



Nestlé

Good Food, Good Life

# Nestlé In Society

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Creating Shared Value  
and meeting our commitments 2014  
Middle East



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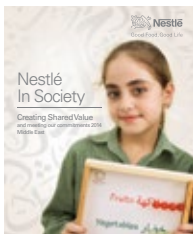
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## Front cover

Yasmine is a student at the Makassed Khalil Chehab School in Beirut, pictured here after attending a Nestlé Healthy Kids Programme – Ajyal Salima session. The School has been integrating the curriculum into classroom subjects since 2011 to help kids acquire nutrition knowledge and promote positive eating behavior. The passionate involvement of its principal, teachers, parents, and children, has turned it into a leading model of the implementation of the Programme. Evidenced by research to create positive impact on eating habits, today the Programme is part of the Lebanese Ministry of Education's school health unit curriculum for public schools. Nestlé has also rolled it out in Dubai and Saudi Arabia.

Download the report and read more on <http://www.nestle-me.com/en/csv>

# 2014 Performance Summary

Globally, Nestlé has developed performance indicators to provide a focus for measuring and reporting Creating Shared Value, sustainability and compliance. The reporting framework forms part of our communication on progress regarding the United Nations Global Compact Principles at a global level.

This performance summary highlights key indicators for Nestlé in the Middle East for the year ending on 31 December 2014.

Read about our global performance indicators: [www.nestle.com/csv/kpis](http://www.nestle.com/csv/kpis)

<b>Nestlé In Society and Creating Shared Value key performance indicator</b>	<b>2013</b>	<b>2014</b>
<b>Economic</b>		
Total Company sales (USD million) (a)	2,300	2,400
<b>Nutrition</b>		
Products meeting or exceeding Nestlé Nutritional Foundation profiling criteria (as % of total sales) (b)	86%	90%
Products analysed and improved or confirmed via 60/40+ programme (sales USD million) (c)	1,000	1,200
Number of servings of micro-nutrients fortified food products sold (billion servings) (d)	8.2	8.0
Products featuring Nestlé Nutritional Compass labelling (% of sales in Middle East) (e)	98%	99%
Products in the Middle East with Guideline Daily Amounts (GDA) labelling on front of pack (% of sales in Middle East) (f)	83%	91%
Products with specific portion guidance (sales, USD million)	600	640
<b>Rural Development and Responsible Sourcing</b>		
Percentage of suppliers that fully comply with the Nestlé Supplier Code	Not measured	92%
<b>Water</b>		
Total Water Withdrawal (m <sup>3</sup> )	243,611	226,957
Total Water Withdrawal (m <sup>3</sup> per tonne of product)	2.12	2.02
<b>Environmental Sustainability</b>		
Production Volume (tonnes)	114,911	112,355
<b>Materials</b>		
Raw materials used (tonnes)	105,563	114,302
Materials for packaging purposes (tonnes)	25,857	23,625
Packaging source optimisation (tonnes saved)	60	462
<b>Energy</b>		
Total on-site energy consumption (gigajoules)	281,532	264,034
Total on-site energy consumption (gigajoules per tonne of product)	2.45	2.35
<b>Emissions, effluents and waste</b>		
Direct Greenhouse Gas (GHG) emissions (tonnes CO <sub>2</sub> eq)	29,877	28,763
Direct GHG emissions (kg CO <sub>2</sub> eq per tonne of product)	260	256
Total water discharge (m <sup>3</sup> )	133,237	113,444
Total water discharge (m <sup>3</sup> per tonne of product)	1.16	1.01
Average quality of water discharged (mg COD/l)	30	28
Waste for disposal (tonne)	674	567
<b>Environmental sustainability governance</b>		
Manufacturing sites certified against ISO 14001 (% of total manufacturing sites)	100%	100%

(a) Includes all businesses of Nestlé for all thirteen countries in the Middle East (Dairy, Coffee, Culinary, Confectionary, Nutrition (including Wyeth Nutrition), Nestlé Professional, Breakfast Cereals, Health Science, Petcare, Waters, Nespresso)

(b) Covers Culinary, Coffee, Confectionary and Dairy categories. We evaluate our products against the Nestlé Nutritional Foundation criteria, which are based on scientific and public health recommendations (WHO, Institute of Medicine (IOM) and others).

(c) In the 60/40+ programme products are tested with consumer panels and at least 60 of the 100 people must prefer the Nestlé product over the competitor's. This KPI reflects the dynamic nature of our 60/40+ programme. Assessment results are valid for a maximum of three years, only if all parameters remain equal.

(d) Main product category contributors are: Dairy, Nutrition, Culinary, and Breakfast Cereals. Excludes Health Science, Infant Formula, and Nestlé Professional.

(e) The Nestlé Nutritional Compass has been launched since 2005 and provides nutrition information on the label through the nutrition table, in addition to tips for responsible usage and consumption.

(f) Excludes plain coffee, tea and water, products for Nestlé Professional, gifting chocolate, seasonings, Petcare, Health Science and Nutrition. Includes figures for both adult and child specific GDA-based labelling.

# Highlights 2014

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**20**

Regional specific commitments in nutrition, responsible sourcing, water, environmental sustainability, people and compliance

**100%**

of our children's products met all of the Nestlé Nutritional Foundation criteria\* for children at the end of 2014

**3 countries**

Our Nestlé Healthy Kids Programme-Ajyal Salima has reached more than 16,000 children in 3 countries in our region

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**8 Billion**

Servings of micro-nutrients fortified food products sold in 2014

**FTSE4Good**

We remain the only infant formula manufacturer included in the FTSE's responsible investment index, based on our performance in human rights, labour rights, responsible marketing of breast-milk substitutes and more

**-42%**

Water withdrawal per tonne of product cut by 42% since 2009

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**-71%**

Absolute waste for disposal cut by 71% since 2009, while production volume increased 62%

**-25%**

GHG emissions per tonne of manufactured product cut by 25% since 2009

**-26%**

Energy consumption per tonne of product cut by 26% since 2009

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\* The Nestlé Nutritional Foundation criteria are based on nutrition science and public health dietary recommendations, such as those of the World Health Organization and other global or local authorities. Our products are evaluated against these criteria, using the Nestlé Nutritional Profiling System, which determines their nutritional value and whether they achieve the Nestlé Nutritional Foundation status.

# Summary of our Commitments

*Living up to our mission to enhance quality of life, this year we are publishing for the first time our commitments to society in the Middle East; Commitments that are in line with the way we do business defined by our strategy of Creating Shared Value.*

With a particular focus on nutrition, health and wellness, our commitments also cover water and environmental sustainability, and highlight other topics including responsible sourcing, people and compliance. They are ambitious, reflecting our determination to meeting

our responsibilities and contribute to addressing local challenges.

Some of these commitments, particularly those pertaining to nutrition, will focus specifically on children in accordance with our ongoing journey to nurture healthier generations.

All of our commitments invite stakeholders and partners to hold us accountable to what we promise, and solicit their feedback so we can continuously improve our actions and performance.



## Nutrition

1. Build knowledge leadership in children's nutrition
2. Further provide nutritionally sound products designed for children
3. Help reduce the risk of under-nutrition through micronutrient fortification
4. Reduce sodium (salt) in our products
5. Reduce sugars in our products
6. Reduce saturated fats and remove trans fats from our products
7. Deliver nutrition information, advice and portion guidance
8. Promote healthy hydration as part of a healthy lifestyle
9. Promote healthy diets and lifestyles
10. Ensure responsible marketing communication to children
11. Market breast-milk substitutes responsibly



## Responsible Sourcing

12. Implement responsible sourcing in our supply chain



## Water

13. Work to achieve water efficiency and sustainability across our operations



## Environmental Sustainability

14. Improve resource efficiency in our operations

15. Improve the environmental performance of our packaging

16. Provide climate change leadership



## Our People & Compliance

17. Foster further opportunities of starting and developing careers for the youth in the Middle East

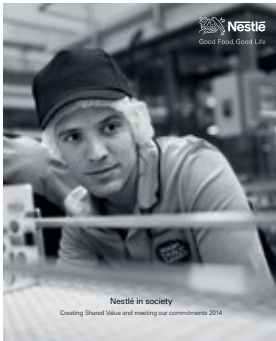
18. Enhance gender balance

19. Ensure that all Nestlé units have the necessary systems in place to deliver the same level of basic safety and health protection for all employees

20. Provide training and education for Nestlé employees on Nutrition Quotient (NQ), Environmental Sustainability and Creating Shared Value

# Message from our Chairman and our CEO - Nestlé S.A.

Introducing the Nestlé in Society global report on Creating Shared Value and meeting our commitments 2014



To read the global report: <http://www.nestle.com/csv>

Know more about the global commitments, check the interactive graphics: <http://www.nestle.com/csv/what-is-csv/commitments>

*We are pleased to share our 2014 Creating Shared Value Report including an assessment of the challenges we face and the real progress we have made in meeting our societal commitments. This report underlines our firm belief that for a company to prosper over the long term and create value for shareholders, it must create value for society at the same time. Each and every commitment is based on our own convictions, not convenience. Respect, for people, different cultures, the environment and for the future of the world we live in, is the foundation of Creating Shared Value.*



*Peter Brabeck-Letmathe speaking at the 2014 CSV Forum*  
Peter Brabeck-Letmathe (Chairman, Nestlé) welcoming guests from government, academia, civil society and business to the 6th Creating Shared Value Forum in Switzerland, which was co-hosted with the United Nations Conference on Trade and Development.



*Paul Bulcke visiting the Food Safety Institute in Beijing*  
Paul Bulcke (CEO, Nestlé) visiting Beijing in March 2014, to open the Nestlé Food Safety Institute, which works with authorities to help provide the scientific foundation for food safety policies and standards.

These commitments serve both external and internal purposes. They have helped frame our external communications but, equally importantly, they guide our management and all of us at Nestlé across Business Units, Zones and Markets in our collective efforts to reach these specific objectives. They also take into account the views of our stakeholders. We meet regularly with NGOs, academics, multilateral agencies, governments and others to listen and learn from their criticisms and encouragement. Our efforts are strengthened by this dialogue.



Our shareholders also guide us with insightful questions about these societal commitments and how they strengthen our business. This we can explain. Our ambition to be the leading Nutrition, Health and Wellness company is at the heart of our corporate strategy and what we live for as a company. We care deeply about people's health and wellness, and are investing for the future through our network of research centres, the Nestlé Institute of Health Sciences, Nestlé Health Science and the new Nestlé Skin Health. A deep understanding of nutrition, and access to tastier and healthier food and beverages, is what our consumers demand and what society needs.

Water too is an essential part of good nutrition and, at the same time, a human right and the linchpin of food security. We actively promote healthy hydration at all ages while making every effort to reduce water use in our own operations and advocating for inclusion of a specific goal on water in the post-2015 development agenda. Our new Cero Agua factory in Mexico, a dairy factory with a positive water impact, exemplifies our commitment to reducing water use in our own operations and how we embrace new technologies and innovative ways to achieve this goal. Water is a business opportunity, an operational challenge and a societal issue that is of deep concern to us all. As we have said many times, we will run out of water long before we run out of oil. Likewise, rural development and our work with farmers combined with our Responsible Sourcing Guideline help address the need to build sustainable farming communities, but also to answer our own consumers' demands to know 'where does my food come from?' Our rural development work helps secure the quality and quantity of supply of our key categories and increase the attractiveness of farming for future generations.

We continue to actively manage our commitments to environmental and social sustainability, necessary for operating our factories and for the sustainable growth and development of the communities and countries where we operate. Our commitment to youth employment, called the Nestlé needs YOUth Initiative, helps strengthen and develop the skills and employability of young people across Europe. This programme will soon be extended globally.

At Nestlé, Creating Shared Value is the way we do business and it is embedded in our holistic management thinking. Integrating business opportunity and societal need is what we expect of our leaders and employees. Internal management tools help facilitate this process, such as a strategic portfolio tool that assesses our brands against financial and nutrition targets, a capital expenditure process that includes societal indicators, and a Rural Development Framework which digs deep into the needs of cocoa, coffee and dairy farmers and farming communities, helping us to better target our efforts and investments. Our challenge is to find a consistent method

of measuring the business value of Creating Shared Value as well as to assess societal impacts and not just activities. We will continue to develop our thinking on this during 2015.

Join us on our Creating Shared Value journey which focuses business on the long term where the success of society and economic activity are intimately intertwined and mutually reinforcing. It should also lead to more effective, collective action to address some of society's deepest concerns and challenges. Better dialogue, engagement and partnerships are required if we are to help address the 'double burden' of malnutrition, water scarcity, sustainable farming, climate change, human rights and more.

This year, again, we have introduced some new commitments in the areas of responsible marketing to children, anticorruption and internal and external grievance mechanisms. With this report, we also restate our support for the UN Global Compact, as a founding member of the UN Global Compact Lead – an important platform for corporate sustainability leadership. We look forward to your feedback on our commitments and on this report.



**Peter Brabeck-Letmathe**  
Chairman



**Paul Bulcke**  
Chief Executive Officer

# Message from our Chairman and CEO- Nestlé Middle East FZE



Chairman and CEO of Nestlé Middle East, Yves Manghardt, speaking about Food Security and Creating Shared Value at the Global Food Security Summit in Dubai, February 23, 2014.

*“Creating Shared Value (CSV) is Nestlé’s fundamental way of doing business. It is built on a foundation of compliance with the highest standards, international and local laws, internal regulations, codes of ethics and our own corporate business principles that incorporate the 10 United Nations Global Compact (UNGC) principles reflecting fairness, honesty and respect for people and the environment.”*

Globally, Nestlé in Society reports have been issued since 2004 representing a significant step forward in our drive to communicate transparently with our stakeholders about our actions in all the areas where we engage in society. In a world facing long-term economic, social and nutrition challenges, Nestlé believes that corporations have a role to play in contributing to solutions. Since 2012, we also started publishing forward-looking commitments and reporting on progress, holding accountability on our promises.

Nestlé Middle East is embarking on this journey for the first time this year, announcing our local commitments in the areas of nutrition, rural development and responsible sourcing, water, environmental sustainability, people and compliance.

Our heritage in the Middle East goes back over 80 years to 1934, during which we built a foundation of trust and credibility among the people of the region, living up to our global mission to enhance quality of life with good food and beverages everywhere. Today, Nestlé Middle East provides direct employment to over 11,000 people as well as indirect employment to several thousand more across different countries. It also means diversity, because that is what the region is really all about in every way.

As the leading Nutrition, Health and Wellness Company, we have a unique opportunity to help address the diverse nutrition challenges facing people across the world and in our region; from over nutrition to under nutrition including micronutrient deficiencies. We have the capacity, and more importantly, the determination to play a positive role in contributing to the solution by embedding the right actions into our work. We believe that good nutrition will become more and more important for both businesses and society.

That’s why our CSV strategy in the region focuses on nutrition, and we aim to provide tasty and healthy products, information and education to help people improve their nutrition, health and wellness, with specific focus on children to nurture healthier generations.

We emphasize continuous nutrition improvement of our products, based on scientific research and according to international recommendations, as well as micronutrient fortification to address specific local deficiencies. Nestlé also delivers clear nutrition labeling through the Nestlé Nutritional Compass that includes nutrition advice on portion guidance to help consumers make informed choices; we follow strict guidelines to ensure responsible marketing to children; and we remain the only infant formula manufacturer to be included in the FTSE4Good Index, the sole independent and transparent third-party assessing marketing practices of breast milk substitutes.

In addition, we implement nutrition awareness and community initiatives, namely the Nestlé Healthy Kids

Programme – Ajyal Salima. Launched in 2010 and reaching out to 9 to 11 year-olds, the Programme incorporates a tailored curriculum scientifically developed by the American University of Beirut (AUB), and is implemented in collaboration with local governments and NGOs. The success of this educational model and the scientific evidence that proved its effectiveness in changing behavior and increasing nutrition knowledge in children, have led to its adoption by the Ministry of Education and Higher Education in Lebanon and its roll out to other countries in the region.

In this report, we are also sharing our commitments in the areas of responsible sourcing, water, environmental sustainability, people and compliance through business practices embedded at the core of our operations. These include initiatives to produce more with fewer resources, reduce energy, greenhouse gas emissions, and water consumption, and address absolute waste.

We also work to foster further opportunities of starting and developing careers for the youth in the Middle East. An example is our Nestlé Center of Excellence, a training academy founded in 2012 in Saudi Arabia and now also rolled out in Oman. It trains university graduates in the areas of business, nutrition, and sales, with specific focus on women to enhance gender balance at the workplace.

Overall, our actions in Creating Shared Value would not be the success they are nor sustainable without the support and trust of the various institutions, governments, and other entities we work with in the region. We believe that concerted collective efforts can truly make positive impact in society.

As we publish our first ambitious Nestlé in Society Report in the Middle East, we know that there will be challenges ahead and we express our determination to meet our responsibilities and play our part. We look forward to hearing your feedback and suggestions on how we can further improve in the future.



*Chairman and CEO of Nestlé Middle East, Yves Manghardt, visiting the Nestlé Dubai Manufacturing plant in TechnoPark, United Arab Emirates.*

*“To us, the Middle East means growth, future potential, talent, and innovation.”*

**Yves Manghardt**  
Chairman and CEO  
Nestlé Middle East FZE

# Creating Shared Value at Nestlé

Creating Shared Value is the fundamental way Nestlé does business across the entire value chain, and the way we connect with society at large. It begins with the understanding that for our business to prosper over the long term, the communities we serve must also prosper. It entails businesses creating competitive advantage, which in turn will deliver better returns for shareholders, through actions that substantially address a social or environmental challenge. It is built on strong foundations of compliance and sustainable business practices to preserve the environment for future generations.

As a company, we are best positioned to create shared value in three areas: **nutrition, water and rural development**.

A key pillar in our Creating Shared Value strategy is nutrition because food and nutrition are the basis of health and of our business – it's the reason why we exist. Nestlé's mission is to enhance the quality of life of our consumers by providing tastier and healthier food and beverage choices, and services that help people improve their nutrition, health and wellness.

Our focus on water and rural development is driven by their critical importance not only to our business but also to our employees, farmers,

suppliers, distributors and communities where we operate.

We live up to our commitments to environmental, social and economic sustainability through business practices embedded at the core of our operations. These aim to deliver better financial results for our shareholders by improving working conditions for our suppliers, instilling environmental practices that both benefit the planet and cut costs, and enhancing products to meet the specific needs of our customers.

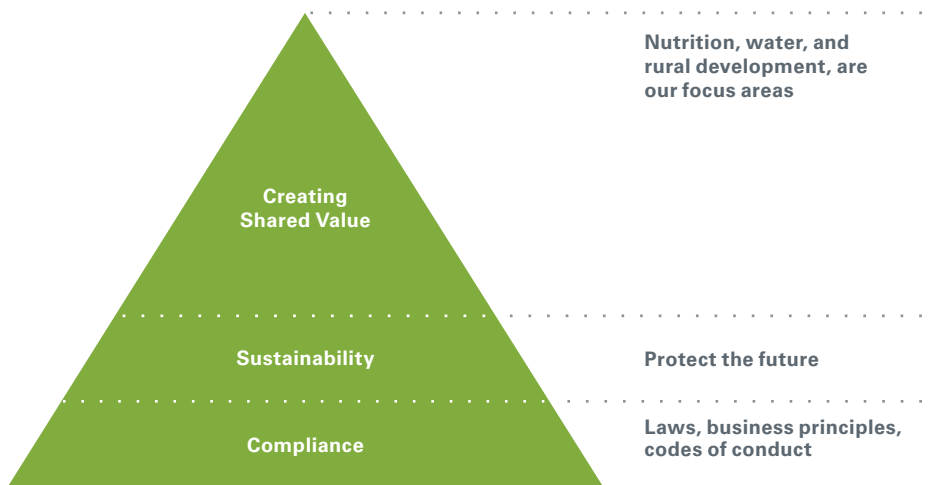
This involves substantial training and education of people inside and outside

of Nestlé, as well as large investments in technology with lower environmental impact. We are also one of the founding members of the UN Global Compact Lead – an important platform for corporate sustainability leadership.

Creating Shared Value requires compliance with the highest standards of business practice, including international codes and standards as well as our own Code of Business Conduct, Corporate Business Principles, and Management and Leadership Principles.

Read more about CSV on: <http://www.nestle.com/csv>

## Creating Shared Value



## Our Corporate Business Principles: foundation of Creating Shared Value

It is essential that we build our business on clear principles and sound governance. The Nestlé Corporate Business Principles rule the way we do business and form the basis of our culture and values. The 10 principles, which provide the foundations for our

commitments and our Creating Shared Value strategy, incorporate the 10 United Nation Global Compact (UNGC)\* Principles and are divided into five areas: consumers, human rights and labour practices, our people, suppliers and customers, and the environment.

### Why are they important?

We believe that it's essential to have

clear principles and values that are built upon respect for our consumers, our people, suppliers, customers and the environment, and a strong compliance culture that is fully embedded in our business. Demonstrating our adherence builds trust among our stakeholders, ensuring they have confidence in the Nestlé brand and what it stands for, both now and in the future.

\* The UN Global Compact asks companies to embrace universal principles and to partner with the United Nations. It has grown to become a critical platform for the United Nations to engage effectively with enlightened global business.

### How are they applied?

All our employees are required to comply with Nestlé's Corporate Business Principles and we continuously monitor their application and effectiveness.

Our principles are implemented through relevant business codes, policies, processes and tools, which have been developed to ensure they are practiced every single day, across the Company.

We set high standards, always following the Nestlé Corporate Business Principles wherever we operate – even if local laws are more lenient or non-existent.

### The Nestlé Corporate Business Principles

The diagram below gives an overview of the 10 Nestlé Corporate Business Principles and what we want to achieve through them.

<b>Consumers</b>	1	Nutrition, health and wellness	We aim to enhance the quality of consumers' lives by offering tastier, healthier food and drinks and encouraging a healthy lifestyle.
	2	Quality assurance and product safety	We want to ensure that, everywhere in the world, the Nestlé name represents the highest levels of product safety and quality.
	3	Consumer communication	We are committed to responsible, reliable communication that informs consumers, promotes healthier diets and respects consumer privacy.
<b>Human rights and labour practices</b>	4	Human rights in our business activities	We fully support the UNGC's principles on human rights and labour, and aim to set an example of good human rights and labour practices throughout our business activities.
<b>Our people</b>	5	Leadership and personal responsibility	While fostering a culture of respect and dignity, we provide our people with equal opportunities for development, protect their privacy and do not tolerate any form of harassment or discrimination against them. At the same time, we expect our employees to be responsible, motivated, and to live up to our values.
	6	Safety and health at work	We are committed to preventing work-related accidents, injuries and illnesses, and to protecting employees, contractors and others involved along the value chain.
<b>Suppliers and customers</b>	7	Supplier and customer relations	We require our suppliers, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our non-negotiable standards.
	8	Agriculture and rural development	We aim to help rural communities become more environmentally sustainable by contributing in a range of areas, including agricultural production and the social and economic status of farmers.
<b>The environment</b>	9	Environmental sustainability	We are committed to environmentally sustainable business practices and strive to use natural resources efficiently, achieve zero waste and use sustainably managed renewable resources.
	10	Water	The world faces a growing water challenge, and we are committed to using water sustainably and improving our water management.

# The roots and development of Creating Shared Value at Nestlé

**2002** – Nestlé published *The Nestlé Sustainability Review*, the first social report in its history, covering a framework of economic, social and environmental sustainability.

**2005** – Nestlé produced a regional report entitled *The Nestlé commitment to Africa*, reporting on our impact across the three-part value chain framework of agricultural raw materials, manufacturing, and management, products and consumers.

**2006** – *The Nestlé concept of corporate social responsibility as implemented in Latin America* was published. This report followed an elaborated version of the same three-part value chain framework used in the Africa report.

**2007** – Three Creating Shared Value areas of focus were chosen internally for company investment and communication: nutrition, water and rural development.

**2008** – The Creating Shared Value pyramid was launched integrating Creating Shared Value with sustainability, compliance and Nestlé culture and values in one visual device. Our first *Nestlé Creating Shared Value Report* (the 2007 report) was published.

**2009** – Nestlé publicly launched the Creating Shared Value concept and framework, as well as the Nestlé Creating Shared Value Prize, at the first Creating Shared Value Forum, held at the United Nations in New York.

**2010** – The second global *Nestlé Creating Shared Value Report (2009)* was published, using for the first time the three Creating Shared Value focus areas of nutrition, water and rural development as the framework. The second Creating Shared Value Forum was held in London. The inaugural Nestlé Creating Shared Value Prize was awarded to IDE Cambodia.

**2011** – The *Nestlé Creating Shared Value and Rural Development Report 2010* was issued, and the third Creating Shared Value Forum held in Washington DC. The report was written according to the Global Reporting Initiative (GRI) application level B+ and verified by Bureau Veritas. The Company then decided to apply for level A+ for the following report.

**2012** – The *Nestlé Creating Shared Value Summary Report 2011: Meeting the global water challenge* was published, including summary sections on nutrition and rural development. The full report met the criteria for the highest level of transparency in reporting, GRI A+. The fourth Creating Shared Value Forum was held in India. The Nestlé Creating Shared Value Prize 2012 was awarded to Fundación Paraguaya, for setting up a self-sufficient agricultural school model, while Lebanon's *arcenciel*, and the UK's Excellent Development shared runner-up positions.

**2013** – The report *Nestlé in Society: Creating Shared Value and meeting our commitments 2012* was published, focused on nutrition and, for the first time, included forward-looking commitments. The fifth Creating Shared Value Forum was held in Colombia in partnership with the Inter-American Development Bank. President of Colombia Juan Manuel Santos gave opening remarks about the role of the private sector in the economic and social development of Colombia.

**2014** – The report *Nestlé in Society: Creating Shared Value and meeting our commitment 2013* was published. It includes 35 forward-looking commitments and showcases the progress made in meeting the societal commitments published the previous year. Nestlé co-hosted the 6th Creating Shared Value Forum, in Switzerland, with the United Nations Conference on Trade and Development. This year, the focus was on how governments and civil society can work with business to accelerate sustainable development. The Nestlé Creating Shared Value Prize 2014 was awarded to Honey Care Africa, a fairtrade honey company working with farmers in South Sudan, while Tanzania's Msabi and Kenya's Sanergy shared runner-up positions.

## Nestlé 2014 achievements in a number of leading environmental and sustainability rankings and indices

**Carbon Disclosure Leadership Index** – In October 2014, Nestlé received a Climate Disclosure Leadership Index Award from the environment sustainability ratings agency Carbon Disclosure Project (CDP), having achieved a score of 96 out of 100.

**CDP Water Programme** – The CDP Water Programme promotes corporate water stewardship to safeguard water resources and addresses the global water crisis. Nestlé's response was scored for the first time in 2014. Nestlé received a 'Leadership' rating, with a maximum score of 20 and was recognised for its water strategy and public policy commitments. Nestlé has participated in the CDP Water program every year since its launch in 2010.

**Dow Jones Sustainability Indices** – The Dow Jones Sustainability Indices measure the performance of global sustainability leaders. In 2014, Nestlé maintained a score of 88 placing the Company second in the industry.

**FTSE4Good** – Nestlé remains included in FTSE4Good, which measures the performance of companies that meet globally recognised corporate responsibility standards. The FTSE4Good index is the only global responsible investment index with clear criteria on the marketing of breast-milk substitutes.

**Oxfam Behind the Brands** – Once again in 2014, Nestlé topped Oxfam's behind the Brands ranking, which assesses the world's ten largest food and beverages companies across seven themes including women in the supply chain, farmers and land rights.

**Access to Nutrition Index (Bi-annually)** – In 2013, Nestlé was named as one of the top three performers in the Access to Nutrition Index, which rates how effectively some of the world's largest food and beverage manufacturers provide consumers with access to nutritious products.

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## Promoting Creating Shared Value beyond Nestlé: The Nestlé Creating Shared Value Prize

Launched in 2009 during the first Nestlé Creating Shared Value Forum at the United Nations in New York, the global Nestlé Creating Shared Value Prize offers a CHF 500,000 investment award to innovative individuals, non-governmental organisations, and small enterprises running projects focused on nutrition, water or rural development.

The Prize, which is globally awarded every two years, aims to reward the best examples of Creating Shared Value initiatives worldwide and to encourage others to adopt this approach. In selecting the winner, the Creating Shared Value jury looks for an entry that is innovative, applies environmentally sustainable practices, has demonstrated results on a small scale and can be viably scaled-up to help improve people's lives.

One winner has already emerged from the Middle East, with Lebanese

NGO *arcenciel* shining among over 634 applicants in 2012 to capture the Prize for Wataneh, a programme that aims to improve the sustainability and competitiveness of Lebanese agriculture. Wataneh was recognised for supporting and promoting the production, marketing and consumption of a diversity of fresh and processed products produced in an environmentally friendly, socially responsible and economically viable manner.

The winners are announced at the Nestlé Creating Shared Value Forum, an annual gathering of global representatives from non-governmental organisations, industry and higher education where best practices around the concept of how to create shared value are shared and discussed.



Paul Bulcke, CEO Nestlé S.A. handing the award to Pierre Issa, Co-founder of *arcenciel* in 2012 CSV Forum in India.

# The World's Leading Nutrition Health and Wellness Company

Nutrition has been the cornerstone of Nestlé since 1866 when Henri Nestlé developed his first infant cereal to save the life of his neighbour's child who was unable to breastfeed and suffering from malnutrition.

Founded in Switzerland, Nestlé operates in almost 200 countries and employs close to 340,000 people all over the world.

Globally, Nestlé has the largest research and development (R&D) organisation of any food company, with about 6,000 people involved in R&D, as well as a number of research partnerships with businesses and universities. The Company has 39 R&D and Product Technology Centres around the world, which develop innovative technologies and manufacturing processes that form the basis of new product development, and are applied in operations. The R&D centres have both global and local roles, by meeting regional needs and providing technical expertise in specific areas.

For nearly 150 years, Nestlé has been committed to enhancing people's lives wherever they may live by offering the highest quality of tasty and healthy food and beverage choices at all stages of life and at all times of the day.



*Henri Nestlé*



*Nestlé Headquarters in Vevey, Switzerland.*



# Nestlé in the Middle East



*Nestlé Middle East Head Office team in Dubai.*

Our heritage in the Middle East goes back over 80 years to 1934 when the first import operation was set up in Lebanon. Building a foundation of trust among consumers has since made us the region's leading Nutrition, Health and Wellness Company.

Today, Nestlé owns and operates 18 factories that cater to the region, and provides direct employment to more than 11,000 people, more than half of whom work for Nestlé Waters. Nestlé also provides indirect employment to several thousand more.

The Nestlé Middle East entity itself was formed in 1997, with headquarters in the United Arab Emirates, consolidating the Company's presence in the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates), Levant (Lebanon, Jordan, Palestine, and Syria), Iran, Iraq and Yemen – covering a population of over 220 million.<sup>1</sup>

With total investments in the region of US \$400 million over the last five years, for Nestlé, the Middle East means growth, future potential, talent, and innovation. It also means a challenging business, considering security and political volatility in the region, which reflects directly on the wellbeing of its people.

One word that likely sums the region up for us is “diversity,” because that is what the Middle East is about in every way; home to developed and emerging economies with affluent populations as well as many who have very little; a majority young population mixing with growing numbers of elderly; and completely different

cultural demographics encompassing very strong traditional societies as well as very modern lifestyles. It's also a region of health issues where obesity and malnutrition coexist, sometimes within the same community.

Nestlé understands the health challenges of the region and ensures that our products cater to the latest nutrition recommendations for healthy living. Nestlé's mission is to enhance people's quality of life with good food and beverages everywhere. In the Middle East, we strive to do that by offering an array of tasty and healthy products that meet local needs for quality, safety, taste and pleasure – while addressing specific nutritional requirements to help achieve healthy and balanced diets across all life stages.

## Nestlé Products in the Middle East

The Nestlé portfolio in the Middle East currently exceeds 60 innovative product brands in a wide range of categories: dairy and infant nutrition, bottled water, chocolate and confectionery, coffee, creamers, breakfast cereals, culinary products, and pet food, among others.

*Nestlé Nido, Nestlé NAN, S-26, Progress, Maggi, Nescafé, Kit Kat, Coffeemate, Nestlé Cerelac, Nestlé Pure Life, Nespresso and Nestlé Fitness* are just some of the brands available in the Middle East.

1. Ref: World Bank EuroMonitor 2013

## Nestlé in the Kingdom of Saudi Arabia – pioneering business set up

Saudi Arabia welcomed Nestlé as the first corporation to establish direct sales and distribution operations in the Kingdom in 2011, following more than 55 years of successful Nestlé presence through multiple agents. The Company operations in Riyadh, Jeddah and Dammam, employ today close to 400 people and provide indirect full-time employment to almost 1000 more. In addition, the country is home to seven Nestlé Water factories.

The Kingdom was also where the first Nestlé

Center of Excellence was established in 2012, helping Saudi university graduates acquire the skills to excel in the corporate world.

The diverse tastes of Saudi consumers benefit from the availability of a variety of Nestlé products as well as local innovations. This includes *Nescafé Arabiana*, the first-ever instant Arabic coffee, developed as a result of three years of intense research, and launched exclusively in Saudi Arabia in 2013 before being introduced into other countries.



## Nestlé in the United Arab Emirates – investing in diversity and growth

### Middle East Head Office

Nestlé Middle East FZE head office is based in Dubai, where close to 600 professionals representing more than 52 nationalities, multiple skills and backgrounds serve key corporate functions for the 13 countries in the region.

The UAE has established an attractive context for businesses and manufacturing, facilitating communication, shipments, talent attraction, and providing support from authorities – all ensuring favourable conditions for Nestlé to make the country its logistical hub in the Middle East.

### Direct operations

Nestlé UAE L.L.C. operates across the

Emirates with offices in Dubai, Abu Dhabi, Al-Ain, Fujeirah, and Ras El-Khaimah, employing more than 350 people from different parts of the world, while providing indirect employment to more than 300.

### Factory investments

In addition to a Nestlé Waters factory, Nestlé Dubai Manufacturing in TechnoPark currently produces confectionary, dairy and culinary products at two adjacent plants. An upcoming project in Dubai World Central is planned to open in late 2015, with more than US\$120 million in investment. It will create approximately 400 new jobs by 2017, producing coffee and culinary products. This is helping Nestlé to delight Middle Eastern consumers with their preferred recipes, delivered to them fresher and faster.



*Dubai Aviation City Corporation's Executive Chairman Khalifa al Zaffin, its Chief Operating Officer Rashed Bu Qara'a, and Nestlé Middle East Chairman & CEO Yves Manghardt, with other officials, at the groundbreaking of the upcoming Nestlé factory at Dubai World Central.*

## Nestlé in Palestine – only multinational food and beverages company with direct operations in the West Bank and Gaza

In November 1997, Nestlé became the first Food and Beverages multinational company to invest in the establishment of full operations in Palestine with the creation of Nestlé Trading P.L.C. with main office in Bethlehem and additional facilities in Nablus. Nestlé employs a staff of 40 and collaborates with two distributors in Gaza to serve the people of Palestine a portfolio of products that includes *Nestlé Nido*, *Carnation*, *Nesquik*, *Nescafé*, *Kit Kat*, *Mackintosh's Quality Street*, *Nestlé Fitness*, *Nestlé Cerelac*, and *Maggi*.

Nestlé is also engaged with local government and academia on a number of scientific collaborations, including visits by Palestinian officials to our global Nestlé Research Center in Switzerland for insight into food technology and regulations, and participation in food safety conferences.



## Nestlé in Syria – business continuity despite challenges

Since the 1940s, Nestlé products have been part of the lives of Syrian people across all age groups. With local innovations and production, Nestlé catered to its consumers across the nation. As the war in Syria continued to take on a devastating

toll, Nestlé aimed to maintain the safety and wellbeing of all our employees in the country, eventually downscaling our local operations after the destruction of our manufacturing plant in Khan El-Sheih, and moving local services to distribution centers

in less dangerous areas. More than eighty employees continue to do everything possible to maintain activities in Syria, while focusing on ensuring the provision of essential products – mainly dairy and infant nutrition.

## Nestlé in Kuwait – loved brands, fast growth

Enjoying one of the world's highest GDP figures, and the country with the highest-valued currency, Kuwait has since 1996 been home to Nestlé operations which today employ close to 240 people and provide indirect full-time employment to almost 100 more. The operations benefit from a 4,000 m<sup>2</sup> high isle warehousing facility for optimal distribution.

With Nestlé products present in the country since the 1950s, Kuwait is now among the top drivers for Nestlé Middle East, with double-digit growth thanks to leading brands that are trusted and loved by our Kuwaiti consumers.



Sales of coffee products have been the main contributors to growth. The latest additions of the innovative *Nescafé Arabiana*, launched locally in 2014, and *Nescafé Dolce Gusto*, are also fast becoming local favourites.

In addition, the Company focuses on employee Nutrition, Health and Wellness, running internal awareness programs to promote active and balanced lifestyles.

## Nestlé in Lebanon – heritage and trust

Nestlé operations in Lebanon employ close to 200 people and encompass sales, warehousing and distribution. The local operations also provide indirect employment to almost 150 more people.

A heritage of over 80 years in the country has developed trust and love for our wide range of food and beverage brands, all of which are more and more available in over 5,000 stores across all governorates, thanks to ongoing widening of distribution into more remote areas.

In addition, Nestlé Waters bottles and distributes two brands, Nestlé *Pure Life*, which is bottled in the Ain Zhalta factory near the Shouf Cedar Reserve, and *Sohat*, which is bottled in Falougha and distributed in Lebanon and the Middle East since 1971.

To promote compliance in trading and address counterfeiting through strategic collaborations, Nestlé signed a Memorandum of Understanding with the Lebanese Directorate General of Customs that aims to fight against counterfeiting and smuggling.



# Creating Shared Value

**US\$ 2.4 Billion**  
Total Sales in the Middle East in 2014



**US\$ 400 Million**  
Investments in the region over the past 5 years



**US\$ 200 Million**  
Salaries and social welfare expenses in 2014



**11,000**  
Employees across the region



**Creating Shared Value**

**18**  
Factories across the region



## Nestlé Manufacturing in the Middle East

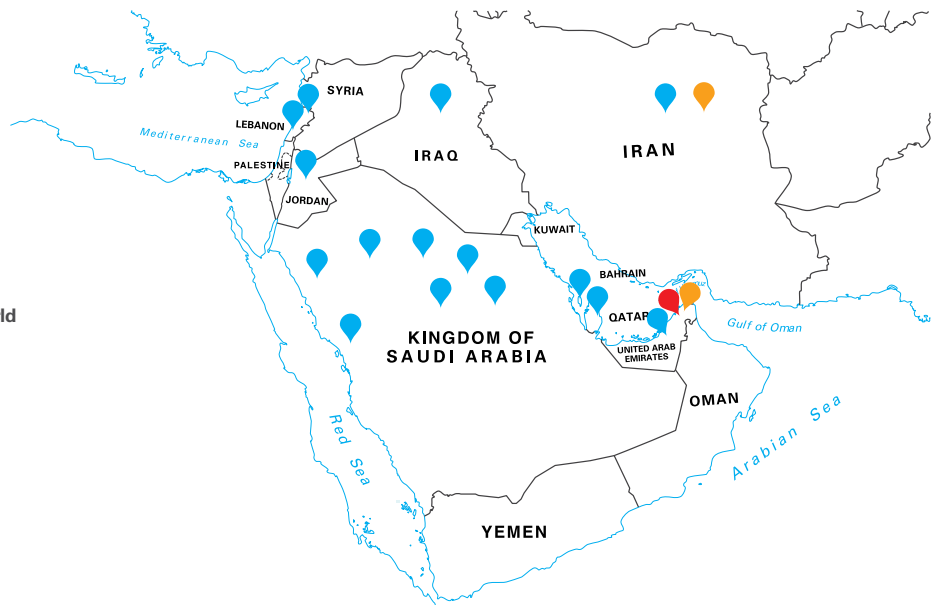
### Food factories

**Nestlé Dubai Manufacturing in TechnoPark**  
*Milk Powder, Chocolate and Culinary*

**Nestlé Iran Manufacturing in Qazvin**  
*Infant Cereals, Infant Formula, Nesquik, and Nescafé coffee mixes*

**Nestlé Middle East Manufacturing in Dubai World Central** - planned to open in late 2015

### Water factories

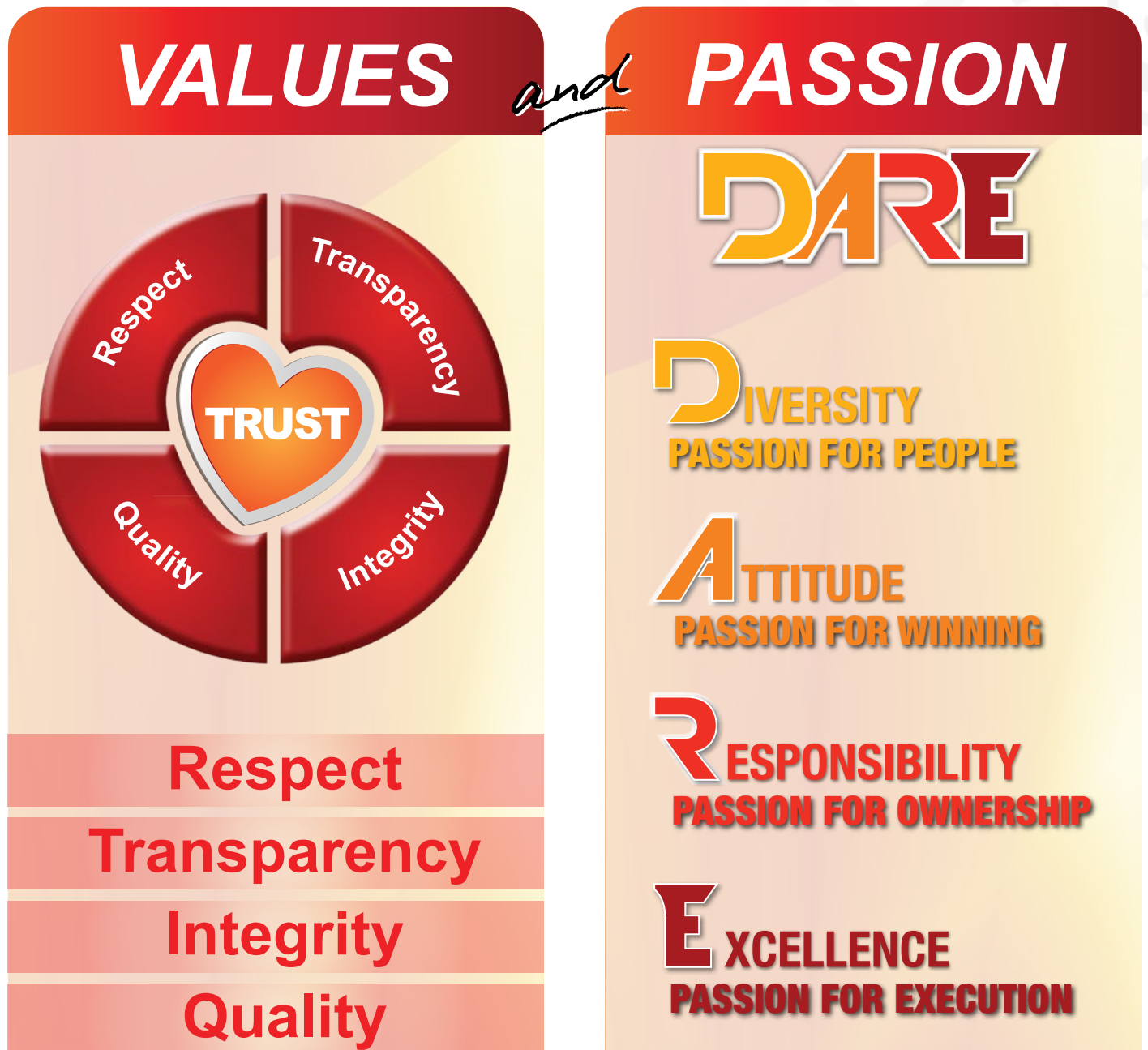


# Values and Passion

Stemming from our Corporate Business Principles and the Nestlé Management and Leadership Principles, everything we do at Nestlé Middle East is driven by Passion and guided by Trust.

We believe to build Trust among ourselves, in our products, with our consumers and customers over the long term, all our actions have to be in line with our strong Values of respect, transparency, integrity, and quality.

We also believe that for a company to be able to prosper, innovate and have sustainable leadership and competitiveness, strong solid values must be coupled with Passion. Our DARE culture in the Middle East represents our passion for people, for winning, for ownership and execution. This culture is driven by top management and embraced by all employees across the Company.





# Nutrition Commitments

*Our ambition is to be the leading Nutrition, Health and Wellness Company. Our global commitments and local objectives on research, product reformulation and innovation, nutrition labelling, responsible marketing to children, and promotion of healthy lifestyles help shape our strategies, and ensure effective implementation.*

## Science-based Nutrition



*Nestlé Research Center in Switzerland*

### Research and Development

Nestlé has the largest research and development organisation of any food company in the world, with 39 Research and Development (R&D) facilities and Product Technology Centers, about 6,000 people involved in R&D, as well as a number of research partnerships with businesses and universities.

The Nestlé Research Center (NRC) in Lausanne, Switzerland, has four satellite units in the USA, China, Japan and Chile. It provides the scientific base for R&D across all Nestlé businesses. NRC's role is to drive science and technology, from basic nutrition and health research, to applied research for product development and application. The NRC's 250 scientists specialised in several fields including nutrition, biochemistry, medicine, immunology, anthropology, and food sciences, publish approximately 200 peer-reviewed scientific papers every year. They focus their work on four main research programmes: First 1,000 Days and Healthy Kids, Healthy Pleasure, Healthy Ageing, and Sustainable Nutrition.

### The Nestlé Nutrition Network

The Nestlé Nutrition Network aims to translate nutrition science and guide the practical application of knowledge for the promotion of Nutrition, Health and Wellness. It ensures product development and innovations that cater to local nutritional needs, and help deliver tasty and healthy products.

The global Network consists of more than 200 nutritionists, some based at Research and Development centers and others operating locally in different countries.

The Network serves as the nutrition science hub from which all tools and methodologies are cascaded across Nestlé to put nutrition into everyday business.

In the Middle East, three nutrition specialists belong to the Nutrition Network. They play a key role in product development, innovation and renovation, to deliver tasty and healthy food and beverages for all age groups. They also develop nutrition information and responsible product communication, including clear nutrition labelling to help people make informed choices for a healthy and balanced diet. In addition, 56 other employees with nutrition backgrounds work in different functions at the Company, including communications, regulatory, marketing, and technical divisions.



*Nutritionists at Nestlé Middle East Head Office*

### Nestlé Health Science

Nestlé Health Science's (NHS) mission is to utilize knowledge generated by the Nestlé Institute of Health Sciences - a biomedical research institute specialising in metabolic health, gastrointestinal health, brain health and ageing - and other research and development facilities, to pursue innovative nutritional solutions for people with specific dietary needs stemming from illnesses, disease, or the special challenges of different life stages.

In the Middle East, NHS focuses on advancing understanding of the role of medical nutrition among healthcare professionals. In 2014, NHS invited leading international experts to Saudi Arabia, the UAE, and Iran, to present the latest findings on nutrition's role in disease management in areas including critical care, paediatrics and obesity. It also sponsored 20 healthcare professionals from across the region to attend international scientific conferences, including annual meetings of the European Society of Parenteral and Enteral Nutrition; and the European Society for Pediatric Gastroenterology, Hepatology and Nutrition.



## 1. Build knowledge leadership in children's nutrition

### Objectives 2016

- Launch the Feeding Infants and Toddlers Study (FITS) in at least one country, examining the specific intakes and eating patterns of 0-4 year-old children
- Launch large-scale nutrition study in two countries, covering 4-12 year-old children, to expand understanding of children's nutrition and lifestyle habits to improve our product and service development.

### Our actions to date

As part of our journey to build knowledge leadership in children nutrition and to shape our future actions, in 2014 we completed the micro-nutrient landscaping research which studies the key micro-nutrient deficiencies affecting 0-12 year-old children in the region. This review was conducted for Saudi Arabia, the United Arab Emirates, Lebanon, Jordan and Oman. The review identified 5 key micro-nutrients of concern in this age group: Vitamin A, Zinc, Iodine, Iron and Vitamin D.

### Our perspective

We wish to establish a good level of scientific understanding on nutrition and dietary patterns of children from birth to 12 years of age. These years are critical to forming dietary and activity habits that define health throughout the course of life. We will use this knowledge to shape our products and evolve our portfolio to further provide children-specific nutritionally relevant foods, beverages and services. We do acknowledge that this will require long-term efforts, investments and collaboration with experts and authorities. Our ultimate goal is to contribute to nurturing healthier generations for the future.



### The Nestlé Nutrition Institute

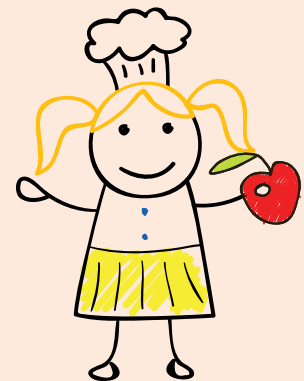
Founded in 1981, the Nestlé Nutrition Institute is the largest private publisher of nutritional information in the world. It is active in nearly 195 countries and more than 243,000 healthcare professionals are registered members of its educational website.

The Institute engages with healthcare professionals, scientists and nutrition communities to share leading science-based nutritional education, resources and research. As well as having published more than 3,000 papers, the Institute offers a selection of more than 700 online conferences, and organises scientific workshops and satellite symposia with leading nutrition experts on key topics including maternal and infant nutrition, geriatrics, obesity management, and addressing malnutrition problems.

Today, the Nestlé Nutrition Institute is recognized for fostering "Science for Better Nutrition", and contributing to enhancing the quality of people's lives in the region.

### Children Nutrition Research Fund

In 2010, Nestlé Middle East established the "Nestlé Healthy Kids Nutrition Research Fund" to collaborate with the American University of Beirut in conducting a number of research projects in Lebanon. The ongoing studies aim to assess nutrition and lifestyle issues, and defining benchmarks and tools to ultimately implement sound interventions that promote children's nutrition, health and wellness. The project has so far developed National Food-Based Dietary Guidelines for Children, validated dietary intake assessment tools for children, assessed food security risks, and compiled findings on nutritional deficiencies. The Fund is currently supporting the "Nutrition in Arab Youth (NAY) Project: Enhancing Health through Nutrition" research.

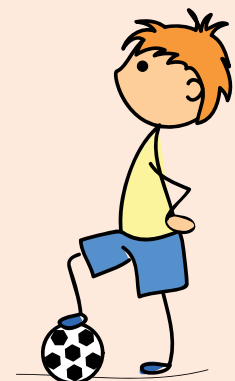


### KIDS Nutrition and Health Study

As part of Nestlé's ambition to build knowledge leadership in children's nutrition through deep understanding of their dietary intakes and lifestyle habits, Nestlé has developed the KIDS Nutrition and Health Study. The study aims to uncover understanding in children aged 4-12 years along three main areas:

1. **Dietary intake and patterns.**
2. **Lifestyle and behaviours that include:** family interactions, parental experience, attitude and information, as well as child activity and sleep.
3. **Healthy weight and growth indicators.**

The study has a three-tiered scientific approach. It starts with understanding the existing data and science through literature review, data briefs and summary data tables on-line. It continues with conducting additional analysis of existing national survey data or large-scale studies; and finally collecting new data when needed to fill in gaps on diet and lifestyle. The study highly depends on having the right partnerships with local and regional academic institutions and scientific advisory bodies to ensure that the correct data is analyzed. The results will ultimately expand understanding of children's nutrition and guide our product and service development.





# Nutrition Commitments

## 2. Further provide nutritionally sound products designed for children

### Objectives 2015

- Launch three new products intended for children to help fulfill healthy eating occasions during the day
- Maintain 100% compliance with the Nestlé Nutritional Foundation criteria for children in all our children's products. These criteria are based on nutrition science and dietary recommendations, such as those published by the World Health Organization and the Institute of Medicine

### Our actions to date

At the end of 2014, 100% of our children's products met all of the Nestlé Nutritional Foundation criteria for children as defined by our Nestlé Nutrition Profiling System.

For new launches, all of our children's products will be manufactured to meet the Nestlé Nutritional Foundation criteria.

### Our perspective

Bringing our commitment to children's healthy nutrition to life involves the ongoing introduction of products tailored specifically for them. Through these, we strive to conform with the continuously evolving expert recommendations on children's nutrition, we aim to contribute to specific children's nutritional requirements in the Middle East to help them achieve balanced diets, and we intend to offer a wider variety of healthy and nutritious choices fulfilling different eating occasions during the day including breakfasts, healthy snacking, lunchbox options, on the go nutrition, and family meals.

### Specialised nutrition

*Nestlé Nido Three Plus* with Fortilearn is a specialised growing up milk specifically designed for 3-to 5-year-old children; providing them with key nutrients such as Essential Fatty Acids, Iron, Vitamin C and Zinc.



## 3. Help reduce the risk of under-nutrition through micro-nutrient fortification

### Objective 2015

We will provide 8.6 billion fortified servings with the introduction of additional fortified products to our portfolio, with specific focus on children

### Our actions to date

In 2014 we delivered 8 billion fortified servings through our portfolio, mainly contributed by the product carriers such as fortified milk powder, fortified infant cereal, fortified breakfast cereals, and fortified ambient culinary products.

### Our perspective

Nestlé is committed to helping address micro-nutrient deficiencies through fortification of nutritious foods and beverages. Children's products are a priority for fortification, given the high prevalence rates of micro-nutrient deficiencies in this age group and their impact on future quality of life. This is why we prioritise and strive to launch products with relevant fortification for kids.

### Micronutrients in focus

The micro-nutrient landscaping review identified the key micro-nutrient deficiencies in the 0-12 years age group to be Iron-deficiency anemia, Iodine, Vitamin A and Zinc. Iron-deficiency anemia is among the most prevalent conditions in children in the region, ranging from moderate to severe (24%-68%) in school-aged children from the least developed to the most developed countries. Vitamin D is emerging as another key deficiency among the region's children.

### Fortification at Nestlé

Nestlé products are fortified to address identified nutritional deficiencies among children in the region. One example is *Nestlé Nido Fortified* with FortiGrow, which acts as a suitable carrier tailored to deliver micro-nutrients as part of children's everyday diets. One glass of *Nestlé Nido Fortified* with FortiGrow, provides children with 65% of their daily Vitamin C needs, 42% of their daily Calcium needs, 33% of their daily Iron needs, 29% of daily Zinc needs, and 12% of their daily Vitamin D needs.\*





Provide tastier and healthier products to contribute to meeting the needs of consumers in the Middle East

### The Nestlé Nutritional Profiling System (NNPS)

Nestlé strives to offer products that have proven superiority in consumer taste preferences and nutritional value. We continuously improve nutritional value through the Nestlé Nutritional Profiling System, a rigorous methodology based on public health recommendations and nutrition science that has been progressively applied across our worldwide product portfolio since 2004.

NNPS assesses a product's nutritional contribution, how it fits into a balanced diet, its ingredients and the serving size usually consumed either by adults or children. Its criteria are established using available recommendations for dietary intakes, issued by authorities such as the World Health Organization, the US Institute of Medicine, or the European Food Safety Authority. In countries where different legal values for labeling are enforced, the criteria used for product assessment are determined by local rules.

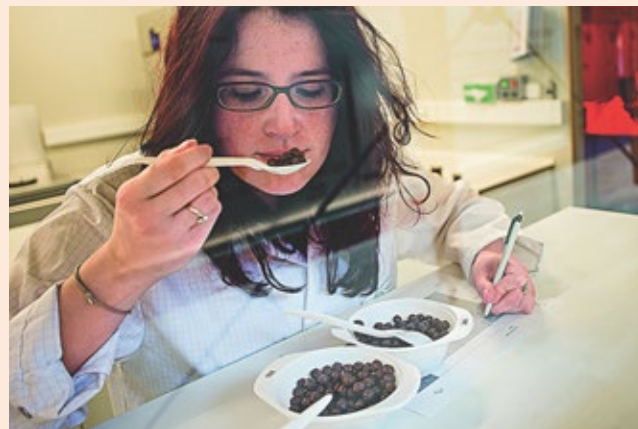
Since the System's introduction, we have been constantly renovating our product portfolio to meet the latest nutrition recommendations adopted into the strict Nestlé Nutritional Foundation criteria. In 2014, 90% of our products in the Middle East met or exceeded these criteria. By 2016, 94% of our products will meet or exceed them.

### Nestlé 60/40+ Programme

The Nestlé 60/40+ Programme is a vast monitoring process of our product portfolio aimed at steering the constant optimisation of recipes. The Programme not only examines the nutritional profile of products, but also works to confirm that they always meet consumer taste preferences.

The Nestlé 60/40+ Programme constantly re-challenges our products to ensure they are preferred by at least 60% of local consumers of a large panel. Sensory evaluation by experts complements the Programme for objective assessment on taste. In addition, nutritional assessments are conducted locally to guarantee that our products not only meet our world-class high nutritional standards, but also cater to local considerations.

Since the introduction of the 60/40+ Programme globally in 2004, we have been constantly renovating our product portfolio to meet the taste and pleasure needs of consumers, in addition to meeting the strict Nestlé Nutritional Foundation criteria. In 2014, US\$1.2 billion worth of products sold in the Middle East have been analysed, improved or confirmed via the 60/40+ Programme.



*Malnutrition in the region:  
In 2013, 7% of children under 5  
were underweight in the Middle  
East and North Africa.\**

\* Source: UNICEF/WHO/World Bank Joint Child Malnutrition Estimates, 2014.  
See more at: <http://data.unicef.org/nutrition/malnutrition#methodology>



# Nutrition Commitments

## 4. Reduce sodium (salt) in our products

### Objectives 2016

- Maintain 100% of children's products meeting the Nestlé Nutritional Foundation sodium criteria
- We will further reduce salt by 10% in adult products that do not meet yet the Nestlé Nutritional Foundation Profiling System criteria

### Our actions to date

- In 2014, 100% of our children's products met the Nestlé Nutritional Foundation sodium criteria
- At the end of 2014, 98% of our total product portfolio supports the 6g salt target per day in our region. We are accelerating our sodium reduction globally to meet the 5g WHO target for our product portfolio by 2025.

### Our perspective

Sodium is an essential mineral, but too much salt in current diets comes from salt added during manufacturing, cooking or at the table. Besides seasoning, salt plays an important role in the preservation and texture of food products. We are committed to salt reduction to contribute to healthier diets. Our challenge is to reduce the salt content of our recipes without having consumers compensate with the salt shaker or choosing saltier alternatives on the market. Our gradual approach to reducing salt is helping consumers to adapt their taste preference, making them more likely to adopt a healthier diet in the long term. We constantly assess our products through our 60/40+ programme to ensure that taste preference and better nutrition go hand in hand.

## 5. Reduce sugars in our products

### Objective 2015

Reduce the sugar content in children's and teenagers' breakfast cereals' brands to 9g or less per serving

### Objective 2017

Further reduce sugar content by 10% in products that do not meet yet the Nestlé Nutritional Foundation Profiling System criteria

### Our actions to date

At the end of 2014, 100% of our children's products met the Nestlé Nutritional Foundation criteria for sugar.

Over the past years, as part of our efforts to make breakfast healthier, Nestlé Breakfast Cereals range for children and teenagers has undergone a nutrition reformulation with a total sugar reduction of up to 30% reaching a total of 9g or less per 30g serving. In addition, the newly renovated recipes contain whole grain as the first ingredient, have 50% more Calcium, and come with added Vitamin D. These Nestlé Breakfast Cereals include brands such as *Nesquik*, *Chocapic*, *Honey Cheerios* and *Lion*.

### Our perspective

Public health authorities recommend a reduction in the intake of added sugars because in many countries around the world, the current levels risk displacing some of the essential, nutritious foods and ingredients in the diet. As with salt, our gradual approach to reducing sugar is towards helping consumers to adapt their taste preferences, making them more likely to adopt a healthier diet in the long term and not compensate with table sugar or choosing more sugary alternatives. One clear limitation in our sugar reduction commitment is with products that need to comply with legally set compositional requirements, for example sweetened condensed milk. For these products, we are working at improving nutritional labelling and portion guidance to consumers.

## Overweight in children in the region:

*In 2013, 9.9% of children under 5 were overweight in the Middle East and North Africa, up from 8% in 2000.\**

\* Source: UNICEF/WHO/World Bank Joint Child Malnutrition Estimates, 2014. See more at: <http://data.unicef.org/nutrition/malnutrition#methodology>



Renovated Nesquik cereal with less than 9g sugar per 30g serving

## 6. Reduce saturated fats and remove trans fats from our products

### Objective 2016

We will further reduce our saturated fat content by 10% in products that do not meet yet the Nestlé Nutritional Foundation Profiling System criteria and we will ensure that all new products launched do not contain trans fats originating from partially hydrogenated oils. This is to ensure continual improvement, even in more challenging areas of our product portfolio.

### Our actions to date

Since the establishment of the Nestlé Policy on saturated fat, saturated fat levels of numerous products – especially children's products – have been significantly reduced. At the end of 2014, 100% of our Middle East children's products met the Nestlé Nutritional Foundation saturated fats criteria. With regard to trans fat, at the end of 2014, all our food and beverage regional products met our Nestlé Policy for trans fat that recommends intake of no more than one per cent of calories from trans fat, in line with globally recognised dietary guidelines.

### Our perspective

Dietary fats are part of a healthy balanced diet. However, too much saturated fat represents a risk factor for certain non-communicable diseases such as cardiovascular diseases. For some types of products, reducing the saturated fat level without impacting the safety, texture, appearance and taste represents an important technological challenge for our food scientists. Trans fat occur naturally in foods such as milk and meat products. However, the majority of trans fats in human diets come from foods containing partially hydrogenated oils. Today our portfolio contains no trans fat and any new product launch will also be in line with our Nestlé Policy.

## 7. Deliver nutrition information, advice and portion guidance

### Objectives 2016

- 96% of relevant food and beverage products will have Guideline Daily Amount (GDA)-based labels on front of packs
- 100% of our children and family products to provide specific portion guidance

### Our actions to date

- Launched in 2005, the *Nestlé Nutritional Compass* was the first worldwide nutrition labelling initiative from any food company. It guides consumers through the Nutrition Table, provides an overview of ingredients, tips for responsible enjoyment and usage, and contact details for more information. At the end of 2014, all of our products in the Middle East featured the *Nestlé Nutritional Compass* labelling.
- 100% of our children's products already include children GDA-based labeling on the front of packs and in the nutritional information table.

### Our perspective

As the leading Nutrition, Health and Wellness Company, we want to offer consumers the tastiest and healthiest product choices and empower them with relevant information and advice to help them adopt a healthy and balanced diet. A key challenge for consumers is finding balance through all their food and beverage decisions each day, and our objective with the *Nestlé Nutritional Compass* and GDA labelling is to provide clear and helpful guidance to achieve that goal. Our objective with Portion Guidance is to make eating the right amount at the right frequency as easy and as intuitive as possible.

## Basket of Goodness

*Maggi* collaborated with local NGOs and other entities in 2014 to distribute more than 7,000 baskets of food items across the Middle East during the Holy Month of Ramadan, the month of fasting, giving and family gatherings. Volunteers from NGOs, communities and Nestlé employees packed and distributed the Basket of Goodness, which contained essential food items such as soup, rice, milk, vegetable oil and flour. The baskets were delivered to homes across the Gulf countries, Jordan, and Lebanon, to help needy families prepare healthy and nutritious Suhours and Iftars.



*Nestlé Nutritional Compass as implemented on our Nestlé Nido Fortified pack.*



# Nutrition Commitments

## 8. Promote healthy hydration as part of a healthy lifestyle

### Objective 2015

Further implement our healthy hydration awareness programmes for teachers and kids providing a better understanding of the benefits of water as key to healthy hydration.

### Our actions to date

Healthy hydration is now integral to the Middle East's Nestlé Healthy Kids Programme – Ajyal Salima which promotes healthy eating and drinking habits and an active lifestyle (see commitment 9). Nestlé Waters has expanded the reach of Project WET (Water Education for Teachers) from Lebanon to Jordan (see Commitment 'Water'). WET has educated more than 11,000 students in the region so far, and will reach many more with the introduction in the UAE and in other countries. The World Water Day was celebrated in Jordan, Lebanon, UAE, Qatar and Bahrain on 22 March to raise awareness about the benefits of healthy hydration, as well as water and the environment.

Our commitment to promote healthy hydration as part of a healthy lifestyle is an ongoing effort.

### Our perspective

What you drink is as important to a healthy lifestyle as what you eat and how often you exercise. Plain water – whether from a safe tap, dispenser or a bottle – should be the preferred choice for daily hydration, as it does not add any calories to the diet.



Nestlé Waters Home and Office Delivery system is providing healthy hydration at home and at work for more than 2.35 million people in the Middle East at an affordable price.

## 9. Promote healthy diets and lifestyles

### Objective 2016

Expand the Nestlé Healthy Kids Programme – Ajyal Salima into five countries in the Middle East, through partnerships with local authorities and experts.

### Our actions to date

- The Nestlé Healthy Kids Programme – Ajyal Salima was launched in Lebanon in 2010 in partnership with the American University of Beirut (AUB) and with the endorsement of the Ministry of Education
- Evidence-based findings from AUB studies have since proven that the Programme's interventions lead nine-to-eleven year-olds to have better eating habits and increase their general nutrition awareness
- The Program was rolled out in all of Dubai's public schools in 2012 in collaboration with the Dubai Educational Zone, the Dubai Health Authority, and the Princess Haya Initiative for the Development of Health, Physical Education & School Sports
- In May 2014, Nestlé Ajyal Salima became the first programme from the Middle East to join the EPODE International Network (EIN) as a member programme
- Ajyal Salima launched in Saudi Arabia in 2014 in collaboration with the Tatweer Education Holding Company, and with the support of the Kingdom's Education Ministry
- In November 2014, the Lebanese Ministry of Education established a precedent in the Middle East by incorporating nutrition awareness into its Health Education Unit's curriculum through the full adoption of the Nestlé Healthy Kids Program
- At the end of 2014, Nestlé Ajyal Salima had reached over 16,000 children and trained teachers in over 300 schools across the region

### Our perspective

Nestlé and its partners believe that education is the single most powerful tool to ensure that children understand the value of nutrition and physical activity to their health through the course of their lives.

The Nestlé Healthy Kids Programme – Ajyal Salima is founded on partnerships with local entities that have helped devise a sustainable model for independent roll out by schools, with close monitoring from relevant authorities. Ultimately, the Programme's success lies in the hands and hearts of the schools and teachers who embrace it and bring it to life in their classrooms.

The Programme involves 12 educational sessions per round, including interactive learning and hands-on activities on nutrition, healthy eating and physical activity; as well as questionnaires developed to track children improvement from pre to post interventions. It also aims to involve parents and instigate interventions at the school shop/canteen level.

To ensure highest quality outcome and support, "Train the Teachers" workshops delivered by an AUB expert team are a pre-requisite to any launch. These essentially equip teachers with information, educational kits and tools to run the Programme independently.



**The Nestlé Healthy Kids Global Programme** was launched internationally in 2009 to help raise awareness of the importance of good nutrition and active lifestyles among school-aged children around the world. To date, it has reached more than seven million children in 73 countries, thanks to local partnerships and collaboration with a network of more than 290 organisations including NGOs, nutrition institutes, national sport federations and local governments. While Nestlé's nutrition expertise is at the heart of the Programme, implementations in various countries are designed to meet local needs and based on multi-partnerships with national health authorities, child nutrition experts, and/or educational entities.

The corporate Programme strictly excludes any product brand involvement.



# Nutrition Commitments

## Behavioral-based educational methodology



طُوِّرَت مَوَادِّ مَبَادِرَةِ "كَنْزِ أَيْجَالِ سَلِيمَةَ" فِي فَصْلِ عِلْمِ الْغِذَاءِ وَالطَّبَقَةِ فِي الْجَامِعَةِ الْأَمْرِيكِيَّةِ فِي بَيْرُوتِ لِحْتِ اسْمِ كَنْزِ الصَّخْفَةِ.

As part of the global commitment, the Middle East's Nestlé Healthy Kids Programme - Ajyal Salima, which in Arabic means healthy generations, is based on an educational methodology developed for the region by the American University of Beirut under the name "Kanz Al-Soha." The curriculum was designed and tested as part of a PhD thesis by Dr. Carla Habib Mourad, conducted under the supervision of Dr. Nahla Hwala, AUB's Dean of Agriculture and Food Sciences Faculty.

The Programme involves 12 educational sessions per round, including fun interactive learning and hands-on activities; as well as questionnaires developed to track improvement of children from pre to post interventions. It's also designed to enable teachers to

integrate the sessions into different classroom subjects, such as science, math, art, language and more.

## Behavioral-focused objectives

Nestlé Ajyal Salima aims to promote healthy eating and physical activity among 9-11 year-old school children, at an age when they are old enough to grasp its principles and decide to incorporate healthier behaviours into their lives early on.

The Programme targets five key elements of obesity related behaviours: increasing consumption of fruits and vegetables; favouring healthy snacks over high energy dense snacks and drinks; the importance of having a healthy breakfast daily; increasing moderate physical activity; and decreasing sedentary behaviour. The programme also promotes healthy hydration.

The behavioural focus goes beyond children's acquisition of knowledge, and is based on the constructs of the Social Cognitive Theory, which uses a multi-level approach involving individual behaviour change and environment modifications to support it. Its methodology was published in the *Education and Health Journal*<sup>1</sup>.

To achieve those, the school-based interventions relied on three components: Culturally appropriate classroom sessions designed to promote healthy eating and physical activity; a family programme introducing the intervention to parents and assisting them in creating a supportive environment at home for healthy lifestyle behaviours; and a food service intervention targeting school shops and lunch boxes brought from home.

Entrenching the Program into the educational framework is done through "Train the Teachers" workshops, conducted by the AUB steering team to equip educators and teachers with the knowledge and skills required for its implementation.



### Evidence-based impact

Beyond just acquiring information, the Programme helps children develop skills to independently make changes in their behaviour. Its impact was demonstrated in a pilot study published in a peer-reviewed journal, showing positive improvement in children's eating habits and nutrition knowledge<sup>2</sup>.

National roll out results over three years of implementation in Lebanon have further confirmed the impact on knowledge and behaviour, finding enrolled children eat fruits and vegetables twice more frequently and their general nutrition awareness increases significantly following its interventions.

In addition, to measure the long-term impact and effect on children obesity indices, a three-year Cohort study was kicked off in 2014. We will also continue to study the Programme's effectiveness in various countries, as scientific measurements are essential to evaluating success and to making improvements over time.

### Expansion through partnerships and collaborations

Nestlé Ajyal Salima was first launched in Lebanon in October 2010 by Nestlé Middle East in partnership with AUB, with the collaboration of the Lebanese Ministry of Education.

It was launched in Dubai in 2012 with the endorsement of the Dubai Health Authority, and the collaboration of the Dubai Education Zone and the Princess Haya Initiative for the Development of Health, Physical Education and School Sports.

The Programme was rolled out in the Kingdom of Saudi Arabia in 2014 in collaboration with the Ministry of Education and Tatweer Holding – a strategic investment company established in 2009 in accordance with a Royal Decree to accelerate education development in the Kingdom.

It's also expected to launch in 2015 in the Hashemite Kingdom of Jordan, in partnership with the Royal Health Awareness Society and endorsement of the Ministry of Education and the Ministry of Health.

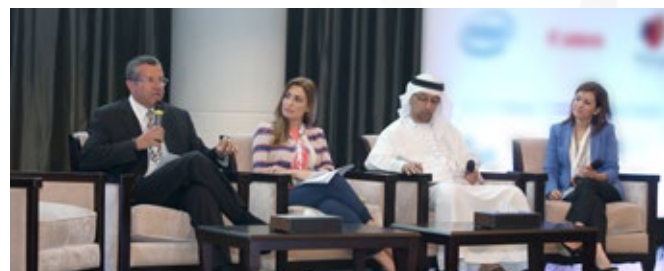
Beyond development and evolution, AUB continues to be responsible for the training and scientific evaluation of the Programme across the region.

Sustaining commitment from key entities and members of various communities to ensure behaviour change over the long-term is essential for the success of Nestlé Ajyal Salima. This is why we collaborate with partners who share our purpose and long-term perspective to nurture healthier generations.

### Sustainability: inclusion in the health curriculum

The Lebanese Ministry of Education established a precedent in the Middle East in November 2014 by incorporating nutrition awareness into its Health Education Unit's curriculum, through the full adoption of Nestlé Ajyal Salima. The move, which came after the Programme had reached more than 140 schools and 11,000 students across Lebanon over four years, is ensuring direct dissemination, expansion and monitoring to all governorates through Ministry educators nationwide.

### EPODE



In May 2014, Nestlé Ajyal Salima became the first programme from the Middle East to join the EPODE International Network (EIN), which encompasses over 36 programmes in 24 countries working to tackle childhood obesity by promoting partnership among various entities including companies, governments, and NGOs. <http://epode-international-network.com/>

### Community needs: escalating obesity

The global obesity pandemic poses a major challenge to the management of chronic non-communicable diseases, including in the Middle East where obesity and diabetes rates are growing especially among children. One example is Lebanon, where national obesity surveys<sup>3</sup> show the percentage of overweight youths aged 6 to 19 in the country grew from 20% in 1997 to 35% in 2009, with a doubling in obesity rates. Obesity was found to be mainly due to poor dietary practices, with the least physically active adolescents and children being the most overweight, instigating a clear need for interventions to change behaviours.

1. Habib-Mourad C., Moore H.J., Nabhani-Zeidan M., Hwalla N., Summerbell C. Health-E-PALS: promoting Healthy Eating and Physical Activity in Lebanese school children – Intervention development. *Educ Health* 2014,32. <http://sheu.org.uk/eh321chm.pdf>.  
2. Habib-Mourad C., Ghandour L.A., Moore H.J., Nabhani-Zeidan M., Adetayo K., Hwalla N., Summerbell C. Promoting Healthy eating and physical activity among school children: findings from the Health-E-PALS, the first pilot intervention from Lebanon. *BMC Public Health* 2014, 14:940 doi:10.1186/1471-2458-14-940  
3. Nasreddine L., Naja N., Chamieh M.C., Adra N., Sibai A.M., Hwalla N. Trends in overweight and obesity in Lebanon: evidence from two national cross-sectional surveys (1997 and 2009). *BMC Public Health* 2012, 12:798



# Nutrition Commitments

## 10. Ensure responsible marketing communication to children

### Objective 2015

Implement a strengthened policy on marketing communication to children.

### Our actions to date, and future enhancements

- We have ensured global compliance to responsible advertising and marketing to children since we published our Corporate Communication Principles in 2002, and first introduced the Marketing to Children Policy in 2008, with the latest revision coming into effect in 2015
- We do not direct any marketing communication to children below six years of age. From December 2015, direct marketing communication to children 6 to 12 years of age can only be with products that achieve EU Pledge Nutrition Criteria or meet the Nestlé Nutritional Foundation status where no criteria have been adopted under the EU Pledge criteria or meet other regionally agreed pledges, whichever is stricter
- With the strengthened policy that will be in effect in December 2015, we do not direct any marketing communication for biscuits, sugar confectionery or chocolate confectionery products to children below 12 years of age, even if the Nestlé Policy Nutrition Criteria are met
- The channels covered by this new policy include television, radio, print, cinema, outdoor, digital media, mobile, games, consumer relationship marketing, Apps, Nestlé-owned websites, movie tie-ins, promotions, contests, product sponsorships, events and sampling
- We do not direct marketing communications to children in primary schools (i.e., with students below 12 years of age). Products sold to primary schools under Nestlé's direct control and supervision must achieve the above mentioned new Nestlé Policy Nutrition Criteria, and the sale must have the consent in writing of the school administration
- Internal auditing as well as external monitoring surveys are conducted on a yearly basis. Compliance with industry pledges (such as the International Food and Beverage Alliance) will continue to be monitored on a yearly basis. In 2014, 97.2% of Nestlé television advertising to children under 12 was compliant with responsible marketing policies on a global level (ref). In the region, this figure is at 97.9%
- Nestlé participates in industry activities aimed at furthering responsible advertising to consumers such as those carried out by the International Food and Beverage Alliance (IFBA) and the GCC Food and Beverage Alliance. Nestlé Middle East is one of the signatories of the GCC Food and Beverage Voluntary Pledge on Responsible Marketing and Advertising to Children that was first signed in 2009
- To ensure consistent and effective implementation, detailed internal guidelines have been developed, and external stakeholders are encouraged to provide feedback via our "Tell Us" reporting mechanism: <http://www.nestle.com/tell-us/>

### Our perspective

As a leading food manufacturer and Nutrition, Health and Wellness company, we must ensure that all Nestlé products are packaged and sold responsibly. We strive to achieve this through the active application of principles and policies in the countries where we work.

### Global industry collaborations promoting health and wellness

#### The Consumer Goods Forum:

The Consumer Goods Forum brings together the CEOs and senior management members of some 400 retailers, manufacturers and service providers across 70 countries. In June 2014, the Board of Directors, including Nestlé CEO Paul Bulcke, issued a set of Health and Wellness commitments, and reaffirmed its commitment to the implementation of its Health and Wellness and Climate Change Resolutions. The Board asked members for increased alignment and engagement for the Forum's ambitious five-year plan. [www.theconsumergoodsforum.com](http://www.theconsumergoodsforum.com)

#### The International Food & Beverages Alliance:

In a September 2014 letter to the World Health Organization's Director-General, Dr. Margaret Chan, the CEOs of leading food and beverage companies and members of the International Food & Beverage Alliance, including Nestlé, announced a set of enhanced global commitments that will guide their health and wellness strategies over the coming years. These common commitments: Product formulation and innovation, consumer information, responsible advertising and marketing to children, and promotion of healthy lifestyles, set each company's actions and way forward. <https://ifballiance.org>



## 11. Market breast-milk substitutes responsibly

### Our ongoing objective

This is part of our ongoing efforts to promote good nutrition in the first 1,000 days of life, support breastfeeding, and report publicly on our progress regarding the responsible marketing of breast-milk substitutes.

### Objective 2015

We want to continue to strengthen our practices to ensure both Nestlé Infant Nutrition and Wyeth Infant Nutrition consistently meet the WHO recommendations and FTSE4Good Index BMS (Breast Milk Substitute) criteria and local regulations.

### Our actions to date

Globally, we have been included in the FTSE4Good index since 2011, the only global responsible investment index with clear criteria on the marketing of breast-milk substitutes (BMS). Policies and procedures applied by our Wyeth infant nutrition business – acquired in 2012 - are now aligned with the requirements stemming from the FTSE4Good BMS marketing criteria.

Nestlé Middle East supports the WHO's recommendation of six months of exclusive breastfeeding and continued breastfeeding up to two years, and is rigorously compliant with the WHO Code of Marketing of Breast-Milk Substitutes ('WHO Code') as implemented by national governments. Nestlé has developed country policy manuals relating to local legislations as well as procedure manuals that ensure compliance. Nestlé's commitment is to comply with the WHO Code or the national law of the country; whichever is stricter.

During the last five years we have undergone two external audits by Bureau Veritas, seven internal audits, and several self-assessments conducted by our compliance team to ensure continued readiness.

### Our perspective

We believe that breast-milk is the best food for infants, but there are still numerous barriers to breastfeeding, such as limited awareness, lack of proper breastfeeding education, and inadequate maternity legislation.

In consultation with healthcare providers, in cases when mothers and families are in situations where optimal breastfeeding is not possible, infant formula – the only suitable BMS recognized by the WHO – is thus considered, as it plays a vital role in providing essential nutrients to infants. We are committed to the highest standards of responsible marketing of BMS and comply with the WHO Code as implemented by national governments. We will continue to engage with key stakeholders to increase collaboration, promote responsible conduct and establish an accepted and transparent process for assessing the commercialization of BMS.

### Promoting compliance and awareness of responsible marketing of breast-milk substitutes

Our Nestlé Corporate Business Principles acknowledge that independently of any other measures taken by governments to implement the WHO Code, Nestlé is responsible for monitoring our own marketing practices. Internally, Nestlé Middle East engages in continuous functional trainings and awareness sessions for all employees. In addition, an ombudsmen system was put in place to facilitate internal reporting on any violations and promote compliance.

Externally, we also run awareness sessions with health care professionals and more specifically through breastfeeding educational campaigns targeting nurses and dietitians across the region.

We also enhanced our systems for external reporting of concerns through the "Tell Us" service available on our website, which our suppliers are also informed about through the supplier code.

All this is done to ensure that our conduct at every level conforms to the Nestlé policy and instructions in this regard, in accordance with the principles and aims of the WHO Code.

<http://www.nestle.com/aboutus/tell-us>

*Since 2011, we are included in the FTSE4Good, which measures the performance of companies that meet globally recognised corporate responsibility standards.*



# Rural Development and Responsible Sourcing Commitment

As part of our Creating Shared Value approach, Nestlé is committed to creating positive impact in communities where we operate. That's why investment in building agricultural and manufacturing capacity is crucial.

We at Nestlé recognise that the overall wellbeing of farmers, rural communities, workers, small entrepreneurs and suppliers is intrinsic to our ability to continue to do business in the future. This is especially true since most of our 468 factories in 86 countries are in rural areas, and more than half of them are in developing countries.

It's also vital that we maintain a secure, long-term supply of ingredients for our food and beverages products, the majority of which are grown in rural areas. Our rural development work and involvement with farmers helps us secure the quality and quantity of supply of our key raw materials, addresses the need to build sustainable farming communities, while fostering farming as an attractive business and livelihood of choice offering opportunities for societal advancement.

We work and connect with farmers in different ways that include providing them with technical training through our capacity building programs; offering financial assistance and services; and direct purchase of products from those with whom we share long-term relationships.

Through our Nescafé Plan, we are working to increase the amount of coffee beans directly sourced from farmers and their associations. By the end of 2014, Nescafé had sourced more than 180,000 tonnes directly through our Farmer Connect operations from about 170,000

farmers. We also distributed more than 29.8 million high-yield, disease-resistant coffee plantlets to farmers in 2014.

Launched in 2009, the Nestlé Cocoa Plan seeks to improve the lives of cocoa farmers and the quality of their crops. It also tackles important issues including low productivity and child labour. Through the Cocoa Plan, we provided training to over 45,000 farmers in 2014, and purchased around 91,000 tons of cocoa directly from farmers, covering 23% of our total volume purchases.

Another of our key initiatives is the Milk District model through which we aim to increase the quantity of milk supplies purchased directly from farmers, helping ensure a better price for their milk, improved safety and quality standards, regular payment and a sustainable link to the processing industry, while providing Nestlé with a regular supply of high-quality milk.

Our Sustainable Agriculture Initiative, or SAIN, optimizes the supply chain from "farm to factory," improves efficiency, manages risk and supports sustainable development in the field. The Nestlé-wide initiative focuses on raw material sourcing where we have direct contact with farmers and long-term business relations with traders or primary processors.

Nestlé's approach to rural development also aims to respect natural capital such as biodiversity and other natural resources.



## 12. Implement responsible sourcing in our supply chain

### Objective 2015

To both improve and demonstrate compliance with the Nestlé Supplier Code, by completing at least 41 new responsible sourcing audits, and achieve compliance of audited suppliers of 94%.

### Our actions to date

By the end of 2014 we had audited 79 of our Tier 1 suppliers to the Middle East market, and have 92% fully compliant with our Supplier Code. Based on our proactive and collaborative approach, the audits have allowed us to work with our suppliers to close identified gaps and deliver sustainable improvement to address safety & health, environmental, labour conditions and business Integrity issues.

### Our perspective

The Nestlé Supplier Code defines the minimum standards that we ask our suppliers to respect and adhere to when conducting business with Nestlé. The code is in line with the UN Guiding principles on Business and Human Rights, the Core Conventions of the International Labour Organisation (ILO), and the 10 Principles of the United Nations Global Compact. It is an extension of our Nestlé Corporate Business Principles, beyond our own operations.

Acknowledgement of the Code is a prerequisite in every Nestlé contract for supply. Nestlé recognises that reaching the standard established in the Supplier Code is a dynamic process and encourages suppliers to continuously improve in their operations.



*Nestlé CSV 2012 prize winner in Rural Development: the Wataneh project in Lebanon, the sustainable agriculture programme by arcenciel, supports and promotes the production, marketing and consumption of a diversity of fresh and processed products produced in an environmentally friendly, socially responsible and economically viable manner.*

*We deal directly with over 686,000 farmers around the world.*





# Water Commitment

Nestlé recognises that the responsible management of water resources by everyone worldwide is an absolute necessity. Water, both as a basic human right and as an essential raw material for numerous competing needs including agriculture, has been significantly overused in the last century. As a result, water scarcity is directly affecting future food security.

Globally, we published the Nestlé Commitment on Water Stewardship, which sets out our position and strategy. We strive to participate in initiatives on water policy and challenges, seeking new shared solutions and promoting collective action on water efficiency for effective water stewardship.

We believe that effective water stewardship will require that provisions are made firstly for water to meet the human right to water, then to ensure that ecosystems are able to function, and finally to ensure that water is used efficiently for agricultural and industrial use. Our long-term success is built upon effective water stewardship in the watersheds where our raw materials are sourced from, where our factories are located, and where suppliers and consumers live.

Nestlé has a long history of leadership on water stewardship through continuous improvement in the efficient use of water at our factory operations and innovative programmes with farmers at a global level. In the last 10 years, Nestlé has reduced direct withdrawal needed to manufacture one tonne of product by 37% through several water saving projects. In 2010, Nestlé formally reconfirmed our public support for the human right to water and sanitation, as adopted by the United Nations General Assembly and the United Nations Human Rights Council.



## Water saving project at Nestlé Dubai Manufacturing in TechnoPark

Cooling Tower Blow-Down Water Recovery Project: to address the process with the highest consumption of water in the factory, this water saving project promotes recycling and reusing of some of the water used in the cooling towers. The project resulted in 2014 in water saving of 3.6% of the total factory consumption.

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

### Objectives 2015

- Further reduce direct water withdrawals per tonne of product by 5%
- Carry out water resources reviews in 100% of Nestlé Waters factories in the Middle East

### Our actions to date

- In 2014, we reduced specific water withdrawal per tonne of manufactured product by 4.8% as compared to 2013, achieving a reduction of 42% of the same between 2009 and 2014. In the same period, while our regional production volume increased 62%, absolute water withdrawal was reduced by 6%
- Specific targets are developed at Nestlé Middle East to continuously reduce specific water withdrawal through efficiency usage improvements. Water saving projects are put in place and targets are tracked using internally developed tools to measure obtained savings versus projection. Examples include: Cooling and Chilled Water optimization, hand washing faucets modification, and Cooling Tower Blow-down recycle
- Another example includes the Nestlé Waters factory in Riyadh, Saudi Arabia, which reduced its water withdrawal by nearly 30,000 m<sup>3</sup> in 2014 through water saving projects that have reduced flow rates and increased efficiency
- Water Resource Reviews: by the end of 2014, over 90% of Nestlé Waters factories in the Middle East region had been audited by the Water Resource Review

### Our perspective

We believe that we have an important role to play in addressing growing water issues. So far, we have achieved substantial improvements in water usage efficiency over the past years and we will continue our efforts for further reductions. We continue to leverage new opportunities using innovative techniques knowing the increasing regional challenges and barriers, and we will seek creative approaches to foster actions inside and outside of our Organization promoting water efficiency and responsible use.

*Since 2009, we reduced the absolute water withdrawal by 6% while production volume increased by 62%.*



### Treating the water we discharge effectively: The Nestlé Qazvin Factory Waste Water Treatment Plant (WWTP)

The factory consumes approximately 130,000 m<sup>3</sup> of water per year, the majority of which is treated so that all effluent discharge is classified to meet the stringent irrigation water requirements, and channeled back to the communal irrigation system.

- **Technical standards:** The plant benefits from state of the art technology fulfilling local and Nestlé regulations
- **Training:** Nestlé arranged relevant expertise trainings for the factory operators as well as for the personnel of the Qazvin Environmental Protection Organization (EPO) to promote understanding and process optimisation
- **Measurement:** The factory installed a real time monitoring system, which transparently records the performance of the WWTP operation
- **Water usage:** 50% of the treated water is now being re-used for landscaping purposes within the factory, while the remaining 50% is supplied to farmers to irrigate their fields

The Qazvin EPO recognized Nestlé efforts in improving quality of water being discharged from the factory and promotes Qazvin WWTP compliance with regards to standards in discharge water.



### Raising awareness on water conservation and resources, and importance of hydration

Nestlé Waters has for more than 20 years been the main private partner of Project WET (Water Education for Teachers), an independent global-reach foundation that develops educational tools to increase awareness of water amongst educators and children. The Company has been working with Project WET to help disseminate their education materials to hundreds of thousands of beneficiaries in over 65 countries.

In the Middle East, Nestlé Waters runs Project WET activities in Lebanon and Jordan where it works to educate children on the importance of water, the need to protect it, and the importance of hydration – as well as commemorating World Water Day every year through various initiatives. Activities have so far reached over 400 schools in the region, and are set to reach many more following recent introduction in the UAE and planned expansion into other countries.

In Lebanon, Project WET activities have ranged from hosting public school students at Nestlé's *Sohat* factory in Falougha, to educational sessions in Tyr conducted in association with the city's municipality and the United Nations Interim Forces in Lebanon, as well as factory events in Ain Zhalta in association with the Shouf Cedar Reserve. They have so far reached over 8,000 students and teachers in schools across the country over seven years.

In Jordan, Nestlé Waters partners with the Royal Health Awareness Society (RHAS), a non-profit organisation established by Her Majesty Queen Rania Al-Abdullah, on implementing a Project WET curriculum as part of its Healthy School Accreditation Programme. Activities focus on hydration in elementary and middle schools, as well as water conservation and recycling in high schools. In 2014, it reached 30 supervisors from the Ministry of Health's Schools Health Department and the Ministry of Education; 20 public and private schools; 300 teachers; and 3,000 students.



### Promoting Water Sanitation and Hygiene at Nestlé Dubai Manufacturing – TechnoPark

Globally in 2013, Nestlé became one of the first signatories of the World Business Council for Sustainable Development (WBCSD) pledge that commits businesses to upholding the human right to water and sanitation within their operations.

In 2014, we initiated the roll out of the WBCSD Water, Sanitation and Hygiene self-assessment tool in all our manufacturing facilities globally and in the Middle East. The Self-Assessment Tool has been developed by the WBCSD as a support tool for implementing the Pledge for Access to Safe Water, Sanitation and Hygiene (WASH) at the workplace, along and in alignment with the guiding principles for implementation. It represents a method of assessing the current status of access to safe WASH at the workplace in a given facility of the company, in order to identify potential gaps, help identify areas for improvement, and to support decision-making regarding investments and priority actions.



# Environmental Sustainability Commitments

Environmental sustainability means protecting the future by making the right choices in an environment where water is increasingly scarce and biodiversity is declining. Our goal is to make Nestlé products not only tastier and healthier but also better for the environment along their value chain.

## 14. Improve resource efficiency in our operations

### Objectives 2015

- Achieve 10% reduction in absolute waste for disposal
- Achieve 2% reduction in energy consumption per tonne of product

### Our actions to date

- In 2014, we achieved a 15.9% absolute reduction in waste for disposal over the year before. Overall progress between 2009 and 2014 was a reduction of 71% while production volume increased 62% in the same period.
- Our overall energy consumption per tonne of product was reduced by 4.1% in 2014. From 2009 to 2014, we managed to achieve an overall reduction of 26% per tonne of product at food factories in the Middle East.
- Our new manufacturing facility that will open in Dubai World Central in 2015 will be implementing cutting edge technology expected to have annual reduction of 30%, equivalent to 1,700 GJ.
- Specific measures implemented at our LEED Certified Confectionery plant in the TechnoPark factory have in turn allowed savings of 9,200 GJ during the 2012-2014 period.

### Our perspective

The Nestlé Environmental Management System (NEMS), used to implement the Nestlé Policy on Environmental Sustainability, is based on a continual improvement management cycle. The effectiveness of NEMS rests on the use of practices provided by our Nestlé Continuous Excellence (NCE) initiative, which improve our efficiency, quality and productivity. This translates into doing more with fewer resources and less waste.

In 2014, Nestlé launched a new toolkit to help factories around the world striving towards zero waste for disposal. In many countries though, we face challenges to improving our resource efficiency due to a lack of public waste recovery and recycling infrastructure, as well as instances where we are required by local legislation to send certain materials to landfill.

Improving resource efficiency in our operations contributes to our broader efforts to reduce food waste along the value chain. Globally, Nestlé is introducing the Nestlé Commitment on Food Waste in 2015.



### Greenhouses project in Jordan

Nestlé Waters in Jordan established two greenhouses supervised by an external expert in the area surrounding its factory to support residents of the nearby Husseinieh village in planting, harvesting and selling herbs and produce. The project also provides water for irrigation.

In alignment with the local municipality, Nestlé Waters is also working to facilitate the creation of a women-run food processing set up post harvest. Experts have been evaluating the project's yearly yields, and recommendations on potential expansion are expected by the end of 2015.

*We have reduced energy consumption per tonne of product by 26% since 2009.*

## 15. Improve the environmental performance of our packaging

### Objective 2017

Continue to analyse and optimise our packaging portfolio

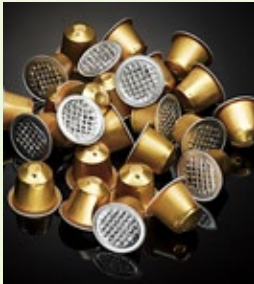
### Our actions to date

- In 2014, measures on source optimization in carton, shipper cases, and plastics in *Nestlé Nido* bags and sachets, led to savings of 462 tonnes in packaging material
- At a global level, we are expanding the scope of our packaging ecodesign by moving from PIQET, a tool that assesses the environmental performance of our packaging, to Ecodesign for Sustainable Product Development and Introduction (EcodEX), a broader, more holistic approach that covers the entire value chain. EcodEX is a simplified ecodesign tool for food products, based on the Life Cycle Assessment (LCA) methodology

### Our perspective

At Nestlé, the packaging of our products is critical to guarantee our high quality standards, to prevent food waste and to inform consumers. We are committed to reducing the environmental impact of packaging, without negatively impacting safety, quality, consumer preference and functionality. Our challenge is to provide optimal packaging design that allows us to save packaging material and avoid food wastage.

Globally, our measures include optimising the weight and volume of our packaging; leading the development and use of materials from sustainably managed renewable resources; supporting initiatives to recycle or recover energy from used packaging; using recycled materials where there is an environmental benefit and it is appropriate.



### Nespresso recycling in the UAE

*Nespresso* started its recycling program in Europe over 20 years ago with the first recycling initiative in Switzerland. Since then, *Nespresso* has worked with its business partners and many stakeholders to implement a strong network of capsule collection and continuously rolling out its recycling program in new countries. Globally, *Nespresso* has installed more than 14,000 capsule collection points

across 31 countries and a home collection service is available in 15 markets.

In the United Arab Emirates, *Nespresso* began implementing its own dedicated recycling system in 2013. Consumers are invited to save their used capsules for collection or drop-off at the *Nespresso* boutiques. The aluminum capsules and their coffee grounds are then recycled by Bee'ah, a leading award-winning and fully integrated environment and waste management company in the Middle East.

*Nespresso's* recycling approach is part of its new ambitious strategy, the *Positive Cup* to accelerate the company's sustainability focus and introduce several major new initiatives that will create significant benefits for the business, society and the environment.

## 16. Provide climate change leadership

### Objective 2015

Further reduce greenhouse gas (GHG) emissions per tonne of product by 2%

### Our actions to date

In 2014, we have achieved 1.5% reduction in GHG emissions per tonne of product as compared to 2013. While between 2009 and 2014, we have managed to reduce our direct GHG emissions per tonne of manufactured product by 25%

At Nestlé Middle East, we use the natural refrigerant, Ammonia, in all our industrial refrigeration systems.

### Our perspective

Our commitment to providing climate change leadership goes far beyond just reducing air emissions. It also includes responsible water stewardship, striving for zero waste, using energy and resources efficiently, among others.

We believe we can play an active role to address climate change challenges. As business is only part of the solution, we are eager to participate at a wider, collaborative level, which is why we support industry and multi-agency initiatives globally.



### Nestlé factories environmental certifications and recognition

- Environmental Management System Certifications: Nestlé Middle East food and water factories are all certified to ISO14001
- Green Building Certification by LEED, USA: Awarded to the *Kit Kat* plant at Nestlé Dubai Manufacturing in TechnoPark, constructed in accordance with Green Building classifications in compliance with local authorities requirements
- Environmental Performance Award: Nestlé Dubai Manufacturing in TechnoPark has been awarded twice, in 2012 and 2013, by the United Arab Emirates Ministry of Environment & Water



# Our People & Compliance Commitments

The Nestlé Corporate Business Principles reflect our commitment to a strong culture as a non-negotiable foundation of how we do business. We fully support the United Nations Global Compact's (UNGC) guiding principles.

## 17. Foster further opportunities of starting and developing careers for the youth in the Middle East

### Objective 2016

Further expand the Center of Excellence in Oman, and continue implementation in Saudi Arabia to increase both graduate numbers and percentage hired at Nestlé

### Our actions to date

In the past five years, we recruited a total of 1,732 young people under 30 years old. Today, one third of our employees in the Middle East are in this age bracket.

Youth employment at Nestlé Middle East is driven by three basic pillars:

**Internships:** In 2014 we hosted 20 interns at our regional head office, factories, various countries, and across different functions. We aim to continue and increase yearly placements in collaboration with key universities in the region.

### Career training:

- **The Nestlé Center of Excellence**, a Nestlé training academy founded in 2012, has already trained 88 graduates from Saudi Arabia and Oman in the following programmes: Business Executive Certificate for Women, Nutrition Development Programme for Women, and Sales Training Academy.
- **The Graduate Development Program** is a three-year rotational development programme that aims to recruit distinguished graduates from leading universities in the region. They are

developed through comprehensive, multi-dimension on-the-job training, equipping them with functional and behavioural skills to prosper in their careers. The Program covers Marketing, Sales, Human Resources, Finance and Control, Supply Chain and Technical. It has hired 37 graduates since 2009.

**Career advising:** Working with universities across the region to offer expert advice to students in the areas of readiness for work, employability, business and corporate environment, and leadership.

### Our perspective

Launched globally in 2013, our global commitment to youth employment, the Nestlé needs YOUth Initiative, promotes jobs creation, and strengthens and develops the skills and employability of young people across Europe.

Nestlé Middle East also believes in taking an active role in preparing graduates, providing opportunities, and bridging the gap between university education and corporate expectations. In a region of contrasts where unemployment is prevalent in many countries while many others suffer from lack of readiness among their youth to fill numerous positions open to them, we aim to foster youth employability on the one hand, and enrich our local talent pipeline for future leaders in our Company. The Nestlé Center of Excellence helps students get prepared for work in multinational companies.



### The Nestlé Center of Excellence

The Nestlé Centre of Excellence was first established in Saudi Arabia in 2012, with a mission to train Saudi graduates to meet multinational corporate standards for employment in General Business, Sales and Nutrition Functions. It also aims to address the development of Saudi female employees to improve gender balance, and meet and exceed local Saudization law requirements.

The Programme helps Nestlé recruit relevant candidates and supports them to move towards fruitful and successful careers.

Thanks to its success in Saudi Arabia, the Nestlé Center of Excellence model was replicated and kicked off in Oman in 2014.

Since its inception, 40% of graduates were offered employment at Nestlé in newly created positions, and the Centre has trained a total of 88 students in the following programs:

- The Women Business Executive Programme: Female-only training program aimed at developing local talents to equip them with needed skills in the business environment
- The Women Nutrition Development Programme: Targeting female graduates in the fields of pharmacology, nutrition, biology and chemistry, this programme aims to develop functional skills in the field of infant nutrition in addition to business and commercial skills needed in company environments
- Sales Training Academy: Develop graduates in the area of sales and help enrich talent pipelines



## 18. Enhance gender balance

### Objective 2018

Be a gender-balanced company by creating enabling conditions in our work environment to achieve annual increases in the percentage of women managers and senior leaders

### Our actions to date

Globally, we signed up to the United Nations Women's Empowerment Principles and are ensuring men and women at management level progress at the same rate. In the Middle East, gender balance is on the top management agenda, and our journey involves several accomplishments and new initiatives:

- We trained all line managers on gender balance awareness and leadership, to help eliminate unconscious bias and promote an environment to embrace differences that can be leveraged to enrich people's careers, reap the benefits of complementarity, and foster an inclusive culture.
- We conducted internal qualitative and quantitative research to understand the specific needs of employees to drive forward our actions.
- We provide maternity leave of up to six months, three paid and three optional unpaid, and extend a paternity leave of five days. Employees can benefit from flexible working hours, and part time working options.
- A mentoring program for men and women was launched in 2014 to help hone talents within the Company in order to foster personal and career evolution.

- Nestlé was the first company to launch the International Dual Career Network (IDCN) in the Middle East in 2014, inviting various companies to join in establishing a networking platform to support spouses of relocated employees find suitable positions within member companies or through recruitment professionals.

The percentage of women among total managerial positions held in the Middle East has gone up from 16% in 2011 to 23% at the end of 2014. In addition, today, two women hold senior positions in top management.

### Our perspective

At Nestlé, we believe that different ways of thinking complement each other and lead to better decisions. Gender balance for us makes business sense, as we must take advantage of existing and emerging talents whereby majority of college graduates are women, and lean towards an internal culture that adequately reflects the reality of our consumers, 80% of whom are also women.

Gender balance does not seek for men and women to be the same, but rather to make us realise the differences and how to act upon them. It is also not about giving women special treatment, but acknowledging the premise that there is a gap and opportunity to support women in their careers across the life stages. It is ultimately about removing obstacles to ensure the broadest representation of diverse talents across all levels in the Company.



### Diversity and inclusion: fostering gender balance

In addition to Age, World Views, Skillset, and Personality, Gender diversity was highlighted as a priority at the 2014 Annual Leadership Conference, which hosted 280 Nestlé senior leaders from the Middle East. Gender Balance is a strategic initiative for Nestlé and is envisioned to become a cultural and business asset for the Company in the near future.



# Our People & Compliance Commitments

## 19. Ensure that all Nestlé units have the necessary systems in place to deliver the same level of basic safety and health protection for all employees

### Objective 2017

All sites to be certified for safety and health management systems (OHSAS 18001).

### Our actions to date

At the end of 2014, all our factories were certified for OHSAS 18001, in addition to our distribution centers in Jordan, Palestine and Lebanon, and ongoing further deployment beyond operation.

### Behavioural Based Safety, Health and Environment (BBSHE) feedback process

In addition to reducing our recordable injury rate, we focus on proactively preventing injuries. One example that engaged all our employees in the Middle East is the “Caring Through Feedback” Program that aimed at:

- Promoting personal ownership and engagement
- Encouraging safe behaviours, and proactively challenging at-risk ones
- Ensuring compliance with agreed Safety and Health rules and procedures

The programme involved all employees who were asked to carry out behavioural observations on Safety, Health and Environment issues, and to provide feedback to each other, to help promote Nestlé Safety Leadership behaviours. Monitoring, measurements and reporting were conducted by the Market Management Team. In 2015, we are enhancing the program on various fronts.

### Our perspective

Nestlé is a company founded on caring: for our consumers, for the environment and for our work colleagues. It is this spirit of caring which informs both our ultimate safety and health (S&H) goal of zero injuries and illnesses, and our approach to achieving it. Fundamental to this approach is the creation of a mutually supportive work environment in which we all care for - and look out for - each other: giving “the gift of feedback” to help each other stay safe and healthy.

Improvement in our safety and health systems and their certification needs long-term engagement across the organization in every country, whether our businesses are factory or office-based. This can be challenging, as it may entail a significant behavioural step change. While we are among the leaders in safety and health in our industry at a global level, our aim is to strive for excellence with the ultimate goal of zero injuries and work-related illnesses. This ambitious goal is fully aligned with our Corporate Business Principles.

## 20. Provide training and education for Nestlé employees on Nutrition Quotient (NQ), Environmental Sustainability and Creating Shared Value

### Objectives 2015

- 100% of Nestlé employees to receive Nutrition Quotient (NQ) training
- 90% of target employees to complete the Environmental Sustainability e-Learning\*
- Run three Advanced Environmental Sustainability Leadership training workshops in the Middle East

### Our actions to date

- Today, our NQ training is part of the on-boarding curriculum of new employees. Since its launch in 2007 until the end of 2014, classroom sessions, including NQ Advanced and Specialist reached 100% of target audience. We are accelerating NQ e-learning and poster sessions across Nestlé Middle East offices and factories to expand reach to all employees.
- By the end of 2014, 69%\* of target Nestlé Middle East employees had completed the basic Environmental Sustainability e-learning training. The two-day Advanced Environmental Sustainability Leadership training was kicked off in 2014.
- Creating Shared Value is fully embedded in all courses of our international training center in Switzerland.

### Our perspective

Stemming from our mission to enhance quality of life, nutrition is everyone’s business at Nestlé. The aim of the NQ training program is to ensure all our employees have good nutrition understanding and are empowered to apply what they learn in their professional activities and day-to-day lives. Our aim is to help people make informed decisions about their own nutrition, the nutrition of their families and, if it is their role, the nutrition of consumers.

The Environmental Sustainability at Nestlé e-learning course is specifically designed to support the implementation of the Nestlé Policy on Environmental Sustainability, including the Commitment of the CEO to environmentally sustainable business practices.

The Advanced Environmental Sustainability Leadership – We Make Nestlé Resourceful workshop, provides new tools and approaches for employees and enables different functions to share ideas.

\*Excludes data from Nestlé Waters employees

## Training at Nestlé

The Nestlé Management and Leadership Principles foster the importance of certain leadership behaviours that support continuous improvement in a more decentralized and non-hierarchical environment, focused on developing leaders at all levels who inspire trust that is vital to success.

In an increasingly dynamic world, leaders encounter significant challenges and opportunities that stem from shifts to new social patterns and unprecedented worldwide competition.

Achieving ongoing success in that context requires that each Nestlé leader understands and capitalises on it by showing leadership and business acumen, in line with a flat and flexible structure.

In that spirit, Nestlé created its Leadership Curriculum to ensure that all leaders are equipped with the skills they need to lead themselves and others, in order to better create value for the community and shareholders. Training involves functional skills related to the employee's role, behavioural skills delivered through various programs to instill a culture of high performance, collaboration and feedback, as well as on-boarding at different stages of their career development. An average of 27 hours of training per employee per year was recorded in 2014.

Nestlé managers thus become more concerned with leading and inspiring people to add value to the Company and society rather than with exercising formal authority. This entails a high personal commitment of each employee and a common mindset geared towards developing others and achieving results.

## Employee Wellness Programme

At Nestlé, we aim at empowering people to lead healthier lives, including our own employees; whom we've been actively encouraging to do that over the past years through various employee programs and activities.

As part of our journey at Nestlé Middle East, we launched the Nestlé Choose Wellness Programme in 2014, a corporate wellness program which invited employees across all our offices to pledge to Eat Healthier, Move More, and Live Better.

Designed to encourage the adoption of healthy habits, the programme includes initiatives such as body analysis, fitness classes, wellness talks and cooking classes. In addition, it provides tips, and practical tools to help employees take simple steps to make a real difference, based on our belief that every single choice counts.

Ongoing office communication reminds employees of healthy choices, focusing on main themes such as Healthy Hydration, Healthy at Work, and Healthy Ramadan, among others.

Globally, our focus on Employee Wellness Programmes is part of our commitment to the Consumer Goods Forum Health and Wellness resolutions, and our membership in the Institute for Health and Productivity Management.





# Our People & Compliance Commitments



## Halal food: beyond compliance

Nestlé has extensive experience in Halal implementation, having worked closely for more than three decades with advanced Halal systems including those established in Indonesia and Malaysia.

The Company has taken into consideration all applicable regulations on Halal to meet the needs of Halal food consumers all over the world. It issued a Global Halal Policy and a standard for the production of inter-company supply of Halal food, defining Halal Certification standards from sourcing of raw material to manufacturing, including supply chain to ensure that our consumers can enjoy Halal food with peace of mind as part of a healthy and balanced diet.

The Nestlé Halal Advisory Committee, consisting of regulatory experts based at various Company offices all over the world, shares expertise and provides guidance on implementation of Halal.

The Halal status for all Nestlé products provides assurance that they are manufactured, imported and distributed under the strictest hygienic and sanitary conditions in accordance to the Islamic faith. All Nestlé products in the Middle East are Halal.

In the UAE, Nestlé was among the leading participants in the Global Islamic Economy Summit (GIES) 2013, organised by the Dubai Chamber of Commerce and Industry. Held under the patronage of His Highness Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai, the summit was a strategic milestone for regional discussions on Halal food, regulations and policies.

Nestlé has also been actively engaged with local and global authorities, sharing knowledge and expertise on Halal and its compliance, to promote responsible scientific-based Halal regulations.

## Non-negotiable quality and safety standards

At Nestlé, Quality is an integral part of our Nestlé Corporate Business Principles. These principles guide our actions all over the world to deliver products and services that are safe, compliant and preferred by our consumers and customers.

In line with our Nestlé Quality Policy, quality and food management systems and processes are put in place for offices and manufacturing facilities, to ensure food safety, regulatory and quality compliance across the value chain.

The Nestlé Quality Management System and Food Safety Management System are fully aligned with international standards ISO 9001:2008 (quality management system) and FSSC 22000 (food safety).

Food Safety and full compliance to regulations are non-negotiable at Nestlé. All Nestlé manufacturing sites are certified by third party accredited certification bodies for food safety according to FSSC 22000 the most well recognised food safety management standard.

With several stringent, inbuilt controls to guarantee safety, from raw material selection through to processing and packaging, the company does more food testing than any other entity in the world, globally carrying out 100 million tests a year on its products.

In the Middle East, our food manufacturing facility in Dubai TechnoPark received the Dubai Municipality Food Safety Award for large scale manufacturing in 2011 and 2012, and the Environment, Health and Safety Trakhees Food Safety Award for manufacturing and logistics in 2014.

In 2014, Nestlé Waters brands – *Nestlé Pure Life, Al Manhal, Erikli, S.Pellegrino, Acqua Panna, Perrier and Vittel* – were awarded the Emirates Quality Certificate by Emirates Authority for Standardization and Metrology (ESMA) in UAE.





**Nestlé**

Good Food, Good Life