



Nestlé contribution to the EU Code of Conduct for Responsible Business & Marketing Practices

July 2021

Nestlé strongly endorses the objectives of the EU Farm to Fork Strategy and the development of the EU Code of Conduct for Responsible Business & Marketing Practices (hereunder "EU Code of Conduct"). We are ready to advance regenerative food systems at scale by sharing our know-how and providing resources at local level. The EU Code of Conduct has the potential to foster dialogue and alignment between food supply chain actors in tackling shared sustainability challenges and contribute to the transition towards sustainable food systems in Europe.

Nestlé is in the process of launching its post-2020 public commitments in the framework of its [Creating Shared Value approach](#) and its three impact areas: People, Families & Pets; People in Communities; People & Planet. The table below, outlining Nestlé's individual contribution to Component 2 of the EU Code of Conduct, is structured in line with these three impact areas. The contribution is further subdivided into categories deriving from a formal materiality analysis (conducted every other year - the latest being in 2020) to ensure Nestlé prioritizes the issues that have the biggest impact on the economy, society and the environment, and that matter most to its stakeholders. More information on this materiality analysis can be found in Annex I. Each category contains one or more individual commitments that reflect the core of Nestlé's renewed post-2020 public commitments. On top of these renewed commitments, no additional ones have been taken explicitly for the purpose of the EU Code of Conduct. Commitments that are currently under internal revision and update have been marked as such in their "comments" column. Where possible and relevant, commitments specific to Nestlé's activities in Europe have been included.

For each commitment, the relevant reporting framework is included for reference. A further list of standards and frameworks that Nestlé discloses to is provided in Annex II. The indication of a "Nestlé internal" reporting framework refers to internal progress reporting against our public commitments, for example through the [Nestlé Creating Shared Value and Sustainability report](#) and its [appendix](#). This internal reporting will form the core of Nestlé's reporting against its contribution to the EU Code of Conduct, in addition to further reporting to be provided for Europe-specific commitments, where needed.

Nestlé's contribution is well aligned with the aspirational objectives set in the EU Code of Conduct (outlined in Annex III). The commitments outlined in the contribution will be adapted based on Nestlé's progress and/or shifting priorities in line with future materiality analyses, with a view to remain aligned with the high ambition set by the EU Code of Conduct.

Nestlé contribution to Component 2 of the EU Code of Conduct

Nestlé's engagement to advance regenerative food systems at scale			
Category	Nestlé Commitment	Reporting framework	Comments
			Relevant CoC Objective (see Annex III)
Product reformulation	Further reduce sugars, sodium and saturated fats. Commitment will be evolved following assessment of current approach. Increase vegetables, fibre-rich grains, pulses, nuts and seeds in our foods and beverages.	Nestlé internal	<p>Sugars:</p> <ul style="list-style-type: none"> - Goal: further reduce the sugars we add in our products by an average of at least 5% over four years (2017–2020) to support individuals and families in meeting global recommendations. - 2020 status: 4.5% reduction in sugars we add <p>It is decided that the sugar commitment will continue in 2021 to achieve the full 5%</p> <p>Sodium:</p> <ul style="list-style-type: none"> - Goal: further reduce the sodium we add to our products by an average of at least 10% over four years (2017–2020) in those products that are not yet aligned with our sodium targets based on the WHO recommendation of a maximum sodium daily intake of 2000 mg. - 2020 status: 3.8% reduction in added sodium <p>Saturated fat:</p> <ul style="list-style-type: none"> - Goal: further reduce the saturated fat content by an average of at least 10% over three years (2014–2016) in those products that do not meet the Nestlé Nutritional Foundation criteria for saturated fat as defined in the Nestlé Nutritional Profiling System. - 2020 status: 10% reduction in saturated fat achieved
People, families & pets			

	<p>Vegetables, grains, pulses, nuts and seeds:</p> <ul style="list-style-type: none"> - 2020 status: objective achieved to add to our products at least 750 million portions of vegetables, 300 million portions of nutrient rich grains, pulses and brand and more nuts and seeds. <p>An internal assessment is taking stock of the progress and defining the future direction. Ongoing reformulation and innovation work is continuing at speed taking Nutri-Score profiling systems and consumer expectations as a benchmark.</p>		
Transform product portfolio to reduce our impact on GHG emissions (CO2e)	<p>Reduce 4.2 million tonnes CO2e by 2030 by evolving product offering toward more sustainable options + reduce 1.4 million tonnes CO2e by 2030 by shifting toward more sustainable alternative ingredients like plant-based foods.</p>	SBTi / CDP	<p>For plant-based and dairy, our ambition is charted in our Net Zero Roadmap, published in December 2020.</p> <p>Trends show growing consumer demand for low-carbon products such as plant-based foods and drinks. Our core strategy is in line with this shift.</p>
Transparent information to consumers	<p>Implement Nutri-Score across brands of Nestlé's wholly-owned businesses in continental Europe.</p>	Nestlé internal	<p>This is a commitment specific to Nestlé's activities in Europe.</p> <p>Nestlé is rolling out Nutri-Score in Austria, Belgium, France, Germany, Switzerland, Spain and Portugal. The company will implement Nutri-Score across brands of its wholly-owned businesses. Cereal Partners Worldwide, the international breakfast venture between Nestlé and General Mills, will also implement Nutri-Score on its product packaging in the same countries. In total, around 7,500 products will feature Nutri-Score. Nestlé is ready to extend Nutri-Score implementation in additional countries.</p>
Restrict Promotion of HFSS food products	<p>No advertising for food and beverage products to children under the age of twelve on TV, print, on Pack and at Point of sales and to children under 13 online (social media platforms in particular) except for products which fulfil common nutritional criteria.</p> <p>No communication related to products in primary schools, except where specifically requested by, or</p>	EU Pledge reporting / Nestlé internal for elements going beyond EU Pledge	<p>This is a commitment specific to Nestlé's activities in Europe.</p> <p>These commitments are in line with the EU Pledge on Nutrition Criteria and Nestlé's Marketing to Children policy.</p>

		People & Climate	People in communities	People & Animal welfare	People & Youth	People & Human Rights / Child Labor	People & Sustainably Produced	People & agreed with, the school administration for educational purposes.
	Sustainably Produced	Source 100% certified sustainable palm oil by 2023; 100% certified sustainable cocoa and coffee by 2025; ensure 100% of our raw material volumes are produced sustainably by 2030.	Certification + Nestlé internal	Relevant certification schemes: RSPO, UTZ/RA, 4C. Certification is one of the relevant tools we use to assess the adherence of the raw materials we buy to our Nestlé Responsible Sourcing Standard.	5, 7			
	Human Rights / Child Labor	Ensure human rights are promoted and respected across our value chain by assessing, addressing and reporting progress on salient human rights risks by 2025.	UN Guiding Principles Reporting Framework	Action plans per salient human rights risks are currently under development and will be released publicly by end of 2022 in a sequential way.	5, 7			
				This is a commitment specific to Nestlé's activities in Europe, Middle East & North Africa.				
	Youth	Provide 20,000 apprenticeships and traineeships and 20,000 jobs for young people by 2025 in Europe, Middle East and North Africa, with a specific emphasis on digital and green skills.	Nestlé reporting to European Pact for Skills + EAfA	These commitments are aligned with the Pact for Skills and the European Alliance for Apprenticeships (EAfA): Nestlé is a founding member of the European Alliance for Apprenticeships (EAfA) which was launched in 2013. Nestlé is also one of the initial signatories to the European Pact for Skills launched in 2020.	5			
	Diversity & Inclusion	Increase the proportion of women in the group's top 200 senior executive positions from around 20% currently to 30% by 2022.	Nestlé internal					
				This is a commitment specific to Nestlé's activities in Europe.				
	Animal welfare	European Chicken Commitment: improve animal welfare standards for broilers by 2026.	BBFAW / Nestlé internal	Nestlé achieved 100% cage-free eggs in Europe in 2020. Nestlé is signatory to European Chicken Commitment: https://welfarecommitments.com/europeletter/	6			
		Source 100% of seafood responsibly - including through the use of certification schemes like MSC and ASC.	Supplier survey / Nestlé internal	Certification is one of the relevant tools we use to assess the adherence of the raw materials we buy to our Nestlé Responsible Sourcing Standard.	6			
	Climate	Achieve 20% reduction of emissions by 2025, 50% reduction by 2030, Net Zero by 2050 (considering 2018 baseline + company growth).	SBTi / CDP	In parallel with our corporate net zero emissions pledge, individual Nestlé brands are on a journey to achieving product or brand carbon neutrality. Brands sold in Europe already committed to carbon neutrality include Garden Gourmet and Nespresso by 2022. International brands from the waters category: Perrier®, S.Pellegrino®, Acqua Panna®	3, 6			

		and Vittel®, also to achieve carbon neutrality by 2022. More brands from across our portfolio will be announced soon.	
Protecting trees and landscapes that help absorb carbon planting 20 million trees every year for the next 10 years; Source 20% of key ingredients through regenerative agricultural methods by 2025, 50% (14,000 tonnes) by 2030.	Nestlé internal		3, 6
Accelerate progress towards halving food waste 2030 and achieve zero waste for disposal in our sites.	WRI Food loss and waste protocol	In 2020, we extended our partnership as members of SDG Champions 12.3 network, signing on to the new 10x20x30 initiative. We are also member of the Coalition of Action for Food Waste, launched by Champions 12.3 and Consumer Goods Forum in June 2020. In 2020, 95% of our factories worldwide have now reached zero waste for disposal status.	2, 3, 4
Increase the proportion of renewable electricity that we use through power purchase agreements, green tariffs, renewable energy certificates and on-site production to achieve 100% renewable electricity by 2025.	Nestlé internal		3, 4
Increase the availability of renewable thermal energy generated from sources, such as biogas and biomass, by 2030.	Nestlé internal		3, 4
Reduce emissions per tonne kilometre of transported goods by 11% by 2025 and 35% by 2030.	Nestlé internal	Until 2025, the operational efficiencies of vehicle fill, reduction of empty backhaul, route optimization and switching to intermodal transport will make the biggest contribution to emissions reduction. Electric vehicles for short haul will make a significant contribution toward our 2030 emissions reduction objectives.	3, 4
Nature and biodiversity	CDP / Nestlé internal	From 2021, Nestlé will move beyond addressing deforestation in our supply chains. We will build a forest positive strategy that aims to actively conserve and restore forests while promoting sustainable livelihoods and respecting human rights.	3, 6, 7
		Certification is only one of the tools we use to assess deforestation-free supply chains and adherence to our Nestlé Responsible Sourcing Standard.	

		Many aspects of the climate roadmap will positively impact nature and biodiversity, including the overall 3.2bn investment in climate actions by 2025.	3, 6
Source 20% of key ingredients through regenerative agricultural methods by 2025, 50% (14,000 tonnes) by 2030.	Nestlé internal	<p>Nestlé is currently assessing what area of land it impacts through its sourcing and what our dependencies on nature look like. This follows the SBTN development process.</p> <p>Work is underway to integrate biodiversity metrics into regenerative agriculture projects, to measure impact and adjust approaches.</p> <p>Assessments are also taking place on forestry projects and deforestation prevention to see which projects best support diversity and the protection of nature.</p>	
100% of our (plastic) packaging will be recyclable or reusable by 2025* (following the EMF definition).	Packaging	<p>We aim to reduce our use of virgin plastic in our packaging by one third by 2025. We aim for an absolute reduction in plastic packaging by 10% by 2025 in Europe (as part of the European Plastics Pact).</p> <p>We are increasing the use of rPET in our bottles to 50% by 2025 in Europe. Collect as many plastic bottles as we produce by 2030.</p>	<p>*Ellen MacArthur Foundation / European Plastics Pact</p> <p>Nestlé signed the European Plastics Pact and many national plastic initiatives. Nestlé is member of the EU Circular Plastics Alliance.</p> <p>Nestle is member of the Ellen MacArthur New Plastics Economy initiative: https://www.ellenmacarthurfoundation.org/our-work/activities/new-plastics-economy</p>
Water		<p>Work to achieve water efficiency and sustainability across our operations - certify all bottling water plants with the Alliance for Water stewardship (AWS) standard by 2025.</p> <p>We will lead the regeneration of the water cycle to help create a positive water impact everywhere our waters business operates by 2025.</p>	<p>Alliance for Water Stewardship Standard</p> <p>VWBA annual monitoring (volumetric water accounting methodology)</p>

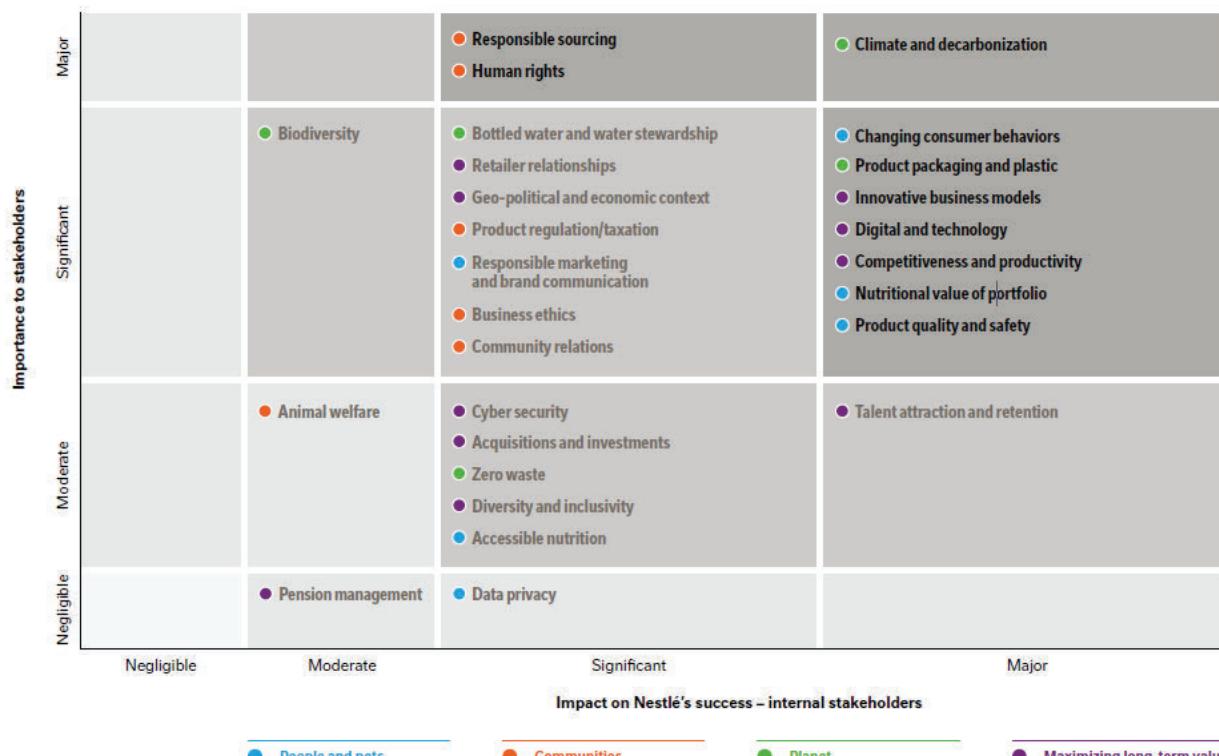
	Transparent disclosure of the use of water in bottled water's operations demonstrating continuous improvement.	WUR (Water usage ratio study) by NMWE	3, 4, 6
	Sustain water quality at natural mineral & spring water sources by partnering with farmers in catchment area to limit or reduce the use of chemicals in the catchment area.	Surface of land protected in catchment areas	3, 4, 6

Annex I - Description of Nestlé's material issues and materiality analysis

Nestlé conducts a formal materiality analysis every other year to ensure we prioritize the issues that have the biggest impact on the economy, society and the environment, and that matter most to our stakeholders.

The latest materiality analysis took place in 2020. The assessment was undertaken by an independent third party to ensure complete confidentiality and impartiality. After a research and planning stage, 72 key internal and external stakeholders were interviewed and asked to score issues by importance to them. The final results were plotted on a materiality matrix (see below) with their position relative to the degree of stakeholder interest and potential business impact. Although these are the material issues facing our business, they should not be viewed in isolation. They are increasingly interconnected and can often impact each other. That is why we are moving more toward an integrated, holistic approach to managing sustainability.

Nestlé materiality matrix



Material issues across the value chain

Our material issues have also been organized under the same different categories: "People and pets", "Communities" and "Planet".

Through the materiality assessment, we refine our commitments and identify areas for improvement. We determine where we can have a positive impact across our value chain: from the people who produce the ingredients we depend on, to the transport of these ingredients to our factories, and eventually to consumers.



People and pets

Accessible nutrition	●	○	●	○	●
Data privacy	○	●	●	●	○
Changing consumer behaviors	○	●	●	●	●
Nutritional value of the portfolio	●	●	●	○	●
Product quality and safety	●	●	●	●	●
Responsible marketing and brand communication	○	○	●	●	●

Material Issues 2020

Communities

Animal welfare	●	●	○	○	○
Responsible sourcing	●	●	●	○	○
Human rights	●	●	●	○	○
Product regulation and taxation	○	●	●	●	●
Business ethics	○	○	●	○	●
Community relations	●	●	●	○	○

Material Issues 2020

Planet

Biodiversity	●	●	●	○	○
Water stewardship	●	○	●	○	○
Zero waste	○	●	●	●	●
Climate and decarbonization	●	●	●	○	○
Product packaging and plastic	○	●	●	○	●

Materiality and the SDGs

We track where our activities can have an impact on achieving the SDGs. The following table illustrates where we have this impact, either directly or indirectly. This table on the SDGs was also taken into for the commitments taken for the Code:

	1 SDG	2 SDG	3 SDG	4 SDG	5 SDG	6 SDG	7 SDG	8 SDG	9 SDG	10 SDG	11 SDG	12 SDG	13 SDG	14 SDG	15 SDG	16 SDG	17 SDG
People and pets																	
Accessible nutrition	●	●	●								●						●
Data privacy																●	
Changing consumer behaviors			●	●	●		●		●	●	●	●	●	●	●	●	
Nutritional value of the portfolio	●	●	●	●	●					●	●	●					●
Product quality and safety		●	●						●				●	●			●
Responsible marketing and brand communication		●	●	●							●	●	●	●			●
Communities																	
Animal welfare					●						●			●			●
Responsible sourcing	●		●	●	●	●	●		●	●	●	●	●	●	●	●	●
Human rights	●		●	●	●	●			●	●	●			●	●	●	●
Product regulation and taxation			●					●		●			●				
Business ethics														●	●	●	●
Community relations	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Planet																	
Biodiversity		●					●				●	●	●	●	●	●	●
Water stewardship							●				●	●	●	●	●	●	
Zero waste	●						●	●			●	●	●	●	●		●
Climate and decarbonization	●						●	●			●	●	●	●	●	●	●
Product packaging and plastic									●		●	●	●	●	●	●	

Annex II – List of standards and frameworks that Nestlé discloses to

B Corp BIA	Nespresso is disclosing
Carbon Disclosure Project (CDP)	Currently disclosing against
Global Reporting Initiative (GRI)	Currently disclosing against
Science-Based Targets Initiative (SBTi)	Currently disclosing against
SDGs Disclosure Recommendations (SDGD)	Currently disclosing against
Taskforce on Climate-Related Financial Disclosure (TCRFD)	Currently disclosing against
UN Global Compact	Currently disclosing against
Workforce Disclosure Initiative	Currently disclosing against
World Economic Forum	New disclosures signed up to
Sustainability Accounting Standards Board (SASB)	New disclosures signed up to

Annex III - EU Code of Conduct Aspirational Objectives & Targets

Aspirational Objectives		Aspirational Targets
1	Healthy, balanced and sustainable diets for all European consumers, thereby contributing to: 1) Reversing malnutrition and diet-related noncommunicable diseases (NCDs) in the EU 2) Reducing the environmental footprint of food consumption by 2030	a) Improved food consumption patterns in the EU b) A food environment that makes it easier to choose healthy and sustainable diets
2	Prevention and reduction of food loss and waste (at consumer level, within internal operations and across value chains)	A 50% reduction of per capita food waste at the retail and consumer level by 2030 and reduced food losses along the food production and supply chains in the EU
3	A climate neutral food chain in Europe by 2050	Reducing net emissions from own operations, contributing to a 55% GHG emission reduction target in the EU food chain by 2030 (following a science-based approach)
4	An optimized circular and resource-efficient food chain in Europe	a) Improved resource-efficiency within own operations, contributing to sustainable, efficient use and management of energy and natural resources in operations by 2030 b) Improved sustainability of food and drink packaging, striving for all packaging towards circularity by 2030
5	Sustained, inclusive and sustainable economic growth, employment and decent work for all	a) Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030 b) Quality jobs, skilled workforce and safe and inclusive workplaces for all
6	Sustainable value creation in the European food supply chain through partnership	a) Improved resilience and competitiveness of companies operating at any point along the food value chain by 2030 b) Continued progress towards sustainable production, contributing to sustainable management and efficient use of natural resources by 2030 and improved animal welfare
7	Sustainable sourcing in food supply chains	a) Transformed commodity supply chains which do not contribute to deforestation, forest degradation and destruction of natural habitat and which preserve and protect high value ecosystems and biodiversity b) Improved social performance in (global) food supply chains