Nestlé’s purpose is about enhancing quality of life and contributing to a healthier future. We have identified three areas where Nestlé creates impact: for Individuals and Families, for our Communities and for the Planet.

Creating Shared Value, or CSV, is the fundamental way we do business; and how we bring our purpose to life. We believe that for our company to be successful in the long term, we must create value not only for our shareholders, but also for society and the environment we live in.

In 2015, we published the first Nestlé in Society Report for the Middle East, outlining our 20 Creating Shared Value commitments and specific objectives in the areas of Nutrition, Responsible Sourcing, People & Compliance, Water and Environmental Sustainability.

We understand the diverse nutrition challenges people face in the Middle East; from over-nutrition to under-nutrition and micronutrient deficiencies. Eleven of our 20 commitments are focused on nutrition; geared towards building nutrition knowledge with science and research, offering tastier and healthier product choices, and inspiring people to lead healthier and happier lives, with specific focus on children.

In this document, we share our progress to date, and define our commitments 2020. We have the capacity, and more importantly the determination to play a positive role in society.

We look forward to receiving your feedback on our progress and how to further improve our actions and goals to create a positive impact for Individuals and Families, for our Communities and for the Planet.

Yves Manghardt
Chairman and CEO
Nestlé Middle East FZE

To know more about Nestlé in Society and our Creating Shared Value commitments, www.nestle-me.com/en/csv
Our Purpose

Enhancing quality of life and contributing to a healthier future

For Individuals and Families

For our Communities

For the Planet

Nutrition

Responsible Sourcing

Our People & Compliance

Water

Environmental Sustainability
## For Individuals and Families

Enabling healthier and happier lives

<table>
<thead>
<tr>
<th>Our Commitments</th>
<th>Our Progress to Date</th>
<th>Our Objectives 2020</th>
</tr>
</thead>
</table>
| **01** Build knowledge leadership in children’s nutrition | • Landscaping study for children aged 0-12 years  
• Findings: gaps and challenges | • Launch large scale research for children aged 0-12 years by 2017  
• Further build and share knowledge |
| **02** Further provide nutritionally sound products designed for children | • Launched 3 products for kids per year  
• Maintained 100% compliance to the Nestlé Nutritional Foundation | • Launch 3 products for kids per year to help fulfill healthy eating occasions during the day |
| **03** Help reduce the risk of under-nutrition through micronutrient fortification | • Provided more than 8 billion servings of fortified food products per year | • Provide 8.7 billion servings of fortified food products per year |
| **04** Reduce salt, sugar, and saturated fats in our products | • Our products support the WHO target of 5g salt per day  
• We have reduced an overall of 10.7% salt in our products  
• Up to 30% sugar reduction in cereals to date  
• All of our children’s products already meet the Nestlé Nutritional criteria for sugars  
• None of our products contains trans fats*  
• We have reduced 6.5% saturated fats in our products | • Further reduce salt in our products  
• Reduce 5% sugar in confectionery  
• Further reduce 10% sugar in breakfast cereals  
• Further decrease saturated fat in relevant products |
| **05** Increase vegetables, grains, pulses, nuts and seeds in our foods and beverages | • Whole grain #1 ingredient in children & teen breakfast cereals  
• Breakfast cereals with green banner provide at least 8g whole grain per serve | • Introduce new culinary product ranges with pulses, grains and vegetable  
• All breakfast cereals will have whole grain as #1 ingredient providing at least 3g fiber |

*Originating from partially hydrogenated oils
<table>
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<th>Our Commitments</th>
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</thead>
<tbody>
<tr>
<td>06 Simplify our ingredients list and remove artificial colours</td>
<td>• We embarked on our “kitchen cupboard” approach to simplify our ingredients</td>
<td>• Continue simplifying our ingredients</td>
</tr>
<tr>
<td></td>
<td>• All kids confectionery products do not contain artificial colours</td>
<td>• Remove all artificial colours from our products</td>
</tr>
<tr>
<td>07 Deliver nutrition information, advice and portion guidance</td>
<td>• All our products feature the Guideline Daily Amounts (GDA) on front of pack</td>
<td>• Continue to apply and explain nutrition information on packs, at point of sale</td>
</tr>
<tr>
<td></td>
<td>• All of our products provide portion guidance</td>
<td>and online</td>
</tr>
<tr>
<td>08 Promote healthy hydration as part of a healthy lifestyle</td>
<td>• Project WET expanded to 5 countries</td>
<td>• Further implement healthy hydration awareness for parents, teachers and kids</td>
</tr>
<tr>
<td></td>
<td>• Healthy hydration is part of our kids programmes</td>
<td>• Build and share research data on hydration</td>
</tr>
<tr>
<td>09 Promote healthy diets and lifestyles</td>
<td>• We promote healthy diets and lifestyles, through 3 programmes to empower parents,</td>
<td>• Further sustain and strengthen the kids programmes, while continuing to measure</td>
</tr>
<tr>
<td></td>
<td>teachers and children to foster healthy behaviour</td>
<td>impact on behavior change</td>
</tr>
<tr>
<td>10 Ensure responsible marketing communication to children</td>
<td>• We have implemented a strengthened policy on marketing communication to children</td>
<td>• Help 1 million children lead healthier lives</td>
</tr>
<tr>
<td></td>
<td>• Nestlé is a signatory of the Marketing to Kids Pledge of the International Food &amp;</td>
<td>• We will continue to ensure responsible marketing practices</td>
</tr>
<tr>
<td></td>
<td>Beverages Alliance in the GCC</td>
<td>• Further engage in voluntary efforts to promote these practices in the industry</td>
</tr>
<tr>
<td>11 Market breast-milk substitutes responsibly</td>
<td>• Nestlé complies with all international and local regulations</td>
<td>• Promote breastfeeding and continue to strengthen our practices to consistently</td>
</tr>
<tr>
<td></td>
<td>• Since 2011, we are the first to be included in the FTSE4Good index</td>
<td>meet the WHO recommendations, FTSE4Good Index BMS (Breast Milk Substitute) criteria</td>
</tr>
<tr>
<td></td>
<td>• We have conducted more than 20 audits in the last 5 years to ensure compliance</td>
<td>and local regulations</td>
</tr>
</tbody>
</table>

For more details on our policies and procedures: [www.nestle.com/csv/downloads](http://www.nestle.com/csv/downloads)
For our Communities
Helping to develop thriving, resilient communities

<table>
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</table>
| 12 Implement responsible sourcing in our supply chain | • We work with more than 5,600 suppliers  
• We perform more than 40 supplier audits per year | • Cover 80% of the total volume sourced from audited and compliant suppliers |
| 13 Foster career opportunities for youth in the Middle East | • More than 30% of our employees are under 30 years  
• 2,000 youth hired since 2010  
• 430 hired in 2016 and 5,000 impacted  
• Launched the “Alliance for Youth” | • Hire 650 youth and impact 16,000  
• Further expand the “Alliance for Youth” members to increase hire and impact |
| 14 Enhance gender balance | • Launched our Diversity and Inclusion framework across the company  
• 24% women among managerial positions (from 16% in 2011)  
• Maternity leave up to 6 months | • Continue to achieve annual increases in the percentage of women managers and senior leaders |
| 15 Ensure that all Nestlé employees are covered by a certified safety and health management system | • All our sites are certified for safety and health management (OHSAS 18001)  
• In 2016 alone, more than 90,000 safety and health observations were recorded by Nestlé employees | • Continue to ensure all Nestlé employees are covered by a certified safety and health management system |
| 16 Provide CSV, nutrition (NQ) & environmental sustainability training for our employees | • All employees trained for nutrition and environmental sustainability  
• Nutrition training extended to our customers  
• We launched our internal CSV training | • Continue to strengthen nutrition and environmental awareness among employees  
• Reach out to our partners and suppliers |
## Our Commitments

### Work to achieve water efficiency and sustainability across our operations

- Since 2010: 35% reduction in water* withdrawal

### Provide climate change leadership

- Since 2010: 32% reduction in energy* consumption
- Since 2010: 28% reduction in greenhouse gas* (GHG) emissions

### Improve the environmental performance of our packaging

- 200 tons packaging materials saved in the last 2 years
- Measures included packaging optimization in shipping and wrapping materials

### Reduce food loss and waste

- We achieved 99% reduction in waste for disposal at our manufacturing sites
- We started engaging with stakeholders on food waste challenges in the region

## Our Progress to Date

### Our Commitments

- Since 2010: 35% reduction in water* withdrawal
- Since 2010: 32% reduction in energy* consumption
- Since 2010: 28% reduction in greenhouse gas* (GHG) emissions
- 200 tons packaging materials saved in the last 2 years
- We achieved 99% reduction in waste for disposal at our manufacturing sites
- We started engaging with stakeholders on food waste challenges in the region

## Our Objectives 2020

### Our Commitments

- Further reduce water* withdrawal to reach 40% reduction
- Further reduce consumption to reach 40% energy* reduction
- Further reduce to reach 35% GHG* emissions reduction
- We will continue to analyze and optimize our packaging portfolio

### Our Progress to Date

- Further reduce water* withdrawal to reach 40% reduction
- Further reduce consumption to reach 40% energy* reduction
- Further reduce to reach 35% GHG* emissions reduction
- We will continue to analyze and optimize our packaging portfolio

### Our Objectives 2020

- Achieve 0 waste for disposal in all sites
- Accelerate progress globally towards halving food waste by 2030
- Promote reduction of food waste to stakeholders, food professionals, consumers and employees

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*Computed for tonne of food product manufactured*
NESTLÉ IN THE MIDDLE EAST
13 COUNTRIES; 18 FACTORIES

**Food Factories**
- **Al Maha Factory in Dubai South**
  Culinary, Coffee Mixes

- **Nestlé Dubai Manufacturing in Techno Park**
  Milk Powder, Chocolate and Culinary

- **Nestlé Iran Manufacturing in Qazvin**
  Infant Cereals, Infant Formula, Powdered Beverages, and Coffee Mixes

**Water Factories**
Creating Shared Value

13,000
Employees across the region

US$ 340 Million
Salaries and social welfare expenses in 2016

US$ 2.4 Billion
Total Sales in the Middle East in 2016

18
Factories across the region

US$ 620 Million
Investments in the region since 2010