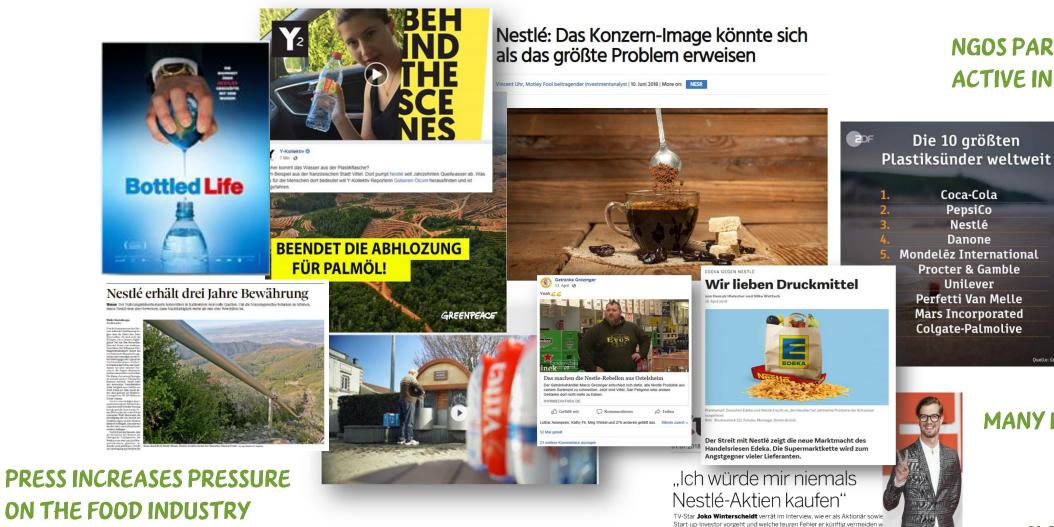
How Nestlé is enhancing Biodiversity in the Responsible Sourcing Standard and its implementation in the supply chain of vegetables

Andrea SchwalberSustainability Managerin Nestlé Deutschland AG

EU LIFE Food & Biodiversity webmeeting Septmeber10th, 2020

Our challenges

NO TRUST IN THE FOOD INDUSTRY



NGOS PARTICULARLY ACTIVE IN GERMANY

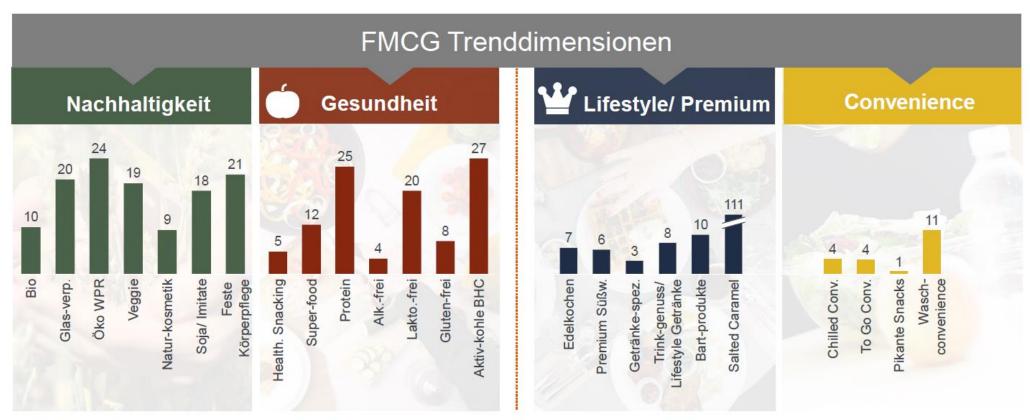
MANY FOOD SCANDALS

Quelle: Greenpeac



Increasing sustainbility and health orientation as main trends in 2019

Umsatz – VR in (%) der FMCG Produkttrends, 2019 vs. 2018



Source: DE GFK Consumer Panel FMCG



3

Climate change and biodiversity are high on our global agenda

CO2 PLEDGE

Nestlé accelerates action to tackle climate change and commits to zero net emissions by 2050

- Acceleration of the change in the product portfolio.
- Use of 100% renewable electricity
- Extension of initiatives in agriculture to absorb more carbon.

CO2 BIODIVERSITY PLEDGE

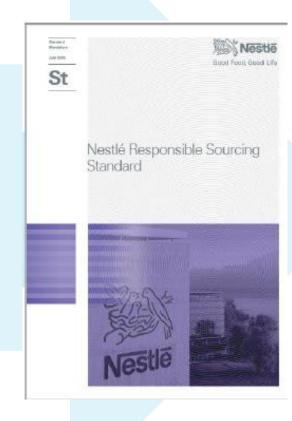
Nestlé believes that protecting and restoring biodiversity is essential to safeguard food production and food security now and for the future. Nestlé has for many years worked with farmers to manage their land sustainably and will continue to lead activities enhancing biodiversity.

Mark Schneider, Nestlé CEO



Nestlé Responsible Sourcing Standard



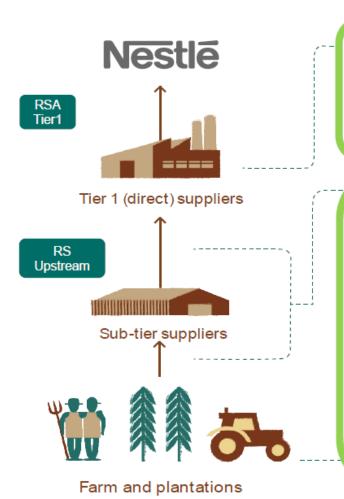


The Nestlé Responsible Sourcing Standard contains actions & behavior Nestlé expects from their suppliers:

- Labor conditions
- Environmental impact (i.e. Biodiversity)
- Health & safety
- Ethics in business relationships
- Natural resources management (i.e. water)
- Farming practices (i.e. pesticide management)
- Animal welfare



Responsible Sourcing at Nestlé



AUDITING

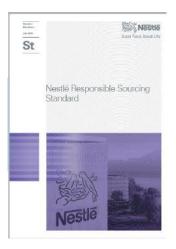
Audits, carried out by independent verification firms, check whether our direct suppliers are implementing our Responsible Sourcing Standard

TRACEABILITY

We work with our direct suppliers to map the supply chain back to origin, right down to farm and smallholder level, identifying everyone involved at every stage

FARM ASSESSMENTS

Farms and plantations are assessed on their implementation of our Responsible Sourcing Guideline by partner organisations







- A supply chain mapping down to the processor and a check on the processors traceability system is performed by Nestlé & SAN
- 2. Verification of minimum ethical standards through FSA or equivalent farm assessment standards
- 3. Some processors go beyond compliance by performing CSV projects supported my FGN, SAN & Nestlé



Responsible Sourcing Journey for Vegetables

SAN

Best practice Spain

Development RSG & best practice Italy

Roll-out RS Programm for Vegetables

Seit 2018

Upstream Progr. for Vegetables

Sustainable

Sourcing

2020...

Development best practice Tomato

2015

2016

CONESA

Definition of Responsible Sourcing Guideline (RSG) for tomato cultivation (collaboration with SAN & FGN)

Roll-out of the RSG and first Farm Assessments with tomato farmers

Hot Spot analysis by **FGN**



FUNDACIÓN GLOBAL NATURE

> 100% of the tomato suppliers are compliant

Pilot project with tomato supplier (Conesa) in Spain (focus on biodiversity & agricultural practices)

Definition of Responsible **Sourcing Guideline** for vegetables

Biodiversity project for tomato cultivation Italy

Rollout & implementation of the **Responsible Sourcing Program for** vegetables with all important vegetable suppliers (vegetables in scope)

Start process for potato, bell pepper, onion, carrott

















Portfolio Analyse & Assessments

2013/2014

Portfolio-analysis: focus on vegetables (EU sourcing)

Risk analysis: Piloting RISE assessment tool

Starting of Compliance **Assessments** with tomato suppliers

Nestlé Responsible Sourcing Program of Vegetables



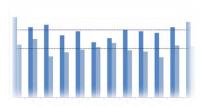
Vision

"ENSURE RESPECT OF ETHICAL STANDARDS, REDUCE THE IMPACT OF AGRICULTURAL PRACTICES ON THE ENVIRONMENT AND ENHANCE BIODIVERSITY WITHIN OUR PROCESSED VEGETABLES SUPPLY CHAIN."



Traceability

Suppliers work closley with farmers



Measure progress

Nestlé can track progress

Compliance

Ethical standards are respected at farms and processors



Good Food, Good Life

RESPONSIBLE SOURCING

Creating **Shared** Value

Soil Nutrient Supplier can help their farmers improve

Biodiversit

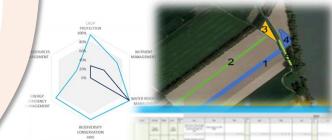
Water

Protection

Energy &

Climate

Waste



Suppliers & their farmers use a structured approach to make progress.



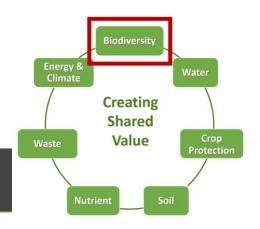
Technical Nestlé helps suppliers and their support farmers when needed





Created Shared Value

Focus area	Program's vision	
Nutrient Management	Plant receive the necessary nutrients without negative impacts to the environment	
Soil Conservation	Soils are living, healthy and resilient to climate change	
Water Management	Water use is minimized	
Crop Protection	Plants are well protected using the minimum possible amount of agrochemicals	
Biodiversity Enhancement	Biodiversity is enhanced around agricultural activities	
Energy and Climate	Energy consumption and emissions are minimized	
Waste	Food loss and waste is minimized	



Best practices

TOMATOES, SPAIN



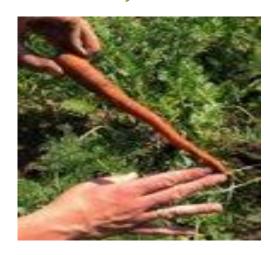
- tomato & bellpepper suppliers, Extremadura
- Focus on biodiversity & soil health by: installing biodiversity infrastructure i.e flower strips for insects & bat nestings, water management and planting winter cover crops

TOMATOES, ITALY



- tomato suppliers, Emilia Romagna
- Focus on biodiversity, soil health & nutrient management by i.e.planting complex tree lines, incorporating organic matter into soils and conducting regular plant tissue analysis.

CARROTS, GERMANY



- carrot & leek supplier, Wendland
- Focus on biodiversity & nutrient management by i.e. flower strips at field boundaries as a source of pollinators; optimising water use and support of plant protection programs





