



# Nestlé in China Creating Shared Value 2013

## Highlights 2013

**25,000**

Associated Coffee  
Farmers

**14,000**

Associated Dairy  
Farmers

**250,000**

Children, 410 teachers,  
355 schools reached  
through Project Water  
Education for Teachers  
(WET)

**1,000,000**

Children, 28,000 teachers, 50 rural  
communities reached through Healthy  
Kids Project

**1.9%**

Reduction in water  
usage per ton of  
products produced

**6.9%**

Reduction in energy  
consumption per ton  
of product produced

**1,873**

Tons of packaging  
materials saved

**1000**

Driver transport  
vendors reached  
through Safe Driving  
Training

**62%**

First-tier suppliers  
reached through  
responsible sourcing  
program

**52,928**

Employees

**4,000,000**

Elders reached through Free Heart  
Check program

**33**

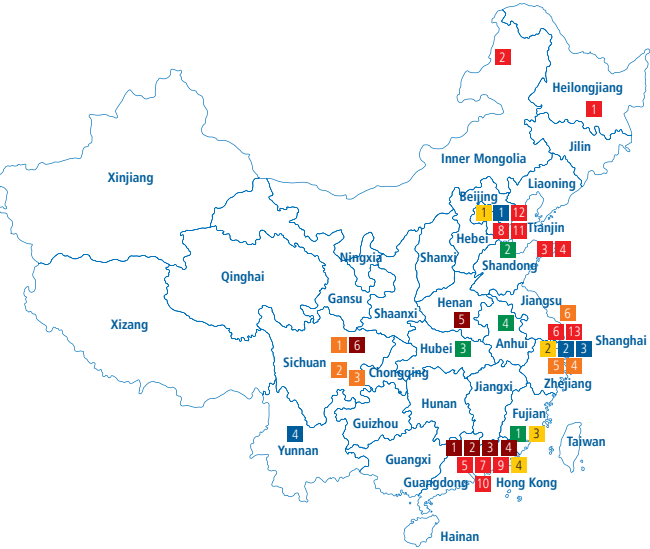
Factories and 4 R&D  
centers in the Greater  
China Region

\* See explanatory note on the back cover table (or contact Nestlé China Corporate  
Affairs Department for more details).

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# Nestlé’s Presence in China, along with Its Joint-Ventures and Member Companies

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Nestlé Shuangcheng Ltd.

2

Nestlé Hulunbeir Ltd.

3

Nestlé Qingdao Ltd. – Dairy

4

Nestlé Qingdao Ltd. – Coffee

5

Nestlé Dongguan Ltd.

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Nestlé Shanghai Ltd.

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Maggi Dongguan Ltd.

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Nestlé Tianjin Ltd.

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Guangzhou Refrigerated Foods Ltd.

10

Nestlé Hong Kong Ltd.

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Cereal Partners Worldwide Tianjin Ltd.

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Nestlé Purina Petcare Tianjin Factory

13

Wyeth Nutrition Suzhou
- 1

Yinlu – Xiamen

2

Yinlu – Jinan

3

Yinlu – Wuhan

4

Yinlu – Chuzhou
- 1

HFC – General Factory

2

HFC – Dongguan 5

3

HFC – Dongguan 3

4

HFC – Dongguan 1

5

HFC – Zhumadian

6

HFC – Chengdu
- 1

Nestlé R&D – Beijing

2

Nestlé R&D – Shanghai

3

Nestlé R&D – Xiamen

4

Nestlé R&D – Dongguan
- 1

Haoji – ShuangLiu

2

Haoji – XiChang

3

Haoji – Puge

4

Totole – Totole

5

Totole – Totole First

6

Totole – Wuxi

## Company Profile – Nestlé in the Greater China Region

Nestlé (China) Ltd. is a leading food and beverage company in the China market and a wholly owned subsidiary of the Switzerland-based Nestlé S.A., the world’s largest food and beverage company. Nestlé (China) Ltd, based in Beijing, is the headquarters for Nestlé’s operations in the Greater China Region, including Mainland China, Hong Kong SAR, Macau SAR, and Taiwan. It is authorized to provide group-level management support and services to the companies that the Nestlé Group has invested in China, including joint ventures with various local partners. Over 90% of the products produced by Nestlé in China are sourced and manufactured in Mainland China. In addition to its long-standing joint-venture partners Totole, Haoji, and Dashan, in 2011, Nestlé signed partnership agreements with leading food companies Yinlu and Hsu Fu Chi. In late 2012, Nestlé completed the global acquisition of Wyeth Nutrition, a leading infant nutrition brand, which added 1,500 employees and one factory to Nestlé’s Greater China operations.

Nestlé operates 33 state-of-the-art production facilities and employs a committed workforce of around 52,900 people in China, including those of its joint-ventures and Wyeth Nutrition. As a socially responsible company, Nestlé always focuses on environment – friendly operations, ethical business practices, and its responsibility toward the communities.



## Nestlé Greater China Vision

“Be the recognized leading Nutrition, Health and Wellness F&B Company by helping to build healthier and happier generations at every stage of life” by

- delivering innovative, safe, tasty, trusted, and good value-for-money products,
- building partnership with all stakeholders from farm-to-chopsticks, and
- creating shared value and sustained development.



“We continue to work beyond sustainability to create value for the shareholders and society; ... where consumers remain at the center of our heart for everything we do at Nestlé.”

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This is an informative document compiled with extreme care and due diligence but may still contain inadvertent errors or omissions. It shall not be used for any purpose other than for understanding Nestlé (China)'s Creating Shared Value activities. This document is written in both Chinese and English. In case of discrepancy, the Chinese version shall prevail.

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## Key Highlights 2013

Nestlé in China – Creating Shared Value	2011	2012	2013
<b>Nutrition</b>			
Number of elders participating in Free Heart Check Program (cumulative)		2,600,000	<b>4,000,000</b>
Children aged 6 to 12 years old reached through Nestlé Healthy Kids Program		140,000	<b>1,000,000</b>
Teachers trained on nutrition education through Healthy Kids Program (cumulative)		3,000	<b>28,000</b>
Nutrition quotient (NQ) classroom training for staff (cumulative - number of people participating)		10,099	<b>11,847</b>
<b>Water and Environmental Sustainability</b>			
Total water withdrawal (cubic meter per ton of product)		4.14*	<b>4.06</b>
Total on-site energy consumption (gigajoules per ton of product)		1.72*	<b>1.60</b>
Reduction in total water withdrawal (cubic meter per ton of product) %		–	<b>1.9%</b>
Reduction in total on-site energy consumption (gigajoules per ton of product) %		–	<b>6.9%</b>
Children reached through Project Water Education for Teachers (WET) (cumulative)		130,000	<b>250,000</b>
Teachers reached through Project WET (cumulative)		120	<b>410</b>
Total packaging materials saved (metric tons)	1,254**	5,228	<b>1,873**</b>
<b>Rural Development</b>			
Number of associated dairy farmers		18,000	<b>14,000</b>
Milk procured (in tons)		680,682	<b>603,756***</b>
Number of coffee suppliers		1,502	<b>2,209</b>
Number of 4C coffee suppliers		–	<b>43</b>
***Number of beneficiary/ associated coffee farmers (with 4C application, we now have more traceability on beneficiaries)		19,000	<b>25,000***</b>
Coffee volumes purchased (green bean Arabica, in tons)		10,511.1	<b>11,502 (incl. 3,403.2 4C)</b>
Responsible Sourcing (Suppliers Address)		34%	<b>62%****</b>
<b>Our People</b>			
Regular employees (including JVs)		52,456	<b>52,928</b>
Turnover excluding JVs		12.8%	<b>12.6%</b>
Training participants (there are repeated staff who undergo multiple trainings)		32,652	<b>54,624</b>
Gender balance (female managers) excluding JVs (the JV companies' data will be included from 2014 as gender balance drive is under progress)		34.9%	<b>40.1%</b>

\* Since the data of recently acquired JV companies have been included from 2013 onward, an average from Nestlé actuals and actual results of JV companies for 2012 is taken as bench mark for 2012.

\*\* See comparative improvement from 2011 (as 2012 was exceptional for a series of major turnaround changes for packaging materials savings, which may not be applied as a direct comparison).

\*\*\* Due to rapid economic growth in China, the farmers community and dairy yields are declining. As a result, Nestlé is now developing a Dairy Farming Institute for Capacity building (see details in "Rural Development" section).

\*\*\*\* This is a third-party audit to verify the implementation of Nestlé Supplier Code at Tier 1 level, covering four pillars, namely, Business Integrity, Labor Conditions, Health and Safety, and Environmental Standards (although all suppliers are carefully vetted, the responsible sourcing is further leveled up as part of continuous improvement in Nestlé policies).



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# A Message from Our Chairman and CEO

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*Roland Decorvet, Chairman and CEO of  
Nestlé in the Greater China Region*

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**"We are very pleased to present the Nestlé in China, Creating Shared Value report for the year ending 2013. Creating Shared Value is built upon fundamental commitments to society, both to achieve the highest standards of compliance with laws, codes of conduct and our own Nestlé Corporate Business Principles as well as to protect the environment for future generations."**

At Nestlé, we are convinced that our success relies on the wellness and development of the society, where we live and work with. Throughout 2013, we have made a concerted effort to increase the welfare of each person involved in our activities, especially our key stakeholders: the communities in the areas we operate, our shareholders and our consumers who invest their trust in us, and our people who make Nestlé as the leading Nutrition, Health and Wellness Company in the world. Creating Shared Value is now at the heart of everything we do and is an integral component of our business strategy. Together with our joint-venture partners, we are dedicated to continuously improve the quality of our products, to strive for sustainable development, to support local economy, and to strictly comply with responsible business principles and high standards.

We are proud of what we have achieved so far, but we have bigger ambitions for the future. To fulfill our commitment toward society, we need to think long

term. We need to make sure our policies and values are respected at every stage of the value chain, from local farmers to end consumers, and we need to continuously improve our product portfolio to enhance the quality of our consumers' life. That is the only way we will be successful in the long run.

Nutrition, Water, and Rural Development are the three key areas we focus on as part of our creating shared value activities. As nutrition is the core of our business, our four R&D centers in China have a fundamental role in developing tastier and healthier products. Given that the water crisis is at a critical stage today, we put all our energy to improve water recycling in our factories and to raise water conservation awareness. As of Rural Development, we fairly reward our associated farmers and we help them to use the best sustainable practices not only to secure reliable supply of raw materials for the future but also to increase the welfare of the rural communities around. We have built



*Mr. Roland Decorvet, standing with the participants who made the Guinness Record for "most people exercising to fitness" sponsored by Nestlé*

strong relations with local farmers and small entrepreneurs in the coffee and dairy industry, and we plan to expand this trust-building journey to other upstream value chains for agricultural raw materials in China.

At Nestlé, we believe sustainable development is a collective responsibility, and we are humbly proud to play our part in addressing current local and global challenges. We are equally proud of our Joint Venture Companies in China

who have been committed to supporting the communities and also meeting the environmental challenges in a responsible manner. In the future, we will continue to further reduce our environmental footprint and to improve the well-being of local communities. As the leading Nutrition, Health and Wellness Company, we hold a unique opportunity to have a positive impact on society, and we are determined to meet our responsibility to protect our future generations.

We hope that you find this report instructive and engaging and you are welcome to give any comment or feedback for our learning.

A handwritten signature in dark ink, appearing to read "Roland Decorvet".

**Roland Decorvet**  
*Chairman and CEO  
Nestlé in the Greater China Region*

# About Our Reporting

**We believe that we can create value for our shareholders and society by doing business in ways that specifically help address global and local issues in the areas of nutrition, water, and rural development. This is what we mean when we speak about Creating Shared Value (CSV). We proactively identify opportunities to link our core business activities to action on related social issues.**

**Creating Shared Value** is built upon fundamental commitments to society, both to achieve the highest standards of compliance with laws, codes of conduct, and our own Nestlé Corporate Business Principles as well as to protect the environment for future generations.

The Nestlé in Society Creating Shared Value report focuses on our work on Nutrition, Water, and Rural Development and our approach to CSV and supporting the communities in our value chain.

Our aim is to report on Nestlé's long-term impact in the Greater China Region on how that relates to CSV for the society and also for a successful long-term business.

## **Creating Shared Value (CSV) Governance**

The Chairman and CEO of Nestlé in the Greater China Region and members of the Executive Management Committee are responsible for the management and supervision of CSV. A dedicated team of professionals coordinates CSV activities across the business in the Greater China Region and reports on a regular basis to the CEO.

## **Compliance**

Nestlé in China and around the world puts foremost focus on full compliance regarding human resources, business strategy, safety, health, and environmental sustainability, and respects both the country and international regulations. A wide range of global policies (available for download from [www.nestlé.com/csv/downloads](http://www.nestlé.com/csv/downloads)) are also applied consistently and rigorously across our operations through our auditing and quality assurance standards.

## **Limit and Scope of This Report**

This report focuses on our CSV initiatives in the Greater China Region, and the reporting period is up to the year ending December 31, 2013. The report also contains a summary of contribution of our acquired companies and joint ventures in China, who equally subscribe to the vision of CSV and have been involved in a number of community support initiatives, where some of their projects have their own heritage and traditional ways of respect and community development. For details related to Nestlé worldwide CSV initiatives, see [www.nestlé.com/csv/downloads](http://www.nestlé.com/csv/downloads), and for information related to Nestlé's overall business in the Greater China Region, please visit [www.nestlé.com.cn](http://www.nestlé.com.cn).



# Creating Shared Value – Vision

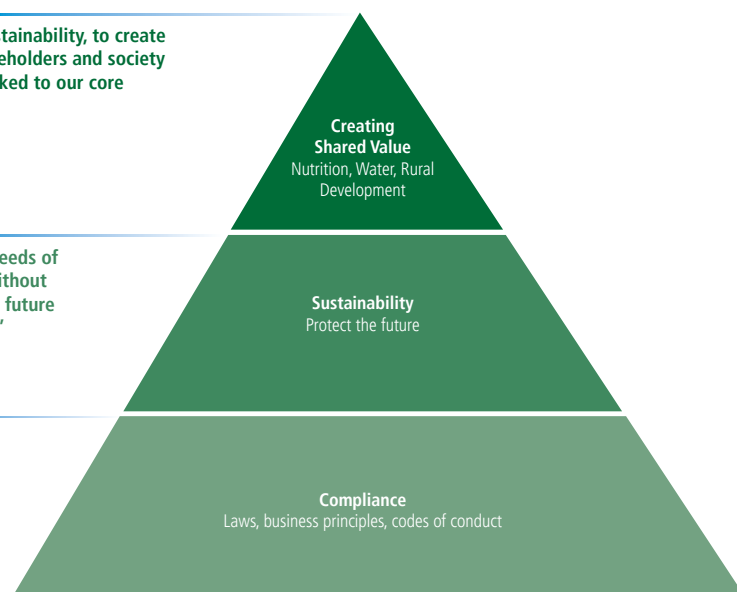
**Creating Shared Value (CSV) is a fundamental part of Nestlé's way of doing business that focuses on specific areas of the Company's core business activities.**

We believe we can make an important contribution to society by going a step beyond corporate social responsibility to create value through our core business, both for our shareholders and society. We prioritize areas related to Nutrition, Water, and Rural Development to create shared value. The core of our CSV is built upon fundamental commitments to society, both to achieve the highest standards of compliance and to protect the environment for the future generations.

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

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

Comply with the highest standards



# Creating Shared Value – Overview

In line with its CSV vision, Nestlé (China) positively serves consumers and engages with local communities in the entire value chain, which includes

- offering quality products to the consumers and providing a fair and diverse work environment for its employees,
- capacity building and knowledge transfer to its partners and raw material providers and introducing responsible sourcing models into its relationships,
- supporting local communities by working with and training small farmers,

- enhancing sustainability and environmental friendliness of its operations, and
- embedding ethical and transparent business practices in all its operations.

Based on strong foundations of compliance and sustainable business practices, CSV is ingrained in Nestlé's DNA and is part of the Company's basic way of doing business. The Company is also a signatory to the United Nations Global Compact Network in China.







# Nutrition

**“Nutrition is fundamental to human life. All human achievements – social, economic, and cultural – are directly influenced by our access to food and water.”**

## Nutrition

**We believe that nutrition is fundamental to human life. All human achievements – social, economic, and cultural – are directly influenced by our access to food and water. There are issues related to obesity as well as malnutrition, and undernourished population worldwide which also apply to China. As the world’s leading Nutrition, Health and Wellness (NHW) Company, we have the capacity to help address overnutrition (obesity and related issues) and undernutrition, especially micronutrient deficiencies for all age groups.**

Our commitment to NHW is reflected in many of our earnest efforts, such as research and development, Nestlé health science, product innovation and renovation, partnership with local institutes and media, internal communication on NHW, and responsible consumer communications.

## Nestlé R&D China

Nestlé R&D China, comprising four R&D centers located in Beijing, Shanghai, Xiamen, and Dongguan, is part of the global Nestlé Research network and serves to support Nestlé business locally, regionally, and globally, as well as deliver product innovation and renovation to benefit our consumers.

Nestlé’s science-based solutions are helping to address global nutrition challenges and providing products and services for people at all life stages and conditions, for example, pregnant mothers, babies, growing children, and the elderly, to meet their very specific nutritional requirements. Some key projects are narrated next:



*Nestlé R&D Center in Beijing, China – a high-end commitment to nutrition and food research*

- **First 1,000 Days and Healthy Kids – Start Healthy, Stay Healthy**

Nestlé initiated a nutritional survey on pregnant/lactating mothers and infants in urban Chinese cities, in collaboration with Peking University, in 2011. This MING study also characterizes the nutrient composition of breast milk of Chinese mothers at various stages of lactation and evaluates the nutrition adequacy and behavioral patterns of Chinese mothers and infants. Compared to previous surveys in the past decade, results from MING have highlighted the concerns of excess gestational weight gain, high C-section rate, imbalanced macro/micronutrient intakes during pregnancy and lactation, and picky-eating habits in toddlers. The MING results will serve as a reference for the revision of dietary reference intake (DRI) guidelines by the Chinese Nutrition Society (CNS) in 2014.

- **Senior Nutrition:**

### **Nestlé Research Symposium**

Since 2008, Nestlé Research Center Beijing has organized six scientific symposia on nutrition and health, attended by around 1,000 global experts and researchers to exchange cutting-edge knowledge. In collaboration with the 24th Great Wall International Congress of Cardiology (GW-ICC) and Asia Pacific Heart Congress (APHC) 2013, the Nestlé Research Center Beijing organized a joint symposium together with GW-ICC. The symposium focuses on the nutritional approaches for cardiovascular and metabolic health. Additionally, a Nutrition and Health Workshop was organized together with the Nestlé China NHW team to provide nutrition training to Chinese cardiovascular physicians.



*Nestlé Jianxin Milk Powder and Nestlé Yiyang Protein Powder, especially designed for Chinese midlife and elders with advance nutrition*

- **Nutrition for Adults**

Nestlé Yiyang (Joyful Nutrition) Protein Powder is specially designed for Chinese adults, in particular, for career women who play many roles in modern society, to satisfy their needs toward better taste, better nutrition, and better life. Integrated with advanced nutrition and science, the protein powder offers the double

protection for a healthy midlife and beyond through the unique combination of probiotics (protects guts) and high-quality protein (keeps the body healthy).



- **Nutrition for Seniors**

Nestlé Jianxin (Healthy Heart) Double Care Mid-Age and Senior Milk Powder is specially designed for Chinese adults aged above 45 years, to satisfy their needs for better taste, more balanced nutrition, and happier life. Applying advanced nutrition science knowledge, the *Jianxin* Double Care Milk Powder offers double protection for top two health concerns – heart and bone health among people above 45 through a combination of plant sterol (for heart health) and calcium/vitamin D (for bone health).

- **Sodium Reduction**

Nestlé Savory Oatmeal is an oat-based porridge type with visible meat and vegetable pieces with two variants: Vegetable, Beef and Corn & Chicken. It provides consumers with another alternative to regular sweet oatmeal. Integrated with advanced nutrition and technology, it contains lower sodium compared with the competitor but does not compromise the taste; it is also a source of fiber.

### **Nestlé Health Science**

Nestlé Health Science offers nutritional solutions for people with specific dietary needs related to illnesses, disease states or the special challenges of different life stages, and aims to pioneer in the development and application of evolving science to create a new role for nutrition in disease prevention and management.



*Mr. Daniel Lutz, Managing Director of Nestlé Food & Beverage in China, demonstrating wellness during a promotional event of Jianxin Milk Powder for elders*

In addition to providing specialized nutritional products for elders and consumers with special dietary and nutritional needs, Nestlé Health Sciences also contributes to community support initiatives.

### **Adult Products**

#### **Nutren Fibre & Optimum**

A complete nutrition supplement with 30 vitamins and minerals that is tailor-made for people with malnutrition or at risk of malnutrition, e.g. elderly, cancer patient, pre-surgery and post-surgery patient. It can be used as oral supplement or tube feeding.

#### **Vivonex TEN**

A complete nutrition formula with 100% free amino acid and 3% fat that is tailor-made for patients with digestion and absorption problems, e.g. Short gut syndrome, pancreatitis and malabsorption.

### **Clinical Study**

Currently, we have one clinical study that targets sarcopenia (muscle loss in the elderly). With the intake of 400ml Nutren Optimum and Fibre daily for 3 months, geriatrics would like to know if complete nutrition supplement can increase the muscle strength of the elderly. We aim to help the elderly to build muscle strength and to prevent fall.

# Nutrition, Health and Wellness (NHW) – Key Focus and Initiatives 2013



*Wellness in action*

China's rapid economic development and high population numbers have led to many nutritional challenges including noncommunicable diseases like obesity, malnutrition, and micronutrient deficiencies, depending on rural and urban population divide and economic situation. Moreover, diabetes and heart diseases are on the rise. Additionally, China has experienced an epidemiological transition shifting from infectious to chronic diseases. The pace and spread of behavioral changes, including changing diets, decreased physical activity, high rates of male smoking, and other high-risk behaviors, have accelerated to an unprecedented degree. It is reported that

more than 260 million Chinese people suffer from chronic diseases, which lead to about 85% of all deaths in the country. Twenty percent of children under 2 years are vulnerable to anemia.

To fulfill our ambition of being the recognized Nutrition Health and Wellness (NHW) world leading Food Company, we have built the "Wellness in Action" strategic platform, which puts consumers and brands at the heart of everything we do, and continue to develop nutritious products for all age groups and to promote healthy activities within and outside the company.

## Products and Innovation

### Products Renovation and Innovation

Nestlé has its own nutrition profiling system for analyzing and improving the nutrition value of Nestlé products. We use 60/40+ as our strategic tool to make sure we provide not only tastier but also healthier products to consumers, and to drive product innovation/renovation toward nutritional targets. Related policies on fortification of nutrients (especially micronutrients), reduction of public sensitive nutrients (added sugar, SFA, TFA, sodium), portion size control and guidance, and so on, are supported by cross-functional teams and implemented strictly. Products targeted to children are taken seriously; related policies and criteria are carried inside Nestlé to restrict and make sure that all products targeted to children can provide basic nutrition, help them achieve a healthy balanced diet, and prevent childhood obesity.

### Wellness for "Our People" – Nutrition Quotient (NQ) Training

Nestlé is building a system of internal wellness programs to motivate and help employees build a healthy lifestyle and to fast-forward the company to "NHW" from inside to outside.

### Nutrition Education and Training

The NQ training program is a mandatory training program for all Nestlé employees including those from joint ventures, which equips our people with the right nutrition skills and insights to make informed choices for themselves and their families.

### NHW Activities

To consolidate nutrition knowledge and to build a continuous nutrition and health learning atmosphere inside the company, NHW theme activities have been held



regularly together with newsletters sent to all employees (includes healthy diet tips and healthy lifestyle options).

### Responsible Consumer Communication

As the leading NHW Company, we aim to be a trustworthy nutrition partner with our consumers by educating and guiding our consumers with informed nutrition choices.

- **On-Pack Message**

In light of regulatory developments worldwide and increasing consumer interest, Nestlé has reviewed and reinforced its internal approach to the development and validation of nutrition and health claims. The Nestlé nutritional compass, which appears on 100% packs of Nestlé products, has been a trustworthy guide that aims to help consumers make informed choices about their diet and enjoy a balanced life. In the

following year, nutrient reference values (NRVs) will be shown on the front of every product package to help consumers get a clear idea of the energy they take.

- **Advertising Policy on Children's Products**

Responsible advertising to, and communication with, children are a specific part of Nestlé's Communication Principles, including two important provisions, preventing advertising or marketing activity directed at children under 6 years old and restricting advertising for children aged 6–12 to only those products that help them to achieve a healthy balanced diet and prevent childhood obesity, including clear limits for sugar, salt, and fat contents.

- **Online Communication**

To better promote the NHW concept and guide consumers to build a

healthy lifestyle, Nestlé Corporate NHW Weibo (@ 贾老师营养健康 ABC @ Jia Laoshi Nutrition and Health ABC) has been launched in February 2013. The followers have reached over 170,000 in 2013.

### Partnership with Local Scientific Institutes and Health Media

Nestlé China has a wide range of cooperation with reputable partners in the field of nutrition and health care. Some of the work in this direction are mentioned as follows:

- **Public Nutrition Education Program with the Chinese Nutrition Society (CNS)**

Since 2009, Nestlé China has been selected to be a council member of the CNS and, in cooperation with CNS, has launched and promoted a series of events for a balanced diet and healthy lifestyle throughout the country. Nestlé China also participated in the publication and promotion of "Chinese Dietary Guidelines," which aimed to guide and educate Chinese residents on how to keep a balanced diet and a healthy lifestyle.

- **Professional Area Participation**

Nestlé has joined and sponsored many nutrition and health-related conferences, such as China Health Forum in 2012 and 2013, National Nutrition Conference of China, and Obesity Prevention and Control Conference. In addition, as one of the sponsors of the 24th Great Wall International Congress of Cardiology & Asia Pacific Heart Congress (GW-ICC & APHC) 2013, Nestlé sponsored and pushed forward the publication of the "Cardiovascular Nutrition Consensus" to help improve the prevention and treatment of cardiovascular disease.



### Consumers and Brands

*Focusing on our consumers and brands building, we are making full effort to deliver Good Food, Good Life to our consumers and to enhance the quality of life, throughout their whole life stages*

- **Healthy lifestyle Education for Professional Physicians**

During the 24th GW-ICC, Nestlé organized a joint symposium that focuses on the nutritional approaches for cardiovascular and metabolic health. Nutrition and Health Workshop (NQ training) has been organized by Nestlé Nutrition Health and Wellness team to share many interesting and practical dietary nutrition and health knowledge on cardiovascular and metabolic disease with professional cardiovascular physicians.

- **National Community Health and Nutrition Education Program**

In 2013, the China Health Education Center held four training sessions nationwide for basic public health education and chronic disease management to strengthen the capacity of local community health centers, health education organizations, and chronic disease management organizations. As the main sponsor, NHW provided training about nutrition guidelines and methodologies, with more than 500 management staff from community health centers, administration staff, and frontline healthcare professionals.

- **Health and Nutrition Concept Promotion with Related Media**

Nestlé NHW has kept cooperation with media in nutrition and health areas such as *Non-Communicable Diseases Management* magazine, *Nutrition and Health* magazine, and *Life Times*.

## **Nutrition, Health and Wellness (NHW)**

Nestlé aims to be the recognized leading Nutrition, Health and Wellness (NHW) Company. To fulfill this ambition, focus on our consumers and brands, we make the “Wellness in Action” strategic platform from which we regroup our tools, programs, and initiatives. Building on our NHW roadmap, which puts consumers and brands at the heart of everything we do, it will drive and further accelerate NHW across the company.

### **Marketing of Infant Foods**

Our infant food marketing is conducted in accordance with the World Health Organization (WHO) International Code of Marketing of Breast-milk Substitutes, as implemented by each member state of the WHO, and we recommend breastfeeding over all other feeding alternatives for infants. Independent auditing of Nestlé compliance with the

WHO Code is conducted on an ongoing basis by recognized social auditing companies and reports are publicly available. Please see [www.babymilk.nestle.com](http://www.babymilk.nestle.com).

### **Healthy Lifestyle Promotion**

The Company continues to promote awareness on healthy lifestyle and nutrition through different projects and interactive workshop-based activities. Some key examples are mentioned below:

- **Free Heart Health Check Program for Chinese Seniors**

Starting in 2011, we have extended our efforts to promote healthy living among Chinese seniors with an interactive activity called Nestlé Heart Caring Day. This activity enables seniors to get an opportunity to receive free basic heart health check, such as blood pressure test and electrocardiogram analysis. To date, 4



*Nutrition Quotient (NQ) training – game*



million consumers have been enrolled during 33,000 heart check shows in the past 3 years (2010-2013) including 1.4 million in 2013. The team aims eventually to reach more than 10 million seniors.

- **Provide Daily Nutrition and Healthcare Knowledge to the Public**

Nestlé is the exclusive sponsor of Yang Sheng Tang, which has been the most followed and recognized health Program on Chinese public television since January 1, 2013, reaching an accumulated 800 million viewers. Nestlé cooperates with BTV and invests in experts to teach nutrition knowledge to adults aged 45+, who will benefit through their daily lifestyle.



*Guinness World Record for most people exercising to a fitness video, September 28, 2013 – The event was sponsored by Nestlé*



*Participants of the Guinness World Record for most people exercising to a fitness video*

# Nestlé Healthy Kids Program

## The Nestlé Healthy Kids Global Program in China (Chinese Children's Nutrition & Health Education Program)

Nestlé launched its *Healthy Kids Program* as part of *Chinese Children's Nutrition*



& Health Education Program in 2010 to counteract the dual nutrition challenge that China is currently facing. Although nutrition in the country has improved over the years, there has also been an increase in obesity. At the same time, the lack of vital micronutrients such as calcium and iron is causing anemia, especially for children in rural areas. In larger Chinese cities, the percentage of overweight or obese children aged between 7 and 12 years old is nearly a quarter for boys and 15% for girls, according to the fourth national citizen's nutrition and health situation survey in China. Among those aged between 6 and 17 years old, about 12.7% suffer from anemia, and 2.9% of those aged 6 and 12 years old lack vitamin A. Rural children are three times more likely to be underweight and prone to stunted growth compared with urban children. Statistics also revealed that about 13.8% of rural children aged



Participants of the Healthy Kids Program

between 6 and 12 years old have anemia and 10.4% lack vitamin A.

In partnership with the Chinese Nutrition Society, the program aims to improve the nutrition, health, and wellness of children aged 6 – 12 years old in urban and rural areas in China. After its launch in Beijing, it was soon extended to Shanghai, Sichuan, Shandong, Liaoning, Shanxi, Yunnan, Guangdong, Anhui, Hubei, Xinjiang, Guizhou and Tibet autonomous region. The Company is also working in partnership with experts from the National Institute for Nutrition and Food Safety of Chinese Center for Disease Control and Prevention.



Zhuwa School pupils learning about nutrition





*Healthy Kids Program*

the percentage of children not eating whole grain at all was reduced from 48% to 8.5%, which is an 82% improvement, and 84.8% of children having breakfast every day. Enhancement of kids' nutrition knowledge indeed improves their dietary behavior and helps them achieve a healthy lifestyle.

Through nutrition education on balanced diets, physical activity, and healthy lifestyles, Nestlé is helping to teach primary school pupils about nutritional health in order to establish healthy eating habits at a young age. A new Healthy Kids website, <http://www.children-health.org/>, was also officially launched in 2013 as a useful tool to reach more children in China.

#### **Nestlé Healthy Kids Program in Taiwan**

Nestlé Taiwan joined forces with the John Tung Foundation to launch the Nestlé Healthy Kids Global Program in 2010. The Program came to elementary schools to encourage students about "Healthy Eating, Happy Exercising" and promoted the right dietary habits with exciting activities that urged children to have more milk, grains, fruits, and vegetables, and to have breakfast every day. It influenced around 12,000 children and effectively attracted public attention on balanced diet for children. The post-evaluation shows that the ratio of the program for kids having dairy products every day rose from 59.2% to 70.3%;



*Nestlé Healthy Kids Program in Taiwan has reached 12,000 kids and is growing*





# Water and Environmental Sustainability

**“Responsible use of water and care for the environment is the essence of Nestlé’s operations, where water reduction and efficiency strategies are an essential part of our global drive to improve environmental performance.”**

## Water and Environmental Sustainability

**Water reduction and efficiency strategies are an essential part of our global drive to improve environmental performance. The ongoing quality and availability of water is critical to life, the production of food, and our operations, so it is essential that we play a full and active part in helping to address the global water crises.**

Nestlé’s environmental stewardship is guided by three principles:

- our responsibility toward society, present and future,
- our desire to delight consumers in a responsible manner and
- our dependence on a sustainable environment that can provide the high-quality resources we need to make good food and beverages.

In 2013, we achieved very positive results on energy saving and water conservation. Cumulative results are as follows:

	<b>*Average Nestlé 2012 Actuals + JV Actuals</b>	<b>2013 Result</b>	<b>2013 Actual Reduction (%)</b>
Total water withdrawal (cubic meter per ton of product)	4.14	4.06	1.9
Total on-site energy consumption (gigajoules per ton of product)	1.72	1.60	6.9

\* Since the data of recently acquired JV companies have been included from 2013 onward, an average from Nestlé actuals and actual results of JV companies for 2012 is taken as benchmark for 2012.



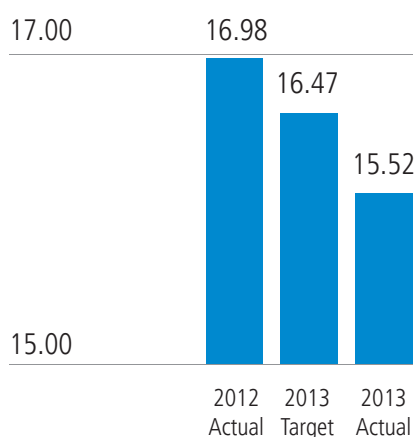
The following are a few examples among all water and energy-saving projects in Nestlé GCR:

- **Water-Saving Project in Nestlé Shanghai Ltd. (NSHL) & Nestlé Waters Songjiang Factory**

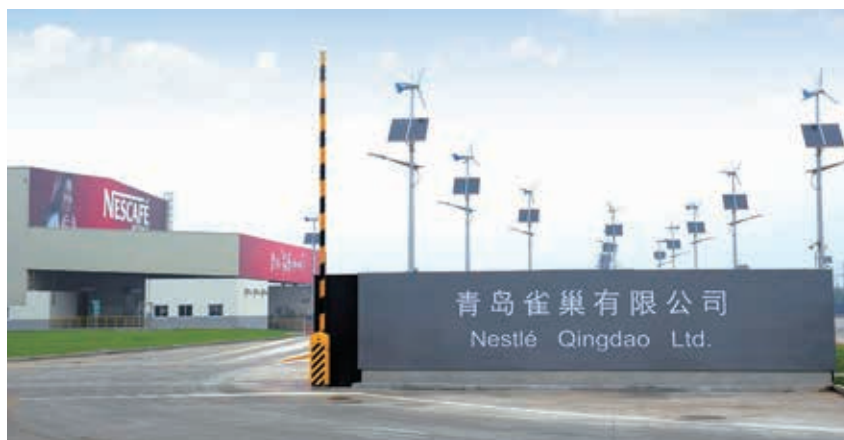
This project was awarded the GCR "Zero Impact" Silver award in 2013. One thousand five hundred tons of water were saved in 2013 through reuse planning of water discharge. "Nestlé Water Factory, Start-up flushing water was discharging every day without reuse as the flushing water cannot be reused in Waterman, but can be reused in NSHL for make-up water for cooling water and flushing toilets etc."

- **Energy-Saving Projects in Nestlé Shuangcheng Ltd. (NSL)**

NSL achieved an energy saving of 113,575 GJ and reduced CO<sub>2</sub> emission by 9,000 tons through a boiler upgrade project.



Energy consumption figure in Nestlé Shuangcheng Ltd.



Solar/wind streetlights in Nestlé Qingdao Ltd.

- **Energy-Saving Projects in Nestlé Qingdao Ltd. (NQL)**

Eighty sets of solar/wind streetlights have been installed in NQL, energy saving is 3 kWh/day, that is, 87,600 kWh/year.

- **Renewable and Alternate Energy: Maggi Dongguan Ltd. (MDL)**

Nestlé China believes we continuously need to reduce our environmental footprint, and for this purpose, the technical team regularly comes up with different ideas and projects to save energy. One of the projects carried out in 2013 was the installation of solar energy streetlights. A total of 14 solar streetlights installed along the main roads of MDL could save about 3,400kWh electricity power per year.

- **Solar Lighting System Installed in NQL**

Two hundred sets of solar lighting have been installed in warehouses, boiler houses, main offices, corridors,

bicycle sheds, and so on, in NQL. Energy saving is 80,000kWh/year.

- **Guangzhou Refrigerated Food Ltd. (GRFL): Wastewater Treatment Plant**

Wastewater treatment plant capacity: 900 tons/day. The treated water is way better than regulatory discharge threshold and GRFL reused it for irrigation, cooling tower make-up water, dissolving flocculants in WWTP, and restroom flushing water.



Nestlé Qingdao Ltd. wastewater treatment plant

### Reduction in Packaging Materials

Customers and consumers have higher functional and emotional expectations on packaging. Nestlé strives to develop innovative solutions to meet these needs while also reducing our environmental footprint. Below are some examples of our recent efforts in this regard:

- Nestlé continues to be at the forefront of technological breakthroughs to reduce the weight of tin cans. Nescafé Ready-to-Drink (RTD) can regular, 24 x 180ml CN, reduced RTD coffee tin can body material, which reduced tin weight by 877 tons/year but had no impact on quality and consumer satisfaction.
- Nestlé continues to reduce environmental impact by using less packaging material. In Nestlé Pure Life Water, 24 x 330ml, Nestlé optimized the flute paper of the shipping case, which achieved weight reduction by 105.2 tons.
- Nestlé strives to reduce the consumption of non-renewable materials usage in packaging and achieved plastic weight reduction of 110 tons for 2013.

### Packaging Sustainability – Futuristic Approach (through R&D)

Nestlé R&D China is supporting the joint-venture company Yinlu to reduce PET material usage for peanut milk bottles, the most popular SKU of Yinlu, and also a Nescafé product line. These initiatives will generate together a ***total savings of 5,500 metric tons (MT) of PET materials per year, significantly decreasing the environmental impact.***

From a life cycle standpoint, the 5,500 MT of PET reductions correspond to an improvement in the following key sustainability indicators:

Indicators	Reduction*
Climate change in CO <sub>2</sub> equivalent	36,000 metric tons
Cumulative energy demand	55 million MJ LHV
Water consumption	1 million tons
Mineral and fuels	37 million MJ

\* Impact through the light bottles will be implemented in Q1 2014.



"Yinlu PET bottles" on production line

# Project “Water Education for Teachers” (Project WET) in China



## Quick Facts 2010 – 2013 (Cumulative)

Year Founded: 2010	
Impacted teachers	410
Impacted school	355
Impacted students	250,000
Impacted places	Beijing, Fujian, Gansu, Guizhou, Hunan, Hubei, Shanghai, Sichuan, Yunnan

(with I Fly rural teachers training program in Fujian, Gansu, Guizhou, Hunan, Yunnan)

## Description (Project WET in China)

Project WET is the abbreviation of “Project Water Education for Teachers.” This project comprises several activities related to water education including healthy hydration and water conservation. It aims to improve the understanding of water resources, to treasure water resources, and to raise the awareness of water resources’ decisive status in human beings’ living environment through “water” knowledge education. Nestlé Waters has collaborated with Project WET Foundation, a global nongovernmental organization that works together on Water Education.

Project WET was launched in China in January 2010. To date, Project WET has been conducted in more than 355 Chinese schools and has reached at least 250,000 students. In Shanghai, we are working with the Shanghai Education Bureau, and in Beijing,



*Project WET: students learning about water and environmental conservation*



we are cooperating with the Healthy Hydration Committee. Project WET was awarded the "2013 Shanghai Summer Holiday Juveniles Best Practice Program" by the Spiritual Civilization Construction Committee of Shanghai for its outstanding achievement in Project WET events, which achieved rapid development in factory, communities, and schools.

#### Project WET – Honors and Awards

- In 2011, Project WET, in collaboration with the Shanghai Municipal Education Institute, broke the Guinness World Record for the most PET bottles recycled.
- Shanghai Bureau of Education announced Project WET as the "2013–2014 Shanghai Adolescent Social Practice Project," which aims to provide extracurricular training for teachers, taking the joint venture of government and Nestlé Waters to implement Project WET teachers' training for about 300 teachers from 10 districts in Shanghai.

#### MOU Signed with People's Government of Erguna, Hulenbier – Inner Mongolia

- In commemoration of the World Environment Day in June 2013, Nestlé signed an MOU with the Erguna People's Government in Hulenbier, Inner Mongolia, to raise awareness on environmental protection as Erguna is home to some of the most ancient and spectacular wetlands in the world. The partnership will organize workshops and tree plantation activities for 3 years (as part of world environment day commemoration, a large number of delegates from local and international organizations and also students and academia participated in the Mutual Learning and Awareness Workshop on June 4, 2013). The scope of this MOU will be raised in the future.



*Environment Awareness Workshop in Erguna, Inner Mongolia*

*Erguna Wetlands*





# Rural Development

**“Nestlé’s Rural Development approach focuses on supporting rural communities around our operations. It aims to deliver business and societal value by focusing on key gaps and alignment of objectives along the supply chain and with stakeholders, including farmers, farm workers, and the communities within which they are located.”**

## Rural Development – Overview

The Company believes in working upstream in the value chain. As a major producer of coffee and milk products, Nestlé has a strong incentive to optimize its supply chain and to create solid, long-term commitments to its suppliers. This is why Nestlé has been actively engaged in establishing sustainable coffee and dairy sourcing by training farmers and offering

fair prices for their produce. Nestlé in China is also exploring opportunities for sustainable development in raw materials value chains related to chicken, eggs, and peanuts, where surveys have already started in 2013 to work closely with the related farmers. The new initiatives are part of Nestlé’s supplier’s development and responsible sourcing programs. Additionally, Nestlé is also committed to numerous other community support initiatives and is aligned with the millennium development goals of the United Nations (UN). Nestlé is also a signatory to the UN Global Compact Network in China.



*Progressive dairy farmers are now adopting modern infrastructure and farm mechanization*

## Dairy Development

Nestlé has been committed to dairy sector development in China for over two decades. Today, we are proudly engaged with 14,000 farmers for mutual growth and sustainability.

## Modern and Changing Approach to Dairy Development in China (Challenges and Opportunities for the Farmers)

China is undergoing a large urbanization process that is drawing farmers from the country side into urban settings by more attractive salaries from the industry.

As a result, small holders are declining and they need to rapidly increase their farm size and professionalize in order to stay in the business and achieve similar incomes. Many farmers are hence faced with having to leave the farming sector. This is rapidly decreasing the amount of fresh milk produced in China while the



ongoing urbanization and higher salaries are increasing the demand of the growing number of Chinese consumers. As a result, there is a growing shortage for milk and a greater reliance in imported milk powder.

Nestlé has decided to proactively counteract this development by supporting farmers in their development by providing farm designs, mechanization solutions, financing solutions, and, most importantly, training.

### Nestlé Dairy Farming Institute (DFI)

To add sustainability through modernization to dairy farming, Nestlé China decided to invest and build a “Nestlé Dairy Farming Center” in Shuangcheng, a professionally designed institute along with demonstration farms to build the capacity of dairy farmers, dairy professional, students, and dairy investors (irrespective of competition and open to all basis).

The Nestlé DFI will be inaugurated in 2014. The DFI is open for the whole industry and targets to raise the level of



*Architectural design of the Nestlé Dairy Farming Institute*

professional and safe milk production in China. We strongly believe this support is crucial to ensure a future dairy farming industry that is competitive even on an international level. The DFI consists of classrooms, dormitory, adjacent training farms, and laboratories (feed content, digestibility, animal health, etc.). And most importantly, the DFI will collaborate with local and international institutions and academia to jointly implement state-of-the-art knowledge for training and development.

### Shuangcheng's Milk District (Reference Example – Ongoing Farmers Support Initiatives)

In addition to continuous effort on modernization, Nestlé continues to help traditional farmers through technical support and training in the field, where our efforts in all our milk districts in Qingdao, Hulenbier, and Shuangcheng continue. One case is presented below for reference.

Shuangcheng's milk facilities cover over 3,000 square kilometers, with 68 fresh milk collection stations that receive milk from over 7,000 producers alongside 90 producers that supply Nestlé directly. This provides around 700 tons of milk a day, with an average of over 200 tanks of fresh milk entering the processing facility daily.

The rising demand, competitive salaries, rapid economic growth, and modernization are putting the past endeavors as obsolete and noncompetitive, and for the reasons, the number of small farmers are declining, but a modern approach to dairy sector development is making a sustainable change for the next generation of farmers as commercially viable dairy entrepreneurs. For example, Shuangcheng's dairy farmers raise cattle with outdated methods. Cows are poorly



*Professor Pam Ruegg of University of Wisconsin Madison, USA, and Mr. Christian Schmid, Head of Technical for Nestlé in China signing the MOU for training collaboration with Nestlé Dairy Farming Institute – Standing (L to R) Ms. Karen Nielsen, University of Wisconsin Madison, Mr. Robert Erhard, Project Manager (DFI) and Mr. Lu Ming, Shuangcheng Factory Manager*

fed and produce relatively little milk. The Shuangcheng government and Nestlé believe improvements are necessary, including a deep shift in scale from small milk producers to village cultivation and eventually large-scale cattle ranches. This will improve feeding and boost milk production, enhancing milk quality and increasing economic benefit by fixing the very root of the problem. This will put Shuangcheng among China's most reliable and safe sources of milk.

To help milk producers improve cattle feeding, the company has developed its series of benefit projects, which include the "Million Silage Benefit Project," "Demonstration Farm Milk Producer Training Plan," and "Milk Facilities Cleaning Plan," among others. The company provides milk producers with free towels, brushes, cleaning agents, and more essential items to improve management of cattle farming, hygiene, and feeding.

The Million Silage Benefit Project has been ongoing for 3 months. Nestlé has over 1,000 milk producers under this project. This has sparked a trend among



*Milk chillers modernization in progress in Erguna*

milk producers to start making silage, shifting the cattle feeding structure of milk facilities and increasing milk quantity.

To accelerate the development of milk producers, the company proactively communicates with the government, creating loans for milk producers. It has also entered the early stages of cooperation with Harbin Bank and China Merchants Bank. The first batch of loans

has already been issued to milk producers to purchase cattle, and ranches have begun to be developed.

In the past, Nestlé had donated more than 1,000 milking machines and also some large-scale milking parlors among its three key milk districts and is providing continuing support to dairy farmers.



*Small farmers in progress*





# The Nescafé Plan in China – Coffee Development in Pu'er, Yunnan

**Nestlé in Yunnan has reached 25,000 farmers, more than 2,200 suppliers, and over 11,000 tons of coffee purchased in 2013, where 4C is under implementation as well. By 2017, we aim to procure 15,000 tons of 4C green bean Arabica.**

## Background and Current Initiatives on Coffee Development

In the early 1990s, Nestlé China pioneered in the development of China's Yunnan province as a viable coffee growing region by setting up

- an experimental and demonstration farm;
- a technical assistance center with a team of dedicated agronomists; and
- a buying station in Pu'er prefecture focusing on direct deliveries from coffee growers, with special focus on smallholders.

The agronomists give on-site, free and demand-driven training, and technical assistance to coffee growers, mainly in remote ethnic areas, with the aim of improving farm management, yield, and quality and market knowledge. The farmers can directly sell their green coffee to the buying station, without the need of middlemen, providing a steady income to and ensuring the added value goes to the local farmers. Nestlé announces its transparent and competitive price throughout Yunnan, which is considered as a reference price, and is in line with international best practice.



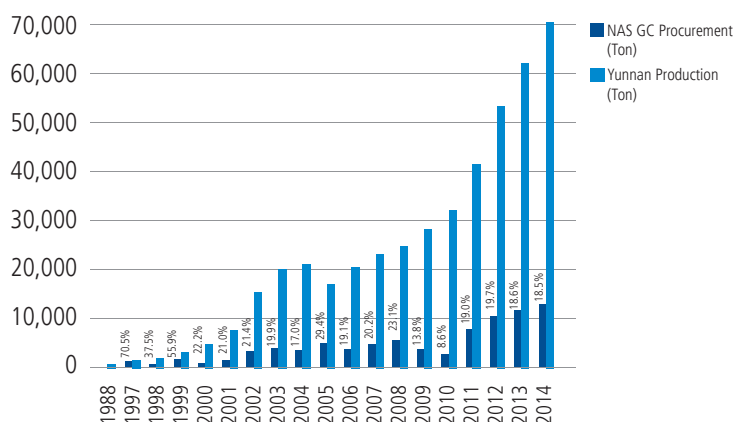
*A proud woman coffee farmer from Yunnan showing her happiness during harvest season*

In 2011, Nestlé introduced *The Nescafé Plan*, a global initiative that creates value across the coffee supply chain, from farmers to consumers to Nestlé. As part of The Nescafé Plan, over the next 5 years, Nestlé will double the amount of coffee bought directly from farmers and their associations, eventually purchasing 180,000 tons of coffee (worldwide) from around 170,000 farmers every year. With the support of the Rainforest Alliance and the 4C Association, all directly purchased green coffee will meet the internationally recognized 4C sustainability standards by 2015. In addition, 90,000 tons of coffee will be sourced according to the Rainforest Alliance and Sustainable Agriculture Network (SAN) principles by 2020.



*Coffee beans on tree – before plucking and processing*





Nestlé evolution along with the overall growth in coffee development in Yunnan, China

Nestlé China's Nescafé Plan aims to purchase 15,000 tons of 4C (Common Code for the Coffee Community) verified coffee by 2017. The Agri-Service team introduced Nescafé better farming practices and is helping its suppliers to reach 4C standards. By beginning of 2015, all suppliers delivering to the buying station will have to be 4C verified.

In 2013, two units have been licensed and one unit developed. The three units consist of 1,429 partners and a total of 25,000 beneficiaries, covering 9,198 ha. Further 27 training sessions were held with 1,716 farmers trained and a total of 749 households visited.

Agricultural service purchased 11,503 tons of coffee (+9.4%), or about 19%

of Yunnan's crop, of which 3,403 tons was 4C verified coffee (= 30% of total purchased coffee). The total number of registered suppliers, mainly small-scale farmers, further increased with another 47%.

The program assures a secure volume of good-quality coffee produced through responsible farming and full traceability of the coffee up to the grower.

#### Local and Global Recognition for the Nescafé Plan in China

In June 2012, Nestlé (China)'s Nescafé Plan received the "2012 World Business and Development Award" on the eve of the United Nations Conference on Sustainable Development. Additionally, the Nescafé Plan in China also won "The

Gold Standard Award for Stakeholder Engagement" and was also named as the "Best Practice to Promote Societal Development" by the first annual conference of the UN Global Compact Network China (GCNC) in 2012.

#### Responsible Sourcing

##### • Responsible Sourcing

Nestlé started the Responsible Sourcing Program in 2009, by driving suppliers for a third-party audit named *SMETA*, to verify their implementation of Nestlé Supplier Code at Tier 1 level, covering four pillars named Business Integrity, Labor Conditions, Health and Safety, and Environmental Standards.

In 2013, we have 82 more suppliers which finished responsible sourcing audit, and more efforts were paid to drive our audited suppliers for implementation of corrective actions and to be fully compliant. Up to the year-end of 2013, there are totally 184 suppliers qualified in responsible sourcing, out of a total of 296 (only for NCL Procurement management scope), with a compliant ratio of 62%.

##### • Transportation Safety

To smoothly conduct responsible sourcing audit for transporters, Procurement and Supply Chain together organized a Road Safety and Responsible Sourcing training in November; 39 people from 22 transporters attended. There was already one supplier (representing 11% of total GCR transportation spend) that went through the audit, covering both *SMETA* and transportation safety requirements. This successful start would lay a solid foundation for us to further expand responsible sourcing to more purchasing categories.



Mr. Wouter De Smet, Director of Coffee Agricultural Service, demonstrating coffee plants to a local farmer

2014 will be the beginning of the third-wave responsible sourcing audit, with the global target of achieving 10,000 audits and expanding to more high-priority services and indirect material categories. We will continuously make our own contribution for further improvement of ethical and responsible business practices in global supply chains.

- **Green Supply for Paper**

In 2011, Nestlé started the market strategy of tracing and execution for paper products from all over the world. Under the global framework of Responsible Sourcing Guideline (RSG), seven key countries listed in the RSG of “paper products,” including China, Indonesia, India, and the United States, shall trace all the paper products from Nestlé to package printing factories in the first period, and then shall trace the paper products from package printing factories to paper mills, pulp mills, until the upstream forestlands, to ensure that Nestlé is away from deforestations.

The policy is jointly executed by all Nestlé regional/national teams and **The Forest Trust (TFT)**.

In early 2013, Nestlé China and TFT combed through the implementation strategies adopted by the RSG project in China and called on a suppliers meeting in mid-June for 13 selected suppliers which committed to implement RSG with Nestlé together. In the second half of 2013, the RSG China project was further accelerated and finished supply chain mapping, tracing capacity assessments for the 13 selected suppliers in November.

At the end of November, Nestlé China and TFT held a project review and strategic planning meeting on which to formulate the Responsible Sourcing Group (RSG) 2014 Action Plan. The Action Plan clearly defines the roadmap of Nestlé China’s RSG for paper products in 2014 and also bridges the Chinese market with others aiming for a full achievement of the RSG project.

## Supplier Development

In 2012, Nestlé China has created a Supplier Development function to focus on the improvement of local suppliers’ capabilities. The objective is to ensure a sustainable supply of key materials to support business growth plans with a strong focus on quality, corporate responsibility, regulatory compliance, cost competitiveness, and Creating Shared Value. Supplier Development will be the result of a collaborative effort by Nestlé and suppliers, aiming to improve performance through capability building, training, coaching, and best practice sharing. By definition, Supplier Development is a medium-to long-term activity, focusing on the creation of mutual benefits. In addition, Supplier Development plays a key role in increasing the visibility of our upstream value chains. Mapping the origin of our raw materials and ensuring traceability to the field, in some cases, bring us closer to farmers and benefit our consumers both from a quality and food safety perspective.

Today, the team is working with suppliers on a number of projects covering agricultural raw materials (peanuts, chicken, eggs, sugar, rice), ingredients (dehydrated raisin, tomato powder), promotional items (ceramics, glass), and technical equipment (ice cream freezers).



*Nestlé Coffee experimental, training and demonstration farms in Yunnan Province*





*Nestlé Supplier Development has recently started surveys of the peanut value chain and developing plans for development*

not only reduce accidents, fatalities, and injuries but will also save time, cost, and logistic efforts to the companies involved in road transportation. The program was formally rolled out in China in 2013 and, to date, around 1,000 drivers have been trained.

The key objective of the program is “Our goal of road safety is zero road fatalities and injuries” and to ensure that the vendors, transporters, and suppliers, in addition to Nestlé staff, adhere to the safe drivers criterion.

### **Peanut Research in China (Initiated in 2013)**

In 2013, Nestlé started a survey and research on peanut farming to analyze risks and opportunities, and to find ways to develop the capacity of peanut farmers through technical support and high-end technological knowledge. In the future, this will boost quality and sustainability factors for the peanut farming value chain.

### **Safe Driving Training (Road Safety) Background**

The United Nations General Assembly resolution of March 2010 proclaimed 2011–2020 the Decade of Action for road safety, with a global goal of stabilizing and then reducing the forecasted level of global road fatalities by increasing activities conducted at national, regional, and global levels. Mr. Paul Bulcke, CEO of Nestlé, signed the Global Road Safety Commitment: Support the decade of action for road safety 2011–2020 through our organization’s management of work-related road safety.

### **Safe Driving Training in China**

Subscribing to our global direction, Nestlé in China also established a Road Safety Committee, under the umbrella of its Supply Chain and Procurement divisions, which has been made part of the responsible sourcing activities in China. Under the program, a significant number of drivers will be trained, along with vendors, suppliers, contractors, and transporters, to ensure safe driving training in their areas and compliance by a set criterion on road safety. This will



*Drivers safety training Participants*



*Safe Driving training participants standing with Mr. Muhammad Zahid, Head of Supply Chain GCR and Mr. Denis Li, Head of Procurement at Nestlé China*





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# Our People

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**People are our key asset. Nestlé in China places a premium on developing and securing the next generation of leadership, investing in local and international trainings and experiential opportunities. Our people activities are governed by our Nestlé Corporate Business Principles, which define how we operate in Nestlé.**

**More than 50,000 employees benefited from the learning and development programs provided by Nestlé China in 2013, enabling them to meet their work challenges and equipping them to move toward their career aspirations. Nestlé Greater China Region Learning and Development, including our local training champions, used a variety of learning approaches such as classroom training, on-the-job coaching, and e-learning to support managers and employees in further developing their capabilities and skills.**

In addition to ongoing employment opportunities, Nestlé also contributes to development and employment in society through its Trainee Program. During 2013, Nestlé was in contact with more than 40,000 university students for the 2014 intake. To enable reaching even more students, we launched “Nestlé Campus” on social media, attracting more than 20,000 fans in the first 4 months. Following a stringent recruitment and assessment process, 197 graduates joined

Nestlé organizations as trainees for 2013. They will each follow an 18–24 months’ Nestlé Traineeship, including regular formal training, rotating assignments across functions and locations, and trainee team building to equip them for successful Nestlé careers.

Cooperation with top business institutes helps keep training program offerings at the leading edge of management development theories and practices.

Chinese people always say “live and learn as you age,” and we do encourage our employees to enjoy their learning while they work. In the future, Learning and Development will work more closely with business, and ensuring alignment with the Nestlé China initiatives of having a Winning Culture in Greater China Region and helping employees learn, develop, and grow while the company prospers.





*Our committed staff ensuring quality and safety on production sites*

### Employee Participation in Community Support Activities

During 2013, there were various employee engagements for community support activities, customized on the basis of local needs and involving local Nestlé staff. These activities enabled Nestlé staff to contribute to their local communities in a tangible, relevant manner and with the support of their company; the activities included factory staff providing Nestlé products as gifts to elders at their local aged care facility. During their visits, Nestlé staff helped tidy and clean facilities and rooms and also spent time socializing with elderly residents.

Another factory organized an art competition for local children and presented STAR art awards to participants on China National Children's Day.

Yet another Nestlé group provided Nestlé products to needy families in their local village. A factory team made a donation to their local kindergarten to install a new heating system and to renovate their

classroom. This provided local children with an improved and brighter study environment. We also invited a group of children to one of our factories and shared water knowledge with them.

Additionally, the staff at various locations continue to help elder homes, orphanages, and also for disaster relief activities on a regular basis.

### Employee Relations and Workplace Wellness

Employee relationship within Nestlé is guided by our Corporate Business Principles (see [www.nestle.com/csv/globalprinciples](http://www.nestle.com/csv/globalprinciples)) and our Human Resources Policy, as well as our adherence to laws in the People's Republic of China (as primary).



*Gender balance progressing with more females in the leading role*



*Nestlé Continuous Excellence, ensuring food safety*



# Nestlé Continuous Excellence (NCE)



**Nestlé Continuous Excellence (NCE) is probably the biggest Change Management Journey that Nestlé has ever embarked on. It is a change in mindset that aims at People Transformation to enable work place Transformation to accelerate Business Transformation.**

NCE is a company-wide initiative that allows Nestlé to transform toward a lean enterprise. A lean enterprise is that enterprise where employees are well aware of what consumers and customers value, what they do not value (therefore considered waste), and how they can contribute and enhance those values.

We do NCE to enable everyone in the organization to put consumers and customers at the center of everything we do, defining what is waste, eliminating waste, and delivering continuous improvement focused on the 3Cs: Delighting Consumers, Delivering Competitive Advantage, and Excelling in Compliance.

As a consumer of any Nestlé product, would you be ready to pay for

- inaccurate planning, wrong forecast that generates high stock, which translates to increased working capital;
- rework in our manufacturing process;
- finished products without freshness that leads to bad goods or market returns;
- complexity in our transaction processes; and
- SKUs that have demonstrated a consistent pattern of nonperformance that adds complexity and erode profit and deplete cash?

I guess not; that is why through optimal alignment between all businesses and functions breaking silos within the group, greater efficiency and a rigorous and

consistent approach eliminating waste, NCE helps create winning gaps that enable Nestlé to continue to grow and deliver the Nestlé Model.

NCE is about 20% tools and 80% behavior; this means that people make a significant difference. The tools we provide are just aids that help our employees to better organize and approach their work, but it is still the employees' behavior and utilization of these tools to actively visualize, simplify, and standardize work life practices that make a difference.

With these tools, NCE encourages and empowers our employees to improve their work practices by reducing the need to "fire-fight." This way, more time is focused on improvements and value creation activities. The result will be performance improvements and stronger engagement of our people.







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# Creating Shared Value and Community Support Initiatives

## by Our Member Companies and Joint-Venture Partners

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“Member companies of the Nestlé China Family fully subscribe to the Creating Shared Value concept, where social welfare activities, responsible use of resources, and helping the communities are a key part of their heritage and tradition.”





银鹭

## Yinlu Foods Group

**Based in Xiamen, Yinlu Foods Group specializes in peanut milk, canned congees, and other nutrient-rich food and beverage products. It started in 1985 as a small fruit-canning factory in the rural village of Matang, a poor county village in Fujian Province. In 2011, Yinlu joined the Nestlé family. Throughout the years, it has become an industry leader in RTD beverages. To date, Yinlu has established a production base in Xiamen, Shandong, Hubei, Anhui, and Sichuan, and its production capacity is expected to reach 6 million tons in 2015.**

The company has contributed to the community in many ways and actively engages in corporate social responsibility. Over the years, Yinlu has worked hard for the prosperity of Matang Village. It has also made due contributions to food safety and supported settlement of rural issues, environmental protection, and public welfare.

### Food Safety

Dedicated to excellence and full satisfaction of its customers, Yinlu provides safe, convenient, nutritious, healthy, and delicious food and beverage products. Food safety is Yinlu's first priority. The company has heavily invested in specialized R&D and cutting-edge technology and has cultivated high-level technical talents. The company owns several public platforms for R&D and testing, including Xiamen Green Food Engineering Technology Center, Xiamen

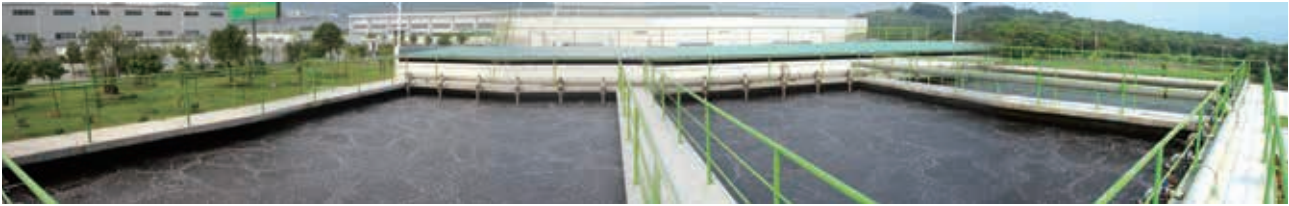
Food Science Institute, Canned Drinks Institute, and the Enterprise Technology Centers of Fujian and Xiamen. At present, the company has obtained many food safety management certifications as well as international environment management system auditing and certification. The company has also been conferred the AAAA Enterprise with Good Standardized Behavior by SAC. In April 2013, Yinlu was awarded the "Industrial Enterprise Quality Benchmark 2013" by state MIIT (Ministry of Industry and Information Technology) and CAQ (China Association for Quality) jointly.

### Support Settlement of Three Rural Issues

As early as in the pioneering days, achieving common prosperity has been Yinlu's key priority. The company had taken responsibility to develop agriculture through its industry and has engaged



*Yinlu pursues excellence to maximize satisfaction for consumers*



*Yinlu's water treatment facilities*

itself in helping Matang Village shake off poverty. In 1985, the annual income per capita was less than 180 yuan in Matang Village. By 2013, that number soared up to 38,000 yuan. By providing employment opportunities to villagers, promoting entrepreneurship, and renovating the village infrastructure, Yinlu has actively endorsed new rural constructions, making Matang Village "the No. 1 Village in Xiamen" and "national civilized village" in Fujian Province. Yinlu has successively set up production bases in Fujian, Shandong, Hubei, Anhui and Sichuan provinces, which has directly and indirectly helped take in over 10,000 surplus rural labor. Through the development of industrialized agricultural operations, the company has directly or indirectly expanded employment of nearly 100,000 farmers in major raw material value chains, improving agricultural efficiency and farmers' income. In 2013, Anhui Yinlu Food Industrial Park came into production, providing over 3,000 jobs.

### **Environmental Protection**

As a large-scale member of the food industry, Yinlu is truly aware of its societal and environmental impact and has taken effective measures to promote environmental protection, including adherence to sustainable development and co-building of a better home with interested parties. All Yinlu production bases are equipped with sewage treatment plants and use recycled water for agricultural irrigation, landscaping,

and road washing, effectively recycling water resources.

During the construction process of industrial parks, such as Yinlu High-Tech Industrial park, the company persists in high standard construction, landscape creation and sustainable development, promoting low-carbon economy. As a result, the company has gradually built up an industrial system fitting the development of circular economy and realizing the virtuous cycle between high-speed economic development and continuously improving environment.

### **Public Welfare**

Yinlu has been strongly promoting education through school donations such as the Yinlu Education Scholarship, and Pairing with Hope Primary Schools. The company also provides extended help for natural disaster victims. Over the past few years, Yinlu has made donations worth over RMB30 million for the sake of social public welfare undertakings.

In the future, Yinlu will continue to fulfill its responsibility toward society and contribute to the construction of a warm and harmonious society with practical actions.



*The Matang Village today*



## Hsu Fu Chi International Ltd.

The business origins of Hsu Fu Chi date back to 1992, when the founders realized that only very simple and traditional candies were available in the market during the Spring Festival. Hsu Fu Chi started to develop a wide range of confectionery products, which later contributed to the sweet empire today. In 2011, Hsu Fu Chi joined the Nestlé family. To date, Hsu Fu Chi manufactures over 1,000 different types of products in over 47 large-scale manufacturing plants equipped with 220 product lines and 736 units of high-speed packaging equipment. Achieving no. 1 in sales and market share of confectionery for 16 consecutive years.



*"Hsu Fu Chi Cares for left-behind children" event*

As the market leader in the confectionery business, Hsu Fu Chi actively participates in the formulation of national standards for confectionery, chocolate, jelly, biscuits, pastries, and so on. Hsu Fu Chi is also a member of China National Confectionery & Chocolate Committee, China National Snack Food Committee, and China Association of Bakery & Confectionery Industry Technical Regulation Committee.

In addition to setting a good example in the industry, Hsu Fu Chi also has a great history of public welfare and environmental protection. Through community service, targeted poverty alleviation, donation, energy conservation, emission reduction, as well as investing in adolescent education and nutrition, Hsu Fu Chi contributes to the progress and prosperity of the society.

### Supporting Communities and Society

During every Mid-Autumn Festival and Double Ninth Festival, the company arranges visits to seniors, disabled people and hardship families in the nearby communities, during which employee volunteers prepare singing and dancing performances, as well as gifts to each individual.

Every March 5 (Lei Feng's Day), Hsu Fu Chi provides community services to residents in nearby areas, such as repairing electrical appliances or haircutting.

Hsu Fu Chi also provides significant disaster relief supports during natural disasters such as heavy snow, earthquakes, and floods.



Overall, the company has made countless material donations to promote local and national harmonious development. In 2011, the company won the title of "Guangdong Top 10 Harmonious Enterprise" and was rated as "Guangdong Provincial Excellent Unit for Poverty Relief and Development" in 2013.

### Environmental Protection and Energy Savings

The enterprise's long-term profit growth is closely related to the sustainable development of the environment. Hsu Fu Chi has passed environmental protection units auditing for five consecutive years and obtained titles of "Dongguan Clean Production Enterprise," "Clean Production Enterprise in Guangdong Province," and "Dongguan City Environment Friendly Enterprise" in 2010.

Over the past 5 years, the company has saved 13,860 tons of standard coal; volume of sewage treatment fell by 21% between 2010 and 2013; and a new BMF biomass boiler was built in 2013, which replaced natural gas with renewable biomass fuel, expected to save 15 million cubic meters of gas.

In the future, Hsu Fu Chi will also introduce advanced and environmental-friendly production technology, focusing on energy conservation and emission reduction.



*Employee volunteers visit senior home in Mid-autumn day*

### Caring for Healthy Growth of Children

"Resourceful youths lead to a resourceful nation; strong youths lead to a strong country." Hsu Fu Chi pays close attention to the growth of young people.

The "Doctor Bear" brand has been supporting events and activities to enhance children's interest and understanding of science, such as the "China Adolescents Science Video

Festival" for the past 3 years, during which time, 10,000 schools in more than 100 cities throughout the country have been reached by this event.

Hsu Fu Chi has also pioneered its "Blessing at School" program in 2013, with the goal of improving rural children's nutritional structure in under-developed areas, so far 700 students have benefitted from this long-term plan, and the program reach continues to grow.



*"Blessing at School" program improves children's nutritional status in poor areas*



## Shanghai Totole Foods Ltd.

**Founded in 1989, Totole is a pioneering company in China's seasoning industry. Over its 30 years of development, and a partnership with Nestlé starting in 1999, Totole has become the leader in the chicken bouillon industry and other seasoning-related products. Today, 120 million Chinese households and nearly 400 million consumers are savoring Totole high-quality and tasty products. Totole also has the world's largest chicken bouillon production factory with annual sales exceeding 100,000 tons.**

Totole is a great example of Creating Shared Value. Besides its great business success, it aims to add value to the society, including good employee management, industry standards setting, distributors and farmers enrichment, charity donations, energy saving, and emission reduction.

### Providing Employees with Jobs and Opportunities for Advancement

Totole provides nearly 5,000 jobs nationwide, 2,300 of which consist of permanent employees. Totole attaches great importance to cultivating and promoting its employees from within the organization, with 95% of its senior and intermediate management recruited internally. Totole's employee benefit package has maintained a constant level of growth of approximately 10% per annum.



*Totole cares for the elderly*

### Setting Industry Standards in Development and Revitalization

Entrusted by China Condiment Industrial Association, Totole spearheaded the implementation of the Chinese Chicken Bouillon Industry Standard. As the creator of this new product category of modern condiment, Totole is greatly significant in regulating the market, guiding consumption, and promoting healthy development of the industry. In 2012, the Chinese Chicken Bouillon Industry Standard was established as a national standard, with standard indicators being higher than its international counterparts.

### Driving Large-Scale Development of More Than 2,000 Distributors

Totole has over 2,000 long-term distributors and tens of thousands of secondary dealers and resellers whose profits depend on their sales of Totole products. Over the past two decades, Totole has been working hard to ensure mutually beneficial cooperation by partnering with its distributor clients and helping numerous condiment dealers grow with them. Some of them have expanded from small retail stores into registered companies with legal representation, or even into medium and large enterprises, integrating manufacturing and marketing.



### Stimulating Development of Upstream and Downstream Industrial Chains

At present, 65% of urban families and restaurants and more than 200,000 restaurants in China are using Totole products. Over 80% of enterprises along the chicken bouillon value chain are profitable, and 100,000 people are directly employed by enterprises along the upstream, midstream, and downstream industries. Each year, 500 tons of raw materials are put into production, including nearly 40,000 fresh chickens, 170,000 eggs, 900,000 fresh onions, and 115,000 garlics. The company has supported a large number of farms and boosted the economic growth of rural areas where its affiliate companies are located.

### Making Earnest Efforts in Promoting Charity and Giving Back to the Community

While focused on “helping 1.3 billion people to taste better flavor,” Totole is also determined to become an outstanding corporate citizen by actively participating in charity and public-benefit activities. Some of its undertakings include donating to earthquake victims and to widowed elderly people in earthquake areas of Dujiangyan, financing operations for elderly cataract patients with financial difficulties and supporting serious illness in need.



*Totole brings better flavor into the community*

### Development of The Science of Flavor with technological innovation

Totole chicken bouillon is a product developed on the basis of science of flavor. Totole has not only provided a new definition of flavor but has also made quantitative studies of flavors, inventing the concept of a “deliciousness index” which is used in the design of product packaging.

Totole has received many awards acknowledging its major achievements in terms of innovation. In 2006, the company won the title of “Shanghai Corporate Technology Center.” In 2009, it won the “Quality Gold Prize” in Shanghai, and in 2012, it was awarded the title of “Shanghai High-Tech Enterprise.”

### Energy Efficiency and Emission Reduction

Totole has always deemed efficient energy use and environmental protection as an important development strategy and has implemented these efforts into its whole production chain.

The “Condensed Water Recycling Project” recycles 37,000 tons of hot water and saves a significant amount of fuel expenses. Totole has also built a mechanic filter for water used in the preproduction process to reuse the water to irrigate flowers and grass on the company grounds. Lastly, Totole’s reformed drying process carries out low-temperature waste gas and residue heat recycling, which improves low-temperature heat energy recycling and reduces fuel expenses.



## Yunnan Dashan Drinks Co., Ltd.

**Yunnan Dashan was founded in 2002 and specializes in the production of packaged drinking water. The company joined the Nestlé family in 2010. Community has always been one of Dashan's core values. Over the years, it has built a corporate culture of mutual trust with staff, effective communication with consumers, cooperation with partners, and harmonious development.**

### Ensuring Consumers' Health and Safety

Dashan takes upon itself to ensure consumers' health and safety. Every drop of Yunnan shanquan comes from deep underground instead of being produced from river water, lake water, or tap water. Besides, Dashan improves and upgrades its production technology every year to ensure the high quality of Yunnan shanquan.

To be more transparent and to respond to drinking water safety concerns, every year, Dashan organizes consumer visits to its production base. Dashan also promotes water knowledge through handbooks and comic books, thereby helping consumers develop good drinking habits and raise awareness for water conservation.

### Public Welfare Undertakings

In August 2006, Dashan started its education promotion projects by providing air transportation to Yunnan students enrolled by the top universities in China, Tsinghua and Peking. Overall, in 8 years, Dashan has taken 494 elite students from Yunnan to Beijing.

Dashan is also involved in other public welfare activities such as educational donations, earthquake reliefs, drought reliefs, harvest protection, care for seniors, seagull retaining, cultural corridor building, environmental trips, issuance of Hard Evidence special magazine, donations to the new cultural palace and organization of Kunming's top 10 outstanding migrant workers to travel in Hainan for two consecutive years. In total, Dashan has donated over 30 million yuan for public welfare and charity activities.



*Factory site visits, raising awareness on environmental protection and water conservation*





*Series of education support projects are carried out for Yunnan students*

### Environmental Assurance in Operations

In terms of emission reduction and environmental protection, Dashan has also heavily invested to increase the system's sewage treatment capacity in recent years with a new underground water monitoring system as well as ensuring a scientific and reasonable exploitation of deep groundwater.

Through its technical upgrading, Dashan keeps enhancing the utilization rate of water resources. To the date a total of 140,000 m<sup>3</sup> of water is saved every year laying the foundation for achieving an even lower water utilization rate. In 2014, Dashan will keep the utilization rate of water resources under international leading standards.



*Dashan provides assistance to rural schools during drought*



## Sichuan Haoji Foods Co., Ltd.

Sichuan Haoji Foods Ltd. is a company specializing in producing food condiments for Sichuan cuisine. The company joined the Nestlé family in 2002 and is now a leading brand in the Liangshan area in Sichuan. Haoji's products are ranked first among Sichuan Province's food industry exports and 80% of Liangshan Prefecture's exports come from Haoji.



*Haoji provides support to rural education*

While striving to develop rapidly as an enterprise, Haoji has always maintained an attitude of social responsibility, determined to keep its development in harmony with society and nature as well as following the principles of Creating Shared Value. Helping the communities where the company operates has always been part of Haoji's business principle.

### Promoting Education

Through educational assistance programs and scholarships, Haoji provides financial assistance to students from one of China's poorest regions, Puge, to attend university. In 2013, Haoji officially launched its 3-year "Million Yuan Student Assistance Program," giving outstanding students an opportunity for



higher education. The top three students in arts and sciences on the 2013 college entrance examination received scholarships from Haoji. Haoji has also initialized the "Qiaowo Central School Support Project." The great majority of the students of this school are members of the local Yi ethnic minority whose parents have left to work in the bigger cities. Haoji provided the much needed household supplies for the children, as well as the creation of their school flag and slogan, carrying the wish that those children could grow up healthy and sturdy.

### Rural Development

Haoji has shown strong support to rural development, household assistance, the

spread of agricultural production, and livestock raising technology, as well as rural community development. Haoji provides vast employment opportunities for rural residents and promotes the unity and stability of the local community. The income of Haoji's factory workers in Puge is twice the local average. Haoji accounts for 70% of the local tax revenue, significantly improving the local economic level and living standards.

### Philanthropy

Over the years, Haoji has helped the community in many areas including funding and providing donations to leukemia patients, natural disaster victims, single parents, and left-behind children.

### Environment

Haoji guarantees its production through an extremely strict quality control system to protect the local ecological environment. Haoji's factories use internationally leading water treatment systems to effectively protect water resources and the environment. Haoji also works to raise awareness of environmental protection to employees.



*Haoji 2013 Scholarship granting ceremony*





## Wyeth Nutrition (China) Co., Ltd.

Wyeth Nutrition develops premium-quality nutritional products, scientifically designed to meet the needs of infants, young children, and pregnant and lactating mothers. The company has been part of Nestlé S.A. since 2011. As pioneers in infant nutritional science, Wyeth's mission is to provide the best nutritional support for future health outcomes. The company has also helped in school building development to promote the health and wellness of poor communities in China.



*Mr. John Cheung (right), President of Wyeth Nutrition Greater China Region, inaugurating the "Wyeth Care Function Room" in Linyi Shine Experimental School, Shandong Province*

Besides providing financial and material support to earthquake-stricken areas in Sichuan province, Wyeth has been involved in the psychological support for the victims, supporting an intervention training program initiated by the Department of Medical Affairs, Ministry of Health, and directed by Sichuan Health Department in Chengdu. This project invited 10 famous psychiatric and psychological experts to train over 600 healthcare professionals working in the afflicted areas in Sichuan so as to achieve better therapy and precautionary psychological treatment for the victims of the catastrophe.

Wyeth also helps through different foundations by funding and material support. Since 2008, Wyeth Disease Control and Prevention Fund for Pediatric Pneumococcus, through China Soong Ching Ling Foundation, has provided dissemination, training, studies, prevention, and cure to pediatric pneumococcus. Overall, Wyeth has given 15 million yuan within 3 years to this foundation. In 2012, Wyeth Nutrition made donations and provided Wyeth Gold products to China Foundation for Poverty Alleviation. In 2013, the company donated medical devices worth more than 800,000 yuan to three maternal and child care service centers in the region of Ya'an in April 2013.

Wyeth Nutrition also supported the 28th Chinese Teachers' Day with the construction of a multimedia function room in Linyi Shine Experimental School of Shandong, known as the "Wyeth Care Function Room." The Wyeth Care Function Room is a diverse and effective learning platform, giving teachers an

opportunity for large academic exchange activities to share experiences acquired at work, and constantly improving their teaching skills. Wyeth Care Function Room also holds educational group activities and interactive events for teachers and students.



*Education support activities*



# The Awards and Recognition of Nestlé in Greater China

For the Year – 2013

**Nestlé is committed to Creating Shared Value for both our shareholders and the society at large. It is of paramount importance that our operations comply with the highest standards of business practice, as well as laws and regulations wherever we operate. We will continue to strive for excellence and be a good corporate citizen.**

## Year 2013

- Nestlé won "10-Year Best Enterprise Award" for Nestlé Tianjin Ltd.
- On July 6, the winners of the 2013 Swiss Business Awards were announced during an exclusive gala evening held in Beijing. Nestlé China was honored with the "Outstanding Achievement Award."
- Nestlé was selected as a leading enterprise by the China Bakery and Confectionery Industry Association.
- Nestlé China was recognized for its outstanding contribution to promoting nutrition science and innovation in China at the 11th National Nutrition Science Conference and International DRIs Seminar.
- Nestlé is a winner of Multiple 2013 BrandSpark Consumers Choice Awards. In partnership with Tmall, SEEC and Touchmedia, this BrandSpark Chinese Shopper Study was conducted among over 60,000 Chinese consumers from 31 provinces who rated products across 49 FMCG categories and identified their most trusted brands across 30 categories.
- In February 2013, Nescafé (Adrian Ho) won the China Business News Weekly Award for China's Top 50 Business Innovators.
- In March 2013, Nestlé China was recognized by *Fortune Magazine* (Chinese edition) as one of the Top 25 Most Responsible Companies in its 2013 CSR Ranking.
- In July 2013, at the Fourth China Food Safety High-Level Dialogue, Roland Decorvet, Chairman and CEO of Nestlé GCR, and John Cheung, Regional President of Wyeth Nutrition, GCR, were selected as the "Most Favorable Dairy and Beverage Industry Leaders" by Netizens. Meanwhile, Nestlé China Ltd. was awarded as the "Most Trusted Food Company" by Netizens.
- On November 22, at the Sixth Healthy China (2013) Ceremony in Beijing, Nestlé (China) Ltd. was presented with the Model Enterprise for Health award.
- At the Financial Summit 2014 Vision: Reform Drives Future & Annual Award Ceremony organized by China.com on December 15, 2013, Nestlé China won China Vision – Excellent Brand award, while Wyeth Nutrition was awarded the Pioneering Innovation Award.
- Wyeth Nutrition China was honored with an Award for Outstanding Contribution in Food Safety and Public Health for the third time in a row in September, 2013. Established jointly by yicai.com and Ecolab, and supported by food specialists, experts, and related government authorities, this award is the highest award in food safety and public health in China.
- In September 2013, Wyeth Nutrition China received its fifth Best Client Club Award by 51callcenter.com.
- Wyeth Nutrition China received several honors in 2013 including the Best Supplier in Wal-Mart Sam's Club, Excellent Supplier in Tesco/RT-Mart/Lotus, and Best Strategic Partner in yhd.com.