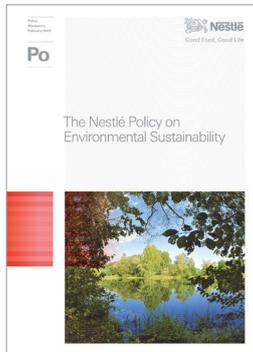


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Appendix to The Nestlé Policy on Environmental Sustainability

Nestlé Commitment to reduce food loss and waste

About one third of global food production is either wasted or lost every year.¹ Food waste not only generates superfluous greenhouse gas emissions² and wastage of water³ but also affects farmer income as well as the availability and cost of food. Hence, it contributes to inequality and undermines rural development. In this context, the UN has targeted food waste reduction as part of its post-2015 development agenda, aiming by 2030 to halve per capita global food waste at retail and consumer levels and to reduce food losses along production and supply chains, including post-harvest losses.⁴

Ever since its foundation in 1866, Nestlé has contributed to reducing food waste by transforming perishable raw materials such as milk, coffee beans and cocoa into safe, tastier and healthier value-adding food products. Over the last 10 years, Nestlé has more than halved, per tonne of product, the amount of waste for disposal⁵ generated in its factories.

As the leading Nutrition, Health and Wellness company, Nestlé is committed to further playing its part in helping to reduce food loss and waste. Not only will this help Nestlé to secure supply of the agricultural raw materials it sources, but it will also have a positive impact on

society by supporting rural development, water conservation, and food security. This is in line with Nestlé's Creating Shared Value approach to doing business.

This public commitment serves to guide and align Nestlé's efforts to address food loss and waste. It complements the following documents: *The Nestlé Corporate Business Principles*, *The Nestlé Policy on Environmental Sustainability*, *The Nestlé Supplier Code*, and *Nestlé Responsible Sourcing Guidelines*.

Specifically, Nestlé commits to:

1. Prevention, minimisation and valorisation

Nestlé will focus its efforts on:

– Eco-design

Nestlé assesses and optimises the environmental performance, including on food wastage, from the earliest stage in the development of new or renovated products and throughout the value chain.

Nestlé's R&D network looks for innovative waste recovery options to optimise their value.

– Responsible sourcing

According to *The Nestlé Supplier Code*, Nestlé's suppliers shall optimise their consumption of natural resources and minimise solid waste, including food waste.

Nestlé supports the farming communities where it sources agricultural raw materials, and provides technical assistance on practices that help avoid pre-harvest losses through yield improvement and reduce post-harvest losses through optimising delivery of raw materials up to the factory.

¹ FAO 2013, Food wastage footprint (<http://www.fao.org/docrep/018/i3347e/i3347e.pdf>)

² 3.3 Gigatonnes of CO₂e

³ 250 km³

⁴ Sustainable Development Goals; Goal 12.3 (<https://sustainabledevelopment.un.org/topics>)

⁵ Waste for disposal is any material generated during manufacture that is destined for final disposal to landfill or to incineration without energy recovery

– **Manufacturing and Distribution**

Nestlé continually improves its operational efficiency. This translates into doing more with fewer resources and generating less waste. In its factories and distribution centres, Nestlé's goal is zero waste for disposal by 2020.

Nestlé continually reduces food waste in distribution by optimising its inventory management and distribution operations.

Nestlé also works towards increasing the value of recycled or recovered materials from its operations.

– **Packaging**

The packaging of Nestlé's products is crucial to prevent food waste, guarantee high quality standards and inform consumers. Nestlé is committed to improving the environmental performance of its packaging. Nestlé makes sure that the environmental benefits derived from packaging improvements are not outweighed by increased product losses due to under-packaging.

2. Information and education

Nestlé helps to raise awareness among consumers on the issue of food waste. Nestlé wants to help consumers make informed choices through credible, substantiated communication and by providing tips and recipes that can help them avoid food waste.

Nestlé proactively engages with stakeholders to define and implement a harmonized, reliable and coherent consumer-facing food-dating system, which also helps to prevent food waste.

Nestlé offers training and education on food waste reduction to its employees and encourages them to take action to reduce leftovers.

3. Stakeholder engagement and partnerships

Nestlé is committed to proactive long-term engagement and partnerships – directly and through industry – with stakeholders, including regulators, scientists, customers, business partners, civil society organizations and the community, in order to define, implement and evaluate solutions to food loss and waste.

Nestlé is actively supporting business associations, including The Consumer Goods Forum (CGF), FoodDrinkEurope and the Grocery Manufacturers Association on food loss and waste.

Nestlé also steers on behalf of CGF and together with the World Resources Institute, United Nations Environment Program, Food and Agriculture Organization, World Business Council for Sustainable Development, European Commission, Waste & Resources Action Programme, the development of a major global and recognized protocol to measure food loss and waste, in a coherent way throughout the food chain.

4. Reporting

Nestlé is committed to reporting publicly and regularly on the progress of this commitment in its annual *Nestlé in Society: Creating Shared Value* report and through other relevant private and public reporting initiatives. Specifically, Nestlé will report on its actions and progress in addressing food loss and waste.