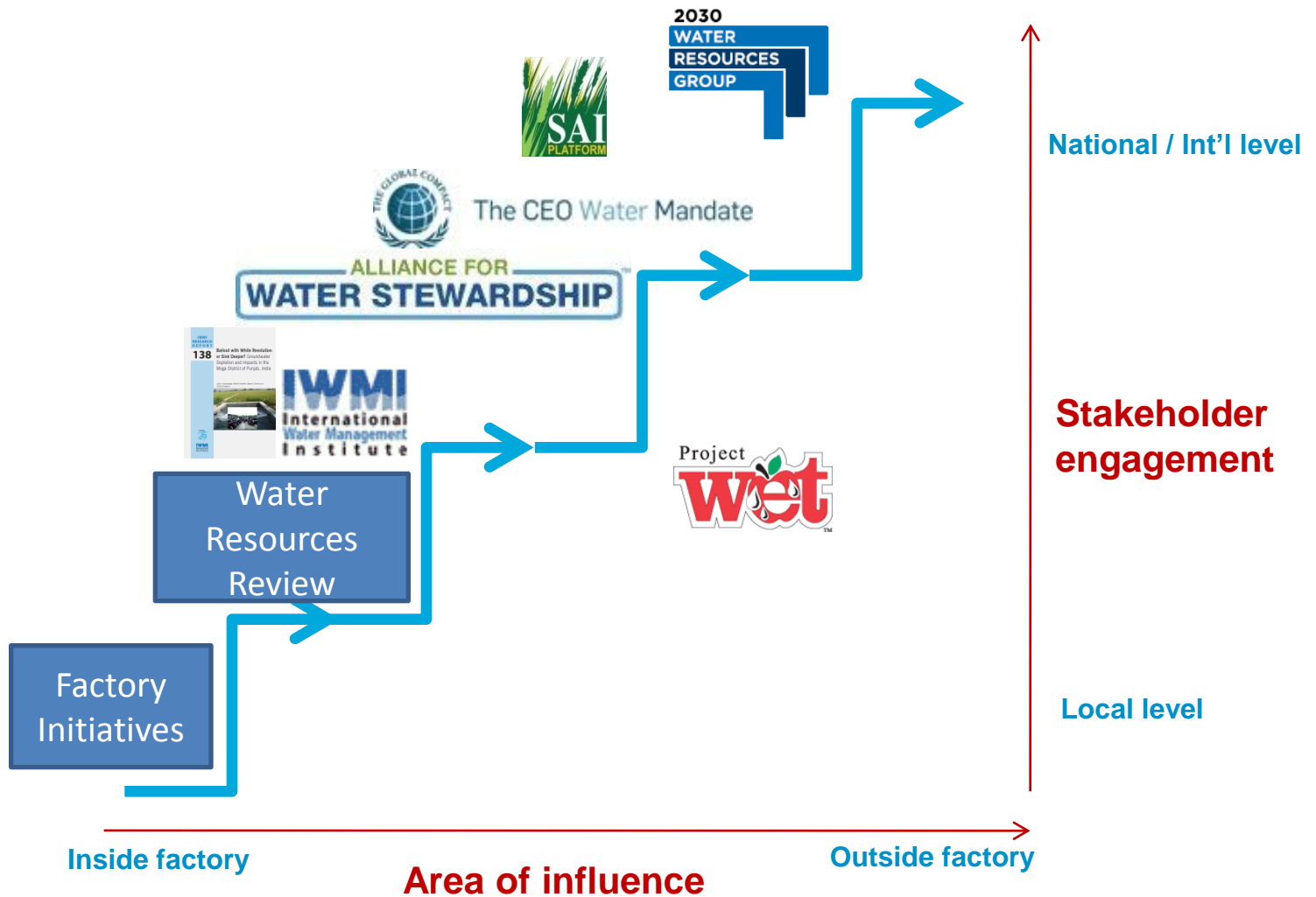
WRI Global Water Tool: 2025 Projection

Moga, India: Options for Reducing Water Use

- Intensified dairy production
- Water efficient wheat & fodder production
- Reduce rice cultivated area
- Delayed rice planting
- Direct seeding of rice
- Intermittent irrigation of rice
- Laser assisted land levelling
- Raising bund heights
- Regulated power supply to farms



Water Stewardship

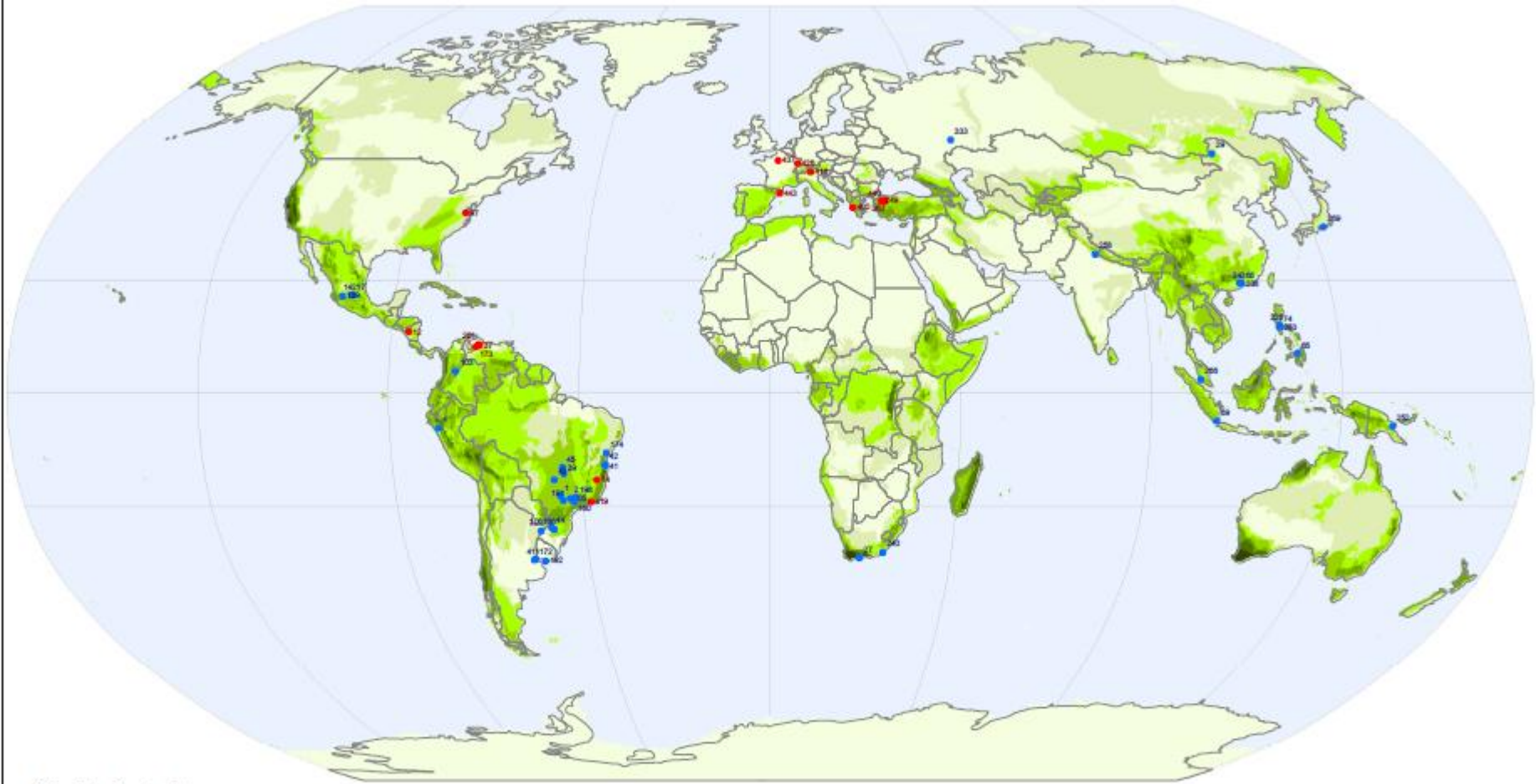


Biodiversity

	Biodiversity dependent industries (e.g. fishing, agriculture, forestry)		Large 'footprint' industries (e.g. mining, oil and gas, construction)		Manufacturing & processing (e.g. chemicals, ICT, consumer products)		'Green' enterprises (e.g. organic farming, ecotourism)		Financial services (e.g. banking, insurance & other financial intermediaries)	
Key Ecosystem Services	DEPEND	IMPACT	DEPEND	IMPACT	DEPEND	IMPACT	DEPEND	IMPACT	DEPEND	IMPACT
Provisioning										
Food	●	●	○	●	●	●	●	○	●	●
Timber & fibers	●	●	●	●	●	●	●	○	●	●
Freshwater	●	●	●	●	●	●	●	○	●	●
Genetic / Pharmaceutical resources	●	●	○	○	●	●	●	○	●	●
Regulating										
Climate & air quality regulation	●	●	●	●	●	●	●	○	●	●
Water regulation & purification	●	●	●	●	●	●	●	○	●	●
Pollination	●	●	-	○	○	○	●	●	●	●
Natural hazard regulation	●	●	●	○	●	○	●	○	●	●
Cultural										
Recreation & tourism	○	●	-	●	-	○	●	●	●	●
Aesthetic / non-use values	○	●	-	●	-	○	●	●	○	●
Spiritual values	○	●	-	●	-	○	●	●	○	●

● Moderate to Major relevance
 ○ Minor relevance
 - Not relevant (typically)

Nestlé Biodiversity Screening



Priority Factories •

Factories in Protected Areas •



Global terrestrial biodiversity priority areas
 (areas where 4 or more priority schemes overlap are considered here to be 'high biodiversity')

Kapos V., Ravilious C., Campbell A., Dixon B., Gibbs H., Hansen M., Lyenko I., Miles L., Prie J., Scheltemer J.P.W., Tranter K. (2008) Carbon and biodiversity: a demonstration atlas. UNEP-WCMC, Cambridge, UK.

The boundaries and names shown and the designations used on maps do not imply official endorsement or acceptance by the United Nations Environment Programme or contributory organisations.

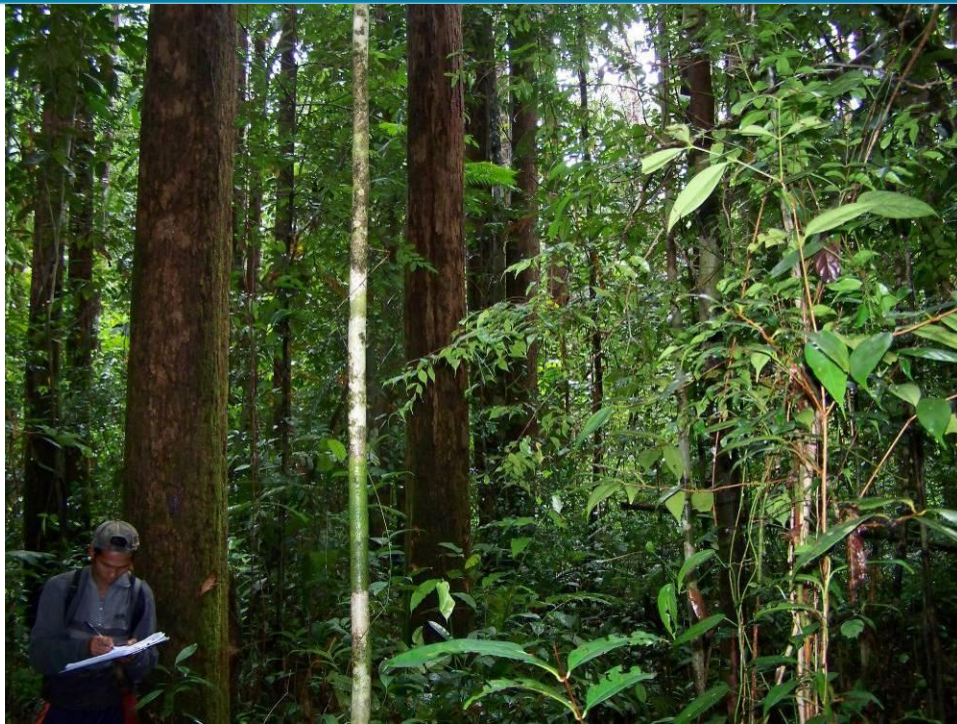


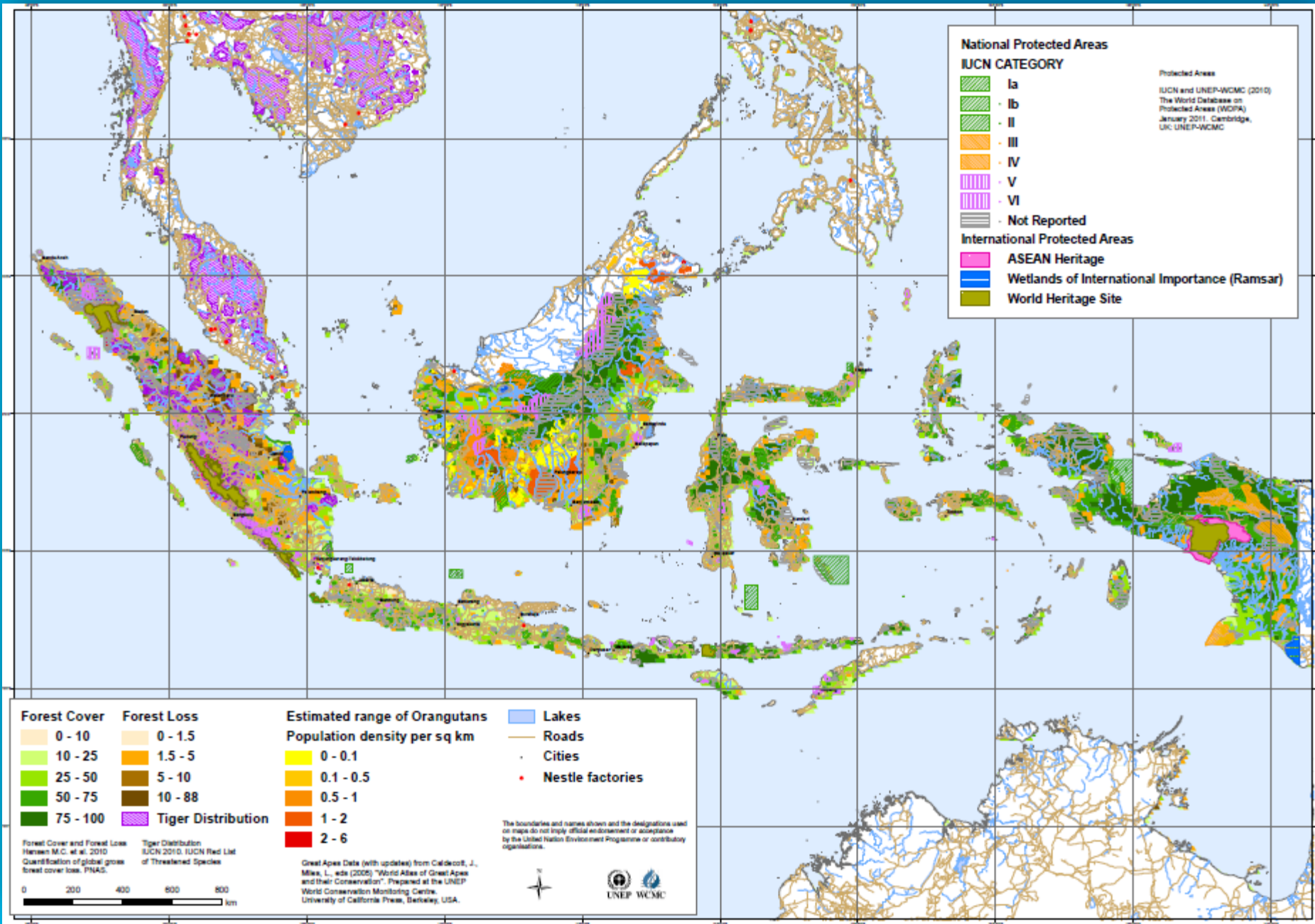
Nestlé Position on Deforestation & Forest Stewardship

Nestlé will ensure that all its raw material sourced from forested areas:

- Has not led to deforestation
- Has not led to loss of high conservation values
- Complies with the Nestlé Supplier Code
 - - business integrity, legal, human rights & working practices
- Creates Shared Value for society and local communities
 - - delivers rural development & small holder benefits
 - - water stewardship plans

Degraded Land





Responsible Sourcing Guidelines

Palm Oil



Pulp & Paper



Cocoa



Soy



Sugar



Dairy



Coffee



Seafood



Meat



Vanilla



Hazelnuts



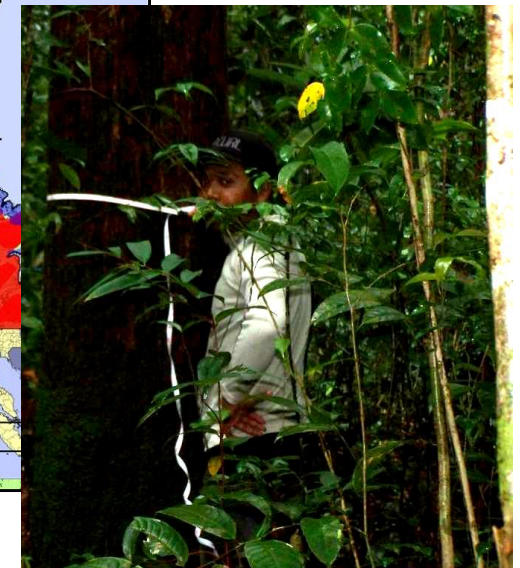
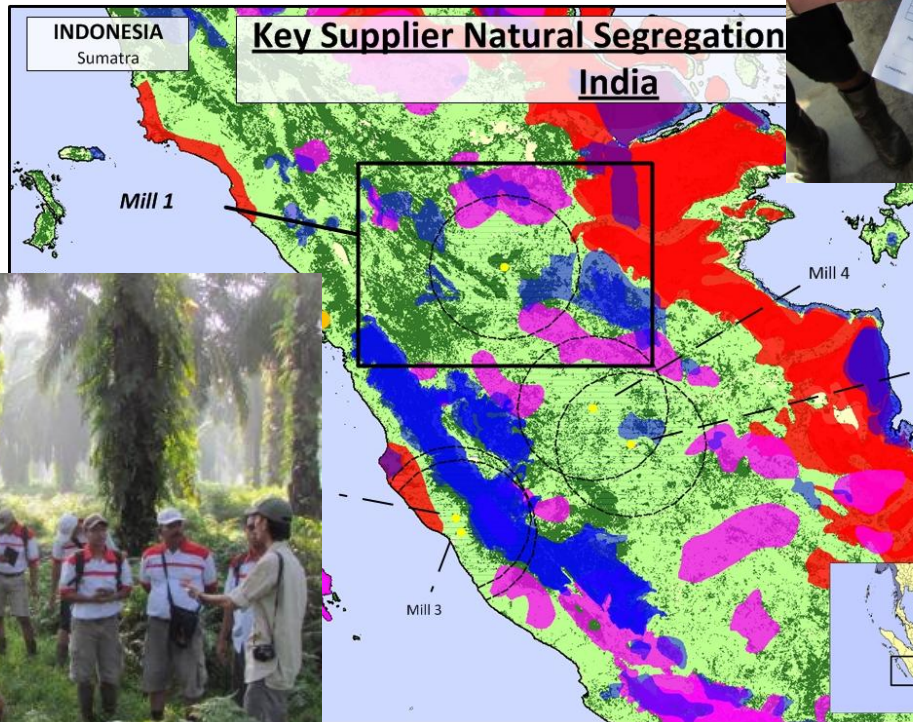
Shea



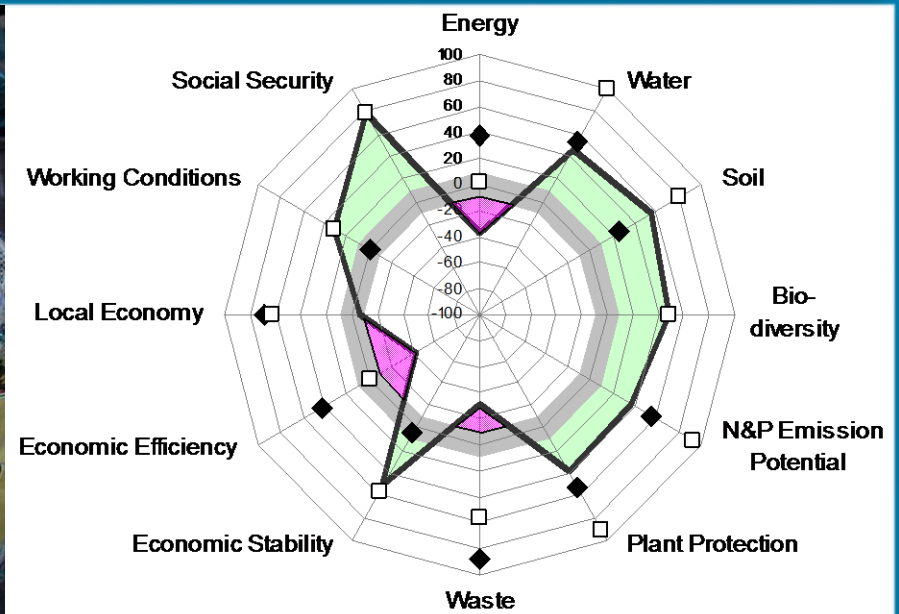
Supply Chain Mapping

GREENPEACE

... and Supporting our Suppliers



Rural Development



Income and Assets

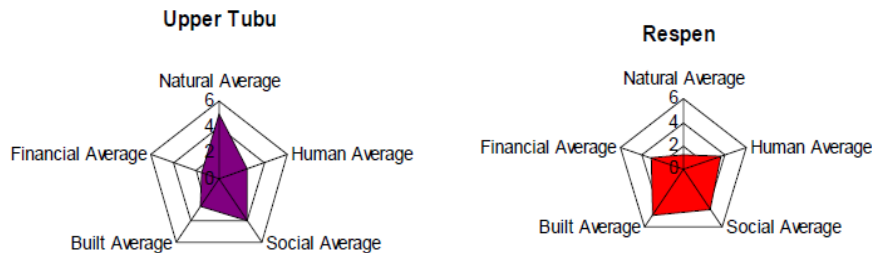


Figure 4. Radar diagrams for two villages in Indonesia (Source: Intu Boedhihartono – unpublished data.)



Social Issues

Child Labour

- Industry Association/Platforms

Nestlé Actions

- Consistent Approach Across Commodities
 - Cocoa, Vanilla, Hazelnuts
- Engagement with NGOs
- Hire experts to systematically address supply chains
- Individual Child / Family Centric Approach
 - Education/School Attendance
 - Light Work
 - Health & Safety



Summary

Being Prepared

Values Based Approach

Impacts/Outcomes not Methods

Environmental & Social Performance

→ Business Sustainability

Thank You

**Mr. Duncan
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