

# Nestlé Commitment to reduce food loss and waste

## 1. Prevention, minimisation and valorization

### *Предотвращение, минимизация и валоризация*



#### Eco-design

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

#### Responsible sourcing

- ✓ according to *The Nestlé Supplier Code* (suppliers shall optimise their consumption of natural resources and minimise solid waste) supporting of the farming communities - help avoid pre-harvest losses through yield improvement and reduce post-harvest losses through optimising delivery of raw materials up to the factory

## Manufacturing & Distribution

- ✓ *doing more with fewer resources and generating less waste*. In Nestlé factories and distribution centres, **Nestlé's goal is zero waste for disposal by 2020!**
- ✓ optimising of inventory management and distribution operations
- ✓ works towards increasing the value of recycled or recovered materials from the operations

## Packaging

- ✓ improving the environmental performance of its packaging.

## 2. Information & education *Информация и образование*

- ✓ help to raise awareness among consumers on the issue of food waste, proactively engages with stakeholders to define and implement a harmonized, reliable and coherent consumer-facing food-dating system
- ✓ Nestlé offers training and education on food waste reduction to its employees.

## 3. Stakeholder engagement and partnerships *Участие заинтересованных сторон и партнерство*

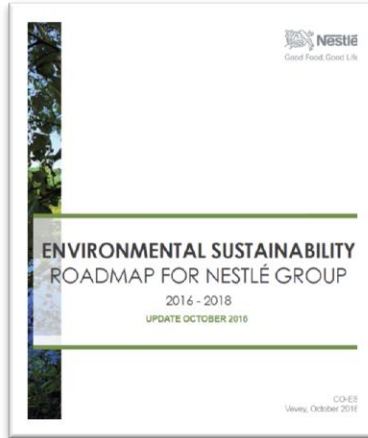
to proactive long-term engagement and partnership in order to define, implement and evaluate solutions to food loss and waste

- ✓ actively supporting business associations (The Consumer Goods Forum (CGF), FoodDrinkEurope and Grocery Manufacturers Associatuin on food loss and waste
- Nestlé also steers on behalf of CGF, Institutes, Nations Programs, Organizations, etc. the development of a major global and recognized protocol to measure food loss & waste.

## 4. Reporting *Отчетность*

- ✓ to reporting publicly and regularly on the progress of this commitment in annual report **Nestlé in Society: Creating Shared Value** and through other relevant private and public reporting initiatives.

# Markets & businesses: environmental Road maps



## Measures and Targets *at a glance*\*

Our Drivers	Measure(s) ▲	Targets ☺		
		2016	2017	2020
Full Compliance	• % of sites with an established action plan to comply with NER	100%	100%	
	• % of implementation of the corrective actions as planned and reported in SHE-PM	100% by 2018	100% by 2018	
Continuous improvement	• GHG (scope 1 + 2)/t in our manufacturing operations	-5% vs. 2015	-5% vs. 2016	-35% vs. 2010
	• GHG/t in our distribution operations	-4% vs. 2014	-2% vs. 2016	-10% vs. 2014
	• GHG/t in the 100 major warehouses we use	-4% vs. 2014	-2% vs. 2016	-10% vs. 2014
	• % of our industrial refrigeration systems using natural refrigerants	> 92%	>89%	
	• % of our new ice cream chest, upright and island freezers using natural refrigerants	100%	100%	
	• % of our new refrigerated trucks using natural refrigerants	100% by 2017**		
	• % of new proprietary cold beverages dispensed at Nestlé Professional using natural refrigerants			100%
	• Number of sites having achieved Zero waste for disposal			All
	• Tonnes of waste for disposal (abs)	-20% vs. 2015	-25% vs. 2016	
	• Energy consumption in our manufacturing operations	-4.5% vs. 2015	-4% vs. 2016	
	• GHG (scope 1 + 2)/t in our manufacturing operations	-4% vs. 2015	-3.5% vs. 2016	-35% vs. 2010
	• GHG avoided	>100'000t from 2015 to 2017	>100'000t from 2015 to 2017	
	• Proportion of raw materials volumes being assessed against baseline requirements and being compliant or natural capital are ongoing	40%	50%	
	• % of consumers having access to fact-based	All	All	
	• % of distribution centres (> 10 000 m <sup>2</sup> ) and R&D locations	All Factories, distribution centres (> 10 000 m <sup>2</sup> ) and 30 R&D locations	All factories, distribution centres (> 10 000 m <sup>2</sup> ) and R&D centres	
	• Environmental awareness training	All	All	

We make Nestlé resourceful

### Our Strategic Priorities

Protecting the future by making the right choices so our products are better for the environment

Delighting consumers and living up to employees' and external stakeholders' expectations

### Our Key Drivers

- Full compliance with all applicable legal environmental requirements and our internal requirements
- Continuous improvement of the environmental performance of our activities, products and services and prevention of pollution
- Systematic assessment and optimisation of environmental impacts in the design of new and renovated products
- Responsible sourcing

- Meaningful and accurate environmental information and dialogue based on scientific evidence on our products, activities and services at Corporate, Market and product brand level
- Independent environmental auditing, verification and certification of our practices along our supply chain
- Environmental awareness training and education of our employees, alongside effective communication to employees and recognition of their initiatives and achievements towards environmental improvement
- Proactive long-term engagement and partnerships with stakeholders

Markets to deliver on the following Global Corporate targets and public commitments.

# Russia & Eurasia Market environmental Road Map

*We help to make Nestle Resourceful*

## OUR Strategic Priorities:

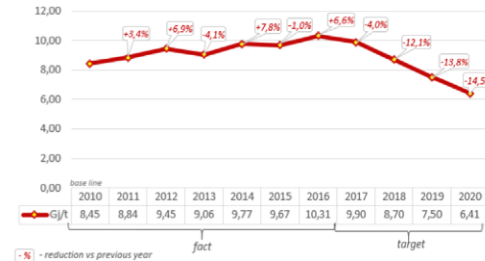
Protecting the future by making the right choices so our products are better for the environment

Delighting consumers and living up to employees and external stakeholders expectations

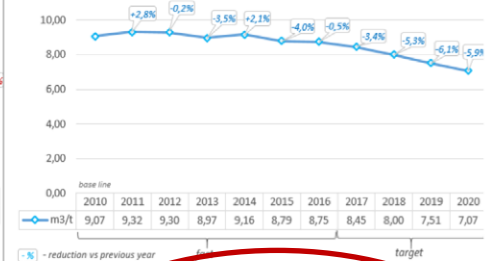
## Key Drivers

- ✓ Full compliance with all appropriate legal environmental requirements and our internal requirements
- ✓ Continuous improvement of the environmental performance of our activities and prevent pollution
- ✓ Responsible sourcing
- ✓ Systematic assessment and optimization of environmental impacts in the design of new and renovated products (\*)  
(\*) Starting from 2018
- ✓ Meaningful and accurate environmental information and dialog based on scientific evidence on our products, activities and services at Market and product brand level
- ✓ Independent environmental auditing – certification of our practices along our supply chain and beyond operations
- ✓ Environmental awareness training and education of our employees, alongside effective communication to employees and recognition of their initiatives and achievements towards environmental improvement Enhance Sustainable Safety and Quality Culture in the Company

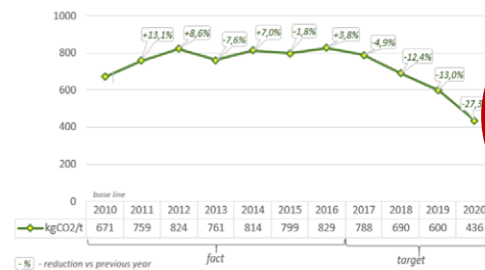
## Energy consumption



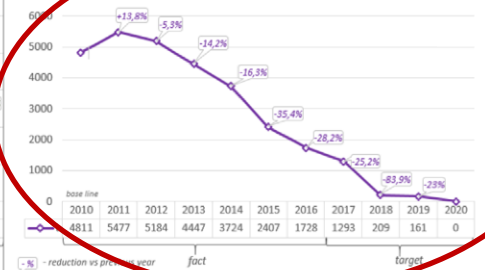
## Water consumption



## GHG emissions reduction



## Waste for disposal reduction



## Our objectives

**3. Continuous improvement: Resource efficiency in the Market**

## Measures

- Resource efficiency:
- ☐ Energy, Water, Waste and polluting refrigerants reduction

## Targets 2016 - 2018

### 2016 Reduce:

- ✓ Waste for disposal (as) -20% vs 2015
- ✓ Every year at least 2 Zero Waste Factories
- ✓ Energy consumption by 4.5% (rate) vs 2015
- ✓ Water withdrawal by 4.0% (rate) vs 2015

### 2016 Prepare:

- ✓ Environmental road map factories & DCs including a Waste reduction Program for all sites (factories, HOs, DCs, RSOs, and NQAC)

## Target 2017

### Reduce:

- ✓ Waste for disposal (as) -25% vs 2016, and at least 2 Zero Waste Factories
- ✓ Energy consumption by 4.0 % (rate) vs 2016
- ✓ Water withdrawal by 3.5% (rate) vs 2016

### Prepare:

- ✓ Environmental road map factories & DCs including a Waste reduction Program for all sites (factories, HOs, DCs, RSOs, and NQAC)

## Target 2020

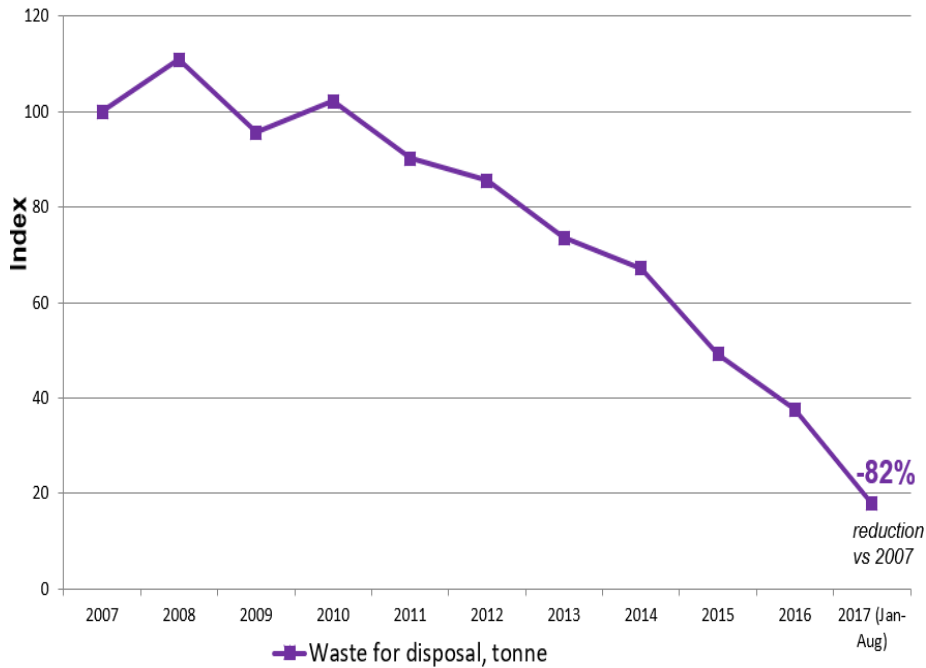
### Reduce:

- Waste for disposal – up to zero
- Energy consumption – for each product group established individual target (rate) vs 2010
- Water withdrawal by 35% (rate) vs 2010 (\*)

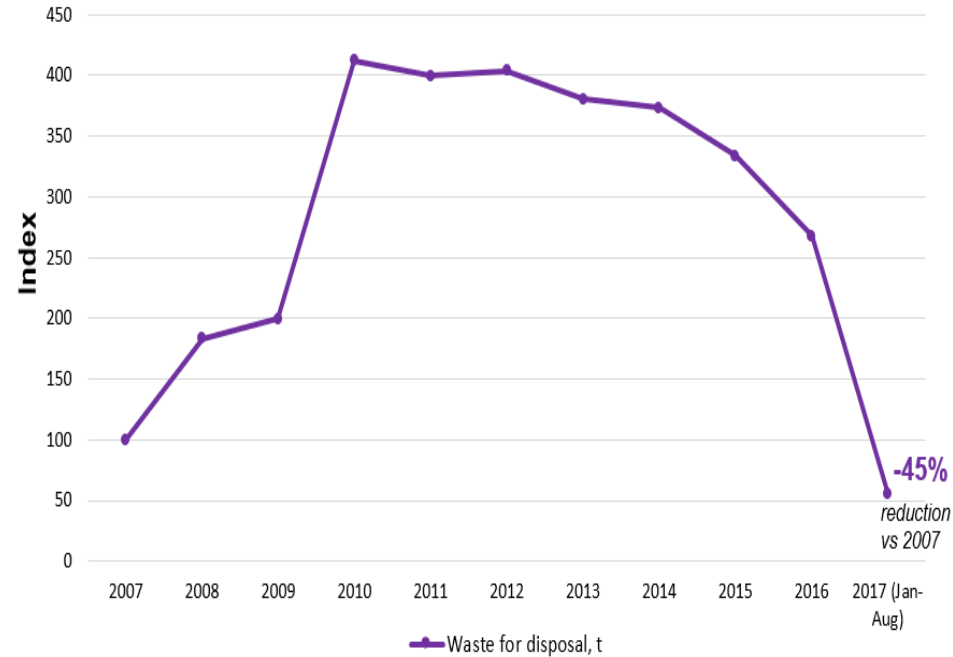
Individual target: see attach. #1

# Zero waste for disposal results

## Total Nestlé



## Russian's factories + Namangan PL



## Overall we are delivering in key areas

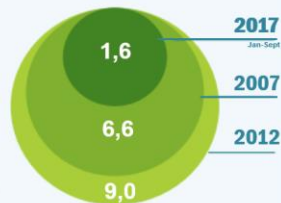
### WASTE

120 factories worldwide  
have achieved

Zero waste  
for disposal



Waste for disposal  
(kg per tonne of product)



**Already 2 Nestlé Russia factories: Vorsino (Plant and DC)  
& Perm (Plant) – are now Zero Waste for disposal!**



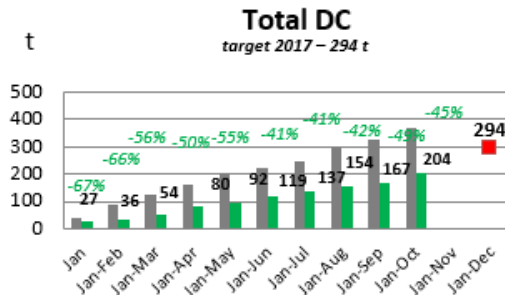
TEAM × VIRTUOUS CIRCLE =  
**G R O W T H**

# Zero Waste to landfill NiM DC Vorsino

## – success factors

- ▶ Zero tolerance to the waste to landfill
- ▶ Availability of "green" waste management providers in the region , 2 companies in this case
  - ❖ *Lafarge Russia* use waste as fuel to produce cement
  - ❖ *EkoTrack* use waste as element of asphalt
- ▶ Sorting of waste at truck parking allows to recycle this waste completely
- ▶ Cooperation with the Purina Factory

Target for DCs –  
waste reduction-  
25% vs 2016 = 294t

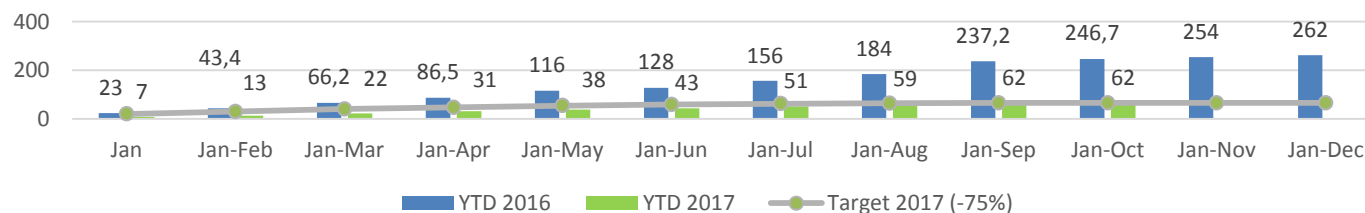




# Zero Waste to landfill Perm Branch

- The target communicated to all employees to ensure everyone could bring her/his positive contribution to environment.
- In 2016 found a contractor for composting food wastes instead of landfill
- March 2017 found a contractor for producing organic fertilizers
- Improved waste sorting process and data collection in production area
- An additional contracts for different types of waste recycling was found: metalized films, rags, flour bags, etc.
- The final important step of this project was a contractor for burning waste with heat recuperation

Waste to landfill in absolute in ton



1 step - Reduction to landfill - 76%

2 step - All waste recycle or burning with recuperation of heat