



MEMORANDUM OF UNDERSTANDING STRATEGIC INSTITUTIONAL PARTNERSHIP

between

**The Swiss Confederation, represented by
the Federal Department of Foreign Affairs, acting through
the Swiss Agency for Development and Cooperation**

and

Nestlé S.A.

I. Preamble

To achieve the 2030 development agenda, the Swiss Confederation, represented by the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (hereinafter referred to as "SDC") and Nestlé S.A. (hereinafter referred to as "Nestlé") recognize the importance of a revitalized and enhanced global partnership that brings together Governments, civil society, the private sector, the United Nations system and other actors.

SDC and Nestlé recognize each other's strong global reputation, competencies and extensive knowledge in the areas of water, agriculture and nutrition as well as the importance of vocational education and training to enhance youth employability and growth.

II. Vision

SDC and Nestlé commit to joining their efforts to tackle key factors in managing risks such as famine, epidemics, migration, climate change, inequality and political instability.

The Parties seek to share their complementary strengths, experiences, technologies, methodologies, and resources for addressing these issues and support the achievements of Sustainable Development Goals 02 – Zero Hunger, 06 – Clean Water and Sanitation, 08 – Promote inclusive and sustainable economic growth, employment and decent work, 12 – Responsible Consumption and Production, and 17 – Partnerships for the Goals, being aware that these five goals go hand in hand with the 12 other SDGs.

III. Shared Principles

The Parties share the following principles, which will guide their collaboration:

- ▶ Agreement on the importance of the Sustainable Development Goals for assuring poverty reduction, social and economic development, environmental protection as well as for enabling the business environment.
- ▶ Respect for the human rights to water and sanitation and the right to adequate food

- ▶ Water Security is a public good: governments have to take the lead in establishing overarching policies on water, within which water users such as Nestle can operate.
- ▶ Sharing the belief that only commercially viable schemes will be sustainable in the long run.
- ▶ Fairness: shared risks and mutual benefits

IV. Areas of common strategic interest

The Parties will seek to work together on projects that reflect the shared principles outlined above and will identify joint global-, region-, country-, and/or project-specific collaboration opportunities with the following objectives:

- ▶ **Water:** Develop and implement innovative projects that meet major challenges like access to safe drinking water, water for agriculture and cross-sectoral cooperation in the management of water resources:
 - ↳ Advocate ensuring that all human beings have a supply of safe drinking water.
 - ↳ Promote cross-sectoral cooperation on water basins.
 - ↳ Work to guarantee access to safe water for human beings and ensure the availability of sufficient water for food production, paying special attention to the needs of women and those in vulnerable situations.
 - ↳ Promote an enabling political environment (policy and advocacy), leveraging partnerships for large scaling-up, stimulating innovative approaches, concepts and technologies.
 - ↳ Encourage knowledge generation, management and exchange.
- ▶ **Food Security and Rural Development:** Develop and implement innovative projects that contribute to long-term food security and the elimination of malnutrition with a specific focus on smallholder farmers, particularly women:
 - ↳ Support to smallholder farmers for the sustainable production, storage and marketing of their products, as well as continuous adaptation to changing conditions.
 - ↳ Improve the agricultural practices of smallholders' farmers and protect water-producing ecosystems.
 - ↳ Promote needs-oriented research and innovation.
 - ↳ Promote sustainable consumption and production patterns, including the reduction of food waste and the efficient use of natural resources.
 - ↳ Support women in particular to ensure that they gain equal access to education, productive resources and markets.
- ▶ **Vocational Skills:** Develop and implement innovative projects to promote vocational skills development and youth employability:
 - ↳ Develop and support training systems in the agro-industry value-chains; a particular attention will be paid to the promotion of dual education and training system.
 - ↳ Promote youth employability by creating first job experiences including apprenticeships to bridge the gap between school and the workplace.
 - ↳ Develop and install existing or new systems for delivering extension services to small producers. It should allow them to adapt, to change and to boost production in a sustainable way.
 - ↳ Improve employment and income by creating added value locally.
 - ↳ Join efforts with other local and international companies for strengthening education systems to bridge the gap between skills demand and offer.
- ▶ **Other:** Assess and leverage additional partnership opportunities that contribute to the Agenda 2030 and are not explicitly mentioned in this Memorandum of Understanding.

As a first step and to facilitate the collaboration under this MOU, the Parties will

- ▶ Publicize this MOU within their respective organizations, in view of grasping opportunities for joint collaboration.
- ▶ Develop a strategy to achieve above objectives, including existing joint initiatives and selection criteria for new initiatives (e.g. priority countries, sectors, types of projects).

V. Roles and Responsibilities

Both parties recognize each other's mission and constraints, most notably:

- ↳ SDC is Switzerland's international cooperation agency. SDC's overarching goals are : reduce poverty, make development sustainable and overcome global risks. No country can overcome poverty, global challenges and crises on its own. The SDC believes that partnerships involving a range of players will be necessary in order to achieve the ambitious sustainable development goals. SDC is prepared to share its expertise, skills and resources in addressing rural development, food security and water issues, in particular in emerging and less developed countries.
- ↳ Nestlé S.A is a commercial enterprise, committed to "Creating Shared Value". The Creating Shared Value approach is built on the belief that for a company to be successful over the long term and to create value for shareholders, it must create value for society. Nestlé is therefore prepared to invest resources and knowledge in communities and the environment through public-private partnerships, provided the investments create long-term business value too.

In connection with this MOU, it is envisioned that Nestlé and SDC will endeavor, subject to the availability of funds and human resources, to:

Nestlé

- ▶ Invest in business relevant and sustainable ventures, with a particular focus on rural development, food security and water.
- ▶ Provide technical expertise in the company's key areas of work.
- ▶ Facilitate the dialogue with suppliers, farmers, cooperatives, distributors, competitors and other key stakeholders.

SDC

- ▶ Facilitate the policy dialogue with governments, multi-lateral organizations and other stakeholders in Switzerland and in targeted countries, particularly in the areas of rural development, food security and water.
- ▶ Give financial incentives and support for the development of adapted products and services to the benefit of vulnerable groups of population.
- ▶ Promote awareness campaigns addressed to key stakeholders and the public.
- ▶ Support advisory services and vocational skills development measures to allow vulnerable groups of population to make better informed and effective decisions and to address key constraints they are facing for assuring their livelihood.

The Parties enter into this MOU based on the understanding that each Party will maintain its own separate and unique missions and mandates and its own accountabilities.

The collaboration between the Parties as outlined in this MOU shall not be construed as a legal partnership, joint venture or other type of legally binding cooperation, unless otherwise agreed by the Parties in writing, i.e. in subsequent project-specific MOUs or agreements. Each Party shall retain full and sole responsibility for its actions and each Party shall accept all liabilities and expenses incurred by itself relating to this MOU except as otherwise agreed by the Parties in writing. Nothing in this MOU shall be construed as an exclusive working relationship.

Each Party shall have the right to pursue its own interests, including enter into similar understandings or agreements with any other parties. The Parties also acknowledge that they are not under any legal obligation to enter into a definitive agreement with respect to the collaboration described herein or to enter into subsequent project-specific MOUs or agreements.

The collaboration as set forth in this MOU is subject to the respective internal objectives, functions, policies and procedures of the Parties, including public procurement regulations, if applicable. This MOU will be complemented by specific project agreements relating to specific projects or activities between SDC and Nestlé, respectively.

VI. Implementation Modalities

1– Governance

SDC and Nestlé will facilitate collaboration by establishing a consistent framework of planning, monitoring, reporting and communication. This framework will be managed by the Partnership Committee, formed by SDC's Competence Center for Engaging with the Private Sector and Nestlé Global Public Affairs, whose responsibilities will include, but not be limited to, the following activities:

Political orientation

- ▶ Biennial meeting at top management level for taking stock of the achievements and giving general orientation to the strategic partnership.

Strategic planning:

- ▶ Annual consultative meeting with key stakeholders in each other's organization to share experiences and identify new opportunities for collaboration.
- ▶ Annual planning meeting between SDC Domain Heads and Nestlé Department Heads to further develop the strategic collaboration between the Parties, review successes and failures, provide momentum to on-going initiatives, and identify and plan new initiatives in line with the shared vision, as well as allocating resources for their implementation.

Monitoring and Reporting:

- ▶ At least half-yearly update meetings of the Partnership Committee with participants from other organizational units involved in specific projects as required, reviewing ongoing and potential projects.
- ▶ The Partnership Committee prepares an annual collaboration report for SDC Domain Heads and Nestlé Department Heads, and a half-yearly project overview for project managers of the Parties. Project managers of the Parties provide the necessary input to the Partnership Committee.

Operational principles:

- ▶ SDC and Nestlé may consult on matters arising out of this MOU, and on other matters of common interest, and will strive for an atmosphere of transparency and collaboration regarding the sharing of information, data, design principles and risk modeling. Any exchange of information between the Parties shall be subject to their respective policies and procedures on the disclosure of information, and subject to the provision on Confidentiality (Section VI. 5).
- ▶ Both parties will take all necessary measures to avoid any possible dispute.

In the event a dispute cannot be resolved, each side of the Partnership Committee will present a solution; the senior management of both parties – that is to say SDC's directorate, respectively Nestlé's Executive Board – will decide together on the solution to be adopted or agree on a compromise between the two.

If the senior management cannot decide jointly, the strategic institutional partnership will be terminated.

For collaborations in future specific projects under this MOU, the parties may agree on other rules for dispute resolution in writing. Any specific projects may continue even after termination of the strategic institutional partnership.

2– Funding

The Parties acknowledge that this MOU does not entail any funding obligation. However, the Parties will endeavor to mobilize and align resources, as appropriate, to implement and scale up existing and planned programs in the aforementioned focus. The Parties will set out specific funding mechanics for each project separately.

3– Communications

The Parties intend to establish a public communications program in accordance with SDC's, and Nestlé's policies, and procedural requirements ensuring that appropriate publicity is provided for all activities carried out under this MOU, and that suitable attribution is given to each Party. The Parties consult each other prior to the issuance of any public announcement or communications related to the collaboration under this MOU.

The Parties may make this MOU publicly available in accordance with their policies or procedures regarding the public disclosure of information. Any press release, public commentary or other disclosure regarding the content of this MOU shall be subject to the prior written consent of all Parties.

4– Intellectual Property

The Parties acknowledge the Intellectual Property rights of each other and will seek prior written consent from the other Party before conducting any activities that would imply use of its Intellectual Property Rights. Any usage of Intellectual Property without such duly expressed consent of the other party is prohibited. If Intellectual Property rights originate under this MOU, the Parties shall jointly agree upon their utilization in a separate written agreement.

5– Confidentiality

Subject to the laws that apply to each Party, the Parties respect each other's policies on maintaining the confidentiality of shared information, with the mutual understanding that the Parties intend to publicize projects developed pursuant to this MOU and to any specific Project MOUs without disclosing confidential information of external parties.

The Parties will keep documentation and information confidential that are specifically classified by any of the Parties as "confidential". That is to say that any information not marked as confidential will be deemed public.

6– Notices

All notices to SDC shall be sent to the following Point of Contact:

Jean-Christophe Favre
Senior Policy Advisor – Competence Center for Engaging with the Private Sector
Swiss Agency for Development and Cooperation
Freiburgstrasse 130
3003 Bern, Switzerland
Phone: +41 31 323 73 42
Email: jean-christophe.favre@eda.admin.ch

All notices to Nestlé S.A. shall be sent to the following Point of Contact:

Christian Frutiger
Global Head of Public Affairs
Nestlé S.A
Avenue Nestlé 55
1800 Vevey, Switzerland
Phone: +41 21 924 21 11
Email: christian.frutiger@nestle.com

Each Party hereto may, by notice in writing to the other Parties, designate additional representatives or substitute other representatives for those designated in this Article.

VII. Non-binding Agreement and Governing Law

Other than the Section on Intellectual Property and Confidentiality, this MOU is not construed as and not intended to be binding on the Parties.

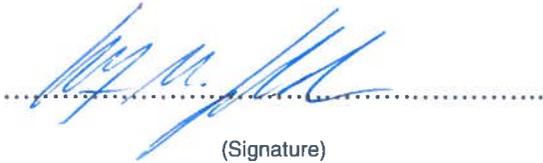
This MOU shall be governed by the laws of Switzerland.

VIII. Effective Date, Amendments, and Termination

This MOU becomes effective on the date of the last signature by the Parties and is expected to continue for three (3) years from such effective date. However, the Parties may decide, in writing, to extend this period. In addition, this MOU may be modified or amended if the Parties agree in writing. Any Party may terminate this MOU at any time but should endeavor to provide at least 30 days' written notice to the other Party.

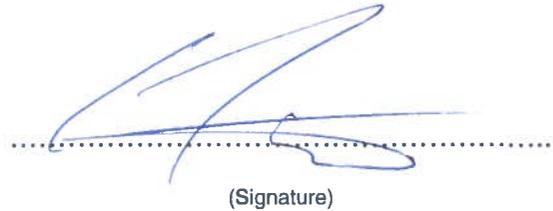
Place and date

Nestlé S.A.



(Signature)

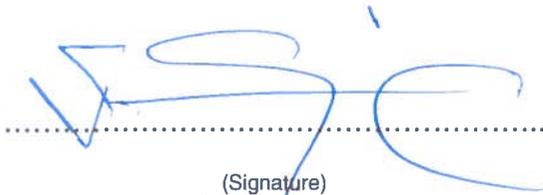
Ulf Mark Schneider
Chief Executive Officer



(Signature)

Christian Frutiger
Global Head of Public Affairs

SDC – Swiss Agency for Development and Cooperation



(Signature)

Manuel Sager
General Director



(Signature)

Reto Grüniger
Head Division Latin America and Caribbean
Head Competence Centre for Engaging with
the Private Sector

Appendix

Nestlé Background

For a company to be successful over the long term and create value for shareholders, it must also create value for society. Creating Shared Value is the approach Nestlé takes to the business as a whole, beginning with the creation of superior long-term value by offering products and services that help people improve their nutrition, health and wellness. In addition to nutrition and rural development, Nestlé focuses on water, because water scarcity is a very serious issue in many parts of the world and water is quite simply the linchpin of food security.

The Sustainable Development Goals help guide our actions. Nestlé has linked each of the 42 public commitments to the Goals to show how the company supports them. This underlines Nestlé's determination to help the UN reach its targets by 2030.

SDC Background

The goal of development cooperation is that of reducing poverty. It is meant to foster economic self-reliance and state autonomy, to contribute to the improvement of production conditions, to help in finding solutions to environmental problems, and to provide better access to education and basic healthcare services.

Switzerland's International Cooperation is henceforth focusing more strongly on global challenges. Risks associated with climate change, lack of food security, water shortages, and inadequate access to healthcare, migration, and economic and financial instability damage development opportunities, particularly for poor countries.

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs (FDFA). In operating with other federal offices concerned, SDC is responsible for the overall coordination of the technical cooperation and financial aid for developing countries, the cooperation with Eastern Europe, as well as for the humanitarian aid.

SDC is committed to contribute on the realisation of the Agenda 2030 and its 17 Sustainable Development Goals, approved by the International Community in September 2015.