

Nestlé global CSR Strategy – Role of the Multinational

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Nestlé: world's leading Nutrition, Health and Wellness Company

- Founded in **1866** as an infant nutrition company
- **328,000** employees worldwide
- Over **2000+** brands
- More than **1 billion** products sold per day
- Revenues of **CHF 83,642 million** in 2011
- Largest R&D network of any food company with **32 research, development and technology facilities** worldwide
- **461** factories; about half in developing countries, more than half of those in rural areas

...operating in a world with many issues



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| Creating Shared Value at Nestlé



From CSR to CSV

Michael Porter
Part of Nestlé's
CSV Advisory Board



Mark Kramer

CSR = Corporate Social Responsibility

Take social responsibility in the community!



CSV = Creating Shared Value

Take responsibility for the whole value chain!



CSV integrated in our Business Strategy



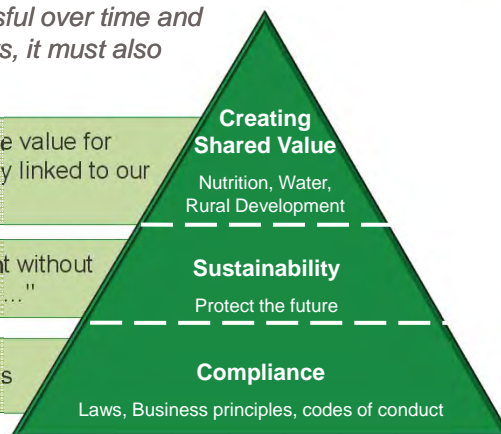
Nestlé in Society: CSV, Sustainability, Compliance

"For a company to be successful over time and create value for shareholders, it must also create value for society."

"... beyond sustainability, to create value for shareholders & society - integrally linked to our core business"

"...meet the needs of the present without compromising future generations ..."

Comply with the highest standards



Compliance: the Foundation



Human Rights

- Principle 1: Support and respect for human rights;
- Principle 2: Non-complicity in human rights abuses.

Labour

- Principle 3: Freedom of association, collective bargaining;
- Principle 4: Elimination of forced and compulsory labour;
- Principle 5: Elimination of child labour;
- Principle 6: Non-discrimination

Environment

- Principle 7: Precautionary approach;
- Principle 8: Environmental responsibility;
- Principle 9: Environmentally friendly technologies.

Anti-Corruption

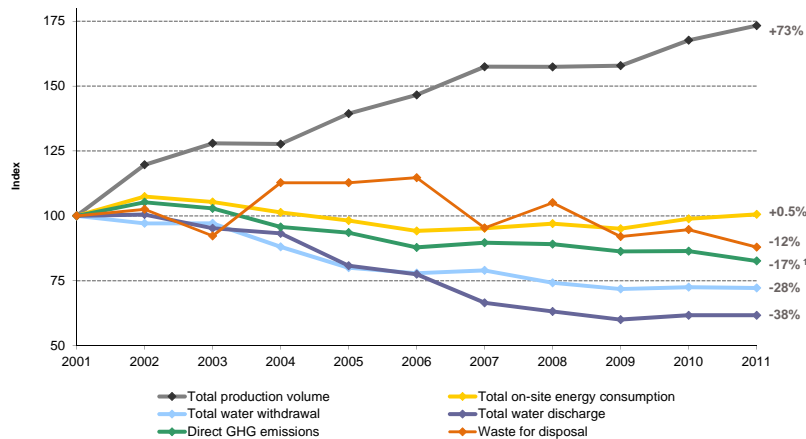
- Principle 10: Anti-corruption

The ten principles of business operations

- Consumers
 - 1 Nutrition, Health and Wellness
 - 2 Quality assurance and product safety
 - 3 Consumer communication
- Human rights and labour practices
 - 4 Human rights in our business activities
- Our people
 - 5 Leadership and personal responsibility
 - 6 Safety and health at work
- Suppliers and customers
 - 7 Supplier and customer relations
 - 8 Agriculture and rural development
- The environment
 - 9 Environmental sustainability
 - 10 Water

- I. Business Integrity
- II. Sustainability
- III. Labour Standard
- IV. Safety and Health
- V. Environment
- VI. Supplying Farmers
- VII. Audit and termination of the supply agreement

Environmental sustainability - Reducing our own environmental footprint in direct operations



¹ enhanced GHG reporting accuracy in 2011 results in an apparent reduction, despite actual minor increase between 2010 and 2011

3 focus areas of Creating Shared Value at Nestlé



Rural Development

Water



Nutrition

Nutrition Highlights in 2012

- Helping to find solutions to the double-burden of malnutrition
- Investing in micronutrient fortification iron, iodine, vitamins A and zinc of our popularly positioned products
- Reducing sodium, sugars, trans-fatty acids, total fat or artificial colours in 1,215 products.
- Increasing the key nutrients in 3,851 products
- Ensuring that Guideline Daily Amounts (GDAs) appear on front-of-pack Nestlé products globally
- Nestlé Healthy Kids programmes run in partnership with governments, academia, and NGOs over 60 countries reaching 6 million children



Water Highlights in 2012

- Reducing total water withdrawals by 28% and discharges of treated water by 38% since 2001
- Clean drinking water to communities via 126 factories and 40 water and sanitation partnership projects globally in 2011
- 2011 Stockholm Industry Water Award for leadership in water management
- Contributing CHF 2.25 million over three years on water and sanitation projects for 65,000 people in Côte d'Ivoire in partnership with the IFRC
- Leadership of Water Resources Group / Water - Blog



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Rural Development Highlights in 2012

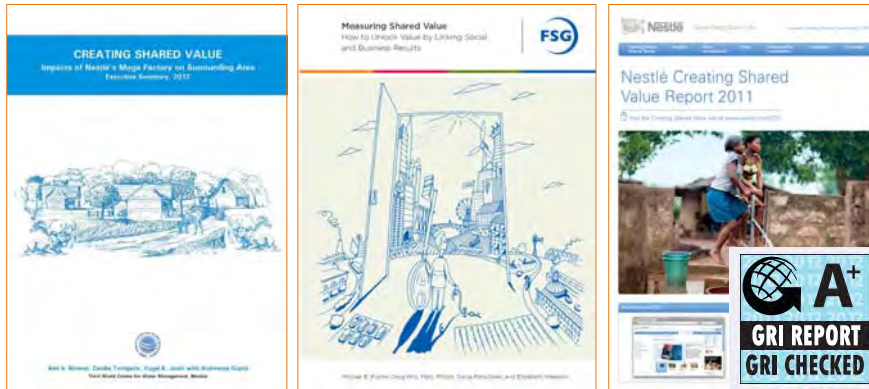
- Sourcing directly from over 680,000 small-scale suppliers, mainly coffee and milk (Farmer Connect)
- Training 200,751 farmers on farming practices, post-harvest handling and quality management
- Enabling over 45,000 farmers to access services worth \$59.4 million of assistance, of which Nestlé directly provided \$24.9 million of financial assistance
- 128 experimental farm sites and 165 demo plots for milk, cocoa and coffee to ensure technology transfer and outreach to farmers
- 254 factories in rural areas, providing educational programs, employment opportunities and infrastructure to communities



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Measurement: the next challenge



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The Creating Shared Value Global Forum: How we lead the discussion by engaging with stakeholders



2009
New York

Participants
150
Webcast
1500



2010
London

Participants
252
Webcast
3840



2011
Washington D.C.

Participants
226
Webcast
4280
Twitter
290



2012
New Delhi

Participants
430
Webcast
3670 and counting
Twitter
3200

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Business leading debates on social issues?

