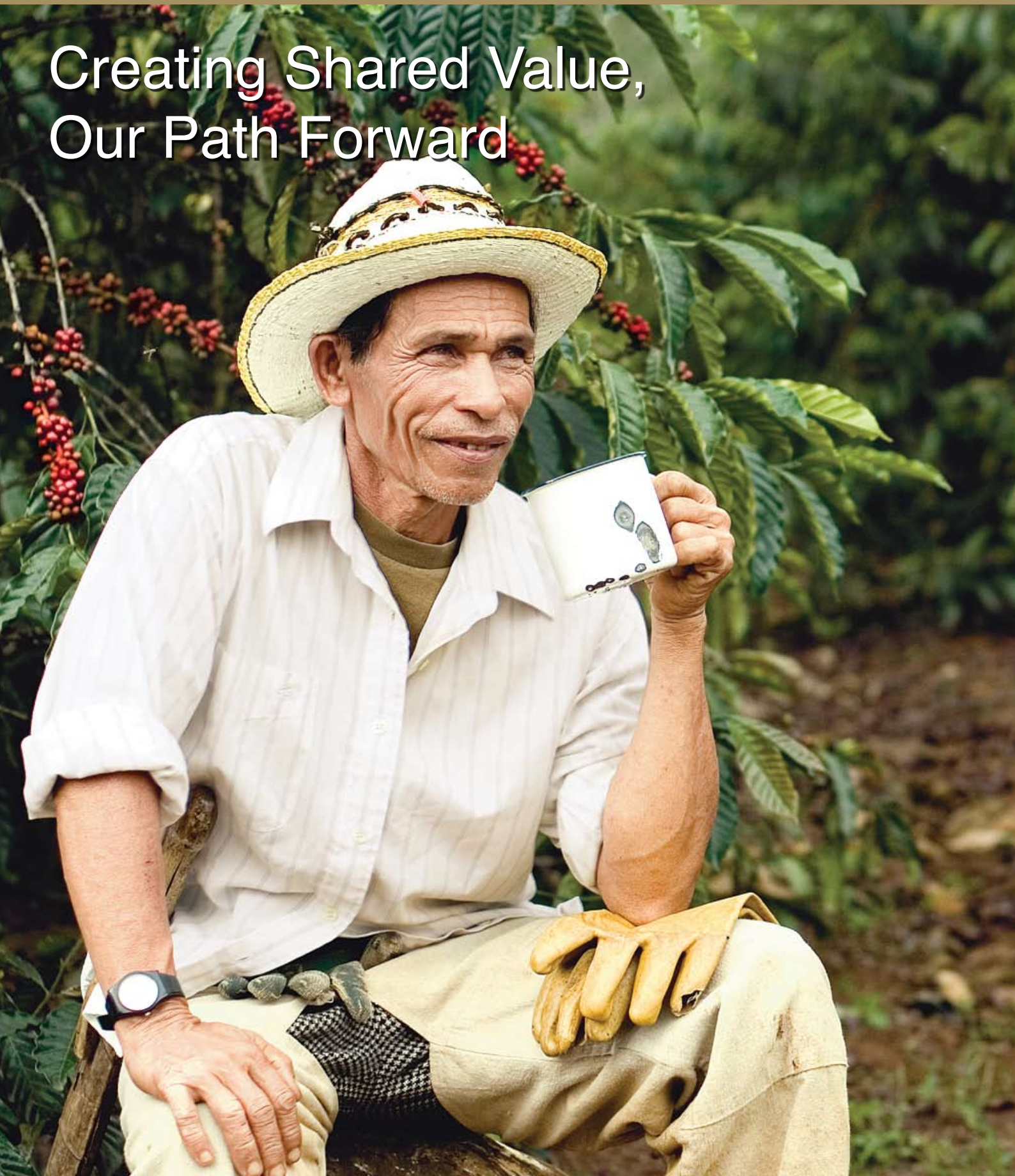
Nestlé
Good Food, Good Life®

A Creating Shared Value Report of Nestlé Philippines, Inc. 2009 Edition

Creating Shared Value, Our Path Forward



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Creating Shared Value, Our Path Forward

To grow and succeed, businesses typically employ a number of strategies. To Nestlé, one strategy has remained fundamental through its 143 years of existence— that of Creating Shared Value.

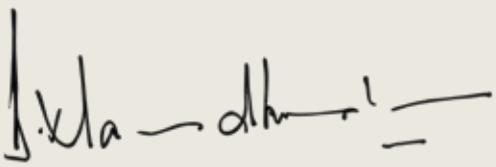
Creating Shared Value has always been the hallmark of the way we do business in Nestlé. Henri Nestlé founded our Company in 1866 on a single product, a cereal milk food created to save the life of a friend's child. From that time onwards, the fundamental strategy of our Company has been to create value for society, and in doing so, create value for our shareholders.

For us at Nestlé, Creating Shared Value means looking at the multiple points where we touch society and making long-term investments that both benefit the public and our shareholders. It means that our investments must be good not only for the Company but also for the country where we operate and for its people. It means providing jobs directly and indirectly, bringing value to our employees and our suppliers and their respective families, and to supporting businesses along the value chain. It means opening doors of opportunities to the communities where we operate, helping residents acquire knowledge and skills for a better life. It means helping develop the youth through education and sports, to help shape their future. It means helping care for the environment, treating it in a way that preserves it as the basis of our business for decades and centuries to come. It means providing affordable products that help nourish millions of Filipino consumers, at various stages in their lives.

At Nestlé Philippines, Creating Shared Value is our path forward, integral to our mission of nurturing generations of Filipino families. From minimizing impact on the environment to helping educate Filipinos on environmental preservation. From making nutritious food more accessible to the greater mass of Filipino consumers to teaching them about nutrition, health, and wellness. From helping coffee farmers improve their yield to providing barangays with livelihood skills and opportunities. From bringing relief to calamity victims to helping rebuild communities.

All these we do through sustainable programs driven by the Company's strong sense of responsible corporate citizenship and fueled by our employees' own sense of social empathy. More importantly, we do all these in line with the fundamental business strategy that has steered the successful course of the Nestlé business in the Philippines and throughout the world— that of Creating Shared Value.

In this report, we invite you to look at the programs by which we create value for society and in so doing, for our stakeholders as well. It is our hope that by Creating Shared Value, we can make a difference in the lives of those who need our help the most. Along the way, we hope to be able to inspire others to do their share.



NANDU NANDKISHORE
Chairman & CEO

NUTRITION

Promoting Nutrition, Health and Wellness

Nutrition is at the very core of Nestlé's being. As part of the world's leading nutrition, health and wellness company, Nestlé Philippines takes nutrition to heart. Beyond imbuing its every product with nutrients beneficial to the consumer, the Company goes the distance by educating the public about good nutrition and making nutritious food and beverages available to people with limited access to it. By promoting good nutrition and making it more accessible to consumers, the Company makes possible its mission of nurturing generations of Filipino families.

With studies showing that many children outgrow milk sooner than they should, Nestlé relentlessly promotes the importance of drinking milk by visiting schools to communicate milk's many benefits

Bringing Nutrition within Reach

In recent years, Nestlé added nutrition to its must-have competitive components, aiming to be best not only in terms of taste and price but also in nutritional benefits offered to consumers.

Noting that a significant percentage of Filipino children are deficient in vital nutrients such as iron, calcium, vitamin C, thiamin and riboflavin, Nestlé has stepped up efforts to enrich some of its popularly priced products with these nutrients. BEAR BRAND Powdered Milk has been fortified with zinc, vitamin C, and iron. BEAR BRAND Busog Lusog Cereal Drink has also been fortified with zinc and iron. NESTEA Litro Pack has also been fortified with Vitamin C. MILO Actigen-E is now enriched with vitamins and minerals, and makes an even more nutritious beverage when combined with iron-enriched milk. KOKO KRUNCH Breakfast Cereals have also been peppered with protein, carbohydrates, 8 vitamins, plus iron, calcium, and phosphorus. These products are sold in small packs through small outlets to make them affordable and accessible to households at the bottom of the pyramid where nutrient deficiencies are prevalent.

Through innovative sales programs, Nestlé ensures availability of its nutrient-enriched and popularly priced products in sari-sari stores throughout the country, making them accessible to consumers whenever, wherever, however

Nestlé products are fortified with nutrients and are sold in small, affordable packs

Nestlé is constantly engaged in fundamental product innovations that enhance nutritional value without compromising taste and quality. Such was the case with the range of Nestlé Breakfast Cereals, which the Company converted to whole grain from the tastier refined grain. The shift to whole grain stemmed from Nestlé's desire to allow consumers to benefit from whole grain's dietary fiber, which is known to help prevent diseases such as diabetes, heart problems, certain types of cancer, and child obesity.

Whole grain symbol proudly displayed on the NESTLÉ Breakfast Cereal packs

Now made with whole grain, the NESTLÉ Breakfast Cereals range is made healthier while still maintaining its taste profile

These local efforts are backed up by Nestlé's superior nutrition science research in its global Research & Development hub, the Nestlé Research Center in Switzerland, where the Company makes use of science to keep discovering and creating nutrient combinations that benefit consumers.

Nestlé Research Center in Switzerland

What We Have Learned

- Nutrition as a competitive edge makes good marketing sense. Consumers have become more discriminating in their choice of food and beverage products. Although price remains the weightiest of factors in purchase decisions, consumers now value the nutritional qualities of products they ultimately buy.

- Continuous research and development lead to continuing improvement of the nutritional profile of Nestlé products, without compromising taste. This only goes to show that, backed by comprehensive research and an in-depth knowledge of the consumer, food and beverage can be healthy and tasty too.

- Enriching popular products with essential nutrients is one effective and economical way of bringing good nutrition to the vast number of consumers who need them most. Using the survey results of known nutrition authorities such as the Food and Nutrition Research Institute, Nestlé is able to identify and help address real, and not assumed, nutritional deficiencies among Filipinos.

What We are Doing Better

Nestlé Nutritional Compass

To clearly communicate the nutritional value of its products to consumers, Nestlé has designed a tool called Nutritional Compass that graphically guides consumers to different points of interest about the products.

The Nestlé Nutritional Compass is found on the packaging of all Nestlé products, presented as an integrated diagram of colorful and easy-to-follow boxes containing relevant nutritional information about the product, health and wellness tips, and where to call should consumers need more information.

The compass serves as a trustworthy guide to choosing delicious and healthier foods and beverages, enabling consumers to make informed choices when buying food and beverage products and encouraging them to adopt a more balanced lifestyle.

Nestlé labels engage consumers in nutrition education

Educating Filipinos About Good Nutrition

Nestlé's message is clear: Milk is the single most nutritious food that children need to grow up strong and healthy

> "The Laki Sa Gatas school tour has helped children, teachers and parents learn the many benefits of drinking milk. Not only do the children enjoy the sessions, they also learn a lot about proper nutrition."
>
> Purificacion de Guzman, Teacher
> Lian Central School in South Luzon

A school principal reiterates the importance of milk as she addresses mothers

To Nestlé, nurturing Filipino families does not begin and end with developing nutritious products and making these available to them. It is supported by educational and awareness campaigns that aim to give people a better grasp of what good nutrition is and its importance to achieving good health and overall wellness. These campaigns stress basic nutritional knowledge and practices that consumers can easily recall, digest, and adopt in their daily lives.

Nestlé's awareness efforts on good nutrition are naturally tied to its products. Nonetheless, the campaigns take the higher road by downplaying the Nestlé brands while highlighting the nutrition message. In a way, Nestlé serves as spokesperson for the product category as it espouses the health and wellness benefits that can be derived from the category in general with minimal spotlight on its brands.

Among the Company's notable nutrition campaigns are:

Laki sa Gatas, a continuing program sponsored by BEAR BRAND that reminds the public, particularly mothers, of the nutritional importance of milk and the value of drinking at least two glasses of milk daily among children aged 7 and older. With respected actress and Batangas Governor Vilma Santos as spokesperson, the campaign emphasizes that milk is the single best food for a growing child, as it is complete in all basic nutrients.

A dance number with BEAR BRAND mascots entertains children while learning the benefits of milk

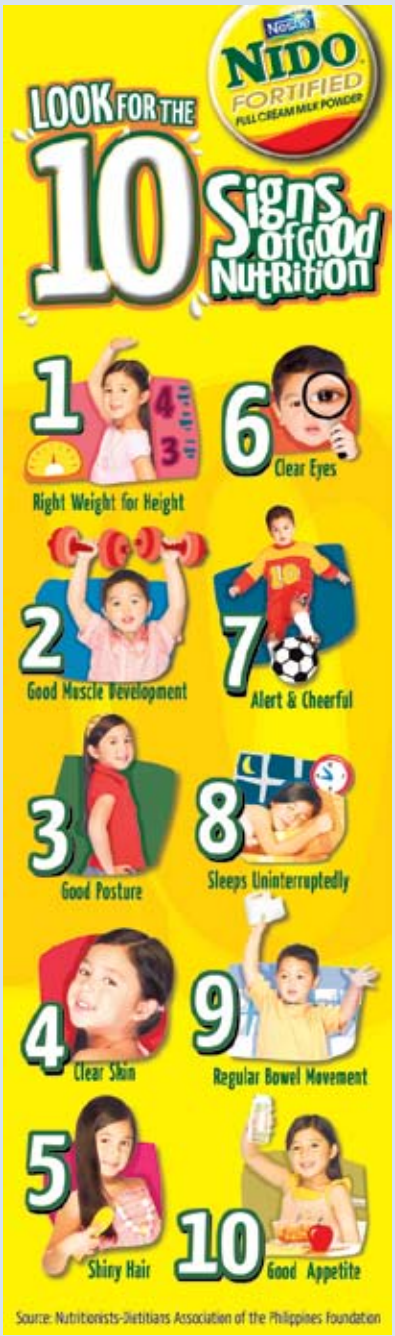
A professional nutritionist talks to mothers about providing their children with good nutrition through milk

Renowned actress and Batangas Governor Vilma Santos discusses the value of two glasses of milk a day

Laki sa Gatas is driven by a half-day program held in hundreds of schools nationwide over a period of several months. The program features a certified nutritionist explaining key nutrition facts about milk to mothers, educational games for children, and interactive activities that highlight the benefits of drinking two glasses of milk daily. Educational materials on milk and its role in children's healthy development are distributed to mothers and children during the program.

Making use of interactive activities to capture children's attention while highlighting the benefits of milk-drinking

10 Signs of Good Nutrition, an information campaign by NIDO explaining the 10 signs of good nutrition as determined by the Nutritionist-Dietitians' Association of the Philippines (NDAP). Information on these 10 signs has always been available, but NIDO took the lead in disseminating it to the public through its advertising materials. The campaign gives audiences, mothers specially, a checklist to help them evaluate and track their children's health.



Various campaign materials giving mothers a practical checklist for tracking their children's health and nutrition

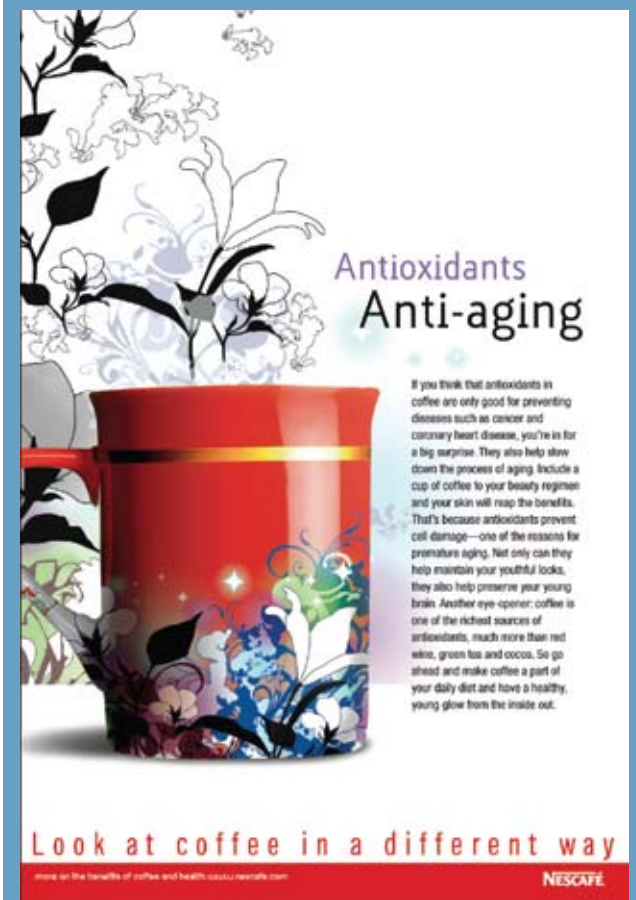
NIDO FORTIFIED Full Cream Milk is not a breastmilk substitute. It is meant for people from 5 to 100 years old. Nestlé recommends breastfeeding up to 2 years.

Healthy Breakfast with Whole Grains, an ongoing campaign educating Filipinos on the healthy goodness of whole grain and encouraging them to include it in their daily diet. The campaign has introduced Filipinos to this little-known and little-appreciated fiber-rich food, enabling them to benefit from its health-giving properties. In addition, the campaign reminds mothers that a healthy breakfast is key to their children's performance in school.

Informative posters on the health-giving properties of whole grain, with emphasis on breakfast as the most important meal of the day for children

What We Have Learned

- There are no good food and bad food, only good and bad diets. The key to health is diet (moderation, variety and balance) combined with an active lifestyle.
- Good nutrition is not about brands, but about food and how it gives the body the nutrients needed for optimum health and wellness.
- Mothers are key to improving the health and nutrition of the entire family. They make the decisions on the kind of food to buy, prepare, and serve on the table.
- Nutrition education enables mothers to make informed choices when buying food and beverages for the family, taking nutrition a factor as important as price. Nutrition awareness makes them more conscious of the kind of food and beverages they take, inclining them toward the nutritious kind. Nestlé's campaigns remind mothers of basic nutrition truths that get lost in the deluge of several products in the market.
- Nutrition education is more effective when done in smaller groups (such as classroom discussions) with face-to-face interaction between speaker and audience. Nestlé nutrition education programs include school tours and community workshops where mothers and other relevant stakeholders (such as school teachers) are given lectures and engaged in nutrition-related activities by professional nutritionists.



Yes, coffee is good for you! Nestlé makes a case of the link between coffee and good health in a campaign that put antioxidants in the consciousness of Filipino consumers

What We are Doing Better

Challenging Tradition with Truth

Drawing from its vast research and studies on good food and good nutrition, Nestlé has uncovered many good things about coffee that people— both the coffee drinkers and non-drinkers— ought to know about. The Company took the road less traveled by citing the benefits of coffee and thus, linking coffee to wellness and good health.

Nestlé has launched the Positively Coffee campaign, which states the good things about coffee— how its antioxidants protect cells in the body and work to delay the signs of aging; how its warmth, aroma, and flavor enhance simple moments; and how it helps boost economic gains for thousands of coffee farmers in the country.

The campaign not only made Filipinos appreciate coffee better, it also made them curious about "antioxidants" and why these are good for them. Awareness of antioxidants has increased, resulting in more people looking and opting for more antioxidant-rich food to include in their diet.

Making Wellness a Popular Lifestyle Choice

A nutritionist explains an exhibit of the food pyramid to Nestlé employees

Regular exercises are now part of the Nestlé culture, enabling employees to experience the health-giving benefits of physical activity

Nestlé Philippines has embraced the cause of promoting wellness among Filipino families through a continuing health campaign called “Choose Wellness, Choose Nestlé”. Taking its cue from studies released by the World Health Organization and the Department of Health, which identified heart disease, hypertension, and diabetes, as among the leading causes of death among Filipinos, the Company anchored the program on promoting good nutrition and physical fitness as the foundation for achieving wellness and preventing these diseases.

To implement the program more effectively, Nestlé rolled out its campaign in deliberate stages, starting out with employees and moving on to health authorities before coming out to the public through the trade. From here, the campaign has gone on to schools, other business companies, and even hospitals.

For its employees, Nestlé sustains the program through continuing nutrition education, regular physical exercises, and an intensive communication program that reinforces their awareness of the different aspects of health and wellness.

Nestlé remains in close touch with wellness authorities, specifically the Food and Nutrition Research Institute with which it develops relevant content for an online nutrition resource called nutritionschool.ph. Nestlé sponsors and manages this site, which provides visitors valuable information about good nutrition being the key to health and wellness. Since its launch in 2008, the site has had more than one million hits and continues to attract visitors seeking to learn more about nutrition.

An expert from Nestlé Research Center in Switzerland conducts Nutrition Quotient Specialist Training for employees

Food and Nutrition Research Institute
NUTRITIONSCHOOL.PH
in partnership with Nestlé

Health, nutrition, and wellness lessons anytime by visiting nutritionschool.ph

Nestlé employees undergo basic health check-ups (blood pressure, BMI, height, weight) to assess their health indicators as part of the Wellness Program

A nutritionist deployed in a wet market checks the weight of an elderly lady as part of the nutrition counseling

Thousands of consumers have availed of free nutrition counseling conducted by Nestlé in supermarkets

The Company has continued the deployment of registered nutritionists to trade outlets and other public areas where consumers and the general public may avail of free advice on the kind of food and beverage they should take in order to improve their health. Nestlé's brand of nutrition counseling is not limited to the dispensing of wellness do's and don'ts; it includes measurement of the person's relevant physical data to properly assess his nutritional and health status.

In 2008, more than 1.6 million consumers sought counseling from Nestlé-deployed nutritionists nationwide. The increase from the previous year's figure of 1.2 million shows just how increasingly health-conscious Filipinos have become.

Nestlé has conducted its Wellness workshops in more than 200 business companies, schools, and hospitals, participated in by HR practitioners, teachers, and medical staff who are inspired to develop and launch their own Wellness Programs to their respective organizations.

Four years since launching its Wellness Program, Nestlé remains relentless in urging Filipino families to choose health and wellness by adopting a lifestyle that gives importance to proper nutrition, diet, and physical activity.

Nestlé's sustained efforts at spreading the news about wellness has made more Filipinos aware and more conscious of their lifestyle, enabling them to take practical steps toward the road to wellness.

The campaign has helped make "wellness" a household word among Filipinos, encouraging more people to adopt it in their lifestyle.

Nestlé's continuing Wellness Campaign has helped spur a notable shift to wellness lifestyles among Filipinos

Rolling out the Wellness Program to professionals from other business firms (left) and schools (above)

What We Have Learned

- Filipinos equate wellness with the absence of sickness. Through its Choose Wellness campaign, Nestlé has sought to expand their understanding of wellness, anchored on proper nutrition, diet and physical activity.

- Pursuing a life of wellness is a personal choice, and Nestlé is here to help consumers make that choice.

- Since it is a choice, choosing wellness requires a positive change in lifestyle, a personal commitment to pursue a certain way of life. Helping consumers choose wellness requires sustained effort, equipping them with ways to pursue wellness, reminding them about the joys of choosing wellness, and reinforcing their wellness gains overtime.

- Filipinos are receptive to any communication initiative that talks about wellness for themselves and for their families. The increasing number of consumers who avail of the Nestlé nutrition counseling in trade outlets shows that wellness is not a fad but a real and relevant concern that is close to people's heart.

- Credibility is an important ingredient to the success of a Wellness Campaign. Nestlé has earned this credibility through its continued alliance with health authorities as well as through its own efforts at improving the nutritional content of its products and communicating this well to its consumers.

What We are Doing Better

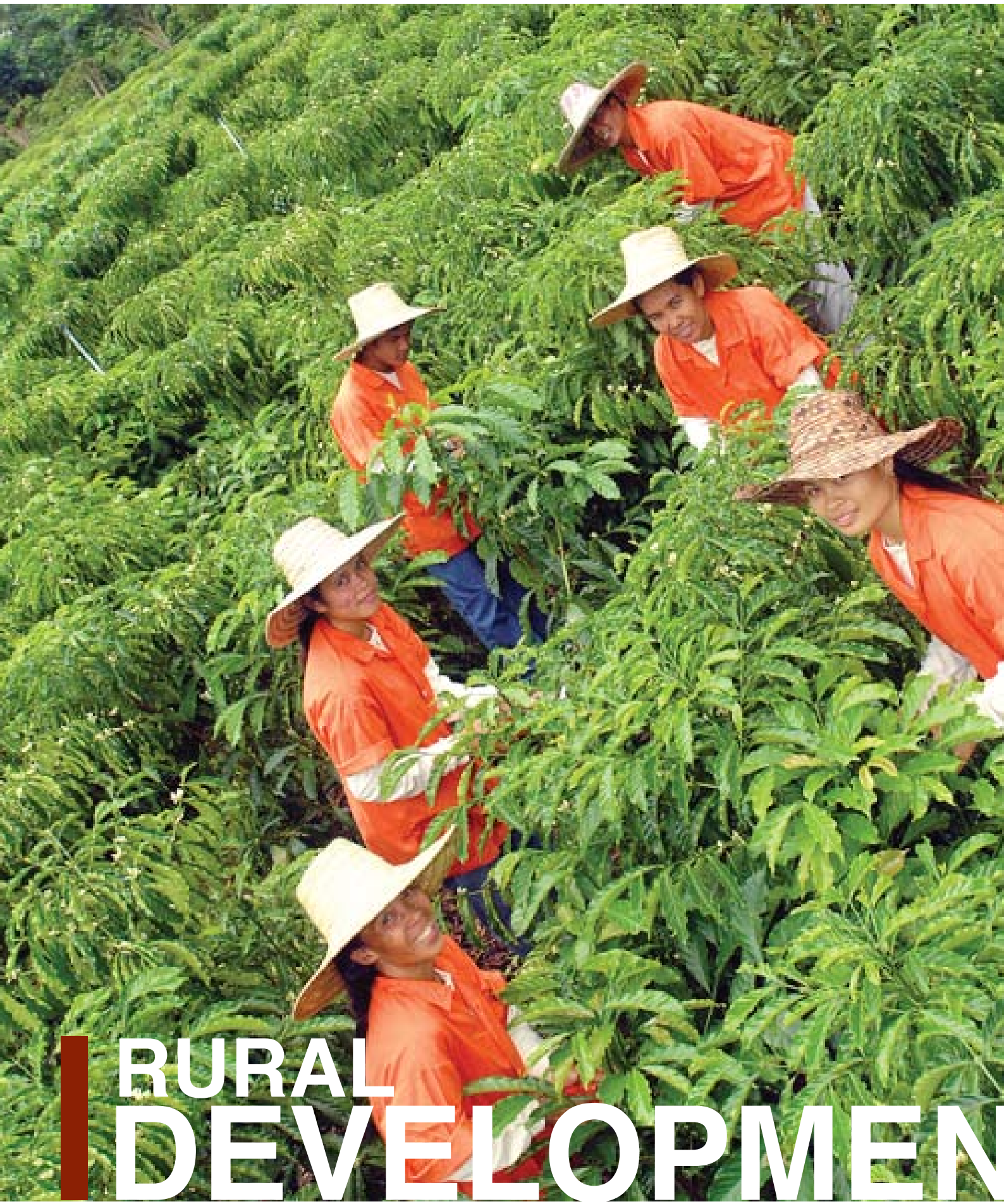
Passport to Wellness

Nestlé has devised a program to enable employees to track their wellness progress. This takes the form of a Wellness Passport, which is given to each employee who chooses to take part in the Company's Wellness Program. The passport is where employees record their baseline physical data (weight, height, BMI), their target wellness goals, and all the activities they engage in toward achieving these goals.

The Company provides them with the necessary avenues for achieving their goals. In addition to regular wellness activities, clubs have been formed for wellness-related activities such as basketball, badminton, running, and bowling, giving employees more opportunities to sweat out and exercise in ways they truly enjoy. Well-equipped gyms were also opened in the work sites, allowing employees to work out during off-hours.

Going one step further, Nestlé integrated the point-system in this year's Wellness Program to help employees keep track of their wellness goals. In this scheme, employees earn points for every wellness activity they join. These points, recorded in their passport as earned, are accumulated and can be exchanged for wellness items that can help them achieve their personal wellness goals.

Nestlé employees enjoy tremendous support for achieving their wellness goals—well-equipped gyms for workouts during off-hours, clubs for sports activities, and a passport to track wellness progress



RURAL DEVELOPMEN

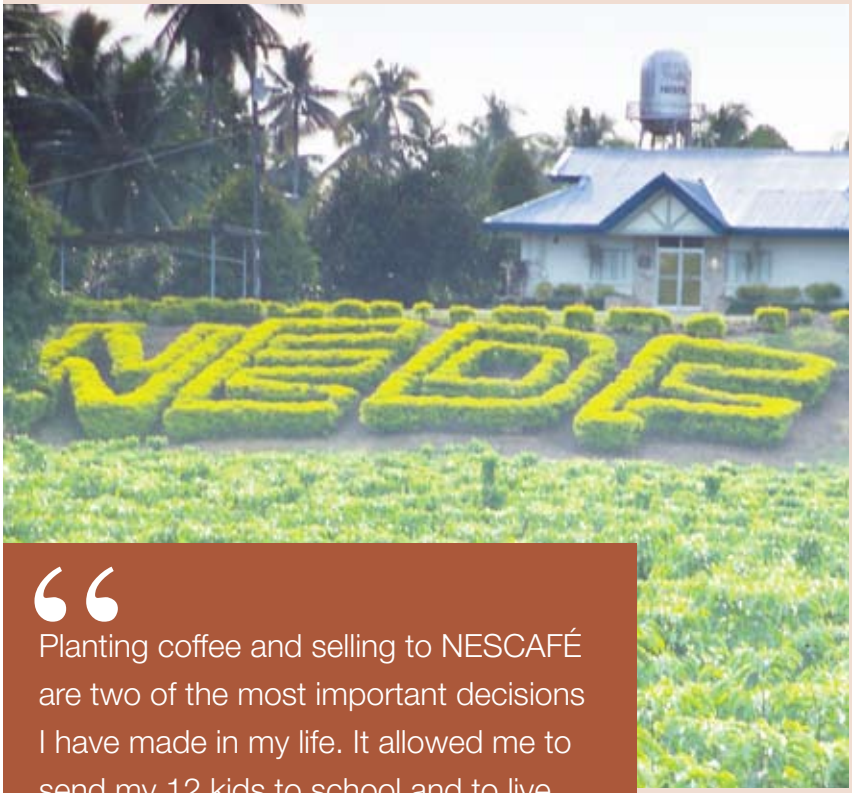
Developing Rural Communities and Improving Lives

Nestlé Philippines desires to make a meaningful difference in the lives of communities close to its heart— the barangays where its factories are situated, the farmers who produce the coffee it manufactures, and the youth who make up a significant percentage of its consumers. Beyond these specific communities, Nestlé is also sensitive to the plight of families whose lives have been overturned by natural misfortunes, coming to their aid to help them recover from their losses.

Nestlé's outreach programs thus span a wide scope, ranging from skills training to livelihood opportunities, from disaster relief to village reconstruction. Using its resources in great measure and encouraging voluntary services from its employees, the Company carries out community development with vigor that remains fresh through all these decades, ever inspired by the continuing evidence of countless lives it has touched, uplifted, and, in some cases, redeemed from hopelessness.

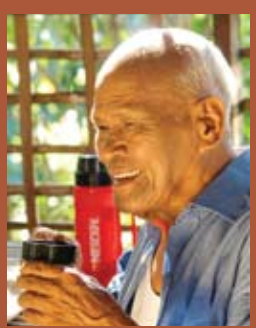
Farmers look at their coffee plants with satisfaction, assured of good yield through the assistance of Nestlé

Helping Farmers Do Good Business



The Nestlé Experimental and Demonstration Farm in Tagum City, Davao del Norte, where coffee farmers are taught how to improve both the quality and quantity of their yield

> "Planting coffee and selling to NESCAFÉ are two of the most important decisions I have made in my life. It allowed me to send my 12 kids to school and to live comfortably."
>
> Claudio Arandio of Silang, Cavite, aged 81, coffee farmer since 1975



Coffee farmers are Nestlé's fundamental partners in producing coffee products of the highest possible quality for Filipino consumers. Knowing this, the Company pursues an agronomy program aimed at helping farmers improve both the quality and quantity of their coffee yield. At the center of this program is the Nestlé Experimental and Demonstration Farm (NEDF) in Tagum City, Davao del Norte, which was built in 1994 to serve as the hub of the Company's agricultural research and training activities.

Coffee nursery at the NEDF, where seedlings are nurtured. These high-yield seedlings are sold to farmers at cost

Nestlé agronomist visits farmers onsite to provide technical assistance (left); Conducting an agronomy training (above)

Nestlé-trained farmer prepares coffee seedling beds at the nursery

The Nestlé agronomy program helps farmers in four ways:

Providing access to farming technological advances. Nestlé agronomists continually conduct trials and experiments at the NEDF to discover and develop better techniques of growing coffee. Continuing research allows Nestlé to equip farmers with scientific tools for adapting to changing agricultural conditions or new methods that have been pre-tested and shown to generate positive gains.

The NEDF also develops and propagates planting materials such as coffee seeds, rooted cuttings, and ready-to-plant seedlings, which are made available to interested farmers at cost. To date, it has provided farmers some 17,000 kilograms of coffee seeds, a million coffee seedlings, and nearly a million rooted cuttings.

Training. For effective transfer of technical know-how, the Company offers three kinds of training: a three-day basic seminar, which is open to any one who wants to learn about coffee-growing; a three-week advanced course, for coffee specialists and technicians from government agencies, NGOs, and LGUs that provide assistance to farmers; and on-site training for farmers to help them improve their coffee farming methods. Since 1996, Nestlé has trained more than 6,000 farmers, coffee specialists, technicians, and students on coffee growing.

Promoting sustainable practices. Nestlé has developed a coffee-based sustainable farming system that allows farmers to plant other crops in between rows of coffee trees and enable them to earn additional income. This is in line with the Sustainable Agriculture Initiative of Nestlé (SAIN), a worldwide advocacy for making coffee farming feasible and sustainable.

Coffee buying station in Silang, Cavite, where coffee farmers directly sell their produce to Nestlé at prevailing market price

> "It's good that Nestlé is always there to support farmers, giving us free seminars on coffee farming."
>
> Apolonio Belamide of Silang, Cavite, coffee farmer since 1978

Directly buying from farmers. Under its direct procurement policy, the Company buys coffee beans directly from farmers at prevailing market price, for as long as their beans meet the quality standards of the Company. Nestlé is the biggest buyer of green coffee in the country and its demand usually exceeds the supply. Farmers are invariably guaranteed of a buyer, and are thus able to concentrate their time and attention to producing coffee with little worry about the marketing side.

What We are Doing Better

Making Coffee Farming Sustainable

To cascade the sustainable coffee farming system, Nestlé has set up 10 demo farms in coffee-producing regions nationwide. Under the guidance of Nestlé agronomists, these farms showcase the best practices in sustainable coffee farming, serving as working laboratories where farmers can observe first-hand how sustainable coffee is done and get first-hand information from farmer-cooperators on the benefits of the system.

Demo farm, a showcase of sustainable coffee farming

Coffee farming has become more viable for more farmers who practice techniques developed at the NEDF

Two examples of these demo farms have generated good income from crops planted between coffee trees— one in Toril, Davao City, which plants highland lacatan banana alternately with coffee; and another in Sultan Kudarat, which earns additional income from peanuts, upland rice, and white beans planted between coffee trees. These farms serve as convincing proofs of the system's viability, encouraging farmers to adopt it in their own farms.

Planting other crops between coffee trees enables farmers to make the most of their land

What We Have Learned

- Coffee farming can be a viable economic venture in the Philippines, provided that farmers are equipped with the right scientific and technical know-how. Through its demo farm, Nestlé has shown farmers how to increase and improve their yield and hence earn more from growing coffee.

- A demo farm is most effective in transferring technical know-how to farmers. Practical application of farming tips and techniques illustrates more clearly how these techniques work.

- Coffee farming has taken great strides in technical advancement through the research and development conducted by Nestlé. The Company's efforts to assist coffee farmers since the 1960s have helped rejuvenate the coffee farming industry in the country, encouraging more farmers to plant coffee and converting more lands to coffee farms. Today, nearly 700 hectares of farmland are planted with coffee trees, rooted cuttlings and seedlings.

- Better coffee farming methods result in better yields and more income for local farmers, which translate to an increased supply of better quality coffee beans to meet the increasing local demand.

- Directly buying from farmers assures them of ready buyers at prevailing prices. This serves to motivate farmers to carry on with growing coffee and improving the quality of their produce.

Nestlé-sponsored students sharpen their mechanical skills at Dualtech

Developing Minds

Nestlé believes that highly skilled workers are key to industrial development in the country. As a leader in the industry, the Company seeks to contribute to this development by providing valuable training opportunities to both students and out-of-school youth.

On-the-job training for vocational students. Since 1976, Nestlé Philippines has partnered with Don Bosco Technical School in Canlubang, Laguna to train young men in mechanical and electrical works. Now known as the Technical Skills Scholarship Program (TSSP), the program subsidizes the school fees of 50 vocational students in Don Bosco in their first year. Of these 50, the top 20 continue to be covered by TSSP in the second and final year. It is during this time that TSSP scholars undergo on-the-job training in a Nestlé factory, where they are assigned to different tasks in the Engineering Department and for which they receive a stipend of PhP 300 per working day.

"*Kung hindi dahil sa Dualtech training at OJT ko sa Nestlé, tambay lang ako ngayon* (If not for the Dualtech training and my OJT with Nestlé, I would just be bumming around)."

Bon Franc Resurreccion of Malabon, recently graduated from the Dualtech OJT program in one of the Nestlé factories

Learning the techniques of machine trouble-shooting under the guidance of a Dualtech instructor

Another apprenticeship scheme is the Dual Training Program, a training linkage with the Dualtech Technical School. Under this program, Nestlé factories accommodate Dualtech students for on-the-job training that spans 18 months. These students also receive a stipend of PhP 300 per working day throughout the period.

While these programs do not promise a job in a Nestlé factory, the on-the-job training gives the students an edge in the job market. Most of the graduates of TSSP and Dualtech have found gainful employment in other companies, both local and foreign.

Linking with academic institutions. Nestlé maintains academic linkages with reputable educational institutions under which the Company provides shop-floor and on-site training to selected students. Hundreds of junior and senior college students from De La Salle University, Meralco Foundation Institute, and Xavier University in Cagayan de Oro have gained practical learnings from their on-the-job (OJT) stints in Nestlé, where they are tasked to handle projects that test and make use of their special skills.

Giving grants. Since the late 1970s, Nestlé Philippines has been extending support to some universities in their research projects. The support comes in the form of annual grants, donations to endowment funds, and professorial chairs. Among the institutions that have benefited from these grants are the University of the Philippines, University of Sto. Tomas, University of the East RMM, UP-PGH, Philippine Science High School, and the Nutrition Foundation of the Philippines.

Nestlé factories regularly donate to public schools in their communities such as classroom desks and chairs (above)

Assisting schools. Sensitive to the prevalent lack of teaching and learning materials in most public schools, Nestlé factories donate used computer sets, furniture and fixtures, lab chemicals and lab gowns, fire extinguishers, and even trash cans to schools in their respective communities. They also send resource persons to conduct lectures on solid waste management, fire safety, career choices, nutrition, wellness, and other relevant topics.

Students are welcome to tour Nestlé factories, where they get to see actual production lines

In addition, Nestlé factories welcome students and faculty members from any school wishing to visit and look at the Company's production lines and plant facilities. Technical experts from the factories take the time to talk to visiting students and present to them an overview of the Company's technical operations, giving them a deeper appreciation of food and beverage manufacturing and other industrial processes.

Sponsoring outstanding children of employees. Promoting academic excellence, Nestlé provides scholarship grants to employees' children who pass qualifying exams and thereafter maintain above-average academic performance. The Company awards the scholarship to hundreds of dependents every year, creating a wide sphere of families that give extra premium to their children's education.

Hundreds of Nestlé dependents enjoy scholarship from Nestlé after passing the qualifying exams (above), interviews, and evaluation rounds

What We Have Learned

- Values formation is an essential ingredient of any educational or training program. Without values, any learned skill or knowledge may be used improperly. Nestlé makes sure its training programs, especially for young people, are backed up by values education from such institutions as Don Bosco.
- Education is not limited to academic studies, but encompasses any thing that serves to widen perspectives and improve capabilities. Nestlé believes that on-the-job training is a necessary complement to classroom instruction, having witnessed hundreds of young men and women test and sharpen their skills while training on-site. For this reason, Nestlé ensures that all students and scholars who step into its work sites for training are given tasks that require them to flex both mind and body instead of menial jobs that do little to educate them.

What We are Doing Better

On-the Job Training

Equipping the youth with knowledge and skills comes in many forms, but the most effective is learning on the job. Nestlé's on-the-job training for students has evolved to now take a more structured approach, ensuring that each student comes out of it equipped not only with knowledge and skills, but also with work values and ethics he takes with him as he embarks on a career, whether in Nestlé or elsewhere.

Nestlé's apprenticeship program has transformed many an out-of-school youth into productive and responsible citizens after being afforded the chance to discover and develop their skills. The skills and knowledge acquired at Nestlé have helped them become gainfully employed in many companies here and abroad.

On-the-job trainees from schools are immersed in Nestlé operations for practical learning

Building Character Through Sports

Nestlé Philippines has long committed itself to contributing to sports development in the country. This is largely evident in its MILO Summer Sports Clinics Program, which has been conferred a Lifetime Achievement Award by the Philippine Sportswriters Association as the longest running grassroots sports development program in the country.

Kids learn to flex their little bodies (above) and young minds (below) as they learn gymnastics and chess in MILO programs

MILO Sports Clinics also teach young people the timeless values of discipline and teamwork

Started in 1983, the Company's Sports Clinics Program teaches children aged 7 to 18 the rudiments of different sporting games through professional and scientific instruction. The program consists of training classes for badminton, basketball, bowling, chess, football, gymnastics, ice skating, karatedo, lawn tennis, squash, swimming, table tennis, and taekwondo. Held during summer when students are on vacation from school, the clinics have become a national summer youth event, participated in by tens of thousands of youngsters nationwide every year.

MILO Sports Clinics provide summer training in various sports, such as bowling, taekwondo, volleyball and basketball

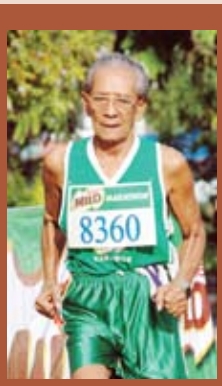
Nestlé is also recognized for having pioneered and established two major events that have become institutions in the Philippine sporting world— the MILO Marathon, which has sent millions of young and old alike to hit the road running since 1976; and the NESTEA Beach Volley, which has stirred thousands of college students nationwide to learn and excel in the sport since 1996.

> “I’m a very optimistic person and I believe that if I work hard enough, my dream of bringing glory to the country will come true.”

29th National MILO Marathon General Santos Eliminations Champion Isidro Vildosola of South Cotabato, 29, who lost his arm at age 6.

Even children have their own short-distance event, showing to one and all that the MILO Marathon is for every one who wants to experience the exhilarating joy of running

> If I can do it, so can they. It's never too late to experience the joys and benefits of running.
>
> Jose Burgos, oldest runner in the 29th MILO Marathon at age 81



Nestlé sports events have become institutions in the sporting world— the the MILO Marathon (left) and NESTEA Beach Volley (below)

What We Have Learned

- Aside from acquiring the necessary skills to play the games, people who take part in the Company's sports programs also learn life's important values such as discipline, respect, teamwork, perseverance, competitiveness, and sportsmanship. These programs encourage them to aim higher and be better not only in sports but in real life.

- Sports are the ideal venue for young people to channel their energies to. They are also the ideal alternative to unproductive and unhealthy pastimes that many young people fall into.

- Nestlé's Sports Clinics have produced some of the country's finest athletes in the field of swimming, tennis, basketball, gymnastics, taekwondo, and even ice skating. These top-caliber athletes exemplify the fruits of the values taught in the clinics— triumph in sports and success in life.

- The MILO Marathon has given tens of thousands of Filipinos— old and young alike— the chance to experience the exhilaration of running, leading many of them to consider running as a means of achieving wellness.

What We are Doing Better

Walking the Talk

The commitment to and involvement in sports must start at home, with Nestlé employees and their families as ambassadors of goodwill. Today, more and more Nestlé employees and their families actively participate in the MILO Marathon, effectively becoming role models who walk the talk, showing to one and all the joy of choosing a life of wellness.

Well known personalities in sports, politics and entertainment have likewise joined the program and openly lent support to both the MILO Marathon and NESTEA Beach Volley through their active participation. This serves to underscore the importance of the sports events, and encourage more participation from the public.

More and more Nestlé employees have been joining the MILO Marathon every year, even preparing in advance for the event through training

Nestlé Philippines' Finance and Control Director Peter Noszek shows the way by finishing the 42 K Marathon, among the first Nestlé employees to complete the race

Providing Livelihood Skills and Opportunities

In order to help improve lives, Nestlé has endeavored to provide barangay residents the necessary skills and tools to become economically productive.

One project stands out in the barangays for having provided a steady source of income to formerly unemployed residents— the Cut and Sew. In Barangay Bagong Pook where the Nestlé Lipa Factory is situated, this project has become a cottage-industry type of enterprise that generates as much as PhP 1.5 million worth of business every year for residents. Here, residents make use of their sewing skills to supply the factory's requirements for uniforms (pants and polo jackets), laboratory gowns, hairnets, shoe covers, and rags.

Cut and Sew was launched in 1997 as a simple outreach project that organized a group of interested barangay ladies to learn how to sew under a TESDA training course. Armed with their newly acquired skill and provided with seed money to buy equipment and materials, the ladies began by doing small sewing jobs for the factory. In just two years, the group expanded and evolved into a more organized enterprise, with a community leader overseeing the operations and transacting business with the factory. The group has since become the sole supplier of sewing services to the factory.

A similar sewing project was initiated by the Nestlé Cagayan de Oro Factory for Barangay Tablon, starting out with 25 formerly unemployed housewives who were sponsored by the factory to take up a dressmaking course in 2003. With start-up assistance from the factory, the ladies applied their sewing skills to the production of hairnets. From an initial order of 5,000 hairnets, the group now supplies the factory's order of about 80,000 hairnets every year.

Cut and Sew project in Barangay Tablon, Cagayan de Oro produces hairnets for CDO Factory (right)

In Lipa, ladies of Barangay Bagong Pook sew uniforms, lab gowns, hairnets, shoe covers, and rags for Lipa Factory (top and left)

Yard and Garden in Lipa Factory, where ladies from the community grow fruits, vegetables, and ornamental plants with financial and technical assistance from the factory

Another noteworthy livelihood activity for Barangay Bagong Pook housewives is the Yard and Garden project of the Nestlé Lipa Factory, which involves cut-flower production and organic vegetable farming in a plot of land within the premises of the factory. Here, the ladies grow vegetables and ornamental plants.

With the factory giving financial assistance, planting materials, and relevant training, the Yard and Garden members take full charge of the operation of the garden and sell all their produce to the factory canteen and employees. They also rent out the ornamental plants to the factory. They use the earnings to pay for their operational expenses, including remuneration of those involved in the project.

The Nestlé Cabuyao Factory focuses on skills training as the center of its livelihood program, conducting livelihood workshops all year round for spouses and other dependents of employees as well as for barangay residents. The workshops provide skills in food (meat processing, baking, cooking), beauty and fashion (hairdressing, cosmetology, dressmaking, accessory-making), and interior design (décor-making, flower arrangements, candle-making, trendy balloon-making). These workshops are supplemented by a seminar on small business operations to equip participants with basic business know-how to turn their skills into money-making ventures.

Livelihood skills are passed on to spouses of Cabuyao employees by fellow spouses who have been tapped and developed by the factory to conduct workshops. Among these livelihood skills are (clockwise): accessory making, candle making, and meat-processing

The Julius Maggi Kitchen at Rockwell Center conducts free culinary seminars and other lifestyle improvement workshops for homemakers

In 2001, the Nestlé Cabuyao Factory launched a program aimed at developing a pool of competent livelihood trainers from among the spouses of Nestlé employees. Called Misis Kong Trainors, the program sent a select group of spouses to advanced training at the Technology and Livelihood Research Program, Negoskwela, and Dualtech to become masters of livelihood subjects and develop their training skills. The Misis Trainors, eventually accredited by TESDA, now conduct the various livelihood workshops in Cabuyao Factory and occasionally in other Nestlé sites. They also get invited to conduct training for other communities. These formerly full-time housewives are now recognized as experts in livelihood workshops and receive some form of honorarium for their services.

Also providing livelihood know-how is the Julius Maggi Kitchen (JMK) at the Nestlé offices in Rockwell Center, which offers culinary seminars and various lifestyle improvement sessions for free. Open to the public, these JMK workshops impart knowledge and skills that homemakers can use for possible livelihood ventures.

What We Have Learned

- Companies like Nestlé can do much to generate economic activities in small communities by commissioning residents to supply non-technical material requirements such as uniform and other clothing accessories. To ensure quality, Nestlé invested in providing the communities with the required skills and equipment. Communities appreciate the value of this investment and the opportunity to do business with Nestlé and are thus driven to do their best to satisfy Nestlé's requirements.

- Livelihood programs must be micro-managed to be sustainable. Although the livelihood projects are operated independently by the barangay residents, Nestlé keeps an eye on them through HR personnel who coordinate with community leaders. This hands-on involvement of Nestlé keeps project participants on their toes doing the best they can to meet quality standards.

- Skills training is a prerequisite to the success of any livelihood project. Well aware of this, Nestlé always includes skills training among the first components of any initiative to provide livelihood opportunities.

- Through its many livelihood initiatives, Nestlé provides a sustainable source of income to families in host communities and to hundreds more nationwide. These initiatives open doors of entrepreneurial opportunities to individuals, enabling them to earn a living and improve their lots, paving the way for a better future for their families.

What We are Doing Better

Going Beyond the Barangays

Expanding its reach beyond barangays, Nestlé has developed a platform where it provides livelihood to thousands of otherwise unemployed citizens throughout the country. This is in the distribution and selling of its products under the Micro-Distributorship (MD) Program, which provides able-bodied individuals who are at least high school graduates with an opportunity to become small-scale entrepreneurs by selling Nestlé products to sari-sari stores. Under the Program, these fledgling entrepreneurs personally distribute and sell Nestlé products to small stores in densely populated areas that can not be covered by existing Nestlé distributors.

"The BOW Program has helped me pay for my daughter's education, provide for our daily needs, and even pay for my mother's hypertension medication. In this business, you don't have a boss. You just have to be patient and work hard to find customers, and you'll earn enough."

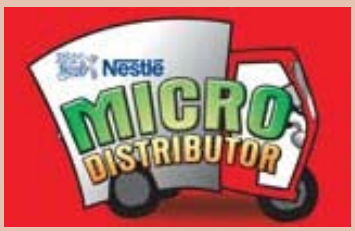
Lina Gocela, first BOWer to achieve set targets nationwide

Innovative ideas such as the use of the click-clock machine and MILO counter (above) help BOWers increase their sales

A similar program runs in two other business units of the Company— Ice Cream and Nestlé Professional. In Ice Cream, the Program provides livelihood to commissioned street vendors who ply the streets of residential subdivisions and other high-traffic public areas to sell the range of NESTLÉ Ice Cream products categorized as “impulse”, the kind that consumers are known to crave for on a whim. In Nestlé Professional, livelihood comes through its Business on Wheels (BOW) Program, where members earn by selling Nestlé products to small carinderias.

In all three programs, the peddlers are trained on the proper way of selling, product knowledge, and the mechanics of the program they are in. They are equipped with Nestlé-branded motorized cabs and uniforms, and assigned to certain territories to tap and develop their accounts. They get their stocks of Nestlé products from Nestlé distributors, enjoy a certain discount on distributor rates, and are allowed to mark up their price by a certain percentage. On any regular day, these enterprising peddlers earn a net income higher than the daily minimum wage, with the chance to earn more well within their capacity.

Countless men, previously unemployed, turned into mini-entrepreneurs through the Nestlé Micro-Distributorship Program, where they earn a living by selling Nestlé products to sari-sari stores



Similar livelihood opportunities are enjoyed through the Nestlé Ice Cream Street Selling Program (right) and the Nestlé Professional Business on Wheels Program (above)

Helping Re-build Lives

Nestlé Philippines has a long history of mobilizing its forces to bring relief goods and other forms of assistance to communities badly hit by calamities and misfortunes. Successive calamities brought about by the eruption of Mt. Pinatubo in 1992 compelled employees from all work sites to organize themselves into a group called Nestlé Alay Kapwa, whose mission was to raise funds for the rehabilitation of communities displaced by Mt. Pinatubo disasters and to take part in the rehabilitation work.

Recognizing the merit of the group's mission and seeing how it ties in with the Company's own community outreach philosophy, the Company supported the employees' Alay Kapwa initiative with a commitment to match the group's raised funds with its own donation of equivalent peso amounts.

ALAY KAPWA
Nestlé
Kabalikat at Kumakalinga

Through Nestlé Alay Kapwa, Nestlé employees join hands with management in raising funds and gathering donations to give to calamity victims

To this day, Nestlé Alay Kapwa continues to raise funds and gather donations for the benefit of calamity victims. They also make donations to orphanages and other charitable institutions, especially during the Christmas season. The group's list of social work for various communities includes construction of low-cost housing and water systems, installation of water pumps and toilets in rehabilitation centers, setting up of livelihood projects, and conducting medical missions to remote areas.

The Company's flagship project for the less-fortunate is its involvement in Gawad Kalinga (GK), the balikatan-inspired housing program initiated by an NGO. Casting its support in 2003, Nestlé helped build houses in Baseco for about 40 families who had lost their homes to fire, and adopted 14 more families to bring to 54 the total number of homes it has so far sponsored.

Nestlé employee meets with the womenfolk to share the Company's future plans for the village

Helping build houses with their bare hands (clock-wise): carrying bricks, tiling the street, painting house exteriors

Beyond helping build their homes, Nestlé endeavors to help Gawad Kalinga villages build their communities

Through Nestlé Alay Kapwa, volunteer employees worked hand-in-hand with the families to construct their houses from the ground up. Alongside building houses, Nestlé employees also took time to organize and train community members to enable them to take better control of their resources, use these for their common good, and make wise decisions on matters that affect the quality of their lives.

What We Have Learned

- Although bringing relief goods to calamity victims is noteworthy, aid becomes truly meaningful when it includes efforts to help victims rebuild homes and become productive communities again. Nestlé's many years of experience with Mt. Pinatubo victims have shown how active involvement in reconstruction efforts boosted the fighting spirit of displaced families more than the provision of material goods.
- Families derive strength not only from individual members but also from their communities. When coming to the aid of needy families, Nestlé approaches them as a community. Whenever possible, Nestlé helps reorganize the community by coordinating with leaders to determine how best to help them.

Laying down the time capsule during the groundbreaking of the upcoming GK village in Lipa City

What We are Doing Better

GK Eco-Village

Seeing the positive impact of the Company's first Gawad Kalinga (GK) venture, Nestlé Philippines has pledged to sponsor more GK villages until 2010, starting with 50 homes in Lipa and another 50 in Cagayan de Oro. Beyond merely building houses, Nestlé intends to incorporate nutrition, water conservation, and community development in every GK village it develops.

The GK village in Lipa, which just had its groundbreaking, is envisioned to become an eco-village showcasing environmentally sound practices. It will be equipped with a rainwater catchment system that will allow recycling of rainwater. The village will make use of reed bed technology, which processes sewage by natural reed system without the use of chemicals. The eco-village will also run programs promoting the Company's nutritional campaigns and will be made sustainable through livelihood programs.

Structures start sprouting in the new village

ENVIRONMENT

Inspiring Environmental Consciousness

Reduce and reuse. Optimize and maximize. Conserve and preserve. Share and spread. With such measures, Nestlé Philippines manifests its care and concern for the environment. From experience, the Company has proven that simple approaches can create significant impact on the physical environment, instilling a pro-earth mindset among employees, and inspiring similar environment-friendly consciousness among partners, stakeholders, and surrounding communities.

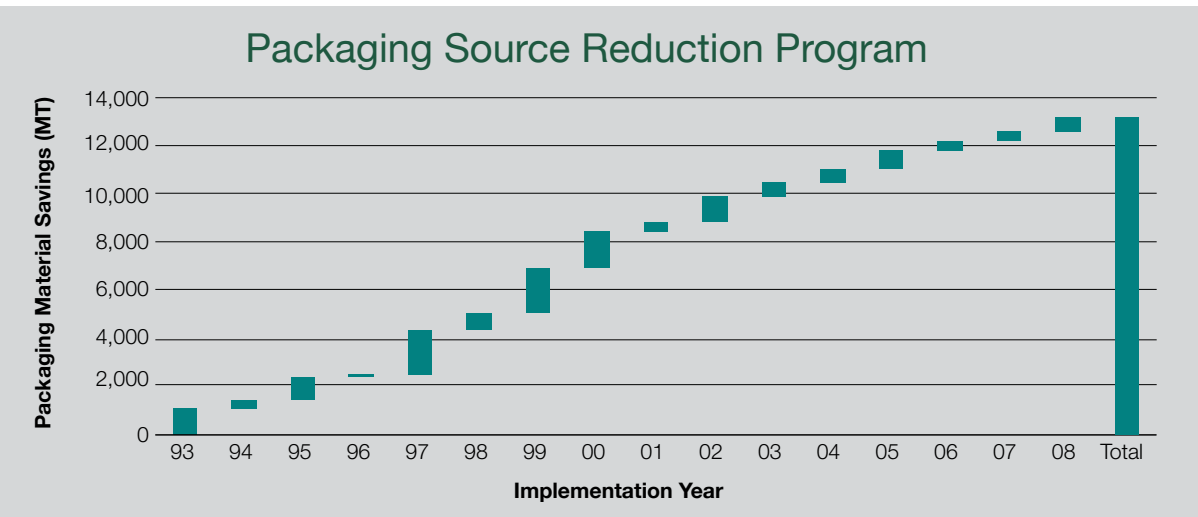
Nestlé business partner Fortune Packaging Corporation has developed a low-cost wastewater treatment plant using scrap materials

Reducing and Reusing

Composting facility in Barangay Tablon, with a garden where the compost is used as soil conditioner

Since the start of its Packaging Source Reduction Program in 1993, Nestlé has saved a total of 13,180 metric tons of packaging materials, cutting down the volume of solid waste generated from packaging. This was achieved by shifting to lighter weight materials for glass jars, refill packs, carton boxes, and case boards.

Through operational efficiencies and solid waste management (SWM) initiatives, the Company has likewise reduced unrecoverable solid waste by 13.5%. These initiatives include waste segregation, composting, recycling, and reusing— practices that have been integrated into the day-to-day operations of all Nestlé worksites.



The Company's initiatives to reduce the collective weight of its packaging materials have generated significant savings, shown here in metric tons

What We Have Learned

- Reducing the weight of packaging materials is key to reducing solid wastes.
- Waste reduction is achievable through serious and sustained efforts to segregate, compost the biodegradable, and recycle and reuse the non-biodegradable.
- All these reduction efforts translate to substantial peso savings.

Lighter packaging materials for NESCAFÉ

What We are Doing Better

Eliminating Waste

Side by side with efforts to reduce usage is total elimination of wastes. In 2008, Nestlé launched a company-wide program called "War on Waste" that proactively combats practices and systems that make unnecessary use of resources and thus, do not add value to the organization. This "war" combats wastage of any kind in all aspects of Company operations, from the wasteful use of physical resources such as supplies and raw materials, to defects, overproduction, waiting, transport, inventory, motion, excess processing and waste of human talent.

Nestlé's War on Waste aims to achieve a leaner organization with activities that ultimately help add value to the consumer.

War on Waste is headlined on the Company's official newsletter for employees

Optimizing Finite Resources

In Nestlé, the 3Rs (reducing, reusing and recycling) are not limited to solid waste. These principles apply just as much, perhaps even more urgently so, to water and energy— natural resources that once appeared limitless but now show signs of finite-ness looming in the distant yet foreseeable future.

There is no escaping the use of water and energy in food and beverage production. To Nestlé Philippines, neither is there any escaping the responsibility for ensuring optimum consumption of these two vital resources. To this end, the Company has invested millions of pesos in state-of-the-art technologies that allow its factories to convert byproducts into energy and re-use wastewater.

Wastewater treatment plants in Lipa and Cagayan de Oro Factories produce water clean enough to nurture a pond of Koi fish

Exterior of the CDO wastewater treatment pool is painted with designs created by employees' children

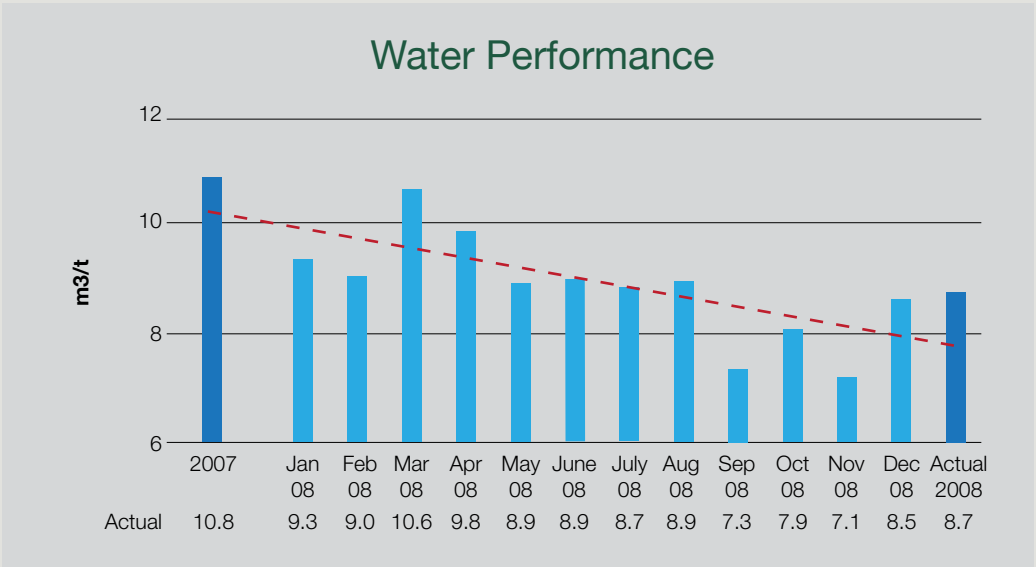
Reverse osmosis plant in Lipa Factory

Water

Showcasing the Company's reverence for water are the world-class wastewater treatment plants operating in all its factories. Manned by highly competent personnel, these treatment plants capture every drop of wastewater discharged from the factories, cleanse the water of impurities, and release it to natural waterways clean enough to sustain marine life. Treated water from Nestlé factories is constantly tested and is known to meet, and often exceed, strict government standards.

The Company has likewise explored several areas where water can be further optimized, leading to the re-use of sealing water from vacuum pumps, cooling water from MILO processing, rinsing water, and recovered water from reverse osmosis plants.

These initiatives, coupled with simple techniques as the use of sensor-operated faucets that ensure automatic stoppage of water flow, have cut down water consumption throughout Nestlé by about 16% since 1997, or an average of 65,500 cubic meters of water every year.



Water saving measures launched in 2007 have further reduced consumption

What We Have Learned

Every manufacturing facility, no matter how small, must invest in a wastewater treatment plant. This single venture can renew untold volumes of water otherwise discarded to pollute rivers and seas.

Wastewater treatment plant in CDO has been spruced up with waterfalls for a resort-like ambience

Treated water from Nestlé factories are clean enough to sustain life

What We are Doing Better

Treating and Reusing Water

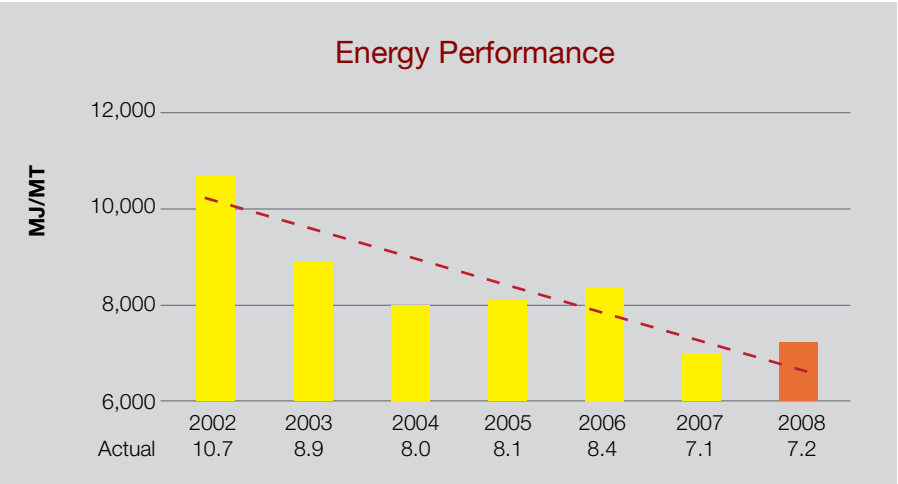
The wastewater treatment facilities of Nestlé factories showcase how water can be treated and reused, and demonstrates the importance the Company gives to water. In these factories, treated waste water is used to sustain life forms, from watering the gardens in the premises, to propagating Koi fish and tilapia, serving as a constant reminder to employees and guests about the life-giving value of water.

The Atmospheric Fluidized Bed Boiler in CDO Factory, which converts spent coffee grounds into steam

Energy

When it comes to optimizing energy, Nestlé makes full use of available technologies to convert byproducts in its own backyard into energy source. A breakthrough is the conversion of spent coffee grounds into 24MT of steam per hour that can power factory operations. This is the case in Cagayan de Oro Factory, with the installation of the Atmospheric Fluidized Bed Boiler (AFBB). Aside from converting coffee grounds into steam, this boiler also removes as much as 99% of particulate matter for cleaner air emission. In other factories, exhaust heat or gas from power plants are recovered to produce secondary steam that serves as fuel.

Nestlé has reduced energy consumption by 20% since 2002, largely due to these technology-driven measures as well as to strict adherence to energy-housekeeping rules in all work sites. Such adherence is assured by educating all employees about energy efficiency and by constantly monitoring consumption on a per-department basis. On top of this is an Energy Team that continually audits energy management in every work site, identifying areas and processes where usage can be further optimized.



With optimization, Nestlé has reduced energy consumption over the past years

What We Have Learned

- While conservation has its merits, efficiency is the ideal approach to energy management. To conserve is to minimize consumption, which may prove detrimental to operations. To be efficient is to optimize consumption, making full and justified use of energy resources to power operations 100%. Efficiency leaves no room for unnecessary consumption.
- Education is key to ensuring employee compliance to energy regulations. With the right mindset, employees learn and observe the do's and don'ts of energy consumption.

Key departments in the factories are installed with their own energy metering devices to closely monitor their consumption

What We are Doing Better

Metering Devices

When everything is in place, monitoring spells the difference. Nestlé is ever more vigilant at keeping close watch on every wattage spent. Metering devices have been installed in different parts of the factories, measuring actual consumption per department. The meters are read on a weekly basis, and the results are issued to departments in the form of an electricity bill. This is to make them see in actual figures the amount of energy they consume and compel them to keep looking for ways to become more efficient.

Conserving and Preserving the Natural Environs

For more than a decade now, Nestlé Philippines has engaged in countless environment-saving activities that have little to do with manufacturing and marketing food and beverage. As a matter of policy, the Company allows the use of its valuable resources— manpower, finances, technical expertise, time and space— in activities that are known to have positive impact on the natural environment.

Planting trees all year round— converting factory backyards into mini-forests, taking part in community tree-planting projects, adopting parcels of land designated for reforestation by local authorities.

CDO Factory takes visiting students to its tree-planting site to present its environmental initiatives

Tree-planting has become a regular activity in the Nestlé sites, involving employees' families and residents of neighboring communities

Cleaning up rivers and mountains— fishing out garbage from waterways, picking up trash along mountain trails, planting bamboo trees on riverbanks to prevent soil erosion, coordinating with authorities to enforce anti-littering and anti-pollution ordinances in these places.

Employees fish out garbage from rivers

Mountain-climbing employees scale heights not only to appreciate nature but also to promote responsible trekking to fellow climbers. Along the way, they collect garbage and put up signs discouraging others from littering

Preserving marine life— installing artificial reef modules to help increase fish population and seeding reef areas with near-extinct marine species such as giant clams.

Production of giant clams through Nestlé's seeding efforts

Nestlé continues to monitor the many artificial reefs it has installed underwater to help increase fish population

Nestlé pursues all these with the same passion it pours into its business, integrating them in its business operations and making them an important part of the corporate culture. It is a passion shared by its employees and their families, who volunteer their own time and talents engaging in these activities. To both Nestlé and its employees, the desired bottomline is neither profit nor financial gain, but simply a healthier environment for our children, and our children's children.

What We Have Learned

- Initiating environment-saving pursuits in the community and involving people from other sectors are an effective way to cascade the value of caring for the environment. Communities near Nestlé work sites have imbibed the pro-environment mindset of the Company that they now take the initiative to organize tree-planting, clean-up, and other environment-friendly activities.

- The continued involvement of employees and their families in these activities have heightened their own sense of responsibility to the environment. Children specially learn the value of caring for the environment early in life and are likely to carry this with them through adulthood.

- Tree-planting is the simplest act that any person can do to contribute to global efforts to save the environment. It is easy, it is fun, and it is effective. Trees can do a great deal to reverse global warming. Which is why tree-planting has become Nestlé's foremost environmental activity in and out of its premises.

- Monitoring developments is crucial to the sustainability of these activities. Nestlé not only keeps count of trees it has planted (over 6,000 as of last count) but also sees through their growth, assigning trees to the personal care of specific employees and even naming trees after the responsible employees. Nestlé periodically sends divers into the sea to check on the artificial reefs in Agutayan Sea and inspect the giant clam seeding project.

- More trees mean more protection for the environment. Cleaner rivers and cleaner mountains promote good health. Saving endangered marine life helps preserve the ecosystem.

- These concrete and visible acts of caring for the environment serve as doable examples and provide eloquent lessons on how each individual can contribute to the collective efforts of the community in making a positive difference in the environment.

What We are Doing Better

Loving the Beach the NESTEA Way

Environmental initiatives have long been driven by the Company's technical arm. Since 2007, the marketing arm has likewise flexed its muscles embarking on a pro-environment activity. This is the NESTEA Love the Beach program, which is dovetailed to the brand's signature beach volley competition.

The NESTEA Love the Beach program involves cleaning up beach resort destinations and raising funds for beach restoration projects. This is the brand's way of giving back to the environment, particularly beaches where it holds its numerous NESTEA Beach Volley events. NESTEA invites students, community leaders, and even well-known celebrities to participate in the clean-up drive, inspiring other people to do the same.

Volunteer divers go underwater to take out submerged plastics and other trash

Showing sensitivity to beach conditions, NESTEA has recognized that different beaches may have different problems and hence require different approaches. In Samal Coral Garden, for example, the infestation of the Crown of Thorn starfish, which excretes a type of enzyme that softens and eventually kills corals, prompted NESTEA to send 120 divers to eliminate the starfish.

True to its marketing nature, NESTEA Love the Beach has spawned side events that enhance visibility for the program and attract more participants. Among these was the Search for the NESTEA Beach VJ Contest, which featured videos that provide information and tips about beach clean-up. Special NESTEA tumblers were also sold in MRT stations, proceeds of which (amounting to PhP 300,000) went directly to the clean-up funds.

Nestlé employees, students, community leaders, even celebrities join NESTEA in cleaning up beach resorts to regain and preserve their pristine beauty

Participants sort the trash from the beach for proper disposal

Spreading the Concern

Wastewater treatment has become an important part of the Edward Keller operations

To Nestlé Philippines, there is no such thing as copyright when it comes to preserving the environment. The Company claims no ownership of the countless practices, initiatives, and systems it has developed and implemented in its worksites. In fact, Nestlé gladly shares its vast practical and technical knowledge of environment protection with anyone wishing to learn from the Company's environmental initiatives.

This policy of sharing environmental knowledge and best practices is best seen in the Company's multi-awarded Greening the Supply Chain (GSC) program, which has helped nearly 200 business partners develop their own environmental management systems (EMS). Through GSC, Nestlé educates business partners on EMS as a tool for improving environmental performance, visits them on-site to assess the environmental aspects and impact of their operations, makes recommendations to minimize the negative impacts, and keeps them updated on environmental issues, regulations, technologies, and best practices through a quarterly forum.

The GSC program has enabled a number of the Company's business partners to put up their own wastewater treatment plants, materials recovery facilities, waste segregation systems, and water and energy conservation programs, among others.

At Fortune Packaging, scrap cartons and paper are collected, bundled, and turned over to recycling centers

"Nestlé's Greening the Supply Chain Program has taught us everything we need to know about environment and safety. We took a step back and reviewed our existing systems. We learned how to turn garbage into a source of income. For less than PhP 50,000, we were able to set up our own waste water treatment. Not only has the GSC training helped us share our own practices, we were also able to learn from others, and apply these learnings as well."

Engracio Abad Jr.,
Engineering Supervisor,
Fortune Packaging
Corporation

Fortune Packaging employed ingenuity in creating a wastewater treatment plant from scrap materials

Wastewater technicians test effluent from the treatment plant

Nestlé also keeps its doors open to students and school faculty, government officials, community leaders, business entities, and other groups that visit the factories to look at the wastewater treatment plants and other environmental facilities. Environment experts in the worksites attend to these visitors, taking the time to present and explain to them the Company's environment policy and how this is brought to life by a host of initiatives and programs.

Students (above) sign up to express their commitment to protecting the environment in a Nestlé-initiated activity. Students (below) listen as Nestlé resource person talks about Solid Waste Management.

What We Have Learned

- Sharing best practices is a two-way process. While Nestlé plays the role of primary giver in the GSC program, the Company also receives ideas and insights on the environment from its business partners.

- Concern for the environment is a mindset that comes with a strong commitment from the top and heavy involvement across all levels in the organization.

- Business operations can do much to minimize impact on the environment without having to invest huge amounts of money. Ingenuity makes up for want of resources, enabling even small factories to implement low-cost environmental initiatives. After joining the GSC program, some business partners were able to put up wastewater treatment plants for as little of PhP 40,000.

- Nestlé's environmental performance and practices over the years give the Company a credible authority to initiate and take the lead in GSC. Business partners are drawn to the program because they see Nestlé as a shining and concrete example of everything it preaches about environment management. They see the practices and they see the results, making it easy for them to believe and follow.

- Nestlé's relentless efforts to share its environmental know-how with business partners have resulted in significant ripples of improved environmental performance of various business facilities in many parts of the country. Together, these efforts have helped reduce the negative impact on the environment.

- Nestlé has contributed to the heightened environment awareness of students and people from the academe, communities, and Filipino households in general. This awareness is an important first step to making people adopt environment-friendly practices and lifestyles.

What We are Doing Better

Sa Mata ng Bata

Linking arms with the Department of Environment and Natural Resources and supported by media partners, Nestlé Philippines launched a media campaign promoting awareness of the scarcity of water and the urgent need to conserve it. Using the Company's classic "Sa Mata ng Bata" series as a vehicle, the tri-media campaign reminded Filipinos that water is an indispensable but limited resource, and that each person can personally take specific actions to conserve it. The ultimate objective is to make water conservation a habit among Filipinos.

"Sa Mata ng Bata" is Nestlé's values-formation public service campaign that started in 1998, calling the attention of the public to the vital role of adults in forming the values of children who look up to them as role models.

Launched in 2008, the Sa Mata ng Bata water conservation campaign was in line with Nestlé's global water policy that emphasizes awareness of water conservation. Along with this is an internal campaign the involves employees in the Company's water conservation efforts.

The classic "Sa Mata ng Bata" public service campaign now serves as vehicle for promoting water conservation

Nurturing Generations of Filipino Families

As Nestlé continues to build on its knowledge and capabilities to affirm its position as the world's foremost Nutrition, Health and Wellness Company, so will it also continue to expand its resources for creating value for society. Its business goals are so entwined with its social pursuits that creating shared value is more than just a tradition but rather, a business strategy.

As it carries on with the programs it has sustained thus far, Nestlé continues to examine the various points where it touches the lives of Filipino families to see where and how it can further create value for them. Mindful of the changing times, Nestlé continually innovates and renovates its programs, constantly exploring new avenues to remain relevant in responding to the needs of Filipinos.

Through it all, the Company hopes to impart not only the value it creates but also the value of sharing. By creating value and sharing this with society, Nestlé hopes to improve lives, uplift community spirit, and nurture generations of Filipino families today and in the many years to come.

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