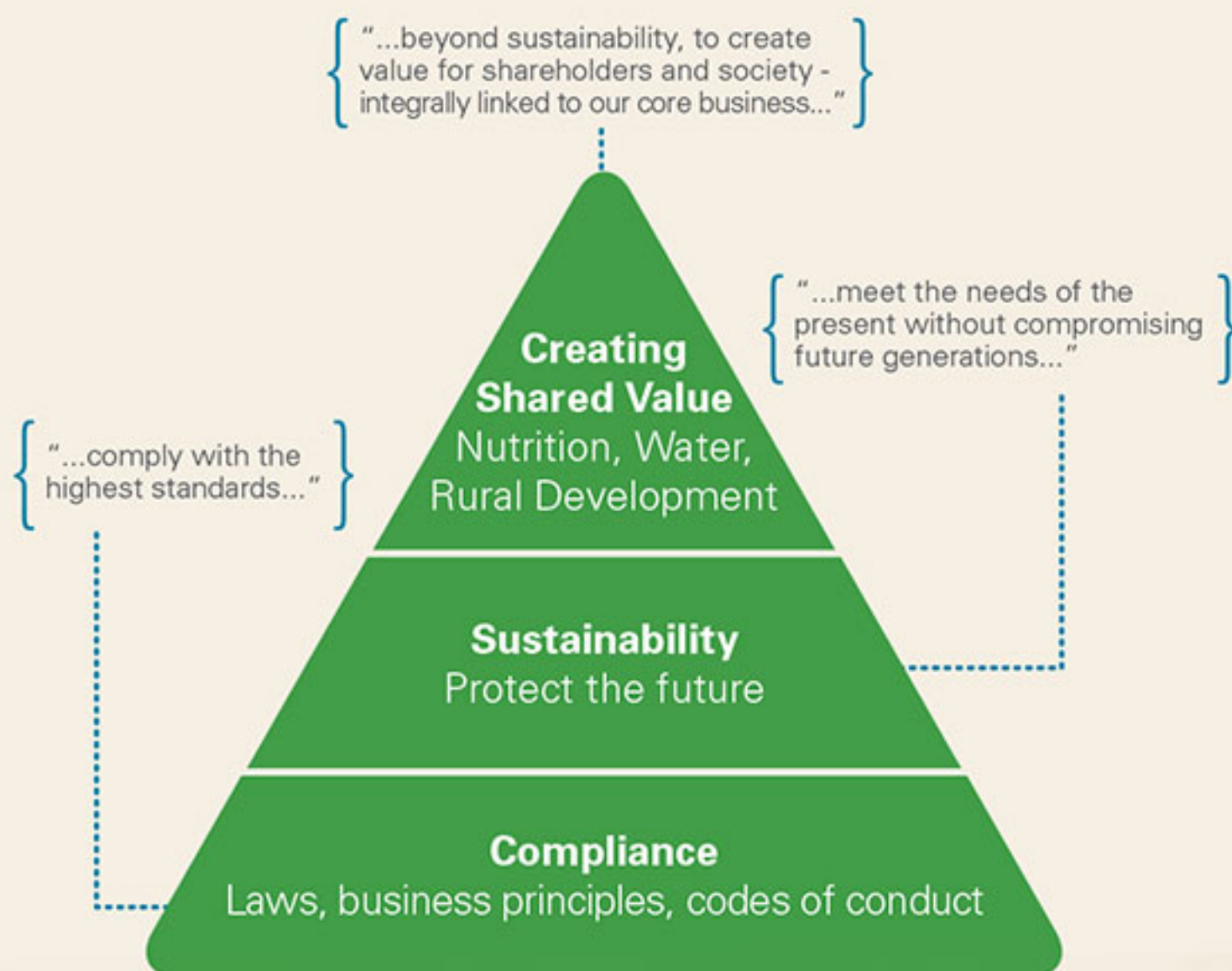


Nestlé in Society Pyramid

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.

Nestlé in Society defines our commitment not only towards Creating Shared Value in the areas of Nutrition, Water and Rural Development, but also our commitment towards environmental sustainability as well as towards compliance. These areas are core to our business strategy and operations.



The Nestlé in Society Pyramid



ROCKS Employee Volunteer Programme

Nestlé's Reaching Out to Community and Kids (ROCKS) Employee Volunteer Programme offers an avenue for its employees to be involved in various activities that fulfill their societal and community obligations. With an annual 16 working hours / 2 working days allocation, each employee can choose to volunteer in any of the monthly events held targeting at serving either the poor, orphaned, single parents, physically disabled, old folks, refugees and the Orang Asli community among others. Among the activities ROCKS have done:

1. Donation drive to East Coast flood victims
2. Cooking for and serving to the needy
3. Sales Bazaar with proceeds going to charity homes
4. Festive Celebrations with old folks and orphans
5. Building homes for Orang Asli families



Nestlé ROCKS handing over the donation items for East Coast flood victims to Malaysian Red Crescent Society (MRCS)



Good Food, Good Life

Nestlé (Malaysia) Berhad (110925-W)
22-1, 22nd Floor, Menara Surian, No.1,
Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Tel: (+603) 7965 6000 Fax: (+603) 7965 6767
Nestlé Consumer Services Free Phone: 1-800-88-3433
Facebook: <http://www.facebook.com/NestleMalaysia>

www.nestle.com.my/csv



Creating Shared Value
Nutrition | Water | Rural Development

Nestlé in Society



Creating Shared Value and Meeting Our Commitments: Doing Well, by Doing Good

Creating Shared Value tells us that business and long-term social benefit go hand-in-hand. For a company to be successful over the long-term, it must create value for society. And when it does that, it creates value for its shareholders. In a nutshell, it is about doing well, by doing good.



Our Chairman Tan Sri Dato' Seri Syed Anwar Jamalullail and Managing Director Mr. Alois Hofbauer planting chillies at the Nestlé Chilli Farm in Kelantan

Creating Shared Value: The Three Areas of Focus



Nutrition

Food and nutrition are the basis of health and of our business - it is the reason we exist.



Water & Environment

Water & Environment is one of our most critical resources, the scarcity of which will have a drastic impact on the quality of life, food security as well as on our business operations.



Rural Development

The overall wellbeing of our various stakeholders - farmers, rural communities, small entrepreneurs and suppliers - is intrinsic to our continued success and the nation's development.



Nutrition: Key Initiatives

Our Commitment to Nutrition



- Provide nutritionally sound products designed for children
- Help reduce risk of under-nutrition through micronutrient fortification
- Help increase consumption of whole grains and vegetables via healthier home cooking

- Deliver nutrition information and advice on all our labels
- Reduction of Salt, Sugar, Saturated Fat in our products

We used **228 tonnes** less salt in culinary products compared to 2005

In 2013, we provided **2.9 billion** servings of nutritious and fortified foods and beverages

At the end of 2013, **100%** of our children's products met the Nestlé Nutritional Foundation saturated fats criteria

Our Halal Commitment

Nestlé Malaysia is the biggest Halal producer in the Nestlé world and is recognised as the Halal Centre of Excellence for the Nestlé group. Our Halal Policy states that all products manufactured, distributed and imported by Nestlé Malaysia are guaranteed Halal by certification bodies recognised by the Malaysian Islamic Development Department (JAKIM).



Grassroots Sports Development

MILO has steadily played an important role in the development of sports in Malaysia and has led the way in nourishing an active and healthy nation.



Since the 1970s, MILO has been the main sponsor for Malaysia School Sports Council (MSSM); an initiative of Ministry of Education (MOE) to provide opportunity for nearly 12,000 schoolchildren yearly to showcase their sporting ability and compete.

Moving forward in 2015, MILO will embark in supporting another MOE's initiative, One Student One Sport (1Murid 1Sukan) to continue cultivating sporting culture among schoolchildren by encouraging every child to at least select one sport activity.

Nestlé Healthy Kids Programme



The Nestlé Healthy Kids Programme is a global initiative to demonstrate Nestlé's commitment to address the nation's health issues in line with our commitment towards Nutrition, Health and Wellness. It is to also help create a healthier future by improving knowledge of nutrition and encouraging greater physical activity among children.



Reaching out to **10,000 students**, **177 school**, **558 food operators** and **370 teachers** nationwide

Nestlé Healthy Kids Website: www.healthykids.org.my

Nestlé Healthy Kids Programme Partners:



Water & Environment: Key Initiatives



Project RiLeaf

A riverside reforestation and oil palm sustainability initiative to unite the needs of people, nature and agriculture (mainly oil palm) through water; their common source of vitality.



More than **250,000** trees planted

Aims to **reforest 2,400ha** of land along the lower Kinabatangan River

Empowering Women in Setiu Wetlands



The Nestlé and WWF-Malaysia Setiu Sustainable Development project aims to sustainability conserve the natural resources and rich bio-diversity of the Setiu Wetlands and to also enhance the livelihood of local communities, particularly women who are the co-income earners and caregivers in the village.

Waste Water Treatment Plants

Throughout the local manufacturing process, we promote water conservation while excess water discharged into the environment is cleaned via on-site Waste Water Treatment Plants.

Nestlé factories in Chembong, Shah Alam, Petaling Jaya and Kuching operate these treatment plants, and in addition to reducing the direct usage of water in their operations, are also continually reducing water consumption throughout the supply chain.



Rural Development: Key Initiatives

Nestlé Paddy Club

A farming initiative where we work with farmers through a rice-growing sustainability innovation that uses environmentally-friendly approaches for the manufacturing of Nestlé infant cereals.



Average yield above **6.4MT/ha**, significantly higher than the national average yield of 3.7 MT/ha

Improved earnings of **333 farmers**

871 hectares of cultivated area

Nestlé Chilli Club

Helps provide rural farmers an increased source of income by helping them grow quality raw materials that are a result of good agricultural practices while offering them a stable and fair market price and demand for their produce.



70% increase in farmers' monthly income - from an average of USD212 to USD365

112 farmers produced a yield of 506 metric tonnes of fresh chillies over 45 hectares of land for the production of MAGGI Chilli Sauce

Nestlé Community Kindergartens

Nestlé believes that access to pre-school education is important, as a good foundation will shape and set the path for a child's future. Since 2005, we have been working with Raleigh International, supporting rural communities with underprivileged backgrounds by building kindergartens for pre-school children in rural Sabah.



Together, Nestlé and Raleigh have successfully built 11 kindergartens:

- Kg. Liu, Pitas, 2005
- Kg. Saguon, Tongod, 2006
- Kg. Paus, Pitas, 2007
- Kg. Keranaan, Ranau, 2008
- Kg. Mapan-Mapan, Pitas, 2009
- Kg. Maliau Layung, Pitas, 2010
- Kg. Lingka Bugan 2, Pitas, 2011
- Kg. Sonsogon Magandai, Pitas, 2011
- Kg. Terian, Sugud, 2012
- Kg. Bonor, Sook, 2013
- Kg. Togudon, Donggongon, 2013