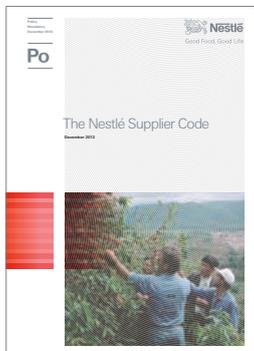


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Appendix to The Nestlé Supplier Code

Nestlé Commitment on Farm Animal Welfare

Nestlé is committed to improving farm animal welfare across our global supply chains. Nestlé uses dairy, eggs and a variety of meats and poultry as ingredients in a range of our products and we share consumer, civil society organisation, government and investor concerns about the care, health and welfare of farm animals used in food production.

In addition, we recognise the vital link between animal welfare and the health of animals raised for food, and firmly believe that robust farm animal health and welfare standards can have both a direct and an indirect impact on food quality and safety.

To this end, Nestlé recognises the internationally accepted “Five Freedoms” as applied to animals:

1. Freedom from hunger, thirst and malnutrition
2. Freedom from fear and distress
3. Freedom from physical and thermal discomfort
4. Freedom from pain, injury and disease
5. Freedom to express normal patterns of behaviour

We fully support the work of the World Organisation for Animal Health (OIE) in promoting the implementation of these “Five Freedoms” in the global food supply chain.

We also believe that animal farming operations make an important contribution to the development and socio-economic fabric of local communities. We are therefore committed to working closely with our supply chain partners, farmers, governments and other stakeholders to support the long-term economic, environmental and social viability of the animal farming systems which supply Nestlé worldwide.

This public Commitment, which complements *The Nestlé Corporate Business Principles*, *The Nestlé Supplier Code*, our *Responsible Sourcing Guideline* and the *Nestlé Commitment on Rural Development*, serves to guide and align our efforts with respect to farm animal health and welfare in our global supply chains.

Specifically, Nestlé commits to:

1. Legal Compliance and International Framework

We will ensure that all materials derived from animals, which are used in the manufacturing of products sold by Nestlé comply fully with all applicable local laws and regulations on farm animal welfare.

Nestlé will also support the development and implementation of science-based international standards and guidelines by OIE¹, and will contribute to the development of an ISO technical specification to support the implementation of these OIE guidelines.

¹ The World Trade Organisation (Agreement on Sanitary & Phytosanitary measures), has recognized OIE as the international standard-setting body for Animal Health

2. Continuous Improvement

In the first instance, we will engage with our supply chain partners to establish traceability of the animal-derived materials which we source.

We will undertake a monitoring programme to understand the current status of farm animal welfare practices, and the materiality of the use of these practices within our supply chains. This will allow us to develop a programme and establish a baseline for continuous improvement.

We will support and implement actions to promote animal health and welfare, and eliminate practices which contravene the “Five Freedoms,” and tackle the root causes of those practices. In particular, we will initially focus upon:

- **For cattle:** dehorning; tail docking; disbudding and castration without anesthetic and analgesia; veal crates; permanent tethering²
- **For pigs:** gestation crates; tail docking; surgical castration
- **For poultry and eggs:** cage systems, particularly barren battery cages; fast-growing practices³
- **For animal production systems in general:** our first focus is the responsible use of antibiotics, in line with OIE’s guidance⁴, and the phasing out of the use of growth promoters

We will work with our suppliers to establish action plans to address these practices and to help them to improve their performance by applying the overall approach of: “Remove the worst, Promote the best, Improve the rest”. This will involve not only steps to eliminate the practices which are subject to the action plan, but also the broader promotion of better practices to deliver upon the “Five Freedoms”, such as improved animal health, provision of adequate space and humane slaughter.

3. Stakeholder Engagement and Advocacy

We are committed to engaging with suppliers, farmers, industry associations, governments, international organisations (such as OIE, ISO working group), NGOs (such as World Animal Protection), scientists, and other relevant stakeholders to:

- Improve our understanding of farm animal issues, adapt our commitments and practices to achieve our goal of improving farm animal welfare in our supply chains
- Develop awareness of farm animal health and welfare in the food supply chain and implement collective actions to address gaps wherever they are identified.

4. Reporting

We are committed to reporting publicly on a regular basis on the progress of meeting this Commitment as part of our annual Nestlé in Society: Creating Shared Value report, specifically on:

- Our actions and progress to improve farm health and welfare in our supply chains;
- The material risks and our strategic responses to these risks within our supply chains;
- Our contribution through advocacy work toward improving farm animal health and welfare practices.

² We recognize that for small scale subsistence farmers with low numbers of cattle this may not be possible and will require context specific solutions (eg rotation of grazing, exercise etc)

³ Of concern is the animal health and welfare consequences of fast growth rates, not the growth rates themselves

⁴ Chapter 1.6.9 of the Terrestrial Animal Health Code: “Responsible and prudent use of antimicrobial agents in veterinary medicine”