



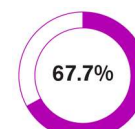
Nestlé

Score: 50% | Rank: 1st

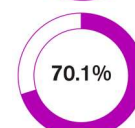
Nestlé has an overall score of 50.0% and ranks 1st amongst the 25 evaluated companies. Nestlé ranks 1st across the Policy commitments and Management systems sections, and 2nd on Disclosure. The company has previously been assessed against the Responsible Lobbying Framework (RLF) as a BMS manufacturer in 2021, and has since acted on several of the recommendations resulting from that assessment. The company still has significant room for improvement on disclosure especially.

The third page has an overview of the scores achieved by Nestlé per indicator within each section. Please note that all scores and summaries are based on published information only.

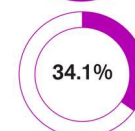
**Policy
Commitments**



**Management
Systems**



Disclosure



Elements in Place

- Policy commitments:** Nestlé makes lobbying-specific commitments to promote policies that support healthy diets, and states that it advocates for responsible marketing regulations and transparent on-pack nutrition information. Nestlé also acknowledges the OECD Principles for Transparency and Integrity in Lobbying and the RLF in its approach to advocacy (but does not fully commit to them). In relation to control over trade associations, Nestlé has a set of commitments and requirements in its Policy on Transparent Interactions with Public Authorities, including that it will 'use best efforts to prevent the misrepresentation of its positions by industry organizations' and that it may leave an organization if it 'is regularly in opposition with the positions / agendas of the organization (this includes inappropriate lobbying practices).'¹ Finally, Nestlé is the only company that explicitly commits to not spend disproportionately on lobbying to safeguard other interest groups' opportunity to lobby.
- Management systems:** While Nestlé commits not to make political donations outside of its home market (Switzerland), it also states that any such donations in other markets requires CEO and Chairman's approval. The company holds regular reviews of trade organizations to assess alignment with its own positions, and requires written agreements for third party representation in undertaking lobbying activities. Nestlé employees also must receive approval from line managers before any activities covered under the Policy on Transparent Interactions with Public Authorities, and provides compliance trainings for both internal and third-party lobbyists.
- Disclosure:** The company discloses on its 'Our global approach to advocacy' webpage the broad nutrition-related topics it lobbies on, its trade association memberships for which the company holds Board seats globally, and indicates its expenditures on lobbying in the EU, France, and the US. Nestlé discloses comprehensively about the use of its whistleblowing system. The company also discloses its 'Policy on Transparent Interactions with Public Authorities', which is approved by the Board.

¹ https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/corporate_governance/nestle-policy-transparent-interactions-with-public-authorities.pdf



Recommendations for improvement

- **Policy commitments:** Nestlé to make its commitment to lobby in support of the public health measures more robust, committing to *only* lobby in support of such measures, and be more specific, citing the key WHO-endorsed measures it will support (or not oppose) where proposals arise. In doing so, it is recommended to clearly commit to lobby in support of governments' policy efforts to align with SDGs 1 and 2, and the WHO Global Action Plan for the Prevention and Control of NCDs 2013-2030. In addition, Nestlé should consider broadening its commitment to work with others in pursuit of the public health interest, for example by committing to pursue cooperation between companies, CSOs and governments for greater transparency and accountability standards related to lobbying, and to involve external public health stakeholders in developing its lobbying strategies and positions.
- **Management systems:** Nestlé's audits only cover lobbying-related bribery and corruption. We recommend that Nestlé develops auditing capabilities for its wider lobbying policies and activities, including political donations outside of its home market. On managing conflicts of interest emanating from the revolving door, Nestlé should implement specific measures, such as cooling off periods, applying restrictions through adapting job specifications, and providing compulsory compliance training. The company should also ensure that the Board is assigned oversight of the company's lobbying positions.
- **Disclosure:** While the company indicates what topics it lobbies on, Nestlé should be more transparent about its lobbying positions on specific WHO-endorsed policy measures, providing a public interest justification for these, and publish more information about its specific lobbying activities (in relation to nutrition) on its own domain. The company should also expand its disclosure of trade association memberships to include those on which it does not hold Board seats. Nestlé should also publish the results of trade association membership reviews (including the purpose of each membership and principal lobbying activities undertaken by the trade associations), membership dues (including portion of dues used specifically for lobbying purposes), and examples of engagement with trade associations to align positions.

Spotlight on Lobbying Index 2022 | Nestlé



| # | Score per indicator for Nestlé | Company score | Average score* |
|--|---|---------------|----------------|
| Policy commitments: 54.1 total / 80 maximum | | | |
| 1 | Commitment to not lobby against (or commitment to only lobby in support of) public health policies/measures | 7.5 | 1.2 |
| 2 | Commitment to respect public health policy frameworks in its lobbying activities | 0.0 | 0.6 |
| 3 | Respect for relevant lobbying standards and codes | 8.3 | 1.8 |
| 4 | Political donations | 5.0 | 3.6 |
| 5 | Codes of conduct to prevent bribery & corruption | 10.0 | 7.9 |
| 6 | Controls over trade associations and industry policy groups | 10.0 | 2.0 |
| 7 | Crowding out | 10.0 | 0.6 |
| 8 | Working with others in pursuit of the public interest | 3.3 | 1.1 |
| Management systems: 56.1 total / 80 maximum | | | |
| 9 | Accountability and responsibility for policy implementation | 7.5 | 4.9 |
| 10 | Conflicts of interest and revolving door | 2.0 | 1.0 |
| 11 | Anti-bribery and corruption | 10.0 | 6.8 |
| 12 | Political donations | 10.0 | 2.4 |
| 13 | Controls over membership of associations/organizations | 10.0 | 2.4 |
| 14 | Controls over lobbyists to ensure that they understand and adhere to the company's policies | 6.6 | 2.3 |
| 15 | Auditing | 0.0 | 0.1 |
| 16 | Whistleblowing mechanisms | 10.0 | 6.1 |
| Disclosure: 64.8 total / 190 maximum | | | |
| 17 | Taxation of products with high added sugar. | 0.0 | 0.6 |
| 18 | Measures to regulate the marketing of unhealthy foods to children. | 4.0 | 0.9 |
| 19 | Front-of-pack (FOP) labelling requirements. | 7.5 | 1.8 |
| 20 | Influencing national dietary guidelines. | 0.0 | 0.7 |
| 21 | Other policies to improve public health and diets. | 2.5 | 2.0 |
| 22 | Disclosure of key lobbying information | 5.3 | 2.0 |
| 23 | Memberships of trade associations | 5.0 | 3.2 |
| 24 | Activities undertaken by trade associations | 0.0 | 0.2 |
| 25 | Alignment between lobbying principles and trade associations | 0.0 | 0.1 |
| 26 | Expenditures on trade associations | 0.0 | 1.2 |
| 27 | Expenditures on lobbyists (in-house and third party) | 2.5 | 1.8 |
| 28 | Political donations and contributions | 5.0 | 2.3 |
| 29 | Conflicts of interest | 0.0 | 0.0 |
| 30 | Auditing | 0.0 | 0.2 |
| 31 | Whistleblowing mechanisms | 10.0 | 2.7 |
| 32 | Other disclosures | 5.0 | 0.4 |
| 33 | External stakeholder engagement | 0.0 | 0.0 |
| 34 | Disclosure of lobbying policy | 10.0 | 4.5 |
| 35 | Main disclosure regarding lobbying activities/expenditures | 8.0 | 3.0 |
| Total: 175 / 350 | | | |