

Presence in fragile economies

The company has subsidiaries and foreign direct investments in the following fragile countries: Algeria, Angola, Azerbaijan, Bangladesh, Burkina Faso, Cameroon, Chad, Colombia, Congo (DRC), Egypt, Gabon, Guatemala, Guinea, Honduras, Iran, Ivory Coast, Kenya, Lebanon, Mali, Mexico, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Pakistan, Palestinian Territories, Papua New Guinea, Philippines, Russia, South Africa, Sri Lanka, Syria, Togo, Turkey, Ukraine, Venezuela, Vietnam, Zambia, Zimbabwe.



Source : Refinitiv (Thomson Reuters) / fDi Markets (FT)

Peacebuilding Business Index results

The Peacebuilding Business Index ranks the 300 companies showing the biggest presence in fragile states in terms of FDI impact or reported presence. The final score combines 3 values: Local Peacebuilding Practices (weight 50%), Local ESG Practices (25%), and Global ESG Policies (25%).

Company	Rank	Change last year	Final score	Local peacebuilding practices, 50%	Local ESG practices, 25%	Global ESG policies, 25%
PepsiCo Inc	2	1	86%	89%	77%	89%
Diageo plc	3	4	84%	80%	89%	85%
Nestlé S.A.	7	-5	81%	79%	78%	89%
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Charoen Pokphand Foods	152	-2	58%	51%	51%	80%
Associated British Foods	210	-55	54%	50%	50%	65%
Wilmar International	260	-9	49%	48%	41%	60%

Local peacebuilding practices: share of positive news over total news (positives and negatives) covering fragile states and classified with the Peacebuilding Business Criteria (PBBC) defined by PeaceNexus.

Local ESG practices: share of positive news over total news (positives and negatives) covering fragile states and classified with Covalence's 50 ESG criteria.

Global ESG policies: performance on global indicators sourced from Refinitiv and selected according to their relevance to SDG 16 Peace, Justice and Strong Institutions.

Comment

Nestlé S.A. is ranked #7 in the Peacebuilding Business Index in 2019 with a drop of 5 ranks since 2018. Main reasons for this high position are: substantial reporting and media coverage on topics such as women empowerment, agricultural restoration, youth employment, supply chain management, community outreach and human rights assessments. The best result is found in Global ESG Policies (89%, 2nd / 300), followed by Local Peacebuilding Practices (79%, 18th / 300), and Local ESG Practices (78%, 35th / 300).

In Local Peacebuilding Practices, Nestlé S.A.'s strengths are found in the following PBBC categories: Labour, Governance, and Products. In the Food, Beverage & Tobacco industry group, the leader is PepsiCo Inc while the laggard is Wilmar International Limited.

Focus on Local peacebuilding practices

Nestlé S.A.

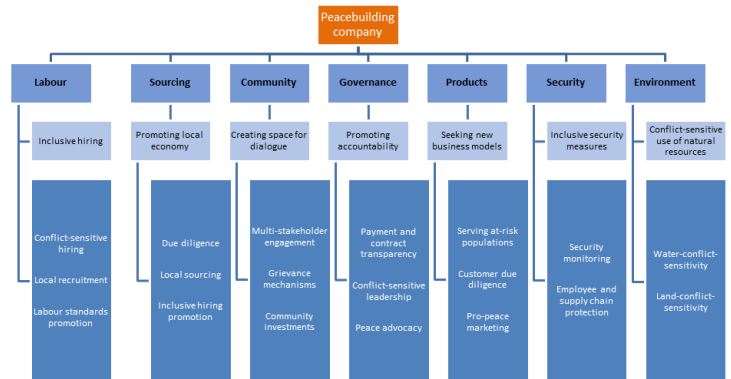
Business areas	Peacebuilding Business Criteria (PBBC)	Statistics	Most relevant stories
Labour	Conflict-sensitive hiring		Efforts are being made by Nestlé to recruit more women as employees and managers in the Middle East and in Africa.
	Local recruitment		In 2019 Nestlé launched the 'Alliance for YOUTH' in sub-Saharan Africa, following Europe (2014) and Latin America (2017). In Côte d'Ivoire, Angola and South Africa, Nestlé reaches thousands of youth to promote their employability through hiring, skilling up and training.
	Labour standards promotion		
Sourcing	Due diligence		Nestlé supports agricultural restoration and coffee farming in countries and regions affected by conflict and unrest such as Colombia, South Sudan or Zimbabwe. In the 2010s Nestlé developed post-civil war milk districts in Sri Lanka. In Nigeria, Nestlé is the largest client of a social enterprise that offers farming jobs to young people who could otherwise be tempted to join terrorist groups such as Boko Haram. Negative comments focus on labour issues in cocoa and palm oil supply chains.
	Local sourcing		
	Inclusive hiring promotion		
Community	Multi-stakeholder engagement		In Colombia in the years 2010s, a Reconciliation Center has been set to facilitate the reintegration of demobilized people. Nestlé Colombia was engaged as a project associate through an agreement with Fundación para la Reconciliación.
	Grievance mechanisms		
	Community investments		In 2012 Nestlé adopted to the WASH pledge, committing to providing access to safe water and sanitation at all of their direct operations.
Governance	Payment and contract transparency		
	Conflict-sensitive leadership		Over the last years Nestlé has invested substantially to build new factories in Chile, Mexico, Peru and Colombia, creating thousands of jobs for young people and contributing to their social integration.
	Peace advocacy		
Products	Serving at-risk populations		Nestlé tackles undernutrition in countries such as Nigeria by offering fortifying foods to vulnerable populations and by using biofortified crops in their ingredients.
	Customers due-diligence		Negative product-related comments covered topics such as infant formula marketing and bottled water business.
	Pro-peace marketing		
Security	Security monitoring		Sime Darby Plantation Berhad (SDP) and Nestlé together provide a helpline for SDP's plantation workers employed at the company's estates in Malaysia - some of them coming from Indonesia, Bangladesh and Nepal. The helpline allows workers to report on working conditions, recruitment, and safety issues.
	Employee and supply chain protection		
Environment	Water-conflict-sensitivity		Nestlé Waters has announced that it will extend its commitment to water stewardship by certifying all of its sites to the Alliance for Water Stewardship (AWS) Standard by 2025. The global standard promotes responsible water use that benefits local communities socially and economically, while ensuring environmental sustainability of watersheds.
	Land-conflict-sensitivity		

Methodology Overview

The PeaceNexus Foundation developed the Peacebuilding Business Index (PBBI) with the help of Covalence to support its mission-aligned investment strategy. The index defines the universe of the Cadmos Peace Investment Fund, a thematic global equity investment vehicle promoting peacebuilding business practices through a sophisticated selection process and engagement with portfolio companies on their peacebuilding role. The Fund was launched in 2018 with the Swiss asset manager, de Pury, Pictet, Turrettini.

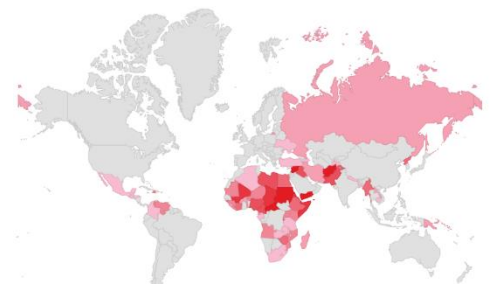
Peacebuilding Business Criteria (PBBC)

To evaluate companies' peacebuilding contributions, PeaceNexus developed the **Peacebuilding Business Criteria (PBBC)**. The PBBC address companies operating in fragile states with recommendations on how to adapt their business model and operations to a conflict-prone context. The **research** highlights the business case for conflict-sensitive behavior through concrete examples which go beyond the general interest of companies to operate in stable environments.



Universe of countries

We identified 75 fragile states that are mentioned at least three times in the nine considered lists for belonging to the most fragile states in the world. The color on the map reflects the level of fragility from 3 (pink) to 9 (red).



Universe of companies

The PBBI ranks the 300 companies with the biggest economic impact in fragile states. The fDi Markets database of the Financial Times is PBBI's main source of information to determine the economic impact of companies. fDi Markets provides information per company and country on investment projects, capital investment (FDI), and number of created jobs. We also considered companies with a strong presence on the ground through business partnerships in fragile states via their supply chain or through the sale of products and services.



Levels of analysis

The **methodology** combines the analysis of ESG data that is self-reported by companies with a semi-automated screening and classification of narrative content.

Information is gathered from over 4,000 sources including companies' global and local communications, global and local media, and reporting by stakeholders such as trade unions and NGOs.

Peacebuilding Business Index: Methodology Overview				
Level of analysis	Type of analysis	Sources	Weight	Examples
Global peacebuilding-relevant ESG policies	Analysis of ESG indicators disclosed by companies	Corporate	25%	Policy to improve employee health & safety in supply chain? YES/NO Targets on diversity and equal opportunity? YES/NO
Local ESG practices	Semi-automated analysis of narrative content	Corporate, Media, Stakeholders	25%	Stories on positive and negative impacts of companies in fragile countries regarding ESG issues: labour conditions, human rights, corruption, environmental protection, etc.
Local peacebuilding practices			50%	Stories on positive and negative impacts of companies in fragile countries regarding peacebuilding issues (PBBC): inclusive hiring, mediation, supply chain security, local sourcing, social business models, etc.



About PeaceNexus

PeaceNexus Foundation's core mission is to provide peacebuilding-relevant actors – multilateral organisations, governments, non-profit organisations and businesses – with expertise and advice on how they can make best use of their peacebuilding role and capacity to help stabilise and reconcile conflict-affected societies.

Since our founding in 2009, PeaceNexus has engaged in numerous partnerships with economic actors to improve outcomes in fragile states, as well as applied research projects on the contributions of business to peacebuilding. Our foundation can provide tailored advisory services to **businesses who wish to leverage their peacebuilding potential and improve conflict-sensitivity** throughout their operations.

In addition, PeaceNexus acts as a “nexus” between organizations: we can provide guidance on suitable partners to assist businesses in managing conflict, peace and security issues. PeaceNexus works with dozens of organizations in 4 regions primarily: Western Africa, Western Balkans, Central Asia, and South East Asia. Our partner selection process is rigorous. Our network of partners includes the most promising organizations in peacebuilding.



About Covalence

Founded in 2001, Covalence SA helps investors integrate ESG factors while controlling greenwashing with its multi-source, AI-powered scoring system and data feeds. Our services include: ESG ratings, ESG news monitoring, portfolio advisory, and impact stories.

The Covalence approach is based on a diversity of sources of information and relies on web monitoring and artificial intelligence together with human analysis. We compare ESG data publicly reported by companies (disclosure) to online narrative content reflecting the perceptions of stakeholders such as the media and NGOs (reputation). This approach allows users to track inconsistencies, monitor changes and benefit from timely alternative data. The information is delivered in an actionable format to support ESG risk exposure mitigation and long term value creation.

Covalence is a signatory of the Principles for Responsible Investment (PRI), an institutional partner of Sustainable Finance Geneva (SFG), a founding member of Swiss Sustainable Finance, and a member of the Chamber of Social and Solidarity Economy in Geneva APRÈS-GE.