




# Creating Shared Value and Sustainability Activities in Nestlé Japan



June 2023, Nestlé Japan Ltd., Marketing & Communications Division

# Nestlé. We unlock the power of food to enhance quality of life for everyone, today and for generations to come.

Contents		
J-2		Message from the President and CEO
J-3		Special feature: NESCAFÉ Okinawa Coffee Project
J-4		<div><div><div>People and the Planet</div><div><ul style="list-style-type: none"><li>- Improving the Product Packaging</li><li>- Aiming to shape a circular economy</li><li>- Aiming to realize a sustainable logistics</li><li>- Aiming to reduce food loss</li><li>- Initiatives at our three factories in Japan</li><li>- Driving new behavior</li></ul></div></div><div></div></div>
J-8		<div><div><div>People in Communities</div><div><ul style="list-style-type: none"><li>- Providing support through our products</li><li>- Aiming to revitalize local Communities</li><li>- Aiming to realize a prosperous society that people and pets can live together</li><li>- Diversity, equity &amp; inclusion and employee-friendly workplaces</li><li>- Innovation award</li><li>- Compliance</li></ul></div></div><div></div></div>
J-11		<div><div><div>People, Families and Pets</div><div><ul style="list-style-type: none"><li>- Recommendation for healthy coffee-drinking habit</li><li>- NESCAFÉ Ambassador</li><li>- Nursing Care Prevention Café</li><li>- Providing health choices</li><li>- Nutritional information on packaging</li></ul></div></div><div></div></div>

# Message from the President and CEO

We are Nestlé, the *Good food, Good life* company.

*Good food, Good life* means good business. “Good” means to maintain high standards and strive at all times to improve ourselves. Today, everything, including society and the business environment, is changing at an unprecedented pace, and we have an important role and responsibility to provide safe, high-quality food and beverages to consumers, trade customers, pets, and society. We will continue striving to ensure the delivery of products and services that are delicious, good for physical and mental health, convenient, and environmentally friendly.

Nestlé Japan, founded in 1913, celebrated its 110th anniversary in April 2023. This was thanks entirely to the support of our customers and partner companies, as well as our stakeholders, all of whom we wish to express our sincere gratitude to.

As a *Good food, Good life* company, Nestlé Japan will continue pursuing innovation to realize food, beverages, nutritional products, petcare products and high value-added services to unlock the power of food to enhance the quality of life for everyone, today and for generations to come.



**Tatsuhiko Fukatani**

Nestlé Japan Ltd.,  
President and CEO

# NESCAFÉ Okinawa Coffee Project



Tree bearing coffee cherries



Roasted Okinawan coffee beans

Nestlé Japan and Okinawa SV Co., Ltd. are working in cooperation with Nago City, Okinawa Prefecture, and the University of the Ryukyus to launch NESCAFÉ Okinawa Coffee Project, the first attempt at large-scale coffee cultivation in Okinawa in 2019.

Utilizing this abandoned cultivated land to begin full scale cultivation of locally produced coffee beans help to resolve these issues.

The initiative has been accelerated through cooperation with Okinawa Prefectural Hokubu Agricultural High School in 2020, then Uruma City of Okinawa Prefecture since 2022.

We were able to harvest our first coffee beans in the spring of 2023 upon entering the 5th year of the project.

Moreover, know-how from the NESCAFÉ PLAN, being implemented worldwide to realize sustainable coffee cultivation and provide high-quality coffee, has been used in the NESCAFÉ Okinawa Coffee Project. Nestlé has been providing coffee plantlets and technical support in the cultivation of coffee.

## Our voices

I work in Okinawa and provide agricultural support as an agricultural scientist. Okinawa is the only completely subtropical region in Japan, allowing the open-field cultivation of coffee. We face many issues unique to subtropical regions, such as typhoons, summer heat, various soil conditions and so on, but we cooperate with Nestlé agricultural scientists all over the world, including Southeast Asia, to promote coffee cultivation based on the idea of sustainable agriculture.



K. Isshiki,  
Beverage Business Group

## Project Implemented Through Industry-Academia-Government Collaboration



### Okinawa SV (Collaboration with Nestlé Japan)

Established in 2015. The sport club is owned and managed by its current player Naohiro Takahara, a former member of Japan's National Soccer Team who played in J.League and also overseas, including Germany. Since its establishment, the club has been working on agriculture and regional revitalization. Then Okinawa SV Agriculture Co., Ltd. was founded as an agricultural production company in September 2021 with the aim of regional revitalization and development.



### University of the Ryukyus (cooperation)

Provides know-how and information needed for coffee cultivation from an agricultural perspective.



### Uruma City, Okinawa Prefecture (cooperation)

The city will carry out community revitalization through coffee, including opening of community cafés, in addition to establishing of new farms for coffee cultivation and making use of abandoned farmland.



### Nago City, Okinawa Prefecture (cooperation)

Since coffee trees were planted on a farm in Nago City at the time of its launch, the number of trees on this farm has been increased gradually.



### Okinawa Prefectural Hokubu Agricultural High School (cooperation)

Initiatives to plant and cultivate coffee trees on the high school farm, conduct germination experiments on coffee seeds, and carry out growth surveys are being implemented as part of Tropical Agriculture Department classes and practical training.



## People and the planet

Stewarding resources and  
the environment



Our 2030 ambition is to strive for zero environmental impact in our operations. Furthermore, Nestlé is committed to the climate change and sustainable packaging initiatives shown on the right. Nestlé Japan has also identified priority issues in implementing initiatives in our operations.

### Climate Change Initiatives

Nestlé will achieve net zero emissions by 2050 at the latest.

### Sustainable Packaging Initiatives

Design 100% of our plastic packaging for recycling.  
Reduce use of virgin plastics by one third by 2025.

## Improving the product packaging

We have been striving to improve product packages with the aim of fulfilling our commitment. In 2019, the outer packages used for our bag-type KITKAT products were switched from plastic to paper. This initiative was expanded to include almost all bag-type KITKAT products by 2020, cumulatively reducing 1,150 tons (as of the end of 2022) of plastic.



We continue to improve the packaging materials used in NESCAFÉ Eco & System Pack since its launch in 2008.

In January 2021, the material used to make the straws of Nestlé Health Science ISOCAL products was changed from plastic to paper for the first time in the industry. Paper straws have reduced the amount of plastic used by a total of 15.6 tons (as of the end of 2022).

In March 2022, Nestlé Purina PetCare successively changed the outer packaging of a part of its lineup of MONPETIT cat food products to paper. This initiative has reduced the amount of plastic used by 70 tons (as of the end of 2022).

In March 2022, the labelless NESCAFÉ EXCELLA Bottle Coffee was launched to eliminate the trouble of peeling off the label, and reduce waste.



### Our voices

We will continue striving in our challenge to reduce the use of virgin plastics with the cooperation of all our stakeholders.

R. Nagasaki,  
Production Division



## Aiming to shape a circular economy

We are working to reduce waste with an aim to building a circular economy.

In February 2022, we began an initiative in collaboration with the Nisshinbo Group to upcycle the used containers of NESCAFÉ Eco & System Pack into paper yarn to make fabric, which is then dyed with coffee residues to make clothes.

In March 2023, we took part in the corporate partnership platform, Upcycle Association, which aims to boost the recycling rate of resources and food residues. Disposed paper waste and thinned wood, as well as the used paper packages of Nestlé Japan products, including NESCAFÉ Eco & System Pack, KITKAT, and MONPETIT Crispy Kiss regular packages are upcycled into paper thread through the TSUMUGI Project. This paper thread is knitted or woven into fabrics, which then are used to make clothes, as well as a variety of other textile products, breathing a new life into paper packaging that were otherwise destined for disposal.



T-shirts made through upcycling



### Our voices

Our goal is to encourage people to make effective use of resources without throwing them out after use, and promoting an attitude of using things carefully for a long time.



K. Takii,

Marketing & Communications Division

Nestlé Nespresso launched the NESPRESSO Recycling Program in August 2020. Used capsules gathered from capsule collection boxes in shops / partner companies, then sorted, aluminum separated from the capsules is recycled and the coffee grounds are turned into raw material for potting soil. Approximately 450 tons of used capsules have been collected as of July 2022. In August 2022 a new service was launched to collect used capsules from households aiming to encourage more people to take participate.



The NESCAFÉ DOLCE GUSTO Recycling Program was launched in March 2023 at seven Ito Yokado stores in Kanagawa Prefecture to allow the in-store collection of used NESCAFÉ DOLCE GUSTO capsules.

It is the first time for NESCAFÉ DOLCE GUSTO capsules to be collected over the counter at supermarkets. These capsules will be proceeded for recycling, molded into pellets and then turned into a new resource.





## Aiming to realize a sustainable logistics

Nestlé is committed to making 100 % of its packaging recyclable or reusable, and reduce the use of virgin plastics by one-third.

In the field of logistics, stretch film (plastic) is being used to mitigate damage to products during transportation, and products are often wrapped manually by the drivers before being loaded into trucks.

With the “2024 issue,” the logistics industry faces the serious social problem of driver shortage, and Nestlé Japan is striving to realize stretch-filmless transportation in in-house logistics to reduce the use of plastics and improve work conditions for drivers. An initiative was launched to solve logistics issues through cooperation between manufacturers and the supply chain.



### Our voices

Stretch-filmless transportation in logistics is not only an environmental initiative, but also an ease of work for truck drivers. It was realized through cooperation between a variety of departments within the company. We'll continue working on improving the workplace environment in logistics.



**H. Sakaguchi,**  
Supply Chain Management Division

To ensure environmental friendliness, the Consumer Hot Line team began using a new tape in January 2022. The tape is made from paper and starch glue. As it can be recycled along with the cardboard, eliminating the need for sorting, it has won the consumer appraisal. For the purpose of brand communication, the Consumer Hot Line staff gave the tape a warm-hearted design after realizing it is suitable for printing. Its use has now spread beyond the Consumer Hot Line.



The design of the new tape



## Aiming to reduce food loss

In manufacturing and selling products, we strive to predict customer demand as accurately as possible and plan manufacturing to minimize excess inventory. We also carry out appropriate monitoring of raw materials needed to manufacture products, inventory stored at our company, and post-shipment distribution inventory, to prevent the generation of excess inventory.

As part of our efforts to reduce food loss, we set up and began operating “Food Loss Reduction Boxes to Bring Smiles to Everyone’s Faces”, in five locations around the country in June 2021, in collaboration with Minatoku Co., Ltd. The Food Loss Reduction Boxes sell NESCAFÉ and KITKAT products that have exceeded their delivery deadlines. These products have limited distribution destinations, and in some cases may be discarded. We aim to reduce food loss by creating a new channel to sell products that can be consumed but have difficult selling through normal distribution channels.



Food Loss Reduction Box



Himeji Factory: Thermal energy recovery system

## Initiatives at our three factories in Japan

In 2016 all three of our factories in Japan achieved zero net emissions of waste bound for incinerators and landfills, and this level is maintained through to the present.

At the Shimada factory in Shizuoka Prefecture and Himeji factory in Hyogo Prefecture, almost 100% of the coffee grounds produced during coffee extraction are recycled and reused as biomass, while the steam generated by this renewable energy is used as a heat source in the factories.

Also, the Shimada Factory has continued with efforts to recycle part of the coffee grounds produced during the manufacturing process as planting soil since 2010.

## Driving new behavior

To shape a waste-free future, we engage in a variety of educational activities to change the mindset of everyone.

We have been implementing the #NescafeOurPlanet eco-project that supports enjoyable learning about the global environment by parents and children, jointly with Japan Aerospace Exploration Agency (JAXA), a national R&D entity.



We began holding classes for elementary, junior high and senior high school students throughout the country in 2021 to think about environmental issues, and we had held these classes for over 1,000 students by the end of 2022. In May 2023, we released educational video materials targeting junior and senior high school students named “Nestlé Sustainability Program – Let’s Begin Inquiry-Based Learning,” making use of our experience during face-to-face lessons. The videos allow students throughout the country to access information on case studies of Nestlé’s sustainability initiatives for use in class, anywhere and anytime.

<https://www.nestle.co.jp/csv/sustainability-program>

In May 2022, Nestlé Japan and NPO Suma Universal Beach Project cooperated in cleanup activities on Suma Beach in Kobe City.



Cleanup of Suma Beach in Kobe City



## People in Communities

Helping develop thriving,  
resilient communities



### Providing support through our products

We have been donating our products to the Social Welfare Council and food banks throughout Japan, targeting people who need food aid. In 2022, we donated our products to the Sapporo City Council of Social Welfare for the first time, which were delivered to COVID-19 patients, the staff of health centers dealing with them, economically disadvantaged households, and single mother support centers. The aim of this initiative is to offer a moment of relaxation through Nestlé products. We hope to continue these activities through cooperation with various organizations.



### Aiming to revitalize local Communities

We are supporting the revitalization of local communities through our products and services.

In October 2021, we assisted the establishment of “Zeroplace supported by NESCAFÉ” in Urazoe City, Okinawa Prefecture. It is a postnatal care facility with a lounge permanently staffed by midwives to prevent isolation during child-rearing. The facility provides counseling services for raising children, as well as support to local families before and after childbirth.



“Zeroplace supported by NESCAFÉ” (Urazoe City)

In November 2021, we took part in the establishment of a resource collection station within Futaba Gakusha of Nagata Ward in Kobe City. In August 2022, the second resource collection station in Kobe City was opened. Nestlé Japan has provided coffee makers, creating communities where citizens can come and go as they please, and relax over coffee, chocolate, etc., while promoting awareness for recycling plastic and sustainability. Since then, resource collection stations have been set up in various wards throughout the city.



Azuma resource collection station (Kobe City)

### Aiming to realize a prosperous society that people and pets can live together



ペットに寄り添い  
共に歩む未来へ

ピュリナは、保護犬・保護猫の  
未来を支える活動をサポートしています

<http://p.nestle.jp/pet/>



VR image

Children enjoying the  
VR experience

Nestlé Purina PetCare aims to realize a prosperous society in which people and pets can live together. A variety of initiatives are being implemented to solve social issues surrounding pet owners and pets.

In June 2022, we collaborated with Osaka Prefecture to launch “Tomo-ni Kurasu Purina Wan-Nyan Kyoshitsu, the VR,” an educational animal welfare program for children with the use of VR (virtual reality) technology. In addition to the information on the right way to interact with animals, the program has unique VR content, allowing people to interaction with cats and dogs from the animals’ perspective. The program allows children to have fun learning about everything from the value of animal life to the right ways to raise them.

## Diversity, equity & inclusion and employee-friendly workplaces

### アライシップガイド



*How to be a force for good for D&I*



ひょうご・こうべ  
女性活躍推進認定  
ミモザ企業

#### Our voices



In an internal survey carried out in 2022, it became clear that an “inclusive corporate culture” was the biggest factor in determining employee satisfaction. We hope to continue cultivating an environment that’s conducive to mutual growth in which employees can come up with their own ideas and solutions, and assert them without hesitation.

**Y. Okada**, Human Resources & General Affairs Division

Nestlé promotes diversity, equity & inclusion in an effort to create an inclusive workplace environment that leaves no one behind. Based on our belief in the importance of allies to support this, we created the Allyship Guidelines\*, which we have been sharing among employees.

\* “Allyship” refers to the proactive providing of support to groups of social minorities.

In March 2023, we were awarded “Mimosa Company’s certification for promoting the active participation of women,” established jointly between Hyogo Prefecture and Kobe City, in recognition of our efforts over the past 3 years. In 2022, we launched a one-year female leadership program to train future female candidates for jobs in managerial positions. Moreover, the paternity leave rate among male employees in 2022 reached 55%, that is 10 % higher than last year.

With the promotion of a hybrid workstyle, combining office work with remote work and allowing greater flexibility, the new “F-work@ Nestlé” was launched in 2023 to support the diverse needs and different life stages of employees and expand support for achieving a work-life balance.



Head Office: Non-territorial office



Employees holding a meeting

## Innovation Award

In Japan, a mature, developed country with a declining birthrate and an aging population, each employee must provide value to customers through innovation and offer solution to the ever-changing problems. To develop our employees' abilities to find and consider customers' problems, Nestlé Japan holds a yearly internal contest the Innovation Award. All employees think about who their customers are and what kinds of problems they are facing, and apply for the Innovation Award with their own solutions and achievements.

In 2022, employees who were awarded the top prizes participated in a NESCAFÉ Okinawa Coffee Project tour with their families. Seeing the production of coffee on-site allowed them to gain a deeper understanding of the appeal of coffee.



# Innovation Award



Nestlé corporate website, Speak Up

<https://www.nestle.co.jp/aboutus/principles/report-your-concerns>

## Compliance

Nestlé operates throughout the world in accordance with the Nestlé Corporate Business Principles and the Code of Business Conduct.

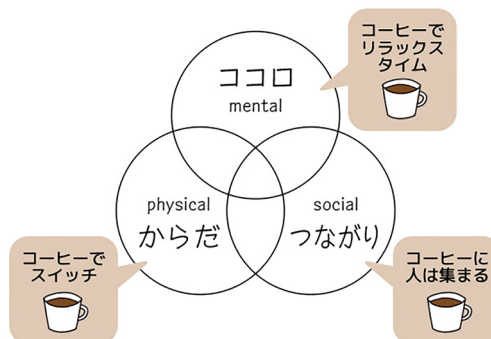
Furthermore, the dedicated system, Speak Up, was set up on our corporate website allowing all stakeholders to contact us on any matters that may be in concern of Nestlé's compliance.

In 2022, in order to handle consumers' personal information safely, we assigned a person in charge to each department to provide personal information protection and ensure greater safety in its handling. Our privacy policy and guidelines were also reviewed in accordance with amendments to the law.





## Recommendation for healthy coffee-drinking habit



Coffee is known for being the biggest source of polyphenols for Japanese people. We encourage the habit of drinking three cups of coffee a day based on our key message, “3 Coffee a Day: The habit of drinking three cups of coffee a day will ensure a better life.”

“Sedentary lifestyle<sup>\*1</sup>” has recently been the focus of attention for its close association with health. The research comparing the sitting time of people from 20 countries, showed that Japanese people spend the longest time sitting<sup>\*2</sup>, making sitting for too long a highly relevant issue to us.

The survey on dietary and lifestyle habits targeting around 300 Nestlé employees (2021), indicated for the first time that potentially a lifestyle with coffee breaks provides stress relief caused by constant sitting. The results were publicized in 2022 through a presentation and seminar<sup>\*3, \*4</sup> at a conference.

Furthermore, an in-house seminar was held for the employees in December 2022. Professor Koichiro Oka of the Faculty of Sport Sciences at Waseda University, a leading researcher on *the problem of too much sitting*, was invited to talk about the effects of excessive sitting on the mind, body and work, and the importance of taking a break (from long sitting), and ways to do that. We are currently striving to address this problem by installing height-adjustable desks and anti-fatigue mats in our offices.



<sup>\*1</sup>: Behavior in which one is awake while sitting in a semi-recumbent position (reclining) or lying down, and the amount of energy consumed is less than 1.5 METs

<sup>\*2</sup>: Bauman AE et al.: Am J Prev Med 41(2), 228-35 (2011)

<sup>\*3</sup>: Coffee consumption, polyphenols, sitting behavior and the stress index: NQ survey 2021, a cross-company survey targeting employees. Held by Japan Society of Nutrition and Food Science, P208 (2022)

<sup>\*4</sup>: Luncheon seminar, 76th Annual Meeting of Japan Society of Nutrition and Food Science held on June 12, 2022

### Our voices

The increase in working time from home has improved convenience, but I feel it's also increased the time spent sitting. Leaving your seat to make a cup of coffee can prompt communication, and I thoroughly recommend everyone to proactively have coffee breaks into their daily routine.

M. Arai,

Marketing & Communications Division



## NESCAFÉ Ambassador



The NESCAFÉ Ambassador program is a service in which NESCAFÉ coffee makers are rented out for free to workplaces and communities, and NESCAFÉ Ambassadors, representatives at the workplaces, regularly buy dedicated coffee cartridges and gather the fees from users. The program has been adopted at a variety of workplaces, including not only general offices, but also hospitals, beauty parlors and schools, thanks to the benefits of stimulating in-office communication through conversations and smiles over a cup of coffee.

## Nursing Care Prevention Café

In 2013, Nestlé Japan concluded a collaboration agreement with the City of Kobe in Hyogo Prefecture for the Kobe Genki Iki-Iki! Project. Through this project, we are helping to improve the quality of life of elderly people by capitalizing on Nestlé's health and nutrition know-how. One part of this project is Nursing Care Prevention Café initiative. We support this initiative by providing NESCAFÉ GOLDBLEND BARISTA and other products to these community locations where people can meet and talk over a cup of NESCAFÉ. The number of Nursing Care Prevention Cafés is cumulatively 83 in Kobe City (as of April 2023), and they contribute to the revitalization of the communities.

This year marks the 10th anniversary of the project. We plan to continue cooperating with Kobe City to implement initiatives to make the lives of the elderly healthy and active.



Nursing Care Prevention Café is a place for the elderly to gather and chat while enjoying a cup of NESCAFÉ



Café News is issued regularly focusing on Nursing Care Prevention Café



Providing healthier choices

Nestlé Health Science has extensive brands for supporting people in all stages of their lives, including brands based on over 30 years of on-site medical and nursing care know-how, and the company supports the healthy lives of people through the “power of nutrition.”

In March 2023, ten ISOCAL Jelly High Calorie products cleared government approval standards, and were authorized for labeling as “Foods for people with dysphagia with the aim of preventing aspiration” under Labelling Criteria II of the “Foods for Special Dietary Uses for People with Dysphagia.” They provide peace of mind during meals to people who have difficulty swallowing.

We have also continued providing MNA Plus, the nutritional evaluation app for people over 65, since September 2020.



MILO website , “Iron intake check”

MILO is sold in over 40 countries worldwide, and it has been loved in Japan for over 50 years since it went on sale in 1973 under the catchphrase, “MILO for strong children.”

In August 2022, an “Iron intake check” service was set up within MILO’s website to draw people’s attention to iron intake in summer, when minerals are lost through perspiration and people’s diets tend to become unbalanced.



Nestlé Purina PetCare launched PURINA PROPLAN LIVECLEAR. This is a cat food containing egg-derived protein, which neutralizes the substance in saliva that causes cat allergies and reduces the attachment of cat allergens its fur and dandruff. It has become popular amongst many consumers since its launch.

Our voices

We will continue innovating to aim for a future allowing pets and their families to live happily through the power of food.



N. Sugiyama,  
Marketing, Nestlé Purina PetCare

Nutritional information on packaging

To promote understanding for our products by providing information on healthy eating habits, Nestlé presents easy-to-understand icons on product packages showing the amounts of calories, fats, saturated fatty acids, sugars and salts contained in a single serving, and their ratios (%) relative to the approximate amounts that should be consumed in a day. Detailed nutritional information is also provided on packages along with Nestlé Nutritional Compass.



Guideline Daily Amounts (GDA): Easy-to-understand icons displaying the amounts of nutrients contained in single servings, and their ratios (%) relative to the approximate amounts that should be consumed in a day.