Disclaimer

This presentation contains forward looking statements which reflect Management’s current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.
One organization leveraging specific skills & capabilities
FUEL FOR GROWTH

SIMPLIFY · STANDARDIZE · SHARE

- Optimize Global End-to-End Flows
- Provide World Class Business Services
- Support Demand Focused Organizations

ENABLE THROUGH PEOPLE
Alignment, Leadership and Lean ways of working

ENABLE THROUGH TECHNOLOGY
Processes, Data and Systems
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Optimize Global End-to-End Flows
Optimizing End-to-End Flows will bring value to consumers and customers
## End-to-End Flows Optimization Program

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Concept</td>
<td>Proof of Concept</td>
<td>Deployment</td>
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</tr>
</tbody>
</table>

**Key Phases:***
- **Concept**
- **Proof of Concept**
- **Deployment**
Provide

World Class

Business Services
## Leveraging skills and scale to drive agility

<table>
<thead>
<tr>
<th>In-Market (Local)</th>
<th>Non-Shareable Category / Business / customer focused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center of Competence</td>
<td>Shareable Judgmental or competence-driven activities</td>
</tr>
<tr>
<td>Center of Scale</td>
<td>Shareable Transactional activities - limited judgment required</td>
</tr>
</tbody>
</table>
We have an effective but limited network of transactional shared services

Strong multi-functional service experience

Non-standard flows and non-mandated service solutions

Regional Service delivery model
Opportunities to increase penetration of Shared Business Services outside of IS/IT

- Information Technology: 47% compared to 100% Industry benchmark
- Other Business Services: 50% compared to 100% Industry benchmark

Source: Deloitte, McKinsey
Support Demand Focused Organizations
Supporting demand focused organizations

Lean Value Stream

Business Analytics

eCommerce

Social Media
BENEFITS
Time and Effectiveness

- Less time on administrative activities and in meetings
- More time for value added activities
- Better analytics for better decisions

As-is:
- 95% of process time is “waiting”
- 30’000 hours spent keying in new hire data twice

In the future:
- time to hire -30%
- time to on-board -20%
- time to run transactions -30%
Speed and Agility

- More focus on innovation
- More investment behind our brands.
- More organizational flexibility

As-is:
- Over 55 m orders processed annually
- 250 order processing centers
- 90% of orders require rework

In the future:
- Over 30’000 sales representatives can spend up to 5% more time with customers.
Quality and Compliance

- Better relationship with suppliers, customers and consumers
- More visibility and transparency
- More focused and efficient audits

As-is:
- Over CHF 30 bn in services/indirect materials purchased annually through over 100’000 suppliers.
- Over 10 m PO’s need to be reworked; half on paper.

In the future:
- E-Catalogue will improve efficiency and adherence to group sourcing strategies, reducing overall spend.
Cost Efficiency

- Better ability to leverage scale (e.g. Procurement)
- Less operational costs
- Less structural costs

Benefits will be tracked within the Group’s existing initiatives.
Employee Engagement

- More collaboration, empowerment and fulfilment
- Better work-life balance
- More fast, intuitive and user friendly tools

Enable employees to re-focus time on added value activities.
NBE for our future
NBE take-aways

1. PROVIDE FUEL FOR GROWTH
   by leveraging Nestlé’s Size and Capabilities for Competitive Advantage to Win in the Marketplace and position Nestlé to compete in the 4th industrial revolution.

2. ENABLE AGILITY
   with consumers and customers through leading digital capabilities and within Nestlé through six «best in class» simplified, standardized and shared End-to-End flows.

3. DELIVER WORLD CLASS BUSINESS SERVICES
   by establishing a global, integrated and highly automated world-class Service Delivery Model for the Nestlé Group.

4. TRANSFORM NESTLÉ
   by bringing benefits in time and effectiveness, speed and agility, quality and compliance, employee engagement and cost effectiveness.