



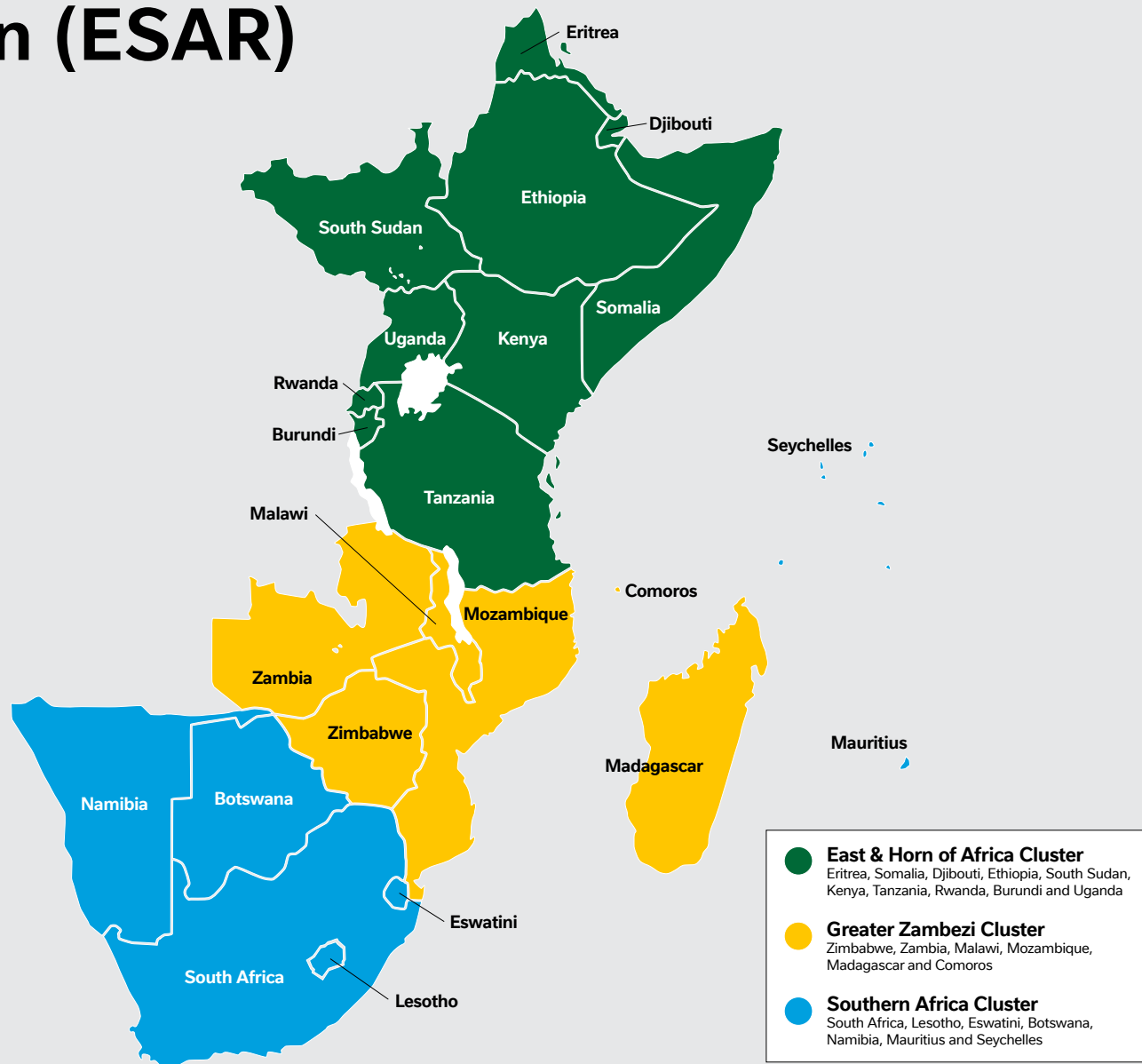
Nestlé Good food, Good life

NESTLÉ EAST AND SOUTHERN AFRICA REGION (ESAR)

Creating Shared Value and Sustainability Report 2022



Nestlé East and Southern Africa Region (ESAR)



Images: thenounproject.com, Getty Images, Unsplash, freepik.com and supplied

Contents

1 The Nestlé ESAR region

2 The Nestlé ESAR brands

2 A message from Nicole Roos, Market Head of Nestlé ESAR

3 Good Living

Advocates for healthy eating

- Bringing goodness through brands that are driven by purpose and supporting families by providing them with fact-driven information about nutrition
- Raising healthy, happy children
- Encouraging mindful eating

7 Good Communities

Making a difference where it matters most

- Enabling communities by supporting the leaders of today and tomorrow and giving a hand up to those most in need
- Agriculture
- Creating employment
- Inspiring communities
- Providing opportunities for the youth

14 Good Planet

A better world for the future

- How we rethink, reduce and repurpose to regenerate, creating a sustainable outlook for generations to come
- Achieving sustainability
- Water-wise initiatives
- Recycling and waste collection

18 Empowering dairy farmers in Zimbabwe

- A sustainable, long-term farming initiative that speaks to all of our CSV goals

Our diverse brands



Fulfilling 'Our Promise for Good'



At Nestlé, we believe in unlocking the power of food to enhance quality of life for everyone, today and for generations to come. This purpose is what drives the company to shape a better world and inspire people to live healthier lives.

For us, doing good is about Creating Shared Value (CSV). Our work is guided by our desire to contribute to nutritious and sustainable diets, build strong communities and supply chains, improve livelihoods in communities directly connected to our business activities, and protect our planet for future generations by enhancing the environmental performance of our operations.

It is about using our resources to fulfil our promise to create:

- Good Living
- Good Planet
- Good Communities.

As a Good Business, we do all of this within the parameters of compliance with the relevant regulations, maximising value for our shareholders while making a long-term positive impact on all stakeholders connected to our business, including our consumers, communities and suppliers.

The year 2022 allowed us to focus our energy and resources where we could most effectively address societal challenges in the markets in which we operate. We serve with passion, build for the long term and are inspired to innovate. We always strive to do better, grow and succeed together.

This report provides a detailed overview of how Nestlé East and Southern Africa Region (ESAR) continues to make a difference across our region.

Nicole Roos
Market Head: Nestlé East and Southern Africa (ESAR)



Advocates for healthy eating

Nestlé ESAR believes that an active, well-balanced lifestyle accompanied by a healthy diet is essential for people to flourish. We are involved in many projects to make this message a reality.

Our work on inspiring people to lead healthier lives contributes to these Sustainable Development Goals (SDGs):



RAISING HEALTHY, HAPPY CHILDREN

Celebrating the success of N4HK



The global Nestlé for Healthier Kids Programme (N4HK) aims to establish healthier habits among schoolchildren by enhancing knowledge, altering attitudes and providing tools and solutions that encourage behavioural change.

The campaign raises awareness and supports parents, educators and caregivers in promoting healthy eating and lifestyle habits for children aged 3 to 12 years. It currently covers 890 schools and 70,000 pupils in eight countries.

The four N4HK pillars are:

- Eat managed portions
- Eat more fruit and vegetables
- Drink more water
- Exercise regularly.

The programme operates through partnerships, with Nestlé bringing together multiple partners to achieve the maximum impact. It includes in-school activity and/or parental engagements. To date, 1,500 teachers have been inducted, and training in nutrition education has been provided to 6,000 parents and caregivers, who have been encouraged to create 131 school veggie gardens and more than 50 home veggie gardens.





Celebrating 10 years of N4HK in Kenya.



Kenya

The 10-year anniversary of Nestlé for Healthier Kids was marked with a three-day celebration in Murang'a, Kirinyaga and Kajiado in July 2022.

N4HK benefits more than 128 schools in partnership with the Ministry of Education and Agriculture. Themed "It takes a village to raise a child", the celebration acknowledged the stakeholders who make the Nestlé for Healthier Kids programme a success.

Celebrating
10
YEARS



South Africa

Nestlé ESAR and the South African Department of Basic Education (DBE) launched a long-term project to educate all primary school students in the importance of making the right dietary choices and improving physical activity.

This was traditionally done through in-school activations but later evolved to be primarily digital, including pre-recorded videos shared nationally for flighting during physical education lessons. The DBE now flights the videos twice a week on the free-to-air Openview TV channel 122. In future, the focus will be on high-impact health day activations, such as National Nutrition and Obesity Week.



Mauritius

In 2015, Nestlé established a partnership with the Ministry of Education and the Mauritius Institute of Education to educate all primary school students in the importance of good nutrition and making the right dietary choices. This long-term project was carried out in phases and achieved national reach in 2019.

The partnership has now expanded into RE education (educating about sustainability). This initiative, supported by digital campaigns, also includes a branded back-to-school campaign for early 2023.



Zimbabwe

We established N4HK in 2012 in partnership with the Zimbabwean Ministry of Primary and Secondary Education (MoPSE) through the National Association of Primary School Heads (NAPH). The Zimbabwe programme, which focuses mostly on physical education (PE), has achieved several milestones since inception:

- Sponsored athletics and PE competitions up to national level, from 2012 to 2019
- Annually reached 110,000 learners through PE competitions at national level
- Inspired the revival of PE in schools
- Development of nutrition charts and a nutrition storybook endorsed by the MoPSE for use in schools
- Printed 100,000 nutrition storybooks and distributed them to schools nationwide through the NAPH
- Set up a N4HK Nutrition Education Steering Committee in 2019 with all key stakeholders – NAPH, MoPSE, the University of Zimbabwe and the National University of Science and Technology.



ENCOURAGING MINDFUL EATING

Taking to the airwaves

Nestlé ESAR Mauritius launched the **Breakfast Show**, an informative series focusing on what makes a good, balanced breakfast. The show features well-known Mauritians from wellness, fitness and music backgrounds as well as young professionals and young parents talking about their lifestyles and the importance of breakfast in their routine. A dietician demystifies the culture of food and provides essential information on good habits and correct portions as well as tips to enhance breakfast.

Featuring on Nestlé’s internal and external social media platforms, the **Breakfast Show** creates consumer awareness about the benefits of fortified foods, focusing on the nutritional credentials of NESTUM all-family cereals, Nestlé EVERYDAY® and Nestlé MILO®. Following the COVID-19 pandemic, the breakfast campaign became a digital show in 2022. However, in 2023, the concept will be hybrid, with both digital and office activations.

Best way to start the day

In conjunction with the **Breakfast Show**, Nestlé ESAR Mauritius ran a six-week campaign to empower mothers, through influencers, to get creative about making a healthy breakfast for their families. The reach was 66% of all Facebook users in the country.





Learning is fun with our award-winning app

Nestlé Belly Besties are virtual friends that teach children the benefits of eating a balanced diet, drinking water and moving regularly to stay fit and healthy. The Nestlé Belly Besties mobile app features fun minigames to play and cute accessories to unlock to dress up the virtual “Bestie” and help children get Bestie to its full potential. By regularly feeding the Bestie fruit and vegetables to keep it happy and healthy, kids learn about combining nutritious ingredients into tasty meals.

The Nestlé Belly Besties app won two awards at South Africa’s Assegai Awards.



The importance of sport

Operating under the theme “Bring out the Champion in You”, Nestlé MILO® encourages children to live their healthiest life through activations and sponsorships. The MILO® South Africa website offers tips and advice about the importance of sport, including information on everything from football to aerobics.



Anne-Marie de Beer
Nutrition, Health and Wellness Manager, Nestlé ESAR

Spreading the word

Anne-Marie de Beer, Nutrition, Health and Wellness Manager at Nestlé ESAR, appears weekly on South African radio station Jozi FM and on the Business Line segment of Soweto TV, where she, fitness instructor Sidwell Mokwana and chef Donald Chipumha discuss a variety of food and health topics.





Making a difference where it matters most

Nestlé ESAR continues to provide communities in need with food support while championing the rights of unrepresented people and uplifting the youth with empowerment opportunities.

Our work on building, applying and sharing nutrition knowledge contributes to these SDGs:



AGRICULTURE

Sustainable community farming models

Nestlé's partnership with the Makhoba community, formed in 2018, has grown into an exemplary sustainable community development model. The Makhoba Project brings to life Nestlé's CSV approach of working within communities to realise enabled and empowered African livelihoods. Makhoba Farms has been transformed into a model for agricultural and community development, improving the lives of young people in 1,400 families.

The model integrates youth skills development, employment and employability, agripreneurship, regenerative agriculture, sustainability and local sourcing. Business start-up support was also added recently.



Planting seeds of hope



Nestlé partnered with and funded non-profit organisation Reel Life to alleviate food insecurity in South Africa's Free State province. Situated in Harrismith near Nestlé's production facilities, the partnership aims to promote relations and support the local community by providing sustainable Household Gardens in a Box. With CSV at its heart, this approach is in line with Nestlé's belief in the power of food to enhance the quality of life.

Household Garden in a Box
The community received 200 Household

Gardens in a Box at training and distribution sessions in November and December 2022, organised by community members.

Residents receive assistance and provide feedback with pictures on the project's progress. Participants are encouraged to sell their surplus vegetables using the Reel Gardening Planting Revolution app and a WhatsApp group to meet buyers in the community and sell or barter their produce.



Supporting a sustainable dairy industry



In June 2022, Nestlé Zimbabwe took part in World Milk Day celebrations at a media event in Marondera, Mashonaland, themed “Sustainability in the dairy sector, and environmental, nutritional, and socio-economic empowerment”.

Led by MC Maimba Mapuranga, the event showcased Nestlé Zimbabwe’s CSV model. Among the attendees were senior Zimbabwe government officials; Luke Gomes, Managing Director of Nestlé Zimbabwe; the Nestlé Zimbabwe Board and other key industry stakeholders.



Garden equipment for schools

In July 2022, we donated gardening equipment to two schools in the Sedibeng district of Gauteng, South Africa, to help them create food gardens. Nestlé is committed to ensuring that at least 50 million children are encouraged to live healthy lifestyles by 2030. Ms Angie Motshekga, South African Minister of Basic Education, handed over the equipment to Jet Nteo Secondary School in Boipatong and Emmanuel Primary in Sharpeville as part of a Ministerial Roadshow during Mandela Month celebrations. Each school also received seedlings of key vegetables to encourage healthy eating, fertilisers from Greener Pastures and a donation by MIET Africa to help schools with winter essentials.



An alliance for good

Nestlé entered into a partnership with MAMAS Alliance to support three South African NGOs. MAMAS Alliance, itself an NGO, works with organisations countrywide to fight developmental challenges through several initiatives, including helping to feed communities. The three pilot centres are:

- Arebaokeng Multipurpose & Palliative Care Centre in Gauteng – a children’s feeding scheme
- Little Elephant Training Centre for Early Education in KwaZulu-Natal – upgrading a feeding kitchen
- Woza Moya organic farming in KwaZulu-Natal – training women in agripreneurship.



EMPOWERING COMMUNITIES

Empowering women in Zimbabwe

The Zimbabwe Women Empowered in Business (ZIWEB) project empowers women to start and sustainably run their own businesses. The women have become subdistributors for Nestlé products such as CREMORA, CEREVITA and CERELAC.

Since launching in Harare in 2019 as a pilot with 29 participants, the initiative has developed into a sustainable route to market with 175 participants. We aim to have a total of 250 participants in the

programme as we extend it to other towns across Zimbabwe. The project has leveraged its collaboration with non-profit organisations that empower women, creating a wider platform to promote an entrepreneurial culture among women.

The ZIWEB recruits are trained in aspects of business management including entrepreneurship, finance, selling, product knowledge and customer care skills, all fully funded by Nestlé Zimbabwe.



One of the project's beneficiaries is Martha Muzingira, who is now able to make a comfortable living. Watch her story here.



[View video](#)

Upliftment in Kenya

A key part of our role in Kenya has been upliftment, particularly of the rural community and youth. We sponsor the Coffee Aroma Scholarship to help young people from coffee-growing areas to follow their dreams.

In the rural communities, coffee farmers that supply Nestlé ESAR have been empowered, in particular female farmers. We help 2,771 women coffee farmers from 12 cooperative societies in Kenya to manage their coffee farms as businesses and implement good agriculture practices to boost productivity. The three-year programme has also equipped 717 coffee growers under the age of 30 with technical and managerial skills.



First harvest for Project Indigo

Project Indigo in Zimbabwe grew out of a proposal from mushroom producer Ekofungi based on its methods for cultivating mushrooms on "waste". The idea was a partnership with Nestlé ESAR to use waste coffee grounds to grow the mushrooms. In 2022, the women involved in the project were able to cultivate their first harvest.

Coffee vendors get a helping hand

Through the My Own Business (MYOWBU) initiative, young entrepreneurs in Kenya and Mozambique are equipped to run their own coffee vending businesses. Since 2014, this has created more than 3,000 jobs. Their earnings per month range from US\$100 to US\$700 for a 4pm-9pm job. Nestlé supports them through branding, developing kitchens, business training and coaching. Over 550 sellers and operators have gone back to college or universities, while others have diversified into other businesses.



INSPIRING COMMUNITIES



Image: Trevor Kunene

Celebrating those who bring about change

Nestlé BAR-ONE's "It Starts with One" campaign, launched in South Africa in June 2022, recognised individuals who take action to inspire and support their communities.

Using wall murals painted with their likeness, the countrywide campaign paid homage to these "One Starters" who started something positive and impactful in their communities. "They are not famous. They are not wealthy. But they are courageous, bold and optimistic," says Janet Birk, Marketing Manager for Nestlé BAR-ONE at Nestlé South Africa.

Each of the walls was Wi-Fi-enabled, giving visitors 250MB per session. The campaign included 60 wall murals across the nine provinces.

Aiding communities without water

Due to loadshedding in South Africa, one of Mossel Bay's neighbouring towns, Oudtshoorn, is struggling to pump water into surrounding areas, leaving many communities without safe drinking water. This has particularly affected the community of Pacaltsdorp.

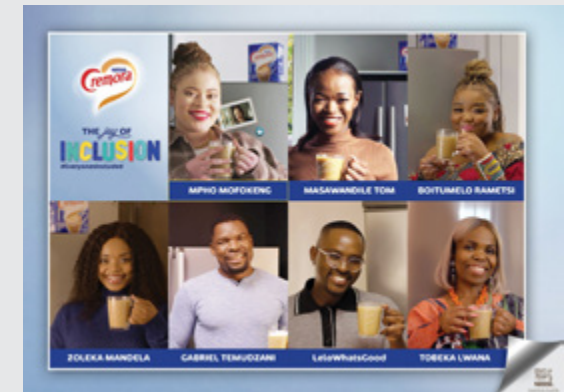
In support, Nestlé is providing fresh drinking water to people of the community via our Nestlé milk tankers. In addition, we've installed more water outlets on our tankers to allow more people to efficiently access the water. The success of the community begins with the compassionate actions of its members.



Telling the stories that matter

Nestlé CREMORA's The Joy of Inclusion is an initiative to tell the incredible and intimate stories of underrepresented people who reflect a more inclusive South Africa. Ordinary people with extraordinary stories are invited to share their truth.

With the well-loved Nestlé CREMORA payoff line, "It's not inside, it's on top", at its centre, the campaign aims to represent every aspect of the Rainbow Nation – every age, shape, height, walk of life and subculture. Visit www.cremora.co.za/joy-inclusion for more.



Supplying water in a crisis

Damage to municipal electrical switches in Harrismith in September 2022 potentially threatened water security – not just to our factory but to the surrounding community as well. Half the switches and the

two main breakers that feed the municipal substation had been damaged. This meant that the municipal water treatment plant had too little electricity to be able to supply the water needed by Nestlé and the community. To solve the problem, Nestlé sourced generators, enabling the water treatment plant to supply the factory and community with water.



PROVIDING OPPORTUNITIES FOR YOUTH

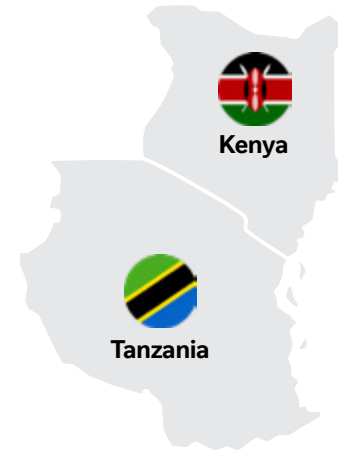


Nestlé needs YOUTH

Nestlé's ambition is to help 10 million young people worldwide to access economic opportunities by 2030 through employment and employability, agripreneurship and entrepreneurship.

Young people are at the heart of regeneration and are our future. They are the entrepreneurs and innovators of tomorrow and the next generation of farmers who will feed our growing population. They help their communities thrive and benefit Nestlé with their fresh ideas, diverse perspectives and energy.

Our Nestlé needs YOUTH initiative helps young people gain access to opportunities.



Kenya and Tanzania

In partnership with universities across Kenya and Tanzania, the Nestlé needs YOUTH initiative helps young people gain access to apprenticeships, traineeships and job opportunities – empowering them with skills they need to thrive.

It works by helping young people to:

- **Get hired:** providing internship and traineeship opportunities to graduates
- **Get skilled:** day-at-work programmes, factory tours and job shadowing
- **Get support:** university career fairs and virtual fairs to share information and educate employees
- **Get opportunities:** partnerships with other organisations to support youth.
- The number of youth reached was 210 in 2020, 450 in 2021 and 460 in 2022.



Zimbabwe

Nestlé's Harare factory launched its first Career Day in June 2022 with a "Level-Up"-themed seminar for graduate trainees. The trainees learnt how to use SAP SuccessFactors to plan their development, capture their career aspirations and track their progress.



"We believe the graduate trainees are now equipped and ready to Level-Up the Nestlé way, thanks to the great team of managers that have created an environment for growth," says Brandon Chirova, HR Graduate Trainee.

Ready for the future

Nestlé held its first-ever youth e-Learning fest, called NestGen – a two-day virtual e-Learning festival to update, upgrade and upskill the youth to be future-ready – offering more than 18 exciting masterclasses from industry experts and brand influencers.



Sharpening skills through masterclasses

Nestlé BAR-ONE hosted masterclass barber workshops in Johannesburg and Durban in March 2022. Sheldon Tatchell, cofounder and owner of Legends Barber, captivated the audience with his inspiring story about how he built his now thriving business. He also shared his razor-sharp tips and tricks with an inspired and engaged audience of aspiring barbers.



Nestlé shines at Top Women Awards

Nestlé ESAR was named winner of the Top Women Business in Youth Development and the prestigious Top Women Business of the Year awards at the 2022 Standard Bank Top Women Awards.

Promoting diversity is a key part of fostering inclusion and belonging for all. Outside our own operations, in communities we work with, we are helping to improve the socio-economic outlook for women through a host of initiatives. And while we are proud of our progress so far, our work is far from done.

Creating jobs in the culinary sector

The Nestlé Professional incubator programme, Young Culinary Talents, (YOCUTA) was conceptualised and developed by the South African Chefs Association (SA Chefs) to provide practical and theoretical training through its Centre for Culinary Excellence.

SA Chefs is South Africa's authority on food and culinary education and the country's officially recognised professional body for chefs.

The incubator programme allows Nestlé Professional to play a proactive, positive role in empowering, guiding and supporting homegrown individuals in the field of cookery. It involves the education and development of currently unemployed individuals, providing them with a set of skills that will make them employable. The programme ultimately aims to sustain employment, contribute to South Africa's economy and raise the standard of business ethics and the quality of the hospitality sector.

Every year, 16 unemployed youth take part in the nine-week YOCUTA training programme, which combines practical and theoretical training and includes a three-week industry placement at a restaurant or catering establishment. At the end of the course they receive an industry-recognised certificate of competence.

Since inception, the programme has proven to be a catalyst for South Africa's Economic Reconstruction and Recovery Plan as it specifically applies to young food entrepreneurs who are most likely to create jobs within their communities. Find out more below.





Learning from leaders

The All4YOUth Sub-Saharan Africa Alliance has helped thousands of young people find a job or start a business. Led by Nestlé, the alliance of six like-minded companies provides training, supports young entrepreneurs and offers first-job opportunities. Our goal is to provide opportunities and a platform for young people.

One of our annual events is the CEO&YOUth Connect, where young people from across East and Southern Africa get the chance to engage with the alliance's senior leaders, covering topics such as employability and entrepreneurship.

This year Nicole Roos, Market Head of Nestlé ESAR, joined the panel of executives from Nestlé's alliance partners – ABB, Adcorp, Microsoft, Nielsen and Publicis – to explore the creation of youth opportunities through entrepreneurship. More than 100 youth attended the event in person and more than 200 online.



Farmers for the future

As part of International Youth Month celebrations, Nestlé needs YOUth announced the winners of its inaugural agripreneurship competition for youth in the ESAR region, with the winners walking away with mentorship and coaching opportunities worth US\$30,000. The prizes, courtesy of the Branson Centre of Entrepreneurship South Africa's Ignite business accelerator, helped three lucky winners to get their businesses investor-ready and ready to go to market.

The Nestlé needs YOUth Agri Competition, which ran from June to July 2022, called on youth agripreneurs to submit entries detailing their farming businesses. The top 10 finalists, selected from more than 600 entries from across the region, were:

- Sahaba Projects, Imbewu Farmers, AgriNouri, Guwela Farming, Zsquared Projects and Sekgale Trading Enterprise from South Africa
- Melmax Farm Fresh, Tuluk Honey Traders Baringo and Kokwa Island Beekeeper from Kenya
- Kyega Valley Mixed Farms from Uganda.



Graduates welcome!

The Nestlé ESAR team was recognised as a Best Graduate Placement Entity for the year by South Africa's Food & Beverages Manufacturing Sector Education and Training Authority (FoodBev SETA) in November 2022. Our recognition at the stakeholder appreciation and awards ceremony is a testament to the valuable work done through the Nestlé needs YOUth pillar.



A better world for the future

When it comes to environmental concerns, Nestlé ESAR focuses on RETHINK, REDUCE, REPURPOSE. It's about tackling sustainability challenges and increasing our contribution to a waste-free future.

Our work on enhancing rural development and livelihoods contributes to these SDGs:



ACHIEVING SUSTAINABILITY



Journey to our first net zero dairy farm

The Skimmelkrans dairy farm in George, South Africa, aims to reduce its greenhouse gas production by 40% by the second quarter of 2023, thereby making a positive stride towards becoming a net zero dairy farm. The farm has been producing milk for Nestlé for over 60 years.

We've introduced water management measures at Skimmelkrans and installed 15 solar panels to provide renewable energy, as well as including black wattle into the cattle feed to lower methane emissions. By 2025, we intend to roll out the net zero farm model to other farms in South Africa. Nestlé ESAR is proud to be a part of the dairy industry and we support its continued viability.



Reaping the benefits of greener farming

Not only does South Africa's Makhoba Project assist with community upliftment, but it is also contributing to sustainable farming. Springfontein Dairy, a section of the project, incorporates learnings from the Skimmelkrans farm into its own operations.

A drive to reduce Springfontein's carbon footprint, including the installation of solar power systems, has helped to improve milk quality and production, soil and feed management, water conservation and manure processing.



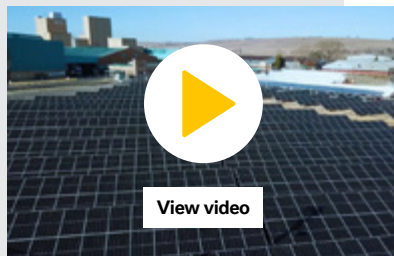
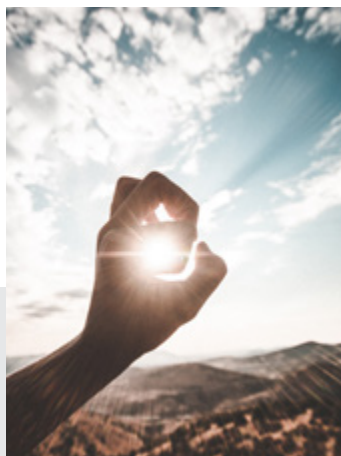
Solar power to the fore

Using solar-generated electricity lowered our greenhouse gas emissions by reducing the amount of grid power we use. Most grid power is generated from fossil coal.

- In 2019, **Harrismith factory** embarked on an ambitious three-year sustainability plan to improve water efficiency by 30%, eliminate 30% of plastic consumption in our products and reduce greenhouse gases by 30%.

We reached another milestone in our sustainability journey in 2022 when ESAR's first solar farm at Harrismith factory became a reality. This reflects great progress in achieving ESAR's long-term ambition to power the entire manufacturing facility using renewable sources.

The 1.19 megawatts of power supplied by the 2,054-panel solar farm equals about 30% of the factory's current usage and reduces the electricity bill by 15.1%. The system is expected to produce 1,883MWh per year. As it went into service in the fourth quarter of 2022, the calculations are now being done to understand the actual capability.



- Our **Babelegi factory** has also been equipped with ground-mounted solar panels, reducing our dependence on grid electricity. The total photovoltaic system in Babelegi is expected to produce 5,256MWh per year. The system began producing power in late December and the calculations to confirm actual capability will be done in late March 2023.



- In **East London**, we installed a biomass boiler. The previous boiler used coal, but we're now using biomass due to its reliable fuel supply status. The burning of wood-chip biomass versus coal has dramatically reduced CO₂ emissions from the generation of steam.



Sustainability stories through art

In June, Sustainability Month, Nestlé ESAR presented the "From Linear to Circular" art exhibition at the Melrose Gallery in Johannesburg, South Africa, profiling the three flagship sustainability initiatives that form part of the RE programme. The initiatives were showcased in a body of work by the artist Dillon Marsh, whose photography explores the relationship between humans and their environment.

WATER-WISE INITIATIVES

Saving water in our factories

We piloted a project in our Estcourt factory in South Africa to resurface all the water pipes, enabling us to identify leaks on time and save water. The initiative has since been expanded to all other factories. In our East London factory, we've replaced our mould-washing plant with a more efficient one that uses much less water. The result of these initiatives is that we've seen a water reduction of 76 886 m³ in 2022 compared to 2021. In addition, we reduced water used per tonne of product produced.



Youngsters learn irrigation techniques

Nestlé ESAR sponsored irrigation training for 297 high school learners across South Africa as part of a SABI IrrigationWise Academy training programme. Since inception in 2013, the programme has grown to more than 15 schools that offer agricultural subjects. In total, more than 2,000 Grade 11 and 12 learners have completed the course, giving them insight and a foundation in irrigation as a career.



RECYCLING AND WASTE COLLECTION

Estcourt factory takes action

We are working with MKGreen Solutions to manage and minimise waste at and around our Estcourt factory in South Africa. Our aim is:

- To minimise waste being landfilled, illegally dumped or burnt
- To create an environment that is conducive to recycling activities for community prosperity through awareness campaigns, recycling drop-off and satellite collection, or buyback centres for townships including Loskop, Wembezi, Colenso, Weneen, Bergville, and others.

We intend to do this by establishing Packa Ching satellite buyback centres and implementing cash-for-trash incentives, where communities or schools receive payments into eWallet accounts via a cashless, cellphone-based weigh-pay system.

The benefits of the initiative will include:

- Mobile separation-at-source recycling
- Increased job creation with each mobile buyback centre
- Waste collection ("wastetrepeneurs")
- Improved economic opportunities for the community, directly and indirectly, and helping to create a circular economy.

The next steps will include launching and implementing waste collection awareness programmes in Wembezi in 2023 and finalising waste location awareness programmes in other locations.



Targets for recyclable packaging are within reach



The focus on recyclable packaging has been a goal of Nestlé ESAR's for some time now. Already, the designed-for-recycling plastic packaging for ESAR is 82% of total plastic, with preparation for implementation to reach 92% completed and planned for 2023. Our target is to achieve 100% designed-for-recycling by 2025. High-volume projects that have been prepared for implementation are CREMORA, NESPRAY and coffee soft packs. As these packaging alternatives are often more costly, we are also exploring opportunities to deliver the solutions at cost parity, or at marginally increased cost compared to current materials.

- In July 2022, the beverages team announced that Starbucks® At Home by Nespresso® coffee capsules are made using 80% recycled aluminium, a first for this product range. Aluminium is one of the most widely recycled materials, offering benefits such as a sharp reduction in the amount of energy required for production.



Working with communities

Sustainability is a major focus for Nestlé ESAR Mauritius, where we drive the RE pillars with vigour. This includes three pilot projects under the RE initiative.

Our school pilot project – a first in Mauritius – is a collaboration with the Ministry of Education to collect metallised plastic packaging waste. Our next pilot, a collaboration with Jumbo supermarket, collects plastic waste in the form of packaging and wrappers. And through Nestlé Professional, we're partnering with clients to recuperate packaging of products used in our coffee dispensers. All collected plastic waste will be REpurposed into outdoor furniture.



Mauritius

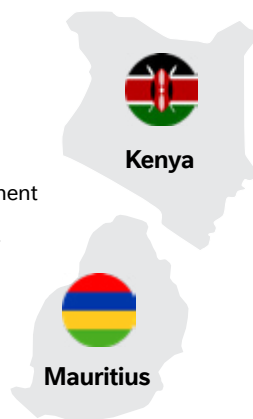


Sorting our waste

We achieved our goal of Zero Waste to Landfill in 2022 at all of our Nestlé ESAR Operational sites. This involves sorting all waste into different waste streams on all sites. Food is sent to animal feed. Plastics and recyclables go to recyclers. The remaining waste is used for energy through core processing (waste for energy).

Supporting school projects

Our school plastic collection project in Kenya, in partnership with the National Environment Management Authority (NEMA), Kenya Extended Producer Responsibility Organisation (KEPRO) and the Ministry of Education, promotes sustainability to help create a circular economy. The project, which is being piloted at 10 N4HK schools in Nairobi County, collected 824kg of waste in the third quarter of 2022. In 2023, Nestlé ESAR Mauritius, in collaboration with the Ministry of Education and the Mauritius Institute of Education, agreed to integrate sustainability education in the N4HK course materials, with primary schools at a national level to be covered. The number of schools taking part in plastic waste collection will increase from 16 to 27.



Towards plastics neutrality

Nestlé Ethiopia has forged a strong partnership with local sustainability consultancy TS Environment in a waste recovery programme that aims to achieve plastics neutrality. To date, more than 40 tonnes of plastic waste has been collected, sorted and recycled or incinerated. The programme has accelerated the collection, recycling and sustainable disposal of plastic waste in Ethiopia.



Reducing the use of plastic

Another of our packaging initiatives is to reduce size or thickness. High-volume projects under way include reducing stretch-and-shrink films by 20% and lightweighting snap-on caps and spoons for infant formula.

We've already seen the reduction of plastic packaging by

313 TONNES
in 2021
and
377 TONNES
in 2022.

This means less plastic packaging is sent to landfills or out into the environment.

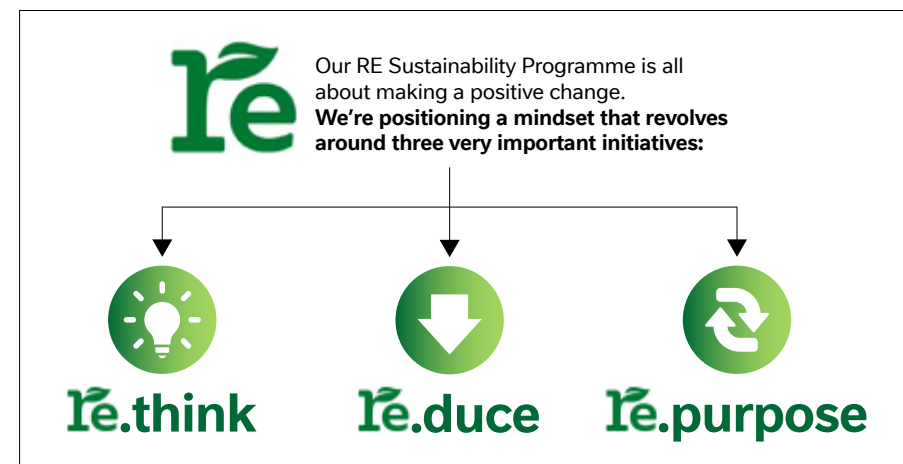


One year of reclaiming waste in Tembisa

We celebrated a year of the RE-Imagine Tomorrow pilot project with Tembisa waste reclaimers in South Africa, in partnership with local waste tech startup Kudoti and Destination Green, a buyback centre.



The initiative supports and empowers informal waste reclaimers while promoting National Recycling Week and Let's Do It World Cleanup Day. A hundred waste reclaimers are selected to use the technology provided to track the amount of waste collected and allocate buyers through Kudoti's innovative technology platform and network.





Empowering dairy farmers in Zimbabwe

A multipronged agricultural initiative aimed at assisting farmers in Zimbabwe with sustainability practices neatly straddles all three of our goals – Good Communities, Good Living and Good Planet.

Our work on enhancing rural development and livelihoods contributes to these SDGs:



Under the Nestlé Dairy Empowerment Scheme (NDES), Nestlé Zimbabwe trains farmers in milk production and agripreneurship and helps them establish low-cost models by supporting pasture development. We recognise that for a dairy farm model to be sustainable, the cost of supplementary feed must be minimal.

Since 2011, when we started the project in the country, the company has managed to set up a successful small-scale dairy farmers' network that is now contributing positively to milk volume growth. We currently have three small-scale farmer networks with over 70 individual farmers.

The NDES programme has evolved over the years to focus on agripreneurship, or entrepreneurship in agriculture. We help our farmers and farming partners develop an agripreneurship mindset. Agripreneurship builds sustainability on a large scale, creating economic opportunities and social impact in rural communities, which is part of our Nestlé vision and purpose.

In driving our agripreneurship and sustainability agenda within the NDES, Nestlé Zimbabwe has supported its dairy farmers through the following:

- The establishment of milk collection centres by providing cooling tanks
- Solar-powered boreholes to address water challenges for irrigation
- Pasture and silage support to reduce commercial feed requirements
- A solar-powered cooling system to reduce reliance on grid electricity and diesel for power generation
- Knowledge transfer – good labour practices and animal welfare.



Equipment upgrades

To help smallholder dairy farmers improve their procurement of dairy equipment, we joined forces with the NGO We Effect, matching its grant for green energy for the cooling of milk at farms in Chiminya and Burira. We also provided the Agro-Prosperity (APT) dairy hub/farmers' network with milk transportation using motorbikes.

The target is to expand our NDES in Zimbabwe to help our basic farmers develop into emerging farmers through agripreneurship. Collaborating with NGOs that can fund development helps us reach our target more quickly.

The impact

We were able to ensure improved milk production, milk-keeping quality and improved socio-economic livelihoods for farmers and the communities through job creation at the APT dairy hub. We can provide quality milk to the communities around the dairy hub, improving their quality of life.

Silage production support

We invested US\$68,400 in a project that offered farmers a full combination of fertilisers and maize seed for silage production to reduce their reliance on commercial feed, which can be unaffordable.

The impact

We achieved farmer sustainability and development through increased milk productivity and an improvement in the conception rate from 50% to 90% thanks to increased feed availability. The average milk productivity per cow improved from 10 litres to 13 litres per cow per day.

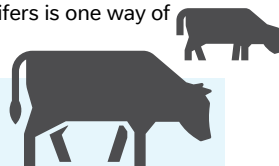


Bigger dairy herds

This project supported smallholder and medium dairy farmers by making available US\$60,000 to purchase in-calf heifers and cows. The target is to improve milk supplied to Harare factory by smaller and medium farmers. Support for heifers is one way of achieving this goal.

The impact

Increased milk production and a reduction in SCC for supported farmers.



Affordable herd feeding solutions

Feed ingredient advance support of US\$12,500 was made available for farmers to develop and sustain their dairy businesses. Farmers were trained at farm level in how to produce feed that meets their specifications instead of having to buy expensive commercial feed or stockfeed.

The impact

Over 50% of the farmers are now producing feed at farm level instead of buying readymade feed, which saves costs and helps maintain the competitive value of our milk price.



13 CLIMATE ACTION



Our commitment to the climate

To start our Nestlé Climate Change Pledge in Zimbabwe, US\$70,000 was made available for multispecies planting over 300 hectares

(phase 1). The multispecies project entails the establishment of planted pastures to provide feed for cows and improve soil organic carbon. Emitted carbon is taken away from the atmosphere and stored in the soil to be used by the plants, playing a huge role in reducing climate change.

The aim was also to perform soil analysis on the 23 farms of our dairy suppliers. The Nestlé group target is that 25% of milk collected from farms should be from leading regenerative farms to help us reduce our carbon emissions by 50% by 2030 and achieve net zero by 2050. Through multispecies planting, we address climate change while improving feed for the cows, soil, water and the biodiversity of the farming system and the environment.

Responsible sourcing in Zimbabwe

Zimbabwe was awarded US\$100,000 by the Centre for Responsible Sourcing Projects (Nestrad) to address water, energy, animal health and the milk quality crisis on selected farms.

The farmers selected also needed support from responsible sourcing pillars on animal health improvement, water, labour and energy issues on their farms. A solar-powered water pump and one-hectare irrigation system was one of the projects to improve water availability at Chimiras farm and to enable planted pastures.

Two solar boreholes were also part of the responsible sourcing drive, drilled at Wedel and Chadokas farm to provide water and ensure proper cleaning out of place (COP) and cleaning in place (CIP). In addition, 25 in-calf heifers were sourced for three farmers to replace the old cows with high somatic cell counts (SCC) that need high veterinary attention. Without this support, these farmers were going to stop supplying milk as it was not sustainable.

The impact

The farms all are currently supplying improved milk volumes and milk quality. Animal health has improved drastically and water issues have been addressed. All the farmers' agripreneurship scores and levels have improved from basic supplier to emerging supplier.

