



Nestlé

Creating Shared Value

Nutrition | Water | Rural Development



100 Nestlé di sisimu.
tahun

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COVER:

One of Nestlé Malaysia's key successful rural development programmes has been its contract farming initiatives, where farmers are actively engaged to be part of the Nestlé supply chain. In February 2012, the Nestlé Paddy Club was introduced with the aim of increasing field productivity and lowering production costs, whilst reducing rice-farming's environmental footprint, as well as enhancing overall farming safety aspects at the contract farms in Kedah.

The Nestlé Legacy

Nestlé is the world's leading Food, Nutrition, Health and Wellness company, which believes that Good Food is the foundation of Good Life.

THE PRIDE OF NESTLÉ: THE 'NEST'

Henri Nestlé adopted his coat-of-arms as a trademark in 1867. Nestlé, which means 'little nest' is universally understood to represent warmth, security, nourishment, family togetherness, nurturing and caring values.



THE NESTLÉ CREATING SHARED VALUE LEGACY

In an effort to save his neighbour's child who was unable to accept his mother's breast milk, Swiss pharmacist and Nestlé founder – Henri Nestlé – developed the world's first milk food for infants. Aimed at combating the problem of mortality due to malnutrition, the product was well received in Europe and this marked the beginning of the Nestlé Creating Shared Value legacy, which today is embedded within our values and corporate business principles. More than 140 years on, Nestlé is the world's leading Food, Nutrition, Health and Wellness company; committed towards building a business based on sound human values and principles.



Good Food, Good Life

...captures the very essence of Nestlé and the promise we commit ourselves to everyday, everywhere as the leading Nutrition, Health and Wellness company.

THE MEANING OF GOOD FOOD, GOOD LIFE

Insufficient access to good food could result in nutritional deficiencies, malnutrition and other complex issues, which is why Nestlé believes that Good Food is the foundation of Good Life. In addition to being the recognised Food, Nutrition, Health and Wellness company, Nestlé also aims to be the reference for financial performance and trusted by all the stakeholders.

Message to Stakeholders

Creating Shared Value (CSV) is at the core of our business. That is how our company started off, with our founder, Henri Nestlé, a Swiss pharmacist who developed the world's first milk food for infants in an effort to save his neighbour's child who was unable to accept the mother's breast milk. And that is our guiding principle today. Extending beyond compliance and sustainability, our CSV philosophy aims to continuously create shared benefits for society and our shareholders.

2012 has been a milestone year as we celebrated our 100 years anniversary in Malaysia and in conjunction with that, not only did we execute celebratory events, but we also embarked on several key initiatives that are aligned with our three Creating Shared Value pillars – Nutrition, Water and Rural Development. These initiatives address the Group's main challenges such as meeting the nutrition needs of our consumers, addressing the global water crisis, improving our environmental performance and also supporting sustainable palm oil, for the next three to five years.

In February, we started a new initiative – the Nestlé Paddy Club (NPC) – to help minimise water usage in rice farming, reduce the environmental footprint and provide our company with fully traceable and high quality rice for our cereal production. Launched in Kedah, the initiative also helped to increase the farmers' income through yield improvement and pesticide cost reduction. Since the launch, NPC has grown tremendously and within 10 months reached a total of 289 farmers, covering

784 hectares of land with a harvested yield of 6.8 MT/hectare, which is 50% higher than the previous harvest.

As for Nestlé Project RiLeaf, we have surpassed our goal for 2012, of planting a minimum of 100,000 trees along the 150km stretch of the lower Kinabatangan River in Sabah. This three-year riverside reforestation initiative aims to create an environment where people, nature and agriculture (palm oil) can harmoniously co-exist in their need for water. 2013 will see an acceleration of the tree planting combined with incremental support for palm oil small holders.

In 2012, Nestlé Malaysia launched its '*Program Cara Hidup Sihat*', a longitudinal intervention programme to improve the knowledge and practice of healthy lifestyles involving secondary school students from 100 day boarding schools. The initiative is implemented in collaboration with the Ministry of Education (MOE) and Universiti Putra Malaysia (UPM). Furthermore, we continued our Nestlé Healthy Kids (NHK) programme in cooperation with the Nutrition Society of Malaysia (NSM), which is a three-year intervention programme to improve knowledge, attitude and practices on nutrition and healthy lifestyles among primary schoolchildren.

However, farmers under the Sarawak Traditional Red Rice (TRR) contract-farming initiative faced some challenges, as it remained under a consolidation phase for most of 2012 due to technicalities affecting the quality of rice.

Our seventh stand-alone CSV Report covers CSV activities and initiatives embedded in the operations of the Nestlé (Malaysia) Berhad and its subsidiaries* – Nestlé Products Sdn. Bhd. and Nestlé Manufacturing Sdn. Bhd., for the year ended 31 December 2012, unless otherwise stated.

Once again, we engaged Bureau Veritas Certification to check our Report in accordance with the Global Reporting Initiative (GRI) 3.0 standards and the internationally recognised AA1000 Assurance Standard (2008), set by AccountAbility. AA1000AS is a generally applicable standard for assessing, attesting to and strengthening the credibility and quality of an organisation's sustainability reporting and their underlying processes and competencies. It provides guidance on key elements of the assurance process.

To help us further improve ourselves, we encourage and welcome your feedback and comments. You can find our contact details at the end of this Report. We thank you for your continuous support for the past century. Nestlé is committed to be by your side for the next 100 years and beyond.

For more detailed reporting on our Creating Shared Value initiatives, the full version of the Creating Shared Value 2012 Report can be viewed online at www.nestle.com.my/CSV.

Tan Sri Dato' Seri Syed Zainol Anwar Jamalulail
Chairman of the Board of Directors

Peter Vogt
Managing Director

Nestlé Malaysia executed celebratory events and embarked on several key initiatives that are aligned with its three Creating Shared Value pillars, in conjunction with its 100 years anniversary in the country.

* Manufacturing facilities in Shah Alam, Petaling Jaya, Batu Tiga, Chembong and Kuching; Sales Offices for the Central, Northern, Southern, East Coast regions, Sabah and Sarawak; National Distribution Centre in Bukit Raja, Selangor and Head Office in Mutiara Damansara, Selangor

In 2012, Nestlé Paddy Club achieved a harvested yield of

6.8 MT/hectare,
which is 50% higher than
the previous harvest

More than

100,000 trees
were planted along the lower
Kinabatangan River in Sabah

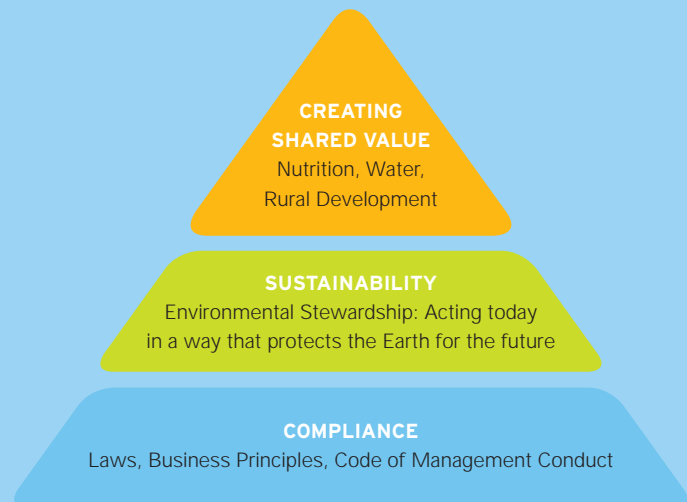
Nestlé Malaysia Chairman, Tan Sri Dato' Seri Syed Zainol Anwar Jamalullail handing over a Nestlé Nutritious Mealbox to a charity home representative.



[From left to right] Mr. Peter Vogt (Managing Director, Nestlé Malaysia), Yang Berbahagia Datuk Zool Azha bin Yusof (Secretary General, Ministry of Natural Resources and Environment) and Yang Berbahagia Dato' Dr. Abdul Latif Mohmod (Director-General of FRIM) at the Nestlé Project RiLeaf celebratory event at FRIM.

The Nestlé Creating Shared Value Strategy

At Nestlé, we believe that in order to create long-term value for our shareholders, we must create value for our society, subscribing to the view that corporate success and social welfare are interdependent. The Company focuses on three areas of greatest potential for joint value creation with society: Nutrition, Water and Rural Development. These areas are core to our business strategy and operations.



THE NESTLÉ CREATING SHARED VALUE MODEL

We must also comply with our Corporate Business Principles to ensure that shared value is created at each stage of our value chain, which begins from the moment we source for raw materials up to the point where the product is manufactured and made available for our consumers.

NUTRITION

Food and nutrition are the basis of health and of our business.



WATER

The ongoing quality and availability of it is critical to life, the production of food and to our operations.



Creating Shared Value at Each Stage of the Value Chain



RURAL DEVELOPMENT

The overall wellbeing of the farmers, rural communities, workers, small entrepreneurs and suppliers are intrinsic to our ability to continue with our business in the future.



There are many examples of how we create value for the Malaysian community, which are available in our CSV Report, segmented into four areas, in line with Bursa Malaysia's requirements:

1. Our Respect and Care for the Community
2. Our Commitment to the Environment
3. Our People and the Workplace
4. Our Consumers and the Marketplace

Fast Facts

The Nestlé Group

- Founded in 1866 by Henri Nestlé.
- World's largest food manufacturer, with headquarters in Vevey, Switzerland.
- Operations in more than 150 countries.
- Employs over 339,000 people worldwide.
- 468 factories in 86 countries.
- Over 1 billion products sold every day representing over 2,000 global and local brands.
- World's largest private nutrition research capability based in Switzerland.
- 32 R&D and Technology Centres worldwide.
- RM5.16 billion global investment in R&D.

Nestlé Malaysia

- Established in Malaysia since 1912.
- Biggest halal producer in the Nestlé world and the Halal Centre of Excellence for the Nestlé Group.
- Employs more than 5,000 people.
- Produces over 500 halal products.
- Turnover for Nestlé Malaysia - RM4.6 billion in 2012.
- Public listed on Bursa Malaysia since 1989.
- Head Office in Mutiara Damansara, Selangor.
- 7 factories.
- 1 National Distribution Centre.

Categories of Products in Malaysia

- Coffee and Beverages
- Food
- Milks
- Liquid Drinks
- Infant Nutrition
- Breakfast Cereals
- Chilled Dairy
- Ice Cream
- Confectionery
- HealthCare Nutrition
- Performance Nutrition
- Nestlé Professional

Governance

In 2011, Nestlé Malaysia formed a Creating Shared Value Council to ensure that Creating Shared Value is present across all categories and operations. The Council consists of representatives from all the Business Units and Support Functions, and is headed by the Group Corporate Affairs Department (GCAD).

Creating Shared Value (CSV) is an integral part of how we conduct our business and is embedded in our operations. It is our business strategy, which states that we must not only create value for our shareholders but for society as well. The goal is to create shared value as a company such that our activities and initiatives will, directly or indirectly, have a value proposition for the Company and society in general.

GLOBAL DEVELOPMENT OF CSV

At the global level, there is the Nestlé CSV Advisory Board that provides the Company with a diversity of informed ideas, recommendations and feedback, which will help to ensure sound development, sustainability and positive social and economic impact of the CSV business strategy.

Meeting twice a year to further develop the CSV concept, the Advisory Board is composed of world leading experts in the areas of corporate strategy, Nutrition, Water and Rural Development. These experts also analyse the Nestlé value chain, suggest potential actions and participates in the annual CSV Forum. Ideas and recommendations are then

communicated to Nestlé S. A., who will then cascade them down to the various Nestlé markets for implementation.

For the list of experts that sit on the Advisory Board, go to: www.nestle.com/csv/Nestle/CSVAdvisoryBoard/Pages/CSVAdvisoryBoard.aspx

LOCAL IMPLEMENTATION OF CSV

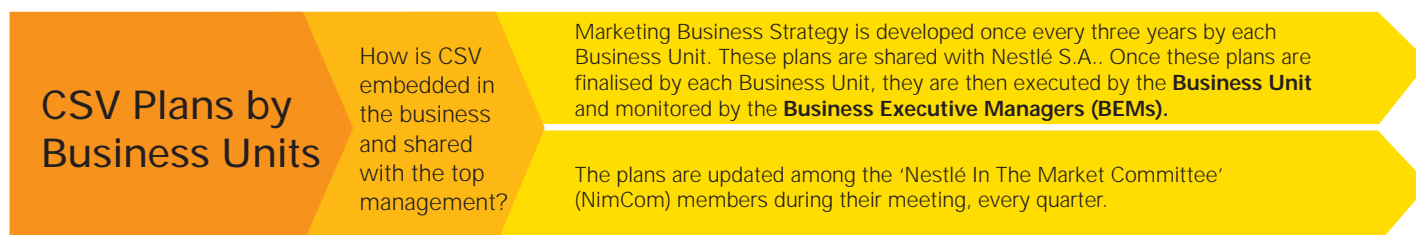
In 2011, Nestlé Malaysia formed a CSV Council to ensure that CSV is present across all categories and operations. The Council consists of representatives from all the Business Units and Support Functions, and is headed by the Group Corporate Affairs Department (GCAD).

The representatives – called CSV Champions – are responsible for ensuring that all activities carried out are in line with the Company's policies on sustainability and CSV. They are expected to take the lead in mapping out their Units' CSV initiatives. They also serve as Global Reporting Initiative (GRI) Champions, and are responsible for monitoring the activities and the measurements required, as well as ensuring that proper reporting procedures are followed based on the GRI reporting standards and guidelines.

DEVELOPMENT OF CSV STRATEGY GLOBALLY AND HOW IT IS ROLLED OUT IN MALAYSIA



HOW CSV IS EMBEDDED IN THE BUSINESS AND SHARED WITH THE TOP MANAGEMENT IN NESTLÉ MALAYSIA



Engaging Our Stakeholders



The convening session provided us with the opportunity to engage better with our key stakeholders.

It was agreed that neutralising the threat of Non-Communicable Diseases requires a continuous joint effort between all parties, in terms of education, awareness and product offerings.

On 26 June 2012, Nestlé hosted a convening session to engage with key stakeholders to discuss issues relating to the three Nestlé CSV pillars - Nutrition, Water and Rural Development - and to update them on current Nestlé CSV activities.

The session was attended by Nestlé's key stakeholders representing Non-Governmental Organisations (NGOs)

and government bodies, from various sectors such as Corporate Governance, Environment, Sustainable Development, Nutrition & Health and Consumers Issues.

The convening session was slightly different from previous ones, as this time around stakeholders were given the opportunity to propose topics of discussion prior to the session. With their feedback, the convening session focussed

solely on the Nutrition & Health pillar, as it was felt that with the growing threat of Non-Communicable Diseases (NCD) in Malaysia, it was imperative to discuss ways to combat it.

It was agreed that neutralising the threat of Non-Communicable Diseases requires a continuous joint effort between all parties, in terms of education, awareness and product offerings.

The following is a summary of what was discussed at the Stakeholder Convening Session:

Topic	Issues Highlighted	Stakeholder Recommendations (that affect Nestlé)	Action Plans by Nestlé
Nutrition & Health	Growing threat of NCD	<p>Industry to run campaigns that:</p> <ul style="list-style-type: none"> - educate consumers on how to read product labels, at point of purchase - encourage consumers to ask for products with less sugar contents at public places, such as restaurants and stalls. <p>Industry to measure the effectiveness of campaigns through awareness and actual behavioural changes.</p>	<ul style="list-style-type: none"> • Continue to educate consumers on how to read product labels. • Embark on the MILO Kosong Campaign, where the public is encouraged to ask for no sugar to be added in their drink at <i>mamak</i> shops.
		<p>Industry to educate consumers and increase awareness that being overweight and obese are serious health problems that can lead to other chronic diseases.</p> <p>Industry to educate the various target groups with relevant messages:</p> <ul style="list-style-type: none"> - young people and parents: healthier eating habits and active lifestyles, - teachers: to lead by example, - canteen operators: to prepare healthier food options for students, without compromising on taste. 	<ul style="list-style-type: none"> • Collaborate with the Ministry of Education (MOE) to implement the '<i>Program Cara Hidup Sihat</i>'. • Continue to educate primary school-going children on healthy eating/lifestyle via the Nestlé Healthy Kids Programme. • Explore ways to reach out to canteen operators, in collaboration with the MOE. • Engage with the members of media to inform them of the current health issues in Malaysia and the importance of healthy living, so they can communicate the messages to the public.
		<p>Industry to produce:</p> <ul style="list-style-type: none"> - healthier on-the-go products, - more products with low sugar content (for children), or with sugar replacer (for adults), - more products that are suitable for those suffering from NCD. 	<ul style="list-style-type: none"> • Continue with product innovation and renovation to develop healthier products, i.e. with less sugar, fat or sodium, especially for on-the-go products. • Promote NCD-related products i.e. OMEGA (for heart), NUTREN (for diabetes).
		<p>Government, NGOs and industry to work together to develop long term sustainable and multi-sectoral campaigns, which take into consideration the cultural, racial, traditional and habitual aspects of the target audience.</p>	<ul style="list-style-type: none"> • Continue collaboration with the government and NGOs, such as Ministry of Health (MOH) and Nutrition Society of Malaysia, to promote nutrition, health and wellness. • Enlist support from MOH, and health-related NGO's for advertising campaigns to strengthen nutrition and health positioning.

Summary of Key Performance Data

In line with the Global Reporting Initiative, we have included a set of economic indicators in this year's CSV Report:

	GRI Reference	2010	2011	2012
The Marketplace				
NUTRITION				
Products meeting or exceeding Nutritional Foundation profiling criteria (as % of sales)	N/A	74%	78%	78%
Products meeting or exceeding consumer taste preference (as % of sales)		81%	78%	80%
Products with nutritional plus over competitors (as % of sales)		54%	54%	52%
Products with a nutritional claim on front of pack		64%	68%	67%
Products covered with NESTLÉ NUTRITIONAL COMPASS (as % of sales)		100%	100%	100%
Products with GDA labelling (as % of sales)		57%	69%	98%
Our Environmental Footprint				
Total energy (GJ)		1,468,295	1,501,802	1,479,099
Total amount of energy per tonne (GJ/tonne)	EN5	4.39	4.13	3.94
Total direct and indirect greenhouse gas emissions (tonne CO ₂)	EN16	131,078	134,344	137,125
Total water withdrawal by source (m ³ /year)	EN8	1,693,229	1,802,451	1,734,455
Volume of water recycled per reused (m ³ /year)	EN10	N/A	19,278	80,710
Landfill waste (tonne)		2,472	2,386	4,698*
Materials recycled (tonne)		N/A	7,091	11,561
Our People				
Workforce – Full Time Equivalent Employees	LA1	5,004	5,424	5,881
Lost Time Injury Frequency Rate	LA7	0.78	1.16	1.22
Leadership positions held by women	LA13	23%	29%	42%
Employee turnover	LA2	8%	6%	5.6%

* Note: Sludge waste is included in landfill waste for 2012 reporting

	GRI Reference	2010	2011	2012
Our Community				
Potential number of children impacted from Nestlé - Raleigh Kindergarten project	#	50	60	71
Number of PEWANIS members impacted from the Setiu Wetlands Project with WWF-Malaysia (active & non-active)		13	33	13
Number of camps launched under the 'MILO PLAY MORE LEARN MORE' campaign		6	12	12
Number of registered participants who took part in the World Walking Day event		12,500	18,477	27,336
Number of farmers impacted from the Nestlé Paddy Club, Kedah		N/A	105	289
NESTLÉ EMPLOYEE VOLUNTEER PROGRAMME (ROCKS)				
Total number of volunteers participating in activities (employees & non-employees)		72	247	221
Number of hours (total)		393.5	592.5	1,193
Economic				
OPERATIONAL FOOTPRINT				
Number of total factories	#	7	7	7
VALUE GENERATION (RM'000)				
MY total sales	EC1	RM4,026,319	RM4,246,744	RM4,556,423
VALUE DISTRIBUTION (RM'000)				
Turnover	EC1	RM4,026,319	RM4,246,744	RM4,556,423
Operating costs		RM856,801	RM804,781	RM896,309
Taxes		RM74,346	RM131,681	RM132,316
Net profit		RM391,398	RM427,128	RM505,352
Earnings per share (sen) ¹		166.91	182.14	215.50
Net dividends per share (sen)		165.00	180.00	210.00
Dividend yield		3.8%	3.2%	3.3%

¹ Earnings per share are based on profit after tax

Nestlé-specific indicators



Aimed at raising awareness on the benefits of a healthy lifestyle amongst primary school children in Malaysia, our Nestlé Healthy Kids programme is currently in its second year which focuses on educating the children on making informed choices when it comes to food consumption.

A total average of

**14,792
visitors**

experienced the 7th Nestlé Nourishing Malaysia Showcase in April 2012.

**27,336
registered
walkers**

participated in this year's World Walking Day event.

**332 food
operators**

were trained under the '*Program Cara Hidup Sihat*'.

Our Respect and Care for the Community

For more detailed reporting on 'Our Respect and Care for the Community' initiatives, please view the full version of our Creating Shared Value Report 2012 at

www.nestle.com.my/CSV

At Nestlé, we believe that Good Food is the foundation of Good Life. One of the three focus areas of our Creating Shared Value philosophy is Nutrition, because food is the basis of health and our business.

As the leading Food, Nutrition, Health and Wellness company, we are committed to produce healthy, tasty and nutritious food. In addition, we also aim to create a thriving and sustainable society by addressing health-related issues and promoting healthy eating and lifestyles.

THE NESTLÉ HEALTHY KIDS PROGRAMME

The Nestlé Healthy Kids programme was launched in August 2010 with the objective of raising awareness on the benefits of a healthy lifestyle amongst primary school children in Malaysia. Implemented in collaboration with the Nutrition Society of Malaysia (NSM), the three-year programme is made out of two components, namely an interactive awareness campaign and also a longitudinal intervention programme. Other activities include workshops for parents, as well as a teachers' seminar.

Also developed was the Nestlé Healthy Kids programme website, which contains educational tools and interactive games to educate both parents and children about healthy eating and active lifestyle. To further enhance the website, not only did Nestlé updated it with new content and interactive applications, Nestlé also integrated the Search Engine Optimisation (SEO) process to increase the website's traffic, making it easier for consumers to access and find information on nutrition, health and wellness that is specifically related to kids.



FROM LEFT:
The Nestlé Healthy Kids website is now updated with new content and interactive applications.
Students of SK Kg Tunku are geared up to start their second year of the intervention programme.

Nestlé ROCKers raised a total of

RM20,510

enabling the purchase of hospital mattresses, commodes and bedding sets for Tong Sim Senior Citizen Care Centre.

The number of Nestlé Healthy Kids website page views increased to

182,896

in 2012.

Our Agricultural Officer on a boat transporting seedlings to the designated Nestlé Project RiLeaf planting sites. This riparian reforestation initiative aims to rehabilitate areas around the Kinabatangan River to create a natural riverine buffer that will minimise the impact of pollution in the river, which is well-known for its rich and diversified wildlife.



Nestlé Paddy Club has a membership of

289 farmers

cultivating over 784 hectares, with an average yield of 6.8 metric tonne per hectare.

In 2012, Nestlé Malaysia successfully planted more than

100,000 trees

along the Lower Kinabatangan River in Sabah as part of the Nestlé Project RiLeaf.

Our Commitment to the Environment

For more detailed reporting on 'Our Commitment to the Environment' initiatives, please view the full version of our Creating Shared Value Report 2012 at www.nestle.com.my/CSV



The Nestlé Project RiLeaf is a three-year riverside reforestation initiative that aims to create a landscape where people, nature and agriculture (palm oil) can co-exist harmoniously in their need for water.

University Malaysia Sabah was commissioned by Nestlé to conduct a scientific research to validate and verify novel microbial approaches to palm oil planting.



The project, which focuses on the reforestation of 2,400ha of land along the lower Kinabatangan River, will leverage on the commercial agriculture experience and expertise of Nestlé to speed up reforestation and increase the durability of indigenous forest seedlings. The restored zone will form a corridor for wildlife to thrive and move about, thereby reducing human-wildlife conflict in the process.

The initiative will also have an active role in palm oil sustainability, reducing the environmental impact of palm oil plantings through minimisation of chemical fertilizers, as well as "back-to-basic" Good Agricultural Practices.



Furthermore, to mark the Company's 100th year anniversary, Nestlé made a commitment to plant a minimum of 100,000 trees along the lower Kinabatangan River, which was achieved within a year, from the time the project was launched.

Nestlé relies on local service providers to manage the transportation, replanting, monitoring and maintenance of the riverside-planted seedlings.



Nestlé Project RiLeaf provides the KAPOK (Komunity Anak Pokok Kinabatangan) with additional income and the opportunity to participate in this unique reforestation initiative.

We achieved savings of **6.7%** of specific water usage, surpassing the target of 4%.

In 2012, we recorded savings of **4.5%** of energy usage per tonne product.

Nestlé SUPERMEET strengthens teamwork, encourages fair and friendly competition among employees, and also provides social and networking opportunities.



A total budget of

RM14.5 million

was allocated for in-house and external training programmes.

325 employees

participated in the SHE Day Celebration, which was themed 'Safety Begins with Me'.

Our People and the Workplace

For more detailed reporting on 'Our People and the Workplace' initiatives, please view the full version of our Creating Shared Value Report 2012 at

www.nestle.com.my/CSV

People are an organisation's most important asset, as without them, strategies could not be executed effectively. Their contribution helps companies fulfill their corporate responsibility obligations towards other stakeholders and the environment.

At Nestlé, we continuously ensure that we attract and retain the best talents who can contribute to the success of our business. Throughout the year, we have conducted several activities in the areas of human resource training, employee surveys and team building.

Participants in a role-playing activity at the Nestlé Everyday Coaching training session.



EVERYDAY COACHING PROGRAMME

The development of our people is an integral part of our business success and Nestlé believes that each employee should have the opportunity to develop to the maximum of his or her potential.

The Everyday Coaching Programme was introduced in 2011 to develop a coaching culture within the organisation, whereby employees will be assisted to realise their full potential to achieve their professional and personal goals by equipping them with the right know-how, tools and opportunities.



The programme has three separate components:

- 1. Certified Master Performance Coach**
 To train selected individuals and create a pool of senior coaches to conduct formal coaching within the organisation.
- 2. Everyday Coaching Train the Trainer**
 To build up the number of internal trainers to conduct training on Everyday Coaching awareness programmes.
- 3. Everyday Coaching Awareness Training**
 To create a coaching culture within the organisation by training management to identify training requirements of their staff and to impart the relevant knowledge.

One of the key ongoing Human Resource training programmes include the Everyday Coaching Train the Trainer module.

Nestlé SUPERMEET 2012 saw the participation of

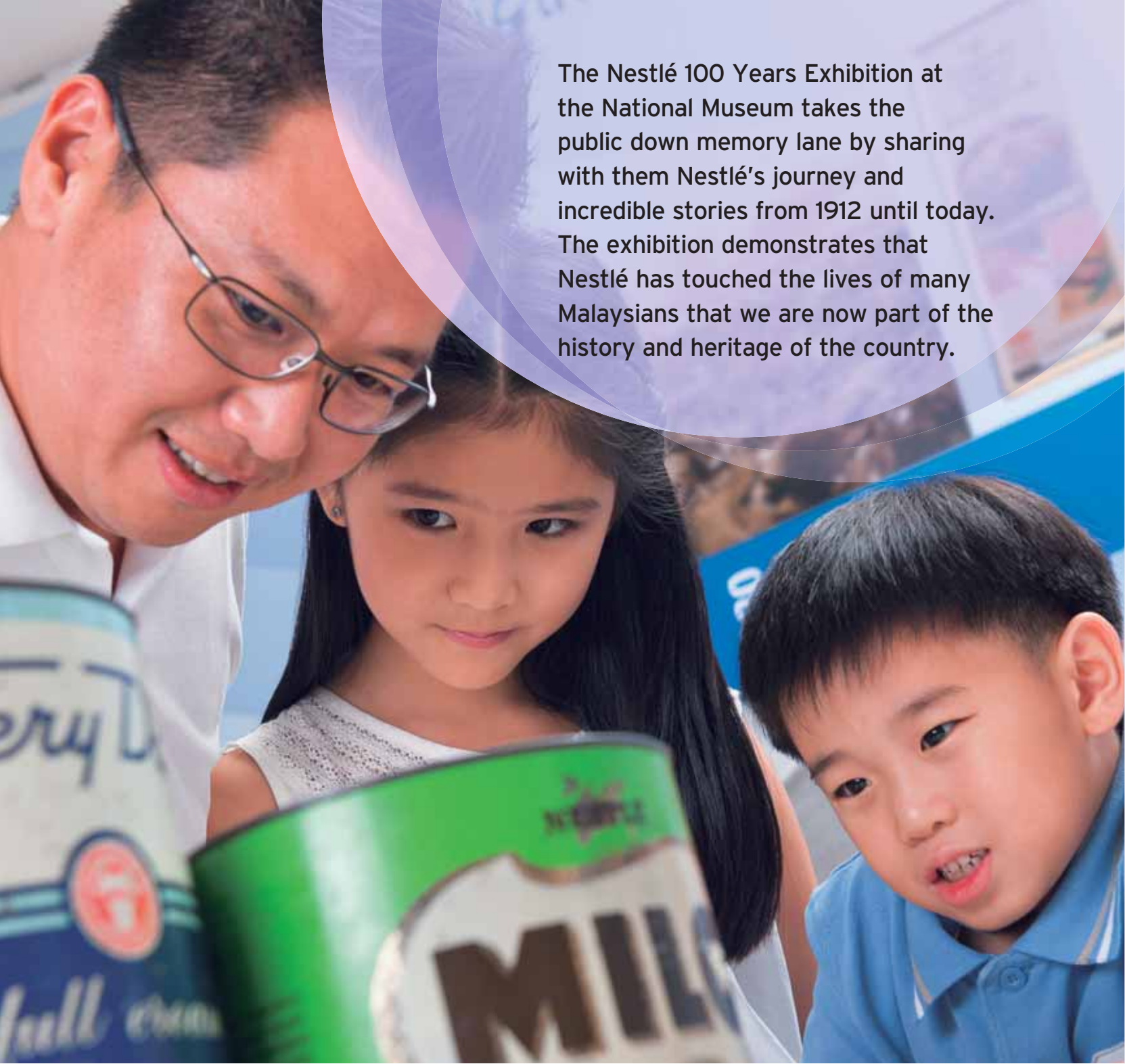
1,283 employees

from Malaysia and Singapore.

As at 31 October 2012, a total of

1,129 management staff

had undergone the Everyday Coaching Awareness Training session.



The Nestlé 100 Years Exhibition at the National Museum takes the public down memory lane by sharing with them Nestlé's journey and incredible stories from 1912 until today. The exhibition demonstrates that Nestlé has touched the lives of many Malaysians that we are now part of the history and heritage of the country.

10,000 breakfast
were provided through the MILO
Nutrition Movement.

Projek TUKAR sponsored
125 signages.

The 100 Years Campaign saw the
distribution of **8,971**
Nestlé Nutritious Mealboxes.

Our Consumers and the Marketplace

For more detailed reporting on 'Our Consumers and the Marketplace' initiatives, please view the full version of our Creating Shared Value Report 2012 at

www.nestle.com.my/CSV

Our consumers are at the heart of what we do. With the rise in the incidences of non-communicable diseases (NCD) in Malaysia¹, we have dedicated ourselves to continuously innovate and renovate our products to produce healthier and tastier food and beverages, as we strongly believe that it is our responsibility to do so.

We also run initiatives that promote healthy eating and active living, as well as spread health messages to our consumers through our brands, such as MILO.

Every child needs to consume the right balance of nutrition and energy in their daily diet.



In addition to that, we also engage with other stakeholders through programmes where we share our knowledge and best practices with them.

A 100 YEARS OF CREATING SHARED VALUE

2012 was a milestone year for Nestlé Malaysia as it marked the Company's 100th year anniversary. In line with this, we organised several events throughout 2012, to thank consumers for their support and to strengthen brand relationships with them.

The main launch of the centenary celebrations was held at Dataran Merdeka, Kuala Lumpur on 18 March 2012, and was graced by HRH Sultan Sharafuddin Idris Shah Al-Haj, the Sultan of Selangor.



As part of the day's activities, members of the public were invited to help pack 5,210 Nestlé Nutritious Mealboxes that were distributed to various homes and charities throughout the year.

In addition to these celebratory activities, we have successfully planted over 100,000 trees along the Kinabatangan River in 2012, through Nestlé Project RiLeaf². We also launched 'Program Cara Hidup Sihat', which is aimed at enhancing the knowledge and practice of healthy and active lifestyles, targeted at 100 day boarding schools nationwide.

¹ See www.mmail.com.my/story/607-Malaysians-unhealthy

² Please see page 15, on Nestlé Project RiLeaf

From left: Tan Sri Dato' Seri Syed Zainol Anwar Jamalullail, Chairman of Nestlé Malaysia; Mr. Paul Bulcke, Chief Executive Officer of Nestlé S.A.; HRH Sultan Sharafuddin Idris Shah Al-Haj, the Sultan of Selangor; YB. Dato' Sri Mustapa Mohamed, Minister of the Ministry of International Trade and Industry; Nandu Nandkishore, Executive Vice President of Nestlé S.A., in charge of Zone Asia, Oceania, Africa and Middle East and Mr. Peter Vogt, Managing Director of Nestlé Malaysia placing the last six of the mealboxes that were arranged to make the Malaysian flag at the launch of Nestlé 100 Years Celebration at Dataran Merdeka.

21,270 people

visited the Nestlé 100 Years Exhibition at the National Museum.

12,000 people

attended the Nestlé 100 Years official launch ceremony held at Dataran Merdeka.

The Nestlé Incredible Stories contest received

108,350

submissions.

Awards & Achievements



PUTRA BRAND AWARDS 2012

The Putra Brand Awards was held on 24th April 2012. Introduced as an extension of Malaysia's Most Valuable Brands (MMVB), the award recognises brand building as an integral business investment. The winning brands were selected based on consumer preferences that were gauged through a consumer research that involved 6,000 participants who determined the nation's favourite brands within 20 categories. This year, bagging up the Gold and Silver awards under the Non-Alcoholic Beverage Category were MILO and NESCAFÉ respectively; and the NESTLÉ Breakfast Cereals, the Silver Award under the Foodstuff Category.



THE EDGE BILLION RINGGIT CLUB 2012

Established by Malaysia's leading business and investment weekly, The Edge Billion Ringgit Club recognises outstanding listed companies in various sectors such as market capitalisation, construction, consumer products, finance and many more. Nestlé Malaysia was one of the 18 companies that performed well by coming in first in Best CSR Initiatives Category. The awards were presented by Y. B. Datuk Seri Idris Jala, Minister in the Prime Minister's Department and CEO of the Performance Management and Delivery Unit (Pemandu).



NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA)

The National Annual Corporate Report Awards (NACRA) is a collaborative effort between Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA). The annual award presentation was held on 1st November 2012 to recognise excellence in the quality of corporate, financial and Corporate Social Responsibility reporting. This year, Nestlé Malaysia was awarded the Platinum Award under the Best CSR Report 2012 category. The award was presented by Domestic Trade, Co-operatives and Consumerism Minister, Y. B. Datuk Seri Ismail Sabri Yaakob.



THE EFFIE AWARDS MALAYSIA 2012

Jointly organised by the Malaysian Advertising Association (MAA), Association of Accredited Advertising Agents Malaysia (4As), Media Specialists Association (MSA) and the Malaysia External Trade Development Corporation (MATRADE), the Effie Awards recognises effective marketing campaigns. Successfully meeting all marketing disciplines, the MILO Redemption Campaign was awarded the Silver Award for the Beverages/ Non-Alcoholic Category.



MALAYSIAN BOOK OF RECORDS

In an effort to encourage private sectors to play its role in nation building towards Vision 2020, Malaysian Book of Records (MBR) is an official body that recognises, acknowledges and certifies the country's record holders, breakers and creators. One of the attractions at the Nestlé 100 Years Celebration was the painting of the biggest 3-D canvas by a group of SAITO students, which earned a place in the MBR. The concept of the painting captured the consumers' interaction with Nestlé products in the last 100 years.

INDEPENDENT ASSURANCE REPORT

A copy of the Independent Assurance Report issued by Bureau Veritas Certification [M] Sdn. Bhd. [620271-V] is available upon request.

Please also visit our website <http://www.nestle.com.my> for the full version of Creating Shared Value 2012 report.

BY ORDER OF THE BOARD

MOHD. SHAH BIN HASHIM

Company Secretary

[LS 0006824]

Petaling Jaya

9 April 2013

NESTLÉ CONTACT DETAILS

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