



NESTLÉ NIGERIA PLC

Country - Nigeria
Sector - Food and Beverage

Title of Communication on Progress -

***Shared Value Creation: Reaching
out beyond business in Nigeria***

Year: 2007

STATEMENT

Businesses grow well in strong rooted societies.

Businesses depend on healthy and educated citizenry, a stable and transparent government and access to sustainable natural resources.

These social and environmental dynamics form the context in which businesses derive their financial success and competitive advantage.

For business to be successful in the long-term it has to create value, not only for its shareholders but also for the society and other stakeholders. We believe that the true test of a business is whether it creates value long-term – again and again.

By taking a far-sighted view of business development, it is possible to deliver strong results through sound profits and at the same time stimulate significant social, environmental and economic development.

For Nestlé in Nigeria, a necessary condition for Creating Shared Value is the demonstration of sustainability. This includes complying with the *Nestlé Corporate Business Principles*, national laws and international norms, and ensuring that our actions are environmentally sound, socially just and economically viable.

Creating Shared Value also means improving the economic and competitive context beyond its ordinary business activities in Nigeria. It means creating shared value in manufacturing; agriculture and sourcing; knowledge transfer and assistance to local farmers; support for technical education; promoting awareness for healthy nutrition and lifestyles; creating shared value with health professionals and improving environmental standards. It involves acting as a role model with high ethical standards, transparent, committed, fair and caring.

The UN Global Compact's 10 Principles on human rights, labour, the environment and corruption, are specifically incorporated in the Nestlé Corporate Business Principles, and are fundamental in guiding our business actions. We are committed to all 10 Principles in all our business activities.

We are focusing strongly on a few Principles per year in order to build human capacity and understanding that can be leveraged in other areas in the coming years.

We now give examples of initiatives supported with facts and figures that illustrate our compliance and strong support for these Principles, and broader UN goals of value creation for the society over the long-term. These examples show our respect for human rights, labour and the environment. In the case of anti-corruption, we have a zero-tolerance policy. We insist on honesty, integrity and fairness in all aspects of our business operations. We expect same in our relationship with business partners and suppliers.

Annual Time Period Covered: 01/2007 - 12/2007

02/2008 Samuel Adenekan - Corporate Relations Manager

Contact Person: Samuel Adenekan Ph.d

Email: samuel.adenekan@ng.nestle.com

Phone: 234 8034020168

Fax: 01-2715701

Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
1: Businesses should support and respect the protection of internationally	Knowledge and education for healthy nutrition and lifestyles

proclaimed
human rights;

In offering nutritionally sound foods to diverse populations, Nestlé is guided by culture, tastes, nutritional needs and consumer purchasing power.

Additionally, Nestlé supports specific needs in local communities, working through non-governmental organizations or in partnerships with community-based organizations.

The science that accompanies product innovations contributes to public knowledge on nutrition.

Nestlé actively invests in dialogue and education with the medical and nutritional science community and with consumers.

Nestlé strategy of shared value creation results in direct improvements in people's quality of life.

At Nestlé, we believe that it is not sufficient just to launch new products and renovate existing portfolio with increased nutritional benefits.

We also have responsibility to be proactive in providing clear nutritional information and advice which brings greater nutrition, health and wellness to individuals and their families.

Creating Shared Value with Health Professionals

Nestlé commits to open dialogue with all stakeholders, including consumers, customers, employees, investors and others. We communicate on an ongoing basis using a wide variety of channels.

In addition, we are engaging more widely to understand and respond to opinions on our strategy of *Creating Shared Value*. The objectives are to:

- provide a formal mechanism for an exchange of views;
- enable Nestlé to understand views from a wide variety of external stakeholders, providing a broad societal perspective;
- identify future trends, risks and opportunities relevant to Nestlé and its stakeholders.

Nestlé collaborates with health professionals and the scientific community in Nigeria to increase the understanding and science of nutrition, health and wellness through a wide range of scientific publications, workshops and symposia and practical education materials on topical health issues.

One of the Nestlé platforms for promoting wider engagement with healthcare professionals and the scientific community is the Nestlé Nutrition Institute Africa (NNIA), a multi-disciplinary, educational organization and independent scientific institution dedicated to furthering the understanding and science of better nutrition.

In 2007, Nestlé Nigeria facilitated the inauguration of NNIA in the Central and West Africa Region (CWAR).



A cross-section of health care providers, scientists and guests at the inauguration of NNIA in CWAR held in Lagos

Participants drawn from 6 major countries in CWAR attended the 2-day launch activities, which included a workshop on clinical trials and the Inaugural scientific meeting.

The theme of the meeting was: Attaining Millennium Development Goals - Nutrition Perspectives.

With the inauguration in CWAR, the institute, which had existed in South-East Africa Region (SEAR) for 6 years would now provide up- to- date information, guidance and support to health care professionals across Africa.

The inauguration was performed by the Chairman, Nestlé Nutrition Institute Africa, Professor Ferdinand Hascke .



Head, Nestlé Nutrition Institute Worldwide, Prof Ferdinand Hascke addressing delegates



NNIA board Chairman, Prof. Demetre Labadarios presenting his opening address

The event was attended by the Chairman, Board of the NNIA, Professor Demetre Labadarios and representatives of the Ministers of Science and Technology, Health and Education.

In 2007, we brought together healthcare professionals from all over the country for a seminar on “Infant Nutrition: Maintaining Structural and Cognitive development”.

Also in the same year, a symposium on “Hidden Hunger: Causes, Trends and Way Forward” was held in Lagos while a symposium on “The Nutritional Management of Pre-term and Lactose Intolerant Babies” was held pan Nigeria.

It was a unique opportunity for the Nigerian scientific community to exchange scientific knowledge and expert views on the subject.

These events are a demonstration of the Nestlé commitment to the promotion of appropriate infant and young child nutrition in Nigeria.



A cross section of healthcare professionals at the symposium on “The Nutritional Management of Pre-term and Lactose Intolerant Babies”



Student nurses at the seminar



Prof Kareem Airede, Consultant Paediatrician, Usman Dan Fodio University Teaching Hospital, Sokoto at the symposium



Guest speakers and Nestlé staff at the symposium on “Infant Nutrition: Maintaining Structural and Cognitive development”



Cross section of Healthcare professionals at the Symposium

Nestlé also held its Nutrition Quiz competition for Schools of Nursing and Midwifery pan Nigeria. The competition is part of the Nestlé strategic and effective approach to improve the visibility and accuracy of nutrition information, education and awareness in Nigeria.



Members of panel of judges



Kids performed a playlet on the nutritional benefits of Nestlé products

The theme of the contest in 2007 was: Adequate Infant Nutrition: Building Foundations for the Future”. The competition was staged in 8 centres across Nigeria: Aba, Benin, Jos, Maiduguri, Zaria, Akure, Ibadan and Lagos.

2: and make sure that they are not complicit in human rights abuses.

Nestlé promotes gender equality and empowerment through the Nestlé Duchess Club - a capacity building all-female club.

The Nestlé Duchess Club is an informal, all-female association in Nigeria with the aim of empowering women through knowledge and skills in nutrition, home management, entrepreneurship and leadership.



Nestlé Duchess club outreach

The Duchess Club provides nutrition education workshops focusing on healthier eating habits, food safety and food management for mothers and homemakers.



A cross section of Nestlé Duchess Club members at an event

The Duchess Club fosters social cohesion by cutting through social, ethnic and religious divide.

The club provides a platform for women to share and disseminate nutrition information. Membership cuts across social, ethnic and religious divide.

Club membership also spreads across the geo-political regions of Nigeria.



International visitors at a Nestlé Duchess outreach programme

The club equips the women with skills, which improve their ability to be successful homemakers, small business entrepreneurs and community leaders.

The Duchess Club has 530 members who have reached over half a million women. The club has been replicated in a few other Nestlé markets.

Furthermore, in pursuit of its commitment to nutrition education and awareness in Nigeria, Nestlé airs *Nutrition Line*, a five minutes daily nutrition tips on radio.

The Duchess Club also organizes training programmes for adolescent girls and provides educational information on the role of nutrition in the physical development of the young girl and the right of the girl among others.



Adolescent girls at a Duchess club event

It is worthy of note that while the Duchess Club's mission is nutrition education; it has also grown to be an important networking opportunity to Nigerian

professional women.



A cross section of members at a club activity

Along with the immediate past Minister of Finance, Mrs. Esther Nenadi Usman, who is a founding member, the club, is made up of seasoned Medical experts, Lawyers, Teachers, and other professionals.



Nigeria's immediate past Minister of Finance, Mrs. Esther Nenadi Usman, is a founding member of the Nestlé Duchess Club

3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Nestlé Nigeria signed a global relationship with the UN Global Compact in respect to human rights, labour rights, the protection of the environment and anti- corruption.

The company is committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations as reflected in the *Nestlé Corporate Business Principles*.

We therefore encourage adherence to these standards by our suppliers to prevent them for the use of child Labour.

Nestlé has a strong management framework which guides employee relationships. Principles are laid down in the *Corporate Business Principles* and *Human Resources Policy*, with guidelines adapted to local laws and norms. It is our policy to abide by national laws in all countries in which we have operations and to comply with the ILO conventions on child labour and fair employment.

Nestlé's compliance with local laws and with our Corporate Business Principles is verified through CARE, our independent audit programme, which covers areas of human resources, occupational health & safety and environment.

Nestlé respects the right of employees to form representative organizations and to join (or not to join) trade unions, provided this right is freely exercised.

		<p>It is our policy to govern the relationship with unions in accordance with national laws and the practices outlined in the <i>Nestlé Corporate Business Principles</i>. There are Collective Bargaining Agreements in Nigeria and 18 other developing countries, covering all employees in these countries.</p>
	<p>4: the elimination of all forms of forced and compulsory labour;</p>	<p>Click to enter a description of the action taken and the achieved impact</p>
	<p>5: the effective abolition of child labour;</p>	
	<p>6: and the elimination of discrimination in respect of employment and occupation.</p>	<p>Creating Shared Value in agriculture and agricultural raw material sourcing</p> <p>To stimulate industrial growth and employment generation, the company has a policy of long-term sustainable business practices. Over 75 percent of our raw materials are sourced locally through farmers and suppliers. Our business supports an ever-increasing standard of living through employment generation, increased income, infrastructure improvements and a growing concern for the interest of the community in Nigeria.</p> <p>Nestlé engagement in sustainable agriculture aims to address poverty and hunger by providing rural employment.</p>

It is also to minimize risks of contaminants in raw material sourcing, protect the company's longer-term sourcing requirements for agricultural raw materials, as well as ensure quality, safety, product availability and affordability for consumers.

To ensure high levels of safety and quality from farm to shop, Nestlé supports sustainability in the supply of agricultural raw materials as well as agricultural best practices by providing technical assistance through its global Sustainable Agriculture Initiative.

Nestlé Sustainable Agriculture Initiative not only results in better quality raw materials, and therefore better products, but also empowers farmers.

By providing them regular and reliable income, Nestlé is able to contribute to improving their standard of living.

Nestlé Nigeria's collaborative research efforts with the University of Agriculture, Abeokuta, UNAAB, have brought into being a selection of soybean varieties with improved seed colour, size and yield. This has ultimately popularized soybean cultivation in South Western part of Nigeria.



Nestlé/UNAAB Soybean Demonstration Farm



Presentation of a cheque of N5 million to the Vice-Chancellor of UNAAB in 2007

Also, the Nestlé/UNAAB Soybean Popularization Project has facilitated the scaling up of information and rural community engagement on HIV and AIDS by providing Information Education and Communication materials on the subject. It has also promoted safe sexual lifestyles to prevent sexually transmitted infections and HIV/AIDS prevalence among rural communities and farm families.



Nestlé/UNAAB Farm Family project

Following the donations of N=6 million in 2004 and N=5 million in 2007 to the University of Agriculture, Abeokuta (UNAAB) to expand the scope of the collaboration between the two organizations, Nestlé has facilitated series of field events for the soybean farmers in the South West region of Nigeria.



A cross section of soybean farmers at the Field day event

Field events are a critical part of agricultural extension activities. Agricultural extension services provide avenue for best agricultural practices to be cascaded to farmers for increased yield and ultimately improved income.

Demonstrations are organized to sensitize farmers on the financial benefits of incorporating soybean production into their cropping systems.



Tour of the demonstration farm by soybean farmers



Presentation of threshing machines by UNAAB Vice Chancellor to ADP farmers



Threshing of soyabean at the Nestlé/UNAAB Demonstration farm



Quality Soybean yield

Farmers from various parts of Oyo, Ogun, Osun, Lagos, Ondo and Ekiti States, the Agricultural Media Resources and Extension Centre, AMREC, as well as representatives of research institutes such as the International Institute of Tropical Agriculture, IITA, Institute of Agriculture Research and Training, IAR&T, and the Ogun State Agricultural Development Programme participated in the field events.

The events also provide an excellent opportunity for the stakeholders to share their knowledge, expertise and experience on their cultivation and nutritional advantages of soybean.

To reduce drudgery associated with harvesting of soybean, six units of highly efficient and locally fabricated soybean threshing machines donated by Nestlé were recently presented to farmers from 6 States in the South West region of Nigeria.



The highly-efficient threshing machine funded by Nestlé

Over the long-term, the Nestlé/UNAAB Soybean Popularization Project will ensure that the local farmers have a stable, sustainable income, while Nestlé can rely on a high quality source of raw material for its culinary and cereal-based products.

Creating Shared Value in Technical Education

Nestlé Nigeria has also been involved in technical training since 1985 and so far, the company has trained over 200 young Nigerians.

Buoyed by the need to further improve technical education and manpower development in Nigeria, Nestlé Nigeria commissioned a well-equipped workshop named after the company at the Institute of Industrial Technology (IIT) permanent complex, Isheri, Ogun State

The support for IIT was necessitated by the role the institute plays in technical training and vocational skills to deserving youths from the low income group.



The Nestlé Nigeria team at the IIT

In 2007, Nestlé donated an additional N=2 million further to the earlier donation of N=10 million in 2004 to upgrade facilities and teaching aids in the Nestlé Workshop at the Institute of Industrial Technology.



One of the mechanical training equipment donated by Nestlé to IIT



Commissioning of the Nestlé Workshop in 2007

7: Businesses should support a precautionary approach to environmental challenges;

Improved Environmental Standards

Nestlé Nigeria adopts precautionary approach to environmental stewardship enables the company to maintain a clear vision with respect to environmental objectives.

Nestlé Nigeria ensures that environmental progress is efficiently coordinated so that an improvement made in one area is complementary to environmental aspects in other areas.

Among the key success drivers in Nestlé environmental management programme is the provision of wastewater treatment facility.

When all options for water use reduction, reuse and recycling have been exhausted, the wastewater that is left must be discharged to the environment. To reduce both the volume and load of the wastewater, Nestlé has built a modern wastewater treatment facility at Agbara factory.

The facility ensures that the physical, chemical and biological parameters of the wastewater are controlled to within the limits set by the government of Nigeria before discharge from the factory.



The water processing plant to clean wastewater at Nestlé Agbara factory has won state environmental awards



Examination of quality of effluent from the Nestlé wastewater treatment plant at Agbara factory



Nestlé Ghana Civil Engineer Joseph Ayiphey (middle), discusses best practice in waste water processing with his colleagues at the Agbara factory. Joseph will use this knowledge in the construction of Nestlé Ghana's new wastewater processing plant at Tema factory, Ghana

The effectiveness of the water treatment process is measured by conducting a series of tests on the effluent. These regular checks indicate that Nestlé more than complies with the strict local regulations; they also assure us that the effluent which is dislodged from our factory can support and sustain aquatic life in the waterways to which it is discharged.

8: undertake initiatives to promote greater environmental responsibility;

Creating Shared Value in Manufacturing

Through its manufacturing standards of operation, Nestlé places strong emphasis on quality food safety, development and protection of employees, and sustainable environmental best practices.

Nestlé continuous effort on achieving high standards on safety, labour and environmental issues contribute to value creation for the society.

Finally, underlining its commitment to long-term sustainable business development and growth, Nestlé Nigeria is expanding its manufacturing operations.

Nestlé is projecting a new manufacturing complex in Nigeria. The new production facility is a reflection of the company's confidence in the resilience of the local economy.

Reflecting the Nestlé commitment to Africa, the new factory complex will allow us to contribute to unlock the nation's economic potential and help improve the quality of life.

The new project will also further stimulate growth of our business, increase our market share and broaden the Nutrition, Health and Wellness business platform of Nestlé in Nigeria.

9: and encourage the development and diffusion of environmentally friendly technologies.



Modern environmentally-friendly technologies at the Nestlé Waters Plant

Given greater diversity in packaging types and quality, along with the emergence of new consumption patterns, packaging must also meet new ecological challenges. In this context, Nestlé Nigeria Waters continues to develop more environmentally-friendly bottles, reducing both packaging weight and energy requirements during manufacturing process while considerably increasing the quality of material recycled.

10: Businesses should work against all forms of corruption, including extortion and

Auditing and assurance standards

We ensure rigorous application of principles and policies through auditing and assurance standards:

bribery.

- Compliance against Corporate Business Principles in the areas of HR, safety, health and environment is assured through our CARE programme, which relies on an independent, external audit network;
- In addition, Nestlé Nigeria manufacturing complex at Agbara is being progressively certified against external standards including ISO 14001, OHSAS 18001 and ISO 22000;
- Infant food marketing activities are independently audited internally and externally;
- Suppliers are regularly screened.

In conclusion, Nestlé will continue to create and deliver shared value in Nigeria by developing new skills in response to rapidly changing business environments.