

Update 04/2011



A note from the CEO

At Nestlé we believe that to be successful over the long-term we need to create value for our shareholders and for society as a whole.

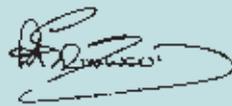
We call this Creating Shared Value and place particular focus on three key areas that are core to our business: nutrition, water and rural development.

Nestlé employs just under 7,000 people across 19 sites in the UK and Ireland and is one of the UK food industry's major exporters, exporting in excess of £266m worth of products each year to over 32 countries. Food manufacturers of all sizes are facing extremely tough market conditions in 2011 and we are committed to playing our part in the UK and Ireland's economic recovery whilst at the same time encouraging government to do everything it can to support our sector and create the optimum conditions for business.

As one of our key UK and Ireland stakeholders we'd like to keep you updated on our UK and global activities and I hope that you find this new quarterly eNewsletter helpful and informative. Key news for this quarter relates to the recently announced Public Health Responsibility Deal and an update on our palm oil sourcing commitments. In the next edition we'll update you on progress against the targets that we outlined in our UK Creating Shared Value report published last year.

We very much welcome any feedback that you may have - please send your comments and ideas to update@uk.nestle.com

Paul Grimwood, Chairman and Chief Executive, Nestlé UK & Ireland



2012 CSV Prize – Call for Entries

Do you know of an innovative development project that would benefit from a substantial investment?

Nominations are now open for the 2012 Nestlé Prize in Creating Shared Value. Launched in 2009 the bi-annual prize offers advice and financial support of up to 500,000 Swiss Francs (approx £340,000) to an individual, NGO or small enterprise working in the field of nutrition, water or rural development. Applicants can either self-nominate or be nominated by others familiar with their work and the application deadline is 30 June 2011. The Prize is open to applicants from anywhere in the world but the initiative must be implemented in a developing country. Full details are available at: [Nestlé Prize](#)

Nestlé signs up to Public Health Responsibility Deal

Nestlé UK has been working with the UK Government on the Public Health agenda for a number of years and we very much welcome the partnership approach being developed under the recently launched Public Health Responsibility Deal.

Nestlé has signed up to all the Food Pledges, all the relevant and applicable Physical Activity Pledges, and finally, all the Health at Work Pledges.

As a major food manufacturer we understand that consumers are looking for healthier foods that do not compromise on taste and in the UK and Ireland we offer a wide range of products which meet

differing consumer preferences - from *Shredded Wheat* which contains no added salt to great tasting treats like *Kit Kat*.

We are also committed to providing nutritional information to help our employees and consumers make informed food choices and constantly review and look to improve the products that we offer. For example:

- Since 2008, 195 tonnes of salt have been removed from Nestlé breakfast cereals portfolio in the UK (based on actual volumes sold).
- Over 25% of our breakfast cereals sales in the UK are products with no added salt (e.g. *Shredded Wheat*, *Shredded Wheat Fruitful* and *Honey Nut Shredded Wheat*).

- We have developed a 99 kcal biscuit range which includes *BreakAway*, *Blue Riband*, *Toffee Crisp* and *Drifter*.
- We provide lower calorie, fat and saturated fat options on popular beverage brands including *Nescafé Café Menu Skinny Range* and *Nescafé Dolce Gusto Skinny Range*.

The Responsibility Deal's strength comes from organisations across varying sectors working together to improve people's health and we believe this is just the beginning of what we hope becomes an engaging and constructive partnership.

More information about the Deal, its partners and their pledges, can be found at:

[Public Health Responsibility Deal](#)



Yan Reach, one of the rural farmers supported by International Development Enterprises (IDE) Cambodia, winners of the first Nestlé Prize in Creating Shared Value



Nestlé UK Ltd moves to 70% certified sustainable palm oil by January 2012

From January 2012, 70% of the palm oil used in manufacturing by Nestlé UK Ltd will come from certified sustainable sources. The remaining 30% of the palm oil used in Nestlé UK products will be covered by GreenPalm Certificates.

This move supports the global target of sourcing only sustainable palm oil by 2015, that was set by Nestlé in 2009. By the end of 2011, certified palm oil and palm oil certificates will account for 50% of Nestlé's global purchases and we continue to work with suppliers, farmers and other stakeholders to increase the availability of sustainable palm oil.

Nestlé globally buys 0.7% of world palm oil production and last year announced a new partnership with The Forest Trust (TFT) to establish Responsible Sourcing Guidelines.

Nestlé was also the first company to commit to ensuring its products do not have a deforestation footprint.

Commenting on the UK news, Scott Poynton, TFT's Executive Director said, "Last May, we

formed an agreement with Nestlé and since then, significant progress has been made. Working with Nestlé, we have conducted an in depth analysis of the supply chain in order to create transparency. We're now working with Nestlé suppliers to help them change the way they operate and we are already beginning to see success in this area".

For more information on Nestlé's position on palm oil visit [deforestation and palm oil](#). For an update on how the TFT work is progressing please see the TFT website: [Nestlé and TFT publish first progress report](#).



A palm oil plantation

UK Nescafé consumers are introduced to Gerardo!

In August 2010 Nestlé launched The Nescafé Plan, a ten year £213 million investment that brings together Nestlé's commitments on coffee farming, production and consumption.

Through The Nescafé Plan, Nestlé will double the amount of coffee it purchases directly from farmers, expand its technical assistance for farmers and distribute 220 million high-yielding, disease resistant coffee plantlets by 2020. In February 2011, Nestlé UK began consumer advertising on The Nescafé Plan featuring Nicaraguan farmer Gerardo Areas who has benefitted from farmer

training. More information on Gerardo's story is available through [The Nescafé Plan](#). Last month Nestlé also announced details of new Nescafé Plan projects that will support farmers from the Colombian Coffee Growers Federation (FNC) which represents more than 500,000 producers – for further information see: [The Nescafé Plan underway in Colombia](#)



Coffee farmer Gerardo Areas

2010 Rural Development Report launched

Nestlé has been working with farmers and rural communities since the company formed over 140 years ago and we now have 443 factories, most of them in rural areas and half in developing countries. Our new Creating Shared Value Rural Development Report has just been launched, outlining the economic, environmental and social impacts of our operations and reinforcing the critical role that rural development plays in poverty reduction in low-income countries. It also includes updates on The Cocoa Plan and The Nescafé Plan and recommendations from our external Creating Shared Value Advisory Board on areas where Nestlé needs to do more. The full report and a summary version can be accessed at: [Rural Development Report](#)



Farmers Jaswinder Singh and Jasveer Kaur deliver milk to a chilling centre in Nestlé's milk district in Rajasthan, India