



**Nestlé**

**Creating Shared Value**

Nutrition | Water | Rural Development

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# Creating Shared Value

HEC Lausanne  
MBA Alumni Conference  
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Christian Frutiger  
Public Affairs, Nestlé SA

# Facts about Nestlé: World's Largest Food & Beverage Company



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- ∅ Founded 1866 in Switzerland as an infant nutrition company, creating the Nestlé Nest Brand
- ∅ **456** factories; about half in developing countries
- ∅ **283 000** employees worldwide
- ∅ Strong portfolio of brands and innovations driving growth
- ∅ Increasingly recognized as the leading Nutrition, Health and Wellness company CHF **109.9 bn** sales in 2008, **+8.3% organic growth**
- ∅ World's largest Food & Beverage Company, larger than next 2 competitors combined, but still just 1.7% of global packaged Food & Beverage sales
- ∅ Consistent long term growth in both sales and profit (EBIT) margin: the proven Nestlé Model

# The Nestlé Goal



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**The recognised leading  
Nutrition, Health & Wellness  
Company in the world.**

**The reference for:**

- 1. Nutrition, Health and Wellness**
- 2. Sustainable Financial Performance**

**Trusted by all stakeholders**

# The Nestlé Transition: Where We Were



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# 2001-2008: From CSR to **Creating Shared Value**



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# Alignment of Creating Shared Value and Sustainability



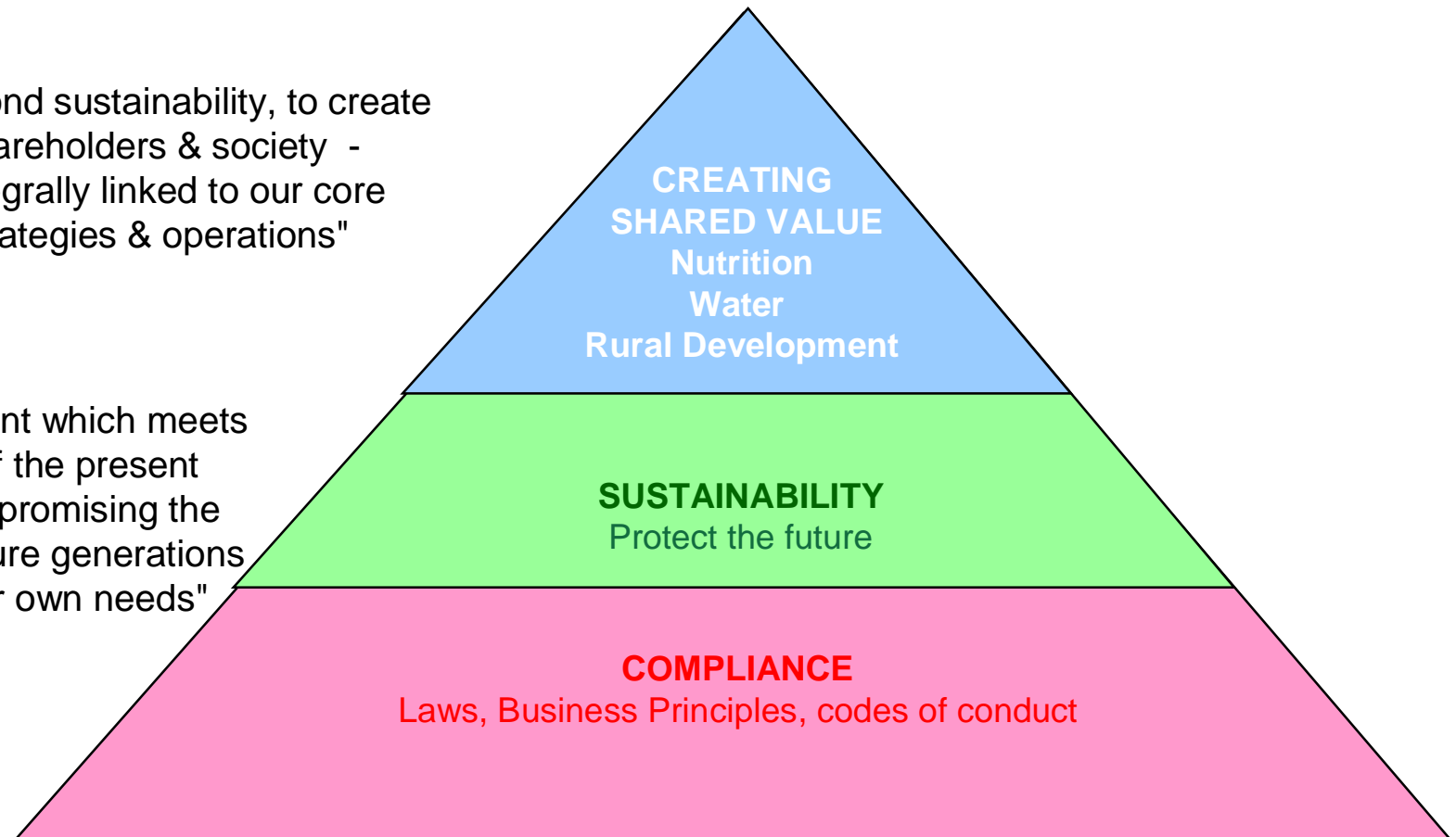
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"Going beyond sustainability, to create value for shareholders & society - which is integrally linked to our core business strategies & operations"

"Development which meets the needs of the present without compromising the ability of future generations to meet their own needs"



# Performance Highlights: General

## Nestlé Management Report 2008, CSV Section



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**594 223**

Number of farmers receiving technical assistance

**30 million**

Value of microcredits to farmers in 2008, in CHF

HELPING FARMERS IMPROVE EARNINGS **AND** ASSURING OUR SUPPLY OF QUALITY RAW MATERIALS

**58%**

Water saved since 1999 per tonne of product

**48%**

Reduction of greenhouse gas emissions per tonne of product since 1999

REDUCING OUR ENVIRONMENTAL FOOTPRINT **AND** REDUCING OPERATIONAL COSTS

**42%**

In developing countries, local Management Committee members who are nationals of the country

**70 167**

Number of employees in developing countries who received formal classroom training

IMPROVING WORKERS' EARNING CAPACITY **AND** CREATING A SKILLED WORKFORCE

**6254**

Number of products renovated for nutrition and health considerations in 2008

**11 million**

Predicted number of additional low-income consumers using Nestlé fortified milk products by end 2011

EXPANDING LOWER INCOME SEGMENT'S ACCESS TO NUTRITION **AND** BROADENING OUR CUSTOMER BASE

IMPROVED NUTRITION FOR THE CONSUMER **AND** INCREASING SALES/PROFITABILITY FOR NESTLÉ

# CSV Launch New York, 27-28 April 2009



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## Leadership in Creating Shared Value:

- § Joint event with UN Office for Partnership and Swiss Permanent Mission to the UN
- § Global Advisory Board – Learn, listen, engage
- § Annual CSV Forum: Engagement with opinion leaders, webcast
- § Announcements:
  - § Nestlé Prize in CSV
  - § Global « Lighthouse » Project in children nutrition education
  - § Announce Abidjan research centre  
- commitment to rural development



# Creating Shared Value Advisory Board



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## Activities

- 2 meetings annually
- Plan the Annual Forum
- Examine Nestlé value chain, suggest potential actions in CSV
- Help with engagement with partners, external communication



## Members

**Michael Porter**, Harvard Business School

**Joachim von Braun**, Chairman, IFPRI

**Nancy Birdsall**, Center for Global Development

**Robert Thompson**, former Director of Agriculture, World Bank

**Kraisid Tontisirin**, Former Director of Nutrition FAO

**Vankatesh Mannar**, Founder and Pres. Micronutrient Initiative

**John Elkington**, Founder, SustainAbility

**Ajay Vashee**, President, World Farmers' Federation

**Ismael Sarageldin**, Biblioteca Alexandrina

**Jeffrey Sachs**, Columbia Earth Institute

**CK Prahalad**, University of Michigan

**Irwin Rosenberg**, Tufts University

**Robert Black**, Johns Hopkins School of Public Health



# Proyecto SILVOPASTORIL - Colombia



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# Thank you!



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## What else...?

[www.nestle.com/csv](http://www.nestle.com/csv)

[www.creatingsharedvalue.org](http://www.creatingsharedvalue.org)