Building a thriving rural sector
LENS

[Image of a green field with purple flowers]
LENs is a way for you to join forces with other organisations...

...to make sure soils, farms, and landscapes deliver what you need on into the future.
Business Challenges

➢ Resilient supply of key raw materials
  • Drought
  • Input costs
  • Soil health
  • Trade disruption
  • Regulation
  • Farm business viability

➢ Climate and Biodiversity Accountability
  • TCFD
  • TNFD
  • Net zero
  • Nature positive...

➢ Complexity
  • Outcomes interact
  • Land choices rarely driven by single factor / crop

➢ Scale and Pace
  • Farm system transformation, across supply-shed
  • We have ~5x harvests? (1x crop rotation)
...our response

1. **Outcome-driven**
   - Solutions packages designed around outcomes
   - Ability to capitalise on evolving MRV

2. **Multi-functional**
   - Makes business case that stacks up (and lasts)
   - Enables x-business and x-sector cost-sharing

3. **Collaborative**
   - Buyer-consortia on demand side
   - Farmer-groups on supply side (efficiency & innovation)

4. **Place-based**
   - Intelligence, networks, and opportunity-spotting
   - Local responsiveness, accountability & legitimacy

5. **Business-like**
   - Prices are negotiated (not theoretical)
   - Transactions based on value creation, and profit

- Resilient supply of key raw materials
- Climate and Biodiversity Accountability
- Complexity
- Scale and Pace

Pre-requisites for success...
LENs builds partnerships and matches supply to demand

**DEMAND FROM BUSINESS CUSTOMERS**

1. Understand business needs from the landscape’s natural assets
2. Convene businesses where their differing needs create common requirements from the landscape
3. Draw up a technical specification of services, based on what the demand group will fund together

**SUPPLY OF SERVICES FROM FARMERS**

4. Engage a service provider (operating on behalf of farmers) to design a budget and plan that will meet the needs of those businesses

‘Supply aggregators’ help landowners to work together as a group to create a joined-up proposition.

5. Broker an agreement between demand and supply

Link to co-funded MRV
Len's benefits: clear, concrete and **shared**

**COMPANIES**
- Fast scale up
- Funding efficiencies
- Risk management
- Stakeholder interests and relationships
- Product and brand differentiation

**FARMERS**
- Additional income streams
- Customer engagement
- Resilient farming
- Reduced exposure to volatile input costs
- Farmer to farmer knowledge and experience sharing

**REGION**
- Environmental resilience to climate change
- Protects rural economy
- Boosts rural sector & vulnerable communities
- Responsive to regional conditions and interests
NESTLÉ'S NET ZERO ROADMAP

Our path to regeneration for future generations

Solving the problem means identifying the problem. We found Nestlé emitted 92 million tonnes of greenhouse gas emissions in 2018.* Now we know the extent, we know the road ahead.

*Total GHG emissions were 113 million tonnes (CO₂ equivalent) in 2018. 90% of which were in scope of our UN 1.5°C pledge.

Companies and their emissions grow over time. That’s why we’re promising to be net zero based on our 2018 baseline, no matter how much our company grows.

- Path to zero emissions by 2050
- Business as usual

Moving faster

We’re excited to hit the soil running. We’re accelerating our work in manufacturing, packaging and carbon-neutral brands. We’re also investing CHF 1.2 billion to help spark regenerative agriculture across our supply chain, as part of a total investment of CHF 3.2 billion by 2025.

Our milestones

- 100% deforestation free for primary supply chains*** by 2022
- 100% of our packaging recyclable or reusable by 2025
- Plant 20 million trees a year
- Switch our global car fleet to lower emission options by 2022
- 100% certified sustainable cocoa and coffee by 2025
- Nestlé Waters becomes carbon neutral by 2025
- 100% certified sustainable palm oil by 2022
- Source 20% of key ingredients through regenerative agricultural methods by 2025
- 100% renewable electricity in all our sites by 2025

Scaling up

Further down the greener path, we will invest in new technologies and fundamental changes to our products and businesses around the globe.

- Use more renewable thermal energy in our manufacturing
- Source 50% of key ingredients through regenerative agricultural methods by 2030
- Cut virgin plastic in our packaging by a third by 2025
- Plant 200 million trees by 2030

Delivering our promise

Advanced agricultural techniques will deliver a regenerative food system at scale, supported by zero emission logistics and company operations. We will balance any remaining emissions through high-quality natural climate solutions that benefit people and the planet.

By 2025, we will reduce our emissions by 20%

By 2030, we will reduce our emissions by 50%

Emissions by operation (million tonnes of CO₂e, 2018)

- 65.6 Sourcing our ingredients
- 7.0 Manufacturing our products
- 11.0 Packaging our products
- 7.5 Managing logistics
- 0.8 Travel and employee commuting

**Scope: Direct supplies of palm oil, pulp and paper, soya, meat and sugar.

2018 2021 2025 2030 2050
OUR TOTAL EMISSIONS BY SCOPE

Emissions from our direct operations, known as Scope 1 and Scope 2, accounted for just 5% of our GHG emissions. The vast majority of our GHG emissions (95%) come from activities in our supply chain. As a result, that is where we focus most of our efforts.

Nestlé’s total GHG emissions by Scope
million tonnes of CO₂e, in 2018

<table>
<thead>
<tr>
<th>Scope</th>
<th>Emitted directly</th>
<th>Emitted indirectly</th>
<th>All other indirect emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>3.3</td>
<td>2.5</td>
<td>107.3</td>
</tr>
<tr>
<td>3.0%</td>
<td>2.2%</td>
<td>94.8%</td>
<td></td>
</tr>
</tbody>
</table>

from sources we own or control such as on-site combustion (coal, natural gas, fuel for company’s vehicle fleet).

from the generation of purchased energy like electricity and heating/cooling network.

in our value chain, both upstream and downstream, such as sourcing and use of sold products.

Figures have been rounded.
Key Points:

1. Bottom up approach puts farmers in control – builds trust
2. **Stacking** outcomes provides cost efficiencies
3. Separate payment for goods and services – allows for non-agricultural investment to take place
4. Engage service provider(s) (operating on behalf of farmers) to design and cost interventions / service offerings that meets the needs of businesses
5. Cut a deal
6. Measure, report, verify

1. Understand Business risks and needs
2. Convene businesses around their common interests in the landscape
3. Build a technical understanding of businesses’ common requirements from the landscape
4. Supply Aggregation
5. Marketplace
6. Demand Aggregation
Regenerative Agriculture: Priority Ingredients by VOLUME (UK Sourced)

- Target: 20% of KEY ingredients by volume sourced from regen ag by 2025; 50% by 2030
- 3 commodities = c.87% of local ‘key ingredient’ volume
- All >90% locally sourced; well defined sourcing regions

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Category</th>
<th>% of key ing total</th>
<th>% locally sourced (2021)</th>
<th>Driver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locally sourced key ingredients</td>
<td></td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fresh Milk</td>
<td>Bev/Confec.</td>
<td>37%</td>
<td>100%</td>
<td>Regenerative Milk Plan</td>
</tr>
<tr>
<td>C&amp;G</td>
<td></td>
<td>TOTAL 31%</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- CPUK</td>
<td>11%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Confectionery</td>
<td>2%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Petcare</td>
<td>18%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>Sugar</td>
<td></td>
<td>TOTAL 19%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Beverage</td>
<td>2%</td>
<td>90%</td>
<td>Engagement through LENs EoE. Nestrade financial support available 2023-26.</td>
</tr>
<tr>
<td></td>
<td>- Confectionery</td>
<td>14%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- CPUK</td>
<td>3%</td>
<td>90%</td>
<td></td>
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Outcomes:
- Biodiversity
- Carbon reduction
- Carbon sequestration
- Water quality and availability
- Flood risk mitigation
- Soil regeneration
- Resilient supply chains

Example Practices Funded:
- Cover crops
- Reduced cultivations
- Crops in rotation
- Hedge planting

2021 Results:
- £980,000 funding
- 4,335 hectares impacted
- 3 funding parties
- 32 farms

2022 Results:
- £2.2 million GBP planned funding
- >10K hectares impacted
- 6 funding parties
- 64 farms

Example: East of England case study
- £2.2 million GBP planned funding
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LENs East of England continues to scale up...

2021

32 farms engaged
4,300 hectares impacted
£1.5M worth of proposals received

2022

62 farms engaged (+94%)
10,600 hectares impacted (+140%)
£4M worth of proposals received (+160%)

2023 (planned)

>95 farms engaged (+53%)
c. 25,000 hectares proposed (+135%)
£10M worth of proposals received (+150%)

Funding Partners: Purina, Anglian Water, Affinity Water, Cargill, West Northamptonshire Council, British Sugar