

GC Advanced COP Self-Assessment

The Communication on Progress is in the following format:

- ☐ Stand alone document
- ☒ **Part of a sustainability or corporate (social) responsibility report**
- ☒ **Part of an annual (financial) report**

What is the time period covered by your COP?

Start date: 1 January 2013

End date: 31 December 2013

Does your COP contain a statement by the CEO (or equivalent) expressing continued support for the Global Compact and renewing your company's ongoing commitment to the initiative and its principles?

Yes

Does your COP contain a description of actions and policies related to the following issue areas?

- ☒ **Human Rights**
- ☒ **Labour**
- ☒ **Environment**
- ☒ **Anti-Corruption**

Does your COP contain, if relevant, a description of policies and practices related to your company's operations in high-risk and/or conflict-affected areas?

Yes

Does your COP include qualitative and/or quantitative measurement of outcomes illustrating the degree to which targets/performance indicators were met?

Yes

How does your organisation share its COP with stakeholders?

- a) Through the UN Global Compact website only
- b) COP is easily accessible to all interested parties (e.g. via its website)
- c) COP is actively distributed to all key stakeholders (e.g. investors, employees, consumers, local community)
- d) **Both b) and c)** ☒

How is the accuracy and completeness of information in your COP assessed by a credible third-party?

- ☐ The COP describes any action(s) that the company plans to undertake to have the credibility of the information in its COP externally assessed, including goals, timelines, metrics, and responsible staff
- ☐ Information is reviewed by multiple stakeholders (e.g., representatives of groups prioritized in stakeholder analysis)
- ☐ Information is reviewed by a panel of peers (e.g., members of the same industry, competitors, benchmarked leaders, others organized via Global Compact Local Network)
- ☐ Information is assured by independent assurers (e.g., accounting or consulting firm) using their own proprietary methodology
- ☒ **Information is assured by independent assurers (e.g., accounting or consulting firm) against recognized assurance standard (e.g., ISAE3000, AA1000AS, other national or industry-specific standard)**
- ☐ Other established or emerging best practices

Best practice	Reference
Information is assured by independent assurers (e.g., accounting or consulting firm) against recognized assurance standard (e.g., ISAE3000, AA1000AS, other national or industry-specific standard)	Appendix: Bureau Veritas' Independent Assurance Statement (p.371-375)

The COP incorporates the following high standards of transparency and disclosure:

- ☑ **Applies the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines**
- ☑ **Qualifies for Level B or higher of the GRI application levels**
- ☑ **Provides information on the company's profile and context of operation**

Best practice	Reference
Applies the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines	Nestlé in Society: About this report (p.7)
Qualifies for Level B or higher of the GRI application levels	Appendix: GRI Statement p376
Provides information on the company's profile and context of operations	ANNUAL REPORT Companies of the Nestle Group p.154-172 CONSOLIDATED FINANCIAL STATEMENTS Companies of the Nestle Group p.154-172) NESTLE.COM Brands: http://www.nestle.com/brands Legal structure and operating segments: http://www.nestle.com/investors/results/financialoverview

Criteria, Best Practices and Explanation

Criterion 1: The COP describes mainstreaming into corporate functions and business units

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives	Nestlé in Society: Message from Chairman and CEO (p4-5) Our governance and advisory structure (p21) CSV Council p22
Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	Nestlé in Society: Creating Shared Value at Nestle (p8) Our commitments (p12) The Nestlé Corporate Business Principles (p14) Materiality (p15-16) Our governance and advisory structure (p21) CORPORATE GOVERNANCE REPORT Compensation Report, (p.35-46 esp, p.36 & 41-42)
Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	Nestlé in Society: Our governance and advisory structure (p21) Nutrition: Managing nutrition – Governance structure (p61-62) Water: Our water stewardship commitments (p170) Managing water responsibly (p176) Rural development: Our rural development commitments (p101) Managing rural development (p104) Environmental sustainability: Our environmental commitments (p207) Managing environmental sustainability (p213) Human rights and compliance: Our human rights and compliance commitments (p281) Managing compliance (p285) Our people: Our people commitments (p327) Managing our people (p333) Safety and health (p337)

	Responsible Sourcing Our commitments (p124) Managing responsible Sourcing (p128)
Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	Nestlé in Society: The Nestlé Corporate Business Principles (p14) Materiality (p15-16) Our governance and advisory structure (p21)
Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts	Nestlé in Society: Our governance and advisory structure (p21)
Other established or emerging best practices: Regularly assess risks and opportunities, set commitments, report against KPIs	ANNUAL REPORT Principal risks and uncertainties (p.67) Nestlé in Society: Message from Chairman and CEO (p4-5) Creating shared value at Nestlé (p8) Our commitments (p12) Materiality (p15-16) Key performance indicators summary (p17-19) TALKING THE HUMAN RIGHTS WALK REPORT

Criterion 2: The COP describes value chain implementation

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	Nestlé in Society: Materiality (p15-16) UNGC Principles (p43) Responsible sourcing: Our commitments (p124) Managing responsible Sourcing (p128) Human rights and compliance: Human right due diligence programme (p292-295) Product safety and quality (p305) Responsible advertising and marketing (p310) Responsible marketing of breast milk substitutes (p314) TALKING THE HUMAN RIGHTS WALK REPORT (p19)
Communicate policies and expectations to suppliers and other relevant business partners	Responsible sourcing: Our commitments (p124) Managing responsible Sourcing (p128) Monitoring implementation (p129)

Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence	Responsible sourcing: Managing responsible sourcing Monitoring implementation (p129)
Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners	Responsible sourcing: Productive and respected workers(p111) Managing responsible sourcing (p128) Assessing the status of biodiversity (p271) Sourcing raw materials, deforestation (p273) Human Rights Due Diligence Programme (p292) Deforestation (p140) Milk (p144) Coffee (p149) Cocoa (p158) Child labour capacity building training (p301)

Criterion 3: The COP describes robust *commitments, strategies or policies* in the area of human rights

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Commitment to comply with all applicable laws and respect internationally recognised human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)	Nestlé in Society: Our Corporate Business Principles (p14) Our commitments (p12-13) Global principles – At a glance (p47) Human rights and compliance: Our human rights and compliance commitments (p281) Human rights and compliance in focus (p284) Managing compliance (p285) Human rights (p292) TALKING THE HUMAN RIGHTS WALK REPORT
Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)	Nestlé in Society: Message from Chairman and CEO (p4-5) Our Corporate Business Principles (p14) Our commitments (p12-13) Human rights and compliance: Our human rights and compliance commitments (p281) Human rights – Pillar 1: Policy Commitments (p292)
Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)	Nestlé in Society: Our Corporate Business Principles (p14) Human rights and compliance: Our human rights and compliance commitments (p281) Human rights – Pillar 1: Policy Commitments (p292) Human Rights and Compliance Inside the issue (p280)

	<p>Child labour eliminating child labour from our supply chain (p299) Consumer privacy (p322)</p> <p>Responsible sourcing: Managing responsible sourcing (p128)</p>
Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)	<p>Nestlé in Society: Our Corporate Business Principles (p14)</p> <p>Human rights and compliance: Human Rights and Compliance Inside the issue (p280) Our human rights and compliance commitments (p281) Human rights – Pillar 1: Policy Commitments (p292)</p> <p>Responsible sourcing: Managing responsible sourcing (p128)</p>

Criterion 4: The COP describes effective *management systems* to integrate the human rights principles

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Process to ensure that internationally recognized human rights are respected	<p>Human rights and compliance: Human rights Human Rights Due Diligence Programme (p292)</p>
On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)	<p>Human rights and compliance: Managing compliance – Delivering our commitments (p285) Human rights – Human rights due diligence programme (p292) Human rights – Pillar 4, 5 and 8 (p293-295)</p> <p>TALKING THE HUMAN RIGHTS WALK REPORT</p>
Internal awareness-raising and training on human rights for management and employees	<p>Human rights and compliance: Managing compliance – Delivering our commitments (p285-286) Human rights – Human rights due diligence programme - Training (p292) Human rights – Pillar 6: Nestlé Human Rights Working Group (p294), Internal governance structure (p21)</p>
Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE 4 + ARE 4)	<p>Human rights and compliance: Managing compliance – Delivering our commitments – Integrity reporting system and Tell Us (p30, p286)</p>
Allocation of responsibilities and accountability for addressing	<p>Human rights and compliance: Human rights – What we're doing - The Nestlé Human</p>

human rights impacts	Rights Working Group - (p294) Child labour – eliminating child labour from our supply chain (p299)
Internal decision-making, budget and oversight for effective responses to human rights impacts	Human rights and compliance: Managing compliance – Governance and oversight (p285) Human rights – What we're doing - The Nestlé Human Rights Working Group - (p284) Child labour – Making our position clear, Applying a comprehensive strategy (p299)
Processes to provide for or co-operate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)	Human rights and compliance: Managing compliance – Governance and oversight (p285) Human rights – Human rights due diligence programme (p292) Child labour – Rolling out our CLMRS in our cocoa supply chain in Cote d'Ivoire (p303-304) Progress against the FLA Recommendations on Cocoa (p301-302) TALKING THE HUMAN RIGHTS WALK REPORT (p26-35)
Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)	Human rights and compliance: Engaging with stakeholders (p300) Human rights – What we're doing – stakeholder engagement and partnerships (p293,295) Child labour – Applying a comprehensive strategy (p99) Child Labour – Engaging with stakeholders (p300) Progress against the FLA Recommendations on Cocoa (p301-302) Child labour – Rolling out our CLMRS in our cocoa supply chain in Cote d'Ivoire (p303-304) The Nestle Cocoa Plan (p158, 161) Child labour – monitoring and remediation (p162).

Criterion 5: The COP describes effective *monitoring and* evaluation mechanisms of human rights integration

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)	Human rights and compliance: Managing compliance – CARE Programme (p287) Human rights – Human rights due diligence programme – Risk assessment (p293) Human rights – Human rights due diligence programme – Impact assessment (p293) Human rights – Pillar 8: Monitoring and reporting (p295) Child labour – Rolling out our CLMRS in our cocoa

	<p>supply chain in Cote d'Ivoire (p303-304)</p> <p>Progress against the FLA Recommendations on Cocoa (p301-302)</p>
Monitoring drawing from internal and external feedback, including affected stakeholders	<p>Human rights and compliance:</p> <p>Human rights – Human rights due diligence programme – Impact assessment (p293)</p> <p>Human rights – Human rights due diligence programme – Monitoring and reporting (p295)</p> <p>Child Labour – Engaging with stakeholders (p300)</p> <p>Progress against the FLA recommendations on cocoa (p301-302)</p> <p>Child labour – Rolling out our CLMRS in our cocoa supply chain in Cote d'Ivoire (p303)</p> <p>TALKING THE HUMAN RIGHTS WALK REPORT (p22, p35)</p>
Leadership review of monitoring and improvement results	<p>Human rights and compliance:</p> <p>Managing compliance – Governance and oversight (p285-287)</p> <p>Internal governance structure – Human Rights Working Group (p21, p294)</p>
Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE4 + ARE4)	<p>Human rights and compliance:</p> <p>Managing compliance – Integrity reporting system and Tell Us (p30, p286)</p> <p>Human Rights – Pillar 5: Impact Assessment (p293-294)</p> <p>TALKING THE HUMAN RIGHTS WALK REPORT</p>
Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)	<p>Human rights and compliance:</p> <p>Managing compliance – Integrity reporting system (p286)</p> <p>Human rights – Human rights due diligence programme – Impact assessment (p293)</p> <p>Human rights – Managing compliance - CARE programme (p287)</p>
Outcomes of integration of the human rights principles	<p>Human rights and compliance:</p> <p>Human rights – Managing compliance - CARE programme (p287)</p> <p>Human rights and compliance in numbers (p291, 297-298)</p> <p>Child Labour – Progress against FLA recommendations (p301-302)</p> <p>Responsible sourcing:</p> <p>Managing responsible sourcing – The results (p130, 131)</p> <p>In numbers (p139)</p> <p>TALKING THE HUMAN RIGHTS WALK REPORT (p26-34)</p>

Criterion 6: The COP describes robust *commitments, strategies or policies* in the area of labour

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	<p>Nestlé in Society: Our Corporate Business Principles (p14) Global principles – At a glance (p455)</p> <p>Human rights and compliance: Child labour – Making our position clear (p299)</p> <p>Responsible Sourcing Managing responsible sourcing - Nestlé Supplier Code (p128)</p> <p>Our people: Managing our people – Policy on conditions of work and employment (p334) Employee Relations Policy (p336)</p>
Reflection on the relevance of the labour principles for the company	<p>Nestlé in Society: Materiality matrix – human rights (p16)</p> <p>Human rights and compliance: Human Rights and Compliance Inside the issue (p280)</p> <p>Our People (p324-369)</p>
Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national)	<p>Nestlé in Society: Our Corporate Business Principles (p14) Our human rights and compliance commitments (p290)</p> <p>Our people: Policy on conditions of work and employment (p334) Labour relations – What we’re doing (p349) Employee relations policy (p334)</p>
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<p>Responsible sourcing: Managing responsible sourcing – Delivering our commitments (p128) Human Rights In Numbers – “Percentage and total number of contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening” (p297)</p>
Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation	<p>Nestlé in Society: Our Corporate Business Principles (p14)</p> <p>Human rights and compliance: Child labour – What we’re doing (p299)</p>

	Our people: Managing our people – Corporate policy (p334)
Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government)	Nestlé in Society: Partnerships and alliances (p31-36) Human rights and compliance: Human rights – Human rights due diligence programme (p292-295) ILO Child Labour Platform (p299) Our people: Fostering relations with trade unions (p349)
Structural engagement with a global union, possibly via a Global Framework Agreement	Human rights and compliance: Human rights – Human rights due diligence programme (p292-295) Our people: Fostering relations with trade unions (p349)
Other established or emerging best practices: Specific commitments and goals for specified years	Nestlé in Society: Our commitments – Human Rights and Compliance and Our People (p13) Human rights and compliance: Human rights – Human rights due diligence programme – training (p293) Child labour – next steps (p302)

Criterion 7: The COP describes effective management systems to integrate the labour principles

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Risk and impact assessments in the area of labour	Human rights and compliance: Human rights – Integrating human rights into the Rural Development Framework (p296) Human rights – Human rights due diligence programme – Risk Assessment and Impact Assessment (p293) TALKING THE HUMAN RIGHTS WALK REPORT
Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards	Human rights and compliance: Human rights – Human rights due diligence programme – Stakeholder engagement (p293) Our people: Fostering relations with trade unions (p349)

Allocation of responsibilities and accountability within the organisation	Human rights and compliance: Human Rights Working Group (p294) Our people: Managing our people – Governance and oversight (p333)
Internal awareness-raising and training on labour principles for management and employees	Human rights and compliance: Human rights – Human rights due diligence programme - Training (p293) Human Rights Working Group (p294) Managing compliance – Delivering our commitments (p285) Integrity Reporting System (p286)
Active engagement with suppliers to address labour-related challenges	Responsible sourcing: Delivering our commitments (p128-130) Rural development: Productive and respected workers (p104, 111-112)
Grievance mechanisms, communication channels and other procedures (e.g., whistle-blower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers	Human rights and compliance: Managing compliance Integrity Reporting System and Tell Us (p286)

Criterion 8: The COP describes effective *monitoring and evaluation* mechanisms of labour principles integration

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
System to track and measure performance based on standardized performance metrics	Human rights and compliance: Managing compliance – CARE Programme (p287) Human rights – Human rights due diligence programme (p292) Child Labour – Rolling out our CLMRS in Cote d'Ivoire (p303) Our people: Safety and health – 2013 At a glance (p325) Management (p335) What we're doing - safety and health performance (p337)
Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future	Human rights and compliance: Human rights – Human rights due diligence programme – Impact assessment (p293)

	<p>Our people: Fostering relations with trade unions (p349)</p>
Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	<p>Responsible sourcing: Managing responsible sourcing – (p128) RISE assessments (p137) Audit program for Tier 1 suppliers: monitoring implementation (p129, 130, 131)</p> <p>Human Rights and compliance: Human Rights – Pillars 4,5 and 8 (pp293-295)</p> <p>Our people: Managing our people – Governance and oversight (p333)</p> <p>TALKING THE HUMAN RIGHTS WALK REPORT</p>
Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices	<p>Human rights and compliance: Child Labour – What we're doing (p299)</p> <p>Responsible sourcing: Sedex, Traceability in extended value chains (p130-131) The Nestle Cocoa Plan (p43, 124) Women Farmers (p110)</p>
Outcomes of integration of the Labour principles	<p><i>Freedom of association and right to collective bargaining</i></p> <p>Our people: Labour relations – What we're doing (p349)</p> <p><i>Child labour</i></p> <p>Human rights and compliance: Child labour – Rolling out action plans (p299)</p> <p>Responsible sourcing: Cocoa – The Nestle Cocoa Plan (p124)</p> <p><i>Discrimination</i></p> <p>Human rights and compliance: Human rights and compliance in numbers (p297-298)</p> <p>Our people: Labour relations – Discrimination (p351, In numbers 353)</p> <p><i>Disclosure of main incidents involving the company</i></p> <p>Our people: Labour relations – What we're doing (p349)</p> <p>TALKING THE HUMAN RIGHTS WALK REPORT (p26-34)</p>

Criterion 9: The COP describes robust *commitments, strategies or policies* in the area of environmental stewardship

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)	Environmental sustainability: Applying international standards (p215) Managing environmental sustainability – Public policy engagement and collective action (p218-219)
Reflection on the relevance of environmental stewardship for the company	Environmental sustainability: Managing environmental sustainability – What we're doing – Policy and master planning (p214) Biodiversity – Assessing the status of biodiversity (p272) Raw materials (p226)
Written company policy on environmental stewardship	Environmental sustainability: Managing environmental sustainability - What we're doing – The Nestle policy on environmental sustainability (p213) Environmental life cycle of products (, p220)
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	Environmental sustainability: Raw materials – Sourcing raw materials (p226) Responsible sourcing: Managing responsible sourcing – Delivering our commitments (p128-129)
Specific commitments and goals for specified years	Nestlé in Society: Our commitments (p12-13, 207-211) Key performance indicators, (p17-20) Environmental sustainability: Environmental life cycle of products – p220) Promoting sustainable consumption (p255) Waste and recovery - Next steps (p263) Climate change – Next steps – (p270) Biodiversity – Next steps (p277) Manufacturing (p231) Transport and distribution (p247)

Criterion 10: The COP describes effective *management systems* to integrate environmental principles

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Environmental risk and impact assessments	Environmental sustainability: Environmental life cycle of products (p220)

	Managing environmental sustainability – principles, policy and practice p213
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	Environmental sustainability: Environmental life cycle of products (p220) Applying international standards (p215)
Allocation of responsibilities and accountability within the organization	Environmental sustainability: Applying international standards (p215) Managing environmental sustainability – Governance and oversight (p216)
Internal awareness-raising and training on environmental stewardship for management and employees	Environmental sustainability: Managing environmental sustainability – employee training and engagement (p178) Employee training and engagement (p288) EcodEx (p222) Water Employee Training and engagement (p178)
Grievance mechanisms, communication channels and other procedures (e.g. whistle-blower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	Environmental sustainability: Applying international standards (p215) Managing environmental sustainability – Monitoring and audit (p218) Integrity reporting system and Tell Us (p286)

Criterion 11: The COP describes effective *monitoring and evaluation mechanisms* for environmental stewardship

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
System to track and measure performance based on standardized performance metrics	Environmental sustainability: Applying international standards (p215) Managing environmental sustainability – Monitoring and audit (p218)
Leadership review of monitoring and improvement results	Environmental sustainability: Applying international standards (p215) Managing environmental sustainability – Governance and oversight (p216)
Process to deal with incidents	Environmental sustainability: Managing environmental sustainability – Monitoring and audit (p218-219)
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	Environmental sustainability: Applying international standards (p215) Raw materials – What we’re doing – Sourcing raw materials (p226)

	Responsible sourcing: Managing responsible sourcing – monitoring and implementation (p218-219)
Outcomes of integration of the environmental principles	<i>Materials and energy</i> Environmental sustainability: Raw materials – Promoting environmentally sustainable agriculture (p27-28) Manufacturing – What we’re doing (p231-232) Packaging – What we’re doing (p236-245) Transportation and Distribution – Improving our warehousing (p247) <i>Emissions, effluents and waste</i> Environmental sustainability: Transportation and Distribution – What we’re doing (p247-250) Waste and recovery – What we’re doing (p256-261) Climate change – What we’re doing (p264-268) <i>Initiatives to promote greater environmental responsibility</i> Environmental sustainability: Environmental sustainability in focus: beyond the label (p212) <i>Development and diffusion of environmentally friendly technology</i> Environmental sustainability: Environmental life cycle of products – Pioneering tools to promote sustainability by design (p221-223) Manufacturing and improving energy efficiency (p233-234) <i>Disclosure of main incidents</i> Environmental sustainability: Managing environmental sustainability - Monitoring and audit (p218-219)

Criterion 12: The COP describes robust *commitments, strategies or policies* in the area of anti-corruption

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Publicly stated formal policy of zero-tolerance of corruption (D1)	Human Rights and compliance: Anti-corruption (p289)
Commitment to be in compliance with all relevant anticorruption laws,	Nestlé in Society: Our Corporate Business Principles (p14)

including the implementation of procedures to know the law and monitor changes (B2)	Human Rights and compliance: Anti-corruption – What we’re doing – Making clear commitments (p289-291)
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)	Nestlé in Society: Our Corporate Business Principles (p14) Human Rights and compliance: Anti-corruption (p289-291)
Detailed policies for high-risk areas of corruption (D4)	Nestlé in Society: Our Corporate Business Principles (p14) Human Rights and compliance: Anti-corruption (p289-291)
Policy on anti-corruption regarding business partners (D5)	Human Rights and compliance: Anti-corruption – making clear commitments (p289-291)

Criterion 13: The COP describes effective *management systems* to integrate the anti-corruption principle

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Support by the organisation’s leadership for anti-corruption (B4)	Human Rights and compliance: Anti-corruption – What we’re doing – Governance (p289)
Carrying out risk assessment of potential areas of corruption (D3)	Human Rights and compliance: Anti-corruption – making clear commitments (p290) Human rights – Human rights due diligence programme – Risk Assessment – Pillar 4 – (p293)
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)	Human Rights and compliance: Anti-corruption – What we’re doing – Governance (p289) Anti-corruption – What we’re doing – Training our employees (p290-291)
Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)	Human Rights and compliance: Anti-corruption – What we’re doing – Monitoring anti-corruption (p291) Integrity Reporting System (p286)
Actions taken to encourage business partners to implement anti-corruption commitments (D6)	Human Rights and compliance: Compliance Reporting System (external) (p286) Anti-corruption – What we’re doing – Making clear commitments (p290)
Management responsibility and	Human Rights and compliance:

accountability for implementation of the anti-corruption commitment or policy (D7)	Anti-corruption – What we're doing – Governance (p289)
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)	Human Rights and compliance: Managing compliance Integrity Reporting System and Tell Us (p286) Anti-corruption – What we're doing – Monitoring anti-corruption (p291)
Internal accounting and auditing procedures related to anticorruption (D10)	Human Rights and compliance: Managing compliance – CARE Programme (p287) Anti-corruption – What we're doing – Monitoring anti-corruption (p291)

Criterion 14: The COP describes effective *monitoring and evaluation mechanisms* for the integration of anti-corruption

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Leadership review of monitoring and improvement results (D12)	Human Rights and compliance: Managing compliance – Governance and oversight (p285-287) Anti-corruption – What we're doing – Governance (p288)
Process to deal with incidents (D13)	Human Rights and compliance: Anti-corruption – What we're doing – Monitoring anti-corruption (p291)
Public legal cases regarding corruption (D14)	Human Rights and compliance: Anti-corruption – What we're doing – Monitoring anti-corruption (p291)
Use of independent external assurance of anti-corruption programmes (D15)	Human Rights and compliance: Managing compliance – CARE Programme (p287)
Outcomes of integration of the anticorruption principle	Human Rights and compliance: Anti-corruption – Making clear commitments (p290) At a glance (p292) Human rights and compliance in numbers (p291, 297)

Criterion 15: The COP describes core business contributions to UN goals and issues

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Align core business strategy with one or more relevant UN goals/issues	Nestlé in Society: A message from our Chairman and CEO

	(Page 4-5) Our Corporate Business Principles (p14) Global principles – At a glance (p45) United Nations Global Compact – Our communication on progress, including Millennium Development Goals (p41-43)
Develop relevant products and services or design business models that contribute to UN goals/issues	Nestlé in Society: A message from our Chairman and CEO (Page 4-5) Our Corporate Business Principles (p14) Millennium Development Goals (p42) Environmental sustainability: Managing environmental sustainability – Environmental product improvements (p221) Climate change (p264) Responsible sourcing: Milk – Our Milk District Model (p144-145) Community liaison to help combat child labour p127 Inside the Issue, Water, p169
Adopt and modify operating procedures to maximize contribution to UN goals/issues	Nestlé in Society: A message from our Chairman and CEO (Page 4-5) Our Corporate Business Principles (p14) Environmental Sustainability: Climate Change (p264) Human rights and compliance: Key commitments p281-284 What we're doing (p292) TALKING THE HUMAN RIGHTS WALK REPORT

Criterion 16: The COP describes strategic social investments and philanthropy

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	Rural development: Managing rural development – Delivering our commitments (p104-105) Successful farmers – What we're doing (p106-107) Prospering communities – What we're doing (p113) Nutrition: Encouraging breastfeeding through Project BIB, (p6);

	<p>Launching Healthy Kids worldwide (p78)</p> <p>Responsible sourcing: Coffee - Sustainable coffee initiatives and partnerships (p152) Coffee – Nespresso Sustainable Quality Programme (p152-153)</p> <p>Water: Community engagement (p198-202) Multi-stakeholder collaboration, (p241)</p>
Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors	<p>Nestlé in Society: Public policy engagement (p) UNGC CEO Water Mandate (p42) Partnerships and alliances (p31-36) Water (p187)</p>
Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups	<p>Rural development: Managing rural development (p104) Prospering communities (p113-116)</p> <p>Water: Community engagement (p198-202)</p> <p>Nutrition: Our nutrition strategy (p61-63) Research and development, (p64-72)</p>

Criterion 17: The COP describes advocacy and public policy engagement

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Publicly advocate the importance of action in relation to one or more UN goals/issues	<p>Nestlé in Society: Public policy and advocacy (p30-31)</p> <p>Water: Collective Action (p190-193)</p>
Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	<p>Nestlé in Society: CSV Council p22 Stakeholder engagement (p27-29) Public policy and advocacy (p30-) Partnerships and alliances (p31-37) United Nations Global Compact (p41-47)</p> <p>Water: Water collective action – CEO Water Mandate (p30, 41, 42)</p>

Criterion 18: The COP describes partnerships and collective action

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy	Nestlé in Society: Public policy and advocacy (p31) Partnerships and alliances (p31-36)
Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain	Nestlé in Society: Public policy and advocacy (p30) Partnerships and alliances (p31-36)

Criterion 19: The COP describes CEO commitment and leadership

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	Nestlé in Society: A message from our Chairman and CEO (Page 4-5) Our Corporate Business Principles (p14)
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards	Nestlé in Society: Public policy and advocacy (p30) Partnerships and alliances (p31-36) Water: Water collective action – CEO Water Mandate (p30, p41, p42)
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	Nestlé in Society: Our governance and advisory structure (p21)(p21)
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	Nestlé in Society: Our governance and advisory structure (p21) CORPORATE GOVERNANCE REPORT Compensation Report p36

Criterion 20: The COP describes Board adoption and oversight

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance	<p>Nestlé in Society: A message from our Chairman and CEO (Page 4-5)</p> <p>Nestlé in Society: Our governance and advisory structure (p21) Chairman Peter Brabeck-Letmathe and CEO Paul Bulcke are on the Board of Directors and have responsibility for Creating Shared Value</p>
Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.	<p>Nestlé in Society: Our governance and advisory structure (p21) Chairman Peter Brabeck-Letmathe and CEO Paul Bulcke are on the Board of Directors and have responsibility for Creating Shared Value</p> <p>CSV Council (p21)</p>
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	<p>Nestlé in Society: Our governance and advisory structure (p21) Chairman Peter Brabeck-Letmathe and CEO Paul Bulcke are on the Board of Directors and have responsibility for Creating Shared Value</p> <p>CSV Council (p21-24)</p>

Criterion 21: The COP describes stakeholder engagement

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Publicly recognize responsibility for the company's impacts on internal and external stakeholders	<p>Nestlé in Society: A message from our Chairman and CEO (Page 4-5) Materiality (p15-16)</p>
Define sustainability strategies, goals and policies in consultation with key Stakeholders	<p>Nestlé in Society: Governing creating shared value (p21) CSV Council (p21) Stakeholder engagement (p27-29) Partnerships and industry alliances (p31-40)</p> <p>Water: Public policy engagement (p187) Community engagement (p198)</p>

	<p>Environmental sustainability Public policy and engagement and collective action (p218)</p> <p>Responsible sourcing: Delivering our commitments – Stakeholder engagement (p138)</p> <p>Human rights and compliance: Human rights – Humans rights due diligence programme – Stakeholder engagement (p293) Responsible advertising and marketing (p310-311)</p> <p>Our people: Labour relations – Fostering relations with trade unions (p349)</p>
Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance	<p>Nestlé in Society: Governing creating shared value (p21) CSV Council (p22)</p> <p>Stakeholder engagement (p27-29)</p>
Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect ‘whistle-blowers’	<p>Nestlé in Society: Stakeholder engagement (p27-29)</p> <p>Human rights and compliance: Managing compliance – Integrity reporting system internal (p286) Responsible infant food marketing – Compliance – Whistle-blowing (p318)</p> <p>Our people: Employee engagement (p366-369)</p>

Annex: Business & Peace

The COP describes policies and practices related to the company’s core business operations in high-risk or conflict-affected areas

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Information on how policies, strategies and operating practices have been adapted to the specific high-risk/ conflict context based on due diligence	<p>Human rights and compliance: Human rights – Humans rights due diligence programme – Risk assessment (p293)</p> <p>Human rights – What we’re doing - Balancing human rights and security risks (p296)</p>

	RESPONSIBLE BUSINESS ADVANCING PEACE (p45-48) TALKING THE HUMAN RIGHTS WALK REPORT
Adherence to best practices even where national law sets a lower standard, including in the management of security services	Human rights and compliance: Our human rights and compliance commitments (p281) Security personnel (p288) Human rights – Humans rights due diligence programme (p291-295) Human rights – What we're doing - Balancing human rights and security risks (p296) TALKING THE HUMAN RIGHTS WALK REPORT
Management of the supply chain to avoid contributing to conflict through purchasing decisions and practices	Rural development Land acquisition: respecting the rights of indigenous peoples (p115) Responsible sourcing: Managing responsible sourcing (p128)

The COP describes policies and practices related to the company's government relations in high-risk or conflict-affected areas

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Assessment of opportunities for constructive engagement with government actors in order to support peace	Human rights and compliance Human rights – Human rights due diligence - Impact assessment (p293) RESPONSIBLE BUSINESS ADVANCING PEACE (p45-48)
Measures undertaken to avoid complicity in human rights violations by government actors	Human Rights and Compliance Anti-corruption (p289-291) TALKING THE HUMAN RIGHTS WALK REPORT
Management practices aimed at preventing corrupt relationships with government officials	Human Rights and Compliance Anti-corruption (p289-291) Human Rights – Pillar 2 (p293)

The COP describes local stakeholder engagement and strategic social investment activities of the company in high-risk or conflict-affected areas

Best practice	Page reference (to CSV report unless otherwise noted in CAPS)
Assessment of opportunities for constructive engagement with government actors in order to support peace	Rural Development Rural Development Framework (p104) Human Rights and Compliance Stakeholder engagement (p291, p293)
Stakeholder engagement mechanisms across company and contractor operations	Nestlé in Society: Stakeholder engagement (p27-29) Human rights and compliance: Human rights – Human rights due diligence programme – Stakeholder engagement (p293) Responsible sourcing: Managing responsible sourcing – Stakeholder engagement (p138) TALKING THE HUMAN RIGHTS WALK REPORT
Approaches to stakeholder engagement involving civil society, international organizations, etc	Nestlé in Society: Partnerships and industry alliances (p31-36) Human rights and compliance: Human rights – Human rights due diligence programme – Stakeholder engagement (p293) Responsible sourcing: Managing responsible sourcing – Stakeholder engagement (p138) TALKING THE HUMAN RIGHTS WALK REPORT
Actions toward constructive and peaceful company community engagement	Human rights and compliance: Child labour – Rolling out action plans (p300) Water: Community engagement (p198-202) Rural development: Prospering communities – Reducing any direct impacts on communities (p115) TALKING THE HUMAN RIGHTS WALK REPORT
Sustainable social investment projects	Water: Community engagement (p198-202)

	<p>Rural development: Prospering communities – Reducing any direct impacts on communities (p115)</p> <p>FURTHER CASE STUDIES: http://www.nestle.com/csv/case-studies</p>
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