

The Nestlé Policy on Environmental Sustainability



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As the leading Nutrition, Health and Wellness company we strive to enhance the quality of life for our consumers everywhere with tasty, nutritious and healthy food and beverages.

We understand that this sense of well-being also requires that our products are made in a caring and responsible way that preserves the environment for future generations.

We are committed to create shared value over the long term by increasing the world's access to higher quality food and beverages, while contributing to environmentally sustainable social and economic development, in particular in rural areas.

Nestlé's environmental stewardship is guided by three principles:

- our responsibility towards society, present and future;
- our desire to delight consumers;
- our dependence on a sustainable environment that can provide the high quality resources we need to make good food and beverages.

This is the third edition of this policy, originally published in 1991. It takes into consideration valuable feedback from a broad range of consumers and business partners.

Our commitment to environmentally sustainable business practices

In line with the Nestlé Corporate Business Principles which include the United Nations Global Compact's principles on the environment we commit ourselves to:

- full compliance with environmental legislation and our internal requirements which are often more stringent;
- continuous improvement of our environmental performance by integrating environmental principles, programs and practices into each business through our Nestlé Environmental Management System (NEMS) that complies with the international ISO 14001 standard;
- innovative eco-design in our products and activities;
- preference to suppliers who continuously strive towards improving the efficiency and sustainability of their operations and use of resources;

- independent environmental auditing, verification and certification of practices;
- meaningful and accurate environmental information about our products and activities based on scientific evidence;
- environmental awareness training and education for our employees, business partners and society;
- environmentally sound labor practices and recognition of efforts by our employees towards environmental improvement;
- open dialogue with our suppliers, staff, customers, consumers, and the community on products and activities related to environmental issues.

Our product life cycle approach

We apply a product life cycle approach involving our partners from farm to consumer in order to minimise the environmental impact of our products and activities.

Our aim at all stages of the cycle is to use natural resources efficiently, to favour the use of sustainably-managed renewable resources and to target zero waste.

In this way, we intend for our brands to stand for environmental sustainability.

Our priority areas

Specific to our food and beverage business we have identified our four priority areas as follows:

Water, which is used by all our suppliers, operations and by consumers. As a founding signatory of the United Nations Global Compact CEO Water Mandate, we continue to:

- work to reduce the amount of water withdrawn per kilo of product;
- assure that our activities respect local water resources;
- take care that water we discharge into the environment is clean;
- engage with suppliers to promote water conservation, especially among farmers;
- reach out to others to collaborate on water conservation and access, with a particular focus on women and children.

When selecting **agricultural raw materials** we:

- Prefer to use agricultural materials which are produced based on sustainable practices and are locally available;
- Provide technical assistance on sustainable agriculture production methods with our local Nestlé agricultural services or through partnership with public agricultural services and research organizations;
- Promote cooperation with other stakeholders in the food chain to leverage sustainable development in agriculture worldwide, in particular through the Sustainable Agriculture Initiative Platform that we co-founded.

During the **manufacturing** and **distribution** of our products, we use efficient technologies and apply best practices to:

- reduce the amount of energy consumed per kilo of product;
- utilise sustainably-managed renewable energy sources, where economically viable;
- control and aim to eliminate emissions, including greenhouse gases;
- recycle or recover energy from by-products.

The **packaging** of our products is critical to guarantee our high quality standards, to prevent food waste and to inform consumers. We strive to:

- reduce weight and volume of materials;
- lead the development and use of materials from sustainably-managed renewable resources;
- support initiatives to recycle or recover energy from used packaging;
- use recycled materials.

The Nestlé Environmental Management System

This policy is implemented through our Nestlé Environmental Management System (NEMS).

Local management is accountable for its implementation.

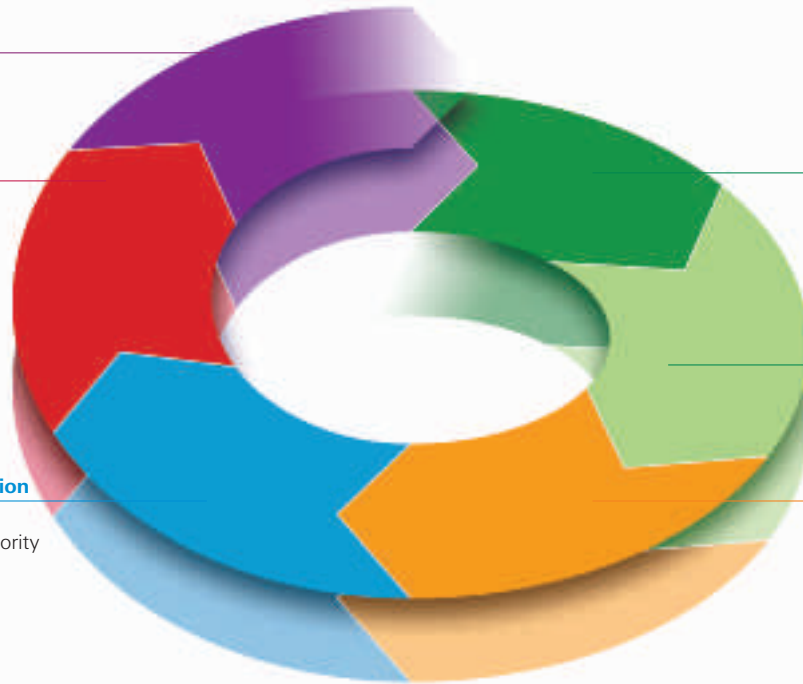
4.6 Management review

4.5 Checking

- 4.5.1. Monitoring and measurement
- 4.5.2. Evaluation of compliance
- 4.5.3. Non conformity, corrective action and preventive action
- 4.5.4. Control of records
- 4.5.5. Internal audit

4.4 Implementation and operation

- 4.4.1. Resources, roles, responsibility and authority
- 4.4.2. Competence, training and awareness
- 4.4.3. Communication
- 4.4.4. Documentation
- 4.4.5. Control of documents
- 4.4.6. Operational control
- 4.4.7. Emergency preparedness and response



4.1 General requirements

4.2 Environmental policy

4.3 Planning

- 4.3.1. Environmental aspects
- 4.3.2. Legal and other requirements
- 4.3.3. Objectives, targets and programme(s)

To ensure a consistent and coherent implementation worldwide, Nestlé submits all its manufacturing sites to ISO 14001 certification by independent accredited bodies.

Environmental partnerships

In order to create shared value and be successful in the long term, we work with authorities and all other stakeholders, ranging from local associations to global organisations, to further knowledge and performance on environmental issues and help attain the U.N. Millennium Development Goals.

Environmental performance is a shared responsibility and requires the cooperation of all parts of society. As the largest food and beverage company in the world we are determined to continue to provide leadership within our sphere of influence.



Paul Bulcke
Chief Executive Officer



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