

CREATING SHARED VALUE

Social Report of Nestlé Russia LLC

2012-2013



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Good Food, Good Life

Address of Maurizio Patarnello to the Readers of Nestlé Russia CSV report 2012-2013



Dear Reader,

I invite you to read the third Nestlé Russia CSV report, the aim of which is not only to show our progress over the last two years, but also to share some insight with the focus on Creating Shared Value, our concept of corporate social responsibility.

Nestlé Russia is the second largest food manufacturer in the Russian market. Our company deserves its title of leader in good nutrition, health and wellness. In this report, we not only focus on the way Nestlé brings more and more nutritious products to consumers all over the world, but also on how we do our business. In 2009, we made the Creating Shared Value programme our priority and established it as our basic approach to dealing with social responsibility issues. We try to adhere to this concept in everything we do, be it bringing more nutritional value to our products, promoting rural development, enhancing environmental protection, or ensuring rational utilization of water and energy. For this purpose we have settled upon three priorities in our social investments: nutrition, water, and rural development, which are precisely the areas in which we have a wealth of experience and critical skills to benefit both society and the company itself.

We understand that business can only be successful if it creates value not only for our shareholders, but for society as well. This is the only approach that can ensure our success in the years to come, as it has always been for Nestlé since 1866. In 2016, Nestlé will celebrate its 150th anniversary worldwide. For as many as 140 years of this time, Nestlé has been present with its products in the Russian market, huge and boundless as it is.

Learn more about Nestlé in Russia, its business, its people, and its concern for the environment and society. Our ultimate goal, and everything we aim for, is to build a socially responsible business environment and establish a sustained, flourishing and happy society.

I hope you will be interested in learning more about us.

Sincerely yours, **Maurizio Patarnello**
CEO of Nestlé in Russia and Eurasia

History of the Company: Nestlé Yesterday and Today



Henry Nestlé – founder of the company

The company's history started in 1866 when an Anglo-American company opened its first condensed milk manufacturing at a place called Cham in Switzerland. At the same time, Henri Nestlé (1814–1890), a Swiss chemist residing in Vevey, Switzerland, was conducting research aimed at creating food for babies who for some reason could not consume their mother's milk. Such a product would to some extent solve the problem of infant mortality resulting from either insufficient or improper nutrition. 1867 witnessed the invention of such a product. It was named Henri Nestlé's Milk Flour (*Farine Lactée Henri Nestlé* in French). The first consumer of the new product was a premature infant who could take neither its mother's milk nor any of the substitutes existing at that time,

so doctors could do nothing to help. After the new product helped save the infant's life, milk flour became very popular, showing good sales across Europe in just a few years. The new product reached Russia in 1871 when Henri Nestlé entered an exclusive contract with St. Petersburg retailer Alexander Ventsel on the supply of milk flour. 2011 marked the celebration of the 140th anniversary of the company's presence in Russia, while in 2016 Nestlé will celebrate its 150th Anniversary.

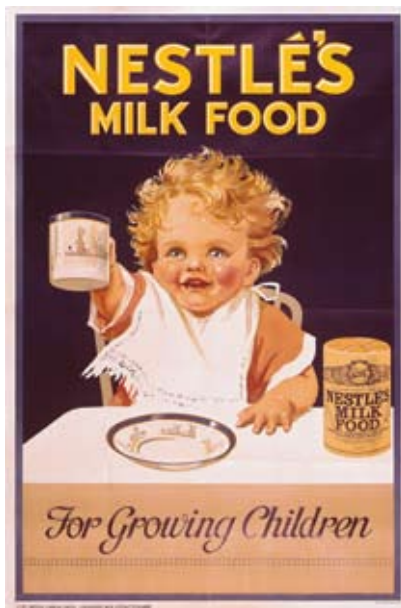
Now Nestlé is listed in the Financial Times Global 500 ranking among the top ten largest companies worldwide. Nestlé is the world-largest food manufacturer. In 2012 its total sales volume reached 92.2 billion Swiss francs, with 10.6 billion Swiss francs in net profit.

Nestlé employs over 330 thousand people and owns 468 plants in 86 countries. The company is headquartered in Vevey, Switzerland.

Since the time when *Farine Lactée Henri Nestlé* was created, Nestlé has significantly extended its product range to include over 8,000 brands recognized by consumers on all five continents. Nestlé invented such audacious products for their time as Nescafé instant coffee and Maggi culinary products. Nestlé's portfolio today includes coffee, ice cream, infant food, chocolates and confectionary, culinary products, porridges, breakfast cereals, beverages, pet food and coffee systems.

Among other food manufacturers, Nestlé is noted for its world-largest investments in research and development. Nestlé has 32 R&D Centres and 300 Application Groups worldwide, as well as a Science & Research Centre in Lausanne, which have brought together over five thousand scientists to study the nutritional basis of the products and how they affect the human body. The research results achieved make it possible for the company to continuously improve its products. This focus on R&D reflects Nestlé's intention to produce foods that not only taste good, but are also good for you.

Today, Nestlé is the world's leading Nutrition, Health and Wellness company. Nestlé's motto expressed in the slogan "Good Food, Good Life" aims to make life better by offering consumers only high-quality and sound products and creating value both for our shareholders and for society in general. This is part of our business strategy.



Nestlé old posters



Today the Nestlé's portfolio accounts for 8000 brands





Nestlé in Russia: 142 Years of Successful Cooperation

In June 2011, Nestlé celebrated the 140th anniversary of its operations in Russia. In 1871, Henri Nestlé entered an exclusive contract with St. Petersburg retailer Alexander Ventsel on the supply of milk flour. Even then the company was studying the relation between human health and the quality of the nutrition he/she received in infancy. Advertisements read: «Nestlé Farine Lactée for Babies. Nestlé Condensed Milk. Proper and healthy nutrition during infancy ensures lifelong health».

- **Nestlé in Russia today**
- **2012 Performance**
- **Investments in long-term development**
- **Strengthening Nestlé's leading position in the Russia market**

History of the Company in Russia

2013 October

completion of the construction of a MAGGI culinary production plant in the town of Vyazniki, the Vladimir Region

2013 May

completion of the construction of a MAGGI culinary production plant in the town of Vyazniki, the Vladimir Region

2010

Announcement on investments (60 mln CHF) in construction of MAGGI culinary production in the Vladimir Region

2010

Transfer of confectionary production facility from Ruza to factories in Samara and Perm

2008

Announcement on large-scale investments (240 mln CHF) in the expansion of a coffee factory in Timashevsk

2007

Confectionary plant in Ruza and pet food production facility in Vorsino

2006

BYSTROV cereals production facility

2005

NESCAFÉ production facility in Timashevsk

2003

Baby formula production facility in Vologda

2001

Breakfast cereals production facility in Perm

2000

Bottled water production facility in Domodedovo

1999

MAGGI production facility in Zhukovsky

1998

Confectionary plants in Barnaul and Perm, ice cream production facility in Timashevsk

1996

Ice cream factory in Zhukovsky

1995

Rossiia confectionary plant in Samara

Nestlé in Russia Today

After the revolution, Nestlé did not resume its active operations in the Russian market until the early 1990s. The company established an importers/distributors network. The first products brought here for distribution included such popular Nestlé brands as NESCAFÉ and NESQUIK. In April 1995, the Swiss group set up its Moscow representative office Société pour l'Exportation des Produits Nestlé S.A. 1996 witnessed establishment of the full-fledged Russian Nestlé Food Company LLC with own warehouse network and distribution and marketing system for promoting products in the Russian market.

In 2006, the company's regional offices located in Eurasia were placed under the control of Nestlé's Russian head office. The company expanded its geographic presence after establishing its business in Russia and the Eurasia Region. Now Nestlé's market in Russia and Eurasia comprises Russia, Belorussia, Kazakhstan, Uzbekistan, Georgia and Azerbaijan. The company has set up its offices in these countries.

In 2007, the company was given the new name of Nestlé Russia. This was the name it deserved. According to Russian legislation, a nongovernmental legal entity is only entitled to have the word "Russia" in its name if it makes a significant contribution to the country's economy and social life.

For the past 16 years, Nestlé has invested 1.5 bln USD in Russian production and distribution network development. The company's factories and offices located in Russia and the Eurasia Region have a total workforce of around 10,000 people. At present, Nestlé has 11 manufacturing facilities operating in Russia (in the towns of Timashevsk, Perm, Samara, Vologda, Zhukovsky, Vyazniki and Vorsino) and a factory in Namangan (Uzbekistan). Nine regional offices located in Saint Petersburg, Rostov-on-Don, Ekaterinburg, Novosibirsk, Vladivostok, Irkutsk, Voronezh, Nizhni Novgorod and Samara deal with Nestlé product sales across Russia's vast territory.

Since January 1, 2007, the process of merging multiple legal entities of the

group into a united entity under the name of Nestlé Russia has been underway.

2012 Performance

In March 2013, Maurizio Patarnello, CEO of Nestlé Russia and the Eurasia Region presented the 2012 results at a press-conference. Nestlé sales in Russia and the Eurasia Region have reached 70 bln Rubles, 9% up vs. past year. The company showed significant growth despite the slowdown in the growth rate of a number of economies. In Russia, Nestlé achieved a double-digit sales increase in five product categories and considerably strengthened the market positions of its key brands. "We are confident about our future and are continuing to make investments in our business development in the region. In 2012, we invested around 4 bln Rubles in our production facilities in Russia, both those under construction and those already in operation. Investments in local production secure sustainable growth of our company", said Maurizio Patarnello.

A number of factors have ensured Nestlé's long-term success in the Russian market. The company has achieved a leading position in many aspects primarily due to its advantageous strategy of investing in local production. Now Nestlé is the Russian market leader with respect to instant coffee, cocoa, infant formula, and breakfast cereals, as well as among the first in the markets of packed chocolate, ice cream and pet food.

Investments in long-term development

The company continues to actively develop local production. Over 90% of the products sold in Russia and the CIS countries are manufactured at local facilities. Investment projects and production upgrading afford maximum efficiency in utilizing the funds of the Nestlé group to successfully develop its brands and strengthen its position in the Russian and CIS markets.

October 21, 2013 saw the opening of the MAGGI culinary factory in the town of Vyazniki, the Vladimir Region. Nestlé's investments in the construction of the



Laurent Freixe, Executive Vice-President of Nestlé S.A., Head of Nestlé in Zone Europe, Svetlana Yu. Orlova, Governor of Vladimir Region and Pierre Helg, Swiss Ambassador to the Russian Federation, open the MAGGI Culinary factory in Vyazniki of Vladimir region in October 2013

facility and modern technologies of culinary production exceeded 2.6 bln Rubles. The factory in Vyazniki became Nestlé's 11th production facility in Russia. The company announced its plans to invest in the construction of a new factory in the summer of 2010, and by the spring of 2012 the first stage in the manufacturing process had been launched: pre-packing and packaging of a broad range of products. After starting full-cycle manufacture and reaching the rated capacity, the new facility in the town of Vyazniki, the Vladimir Region, will be able to produce up to 30,000 tonnes of MAGGI brand culinary products. Startup of the factory will make it possible to produce in Russia virtually the whole range of MAGGI products intended for both domestic consumption and for export to CIS countries. The products to be manufactured at the new factory will comprise over 100 items of seasoning, sauce, instant soup, mashed potatoes and bouillon cubes. Even today the factory employs over 600 people, the majority of whom are residents of the Vyazniki district. Svetlana Yuryevna Orlova, Governor of

the Vladimir Region, highly appraised the company's large-scale investment project: "We are very glad that Nestlé – one of the world leaders in food production – is successfully developing its business in the Vladimir Region. This investment project is another remarkable example showing how attractive our region can be for foreign investors. We are sure that opening the factory will contribute to further development of the regional economy".

2013 marked the completion of an investment project to expand the production facilities of a baby cereal factory in Vologda. Investments of 1 bln Rubles were used to build a new shop, install manufacturing and packing lines, establish a warehouse and expand the infrastructure network. Planned for the end of the year, startup of the new shop shall make it possible to expand the range of Nestlé brand baby cereals and strengthen Nestlé's leadership in the baby formula market in Russia and the CIS countries.

The company has invested around 1.3 bln Rubles in the construction of a new

shop manufacturing wet pet food at the Nestlé Purina PetCare Factory in the Vorsino settlement of the Kaluga Region. In May, the Nestlé Purina PetCare Factory hosted a ceremony to open the second wet food manufacturing shop. The new production facilities have made it possible for the factory to expand its product range and bring output up to the level necessary for further strengthening the company's position as pet food producer in Russia and the CIS markets. We are also expanding the factory distribution network to secure efficient logistics of Nestlé products all over the country.

Strengthening Nestlé's leading position in the Russian market

In 2012, Nestlé Russia managed to significantly reinforce its leading position in the majority of categories in the food and beverage market in Russia and the CIS countries, as well as increase sales in many categories. The success was by far a result of the company's ability to identify and meet the preferences of



Nestlé Purina PetCare factory in Vorsino of Kaluzhsky Region

consumers, introduce a multitude of new products, as well as ensure efficient market support of brands. At year-end , the company had considerably increased its sales in Russia in five categories: baby formula with the GERBER, NAN, Nestlé and NESTOGEN brands (sales growth in terms of money – 13.6%), pet food with the PURINA brand (33.8%), ice cream with the Nestlé brand (18%), NESPRESSO coffee machines and capsules and the Nestlé PROFESSIONAL trade channel (14.4%).

The innovative system for NESCAFÉ Dolce Gusto beverages preparation, first introduced into the Russian market in the summer of 2010, managed to win favour with the Russian people in a little more than three years and took leadership in the espresso-machine segment. In 2012 , the sales of coffee-machines in Russia grew by 135% vs. the previous year, and capsules – by 150%. At year-end 2012, Nestlé Russia confirmed its leadership in the instant coffee segment with the NESCAFÉ brand.

The NESPRESSO brand continued to expand its presence in Russia. 2012 witnessed the opening of the first NESPRESSO boutique in Ekaterinburg and the third one in Moscow. Last October saw the opening of a unique boutique-café MÖVENPICK in Moscow. It was the first boutique under this brand outside Switzerland that is under Nestlé's full control. The boutique offers the full range of MÖVENPICK ice cream and sorbet.

Last year Nestlé presented a unique specialty for its small customers with a sweet tooth – ice cream BON Pari Jungli. It is the first ice cream in the world covered with jelly that can be peeled like a banana. Introduction of this specialty into the Russian market proved a great success in the category: ice cream, sales volume.

The MAGGI brand confirmed its leadership in the “Culinary” category with a market share of over 45%* in terms of money. At year-end 2012, MAGGI culinary products received the prestigious national prize “Product of the Year” awarded by the National Trade Association, by winning in the “Bouillon Cubes” and “Seasonings and Spices” categories.



Marco Settembri, Head of Nestlé Purina PetCare in Zone Europe, Anatolii Artamonov, Governor of Kaluzhsky Region, Galina Schwartzburg, Ecology specialist of Nestlé Purina PetCare in Vorsino and Maurizio Patarnello, CEO of Nestlé Russia, open the new wet food manufacturing shop in Vorsino

In 2012, Nestlé Russia significantly increased and enforced its share in the Pet Food category with the PURINA brand. The successful sale of cat food under the FELIX and ProPlan brands significantly contributed to the growth of the whole category.

After occupying a leading position in the baby formula market with the Nestlé, GERBER, NAN and NESTOGEN brands, last year the company introduced a new product for pregnant and nursing mothers called «Nestlé MUMMY and ME». This is milky nutrition supplement that fortifies mothers-to-be with nutrients, vitamins and minerals essential for the healthy growth and proper development of the fetus. At year-end 2012, NESTOGEN infant formula was awarded the “Product of the Year” national prize in the “Breast Milk Substitutes and Dry Formula” category.

Nestlé also retains its leading position in the Russian market in the Breakfast Cereals category with the Nestlé brand (market share of around 47%** in terms of money) and Instant Cereals category with the BYSTROV brand (market share of over 29%* in terms of money).

So, we continue to introduce innovations and offer tastier and healthier products for our consumers and their families. Last month witnessed the successful launch of two unique specialties -EXTREME Yamberry ice cream and BON PARI Jumble marmalade. We hope they will take the fancy of our young consumers.



*Source: ACNielsen YTD December 2012

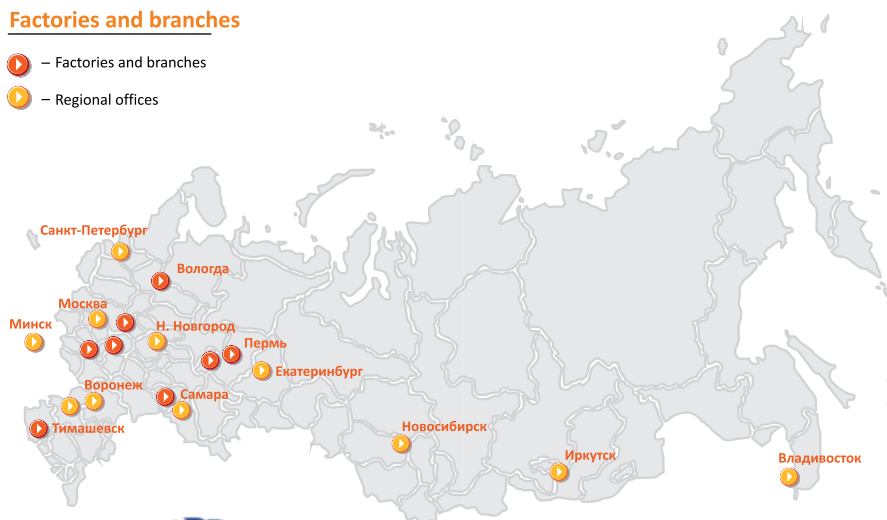
**Source: ACNielsen December 2012 – January 2013



Качество продуктов,
Качество жизни

Factories and branches

-  – Factories and branches
-  – Regional offices







Creating Shared Value

«We believe we can make an important contribution to society, by going a step beyond corporate social responsibility to create value through our core business both for our shareholders and society. We prioritise the areas of nutrition, water and rural development to create shared value; this requires long-term thinking...»

Peter Brabeck-Letmathe, Chairman

- **Creating Shared Value is a new concept of corporate social responsibility**
- **History of the concept**
- **Three priority areas of Nestlé in Creating Shared Value**
- **Compliance**
- **Water**
- **Focus on nutrition**
- **Rural development**
- **Environmental sustainability**

Creating shared value is Nestlé's concept of corporate social responsibility

History of the concept

The concept of Creating Shared Value (CSV) was developed by Michael E. Porter, Professor of the chair of Business Administration at Harvard Business School, and Mark R. Kramer, co-founder of international consulting firm FSG. For the first time the term Creating Shared Value was introduced by them in 2006 in the article published in Harvard Business Review magazine. In their works as an example of innovative approach to the social responsibility issue they took what Nestlé was doing in social sphere when working in Latin America. According to this approach, a business can only be successful in a long-term perspective when it creates value not only for shareholders, but for the society in a whole. In other words, making profit with due consideration of public good is the capitalism in its highest manifestation, when business success of an enterprise brings prosperity of the society and sustained profit the for business. This very approach forms the basis of Nestlé's social responsibility and is a part of Nestlé's business strategy at the global level.

Three priority areas of Nestlé in Creating Shared Value

Nestlé announced the Creating Shared Value concept in 2009. However, already in 2007 Social Report of Nestlé S.A., social activities of the company for the first time were reviewed from Creating Shared Value view point. The company had studied its added value chain and identified the three areas where shareholders' interests come closest to the interest of society, i.e. the spheres where the company's activities would be most effective. They are nutrition, water and rural development. So, we can say that Nestlé creates shared value:

- by producing food and beverages that meet healthy nutrition principles and are affordable for consumers worldwide;
- by cutting down consumption of water resources for own needs, helping farmers to improve water consumption techniques, securing access to clean water and improving its treatment in rural areas;

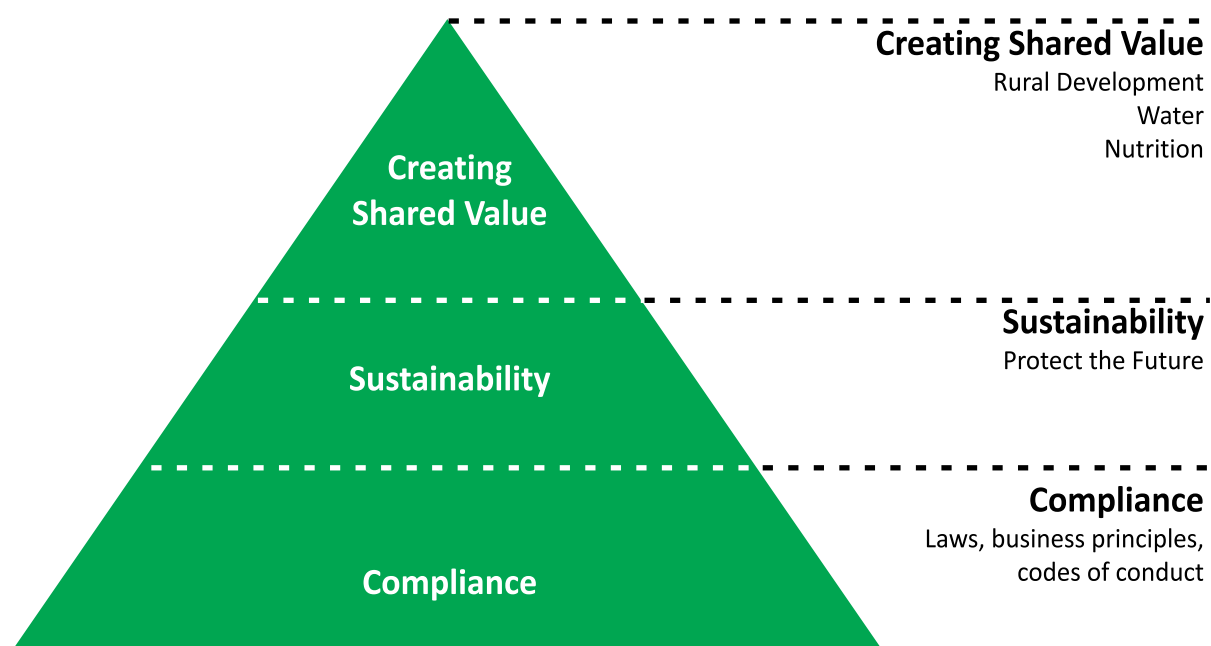
- by contributing to rural development, assisting suppliers in enhancing value and quality of their products.

Nestlé makes investments in water, nutrition, and rural development as it serves the interests of its long-term strategy. Success of our business depends on how efficient the company is going to be in these three focal areas. This is exactly what society that strives for sustainable development would benefit from too.

Compliance

"Creating Shared Value is built upon fundamental commitments to society, both to achieve the highest standards of compliance with laws, codes of conduct and our own Nestlé Corporate Business Principles as well as to protect the environment for future generations." Paul Bulcke, Chief Executive Officer

At Nestlé we have always believed that in order to prosper we need the communities we serve and in which we operate to prosper as well; and that over the long term, healthy populations, healthy economies and





Paul Bulcke, Chief Executive Officer: «Creating Shared Value is built upon fundamental commitments to society, both to achieve the highest standards of compliance with laws, codes of conduct and our own Nestlé to protect the environment for future generations». Paul Bulcke in one of schools in Peru

healthy business performance are mutually reinforcing. We recognise that our position in society brings both opportunities and responsibilities: to do business in compliance with national laws, international standards and our own Nestlé Corporate Business Principles; and in ways that help protect the environment for future generations. Thus, our commitments to sustainability and compliance are based on common-sense values; and form the foundations upon which we build our actions in Creating Shared Value. We also restate our support for the UN Global Compact as a founding member of UN Global Compact LEAD - a new platform for corporate sustainability leadership.

Water

The world is facing a fresh water crisis - linked to a growing global population, increasing prosperity and demographic shifts from rural areas to "megacities", to name a few. Nestlé

Chairman Peter Brabeck-Letmathe has stated: "If we go on like this, water will run out long before oil."

Our approach

The ongoing quality and availability of water is critical to life, the production of food and our operations, so it's essential that we play a full and active part in helping to address the global water crisis. Water is covered by our Business Principles and the Nestlé Policy on Environmental Sustainability. Our W.A.T.E.R. commitments are focused on using less water, improving water efficiency, controlling the quality of discharged water, actively promoting better water practices in Nestlé and our supply chains and raising awareness on water conservation. We're currently developing additional key performance indicators to help us measure our performance towards these commitments. They will be published during 2013 and will help us shape

Nestlé's water strategy for the next five to ten years.

The Nestlé Environmental Management System defines approaches in which all Nestlé sites and businesses can act to improve their water efficiency and comply with relevant environmental legislation.

Public policy engagement

Nestlé Chairman, Peter Brabeck-Letmathe, regularly contributes to the public debate on water, through speaking engagements and in public fora. He also launched a water blog in August 2012, which we hope will stimulate further discussion on solutions to the water challenge and its relationship to food supply and energy security. Furthermore, Peter Brabeck serves as Chairman of the 2030 Water Resources Group - an innovative and neutral public-private platform for collaboration on water, which engages in fact-based analytical approaches to

How urgent is the food and water crisis?

The facts speak for themselves:

- There are 925 million undernourished people in the world today (FAO).

- Two billion people - nearly one-third of the world population - suffer from deficiencies in iron, iodine, vitamin A, zinc, or a combination of these; e.g. the World Health Organisation estimates that over 740 million people suffer from iodine deficiency disorders, and that 250 million preschool children are vitamin A deficient.

- Globally, an estimated 43 million preschool children were overweight or obese in 2010, a 60% increase since 1990, of which over 80% live in developing countries (American Journal of Clinical Nutrition, Nov 2010).

- Today, 31 countries face chronic freshwater stress and shortages. By 2025 this is estimated to rise to 48 countries as water withdrawal outpaces renewal (United Nations Environment Programme). These challenges will only get more pressing as the global population rises to 10 billion by 2100.



help countries achieve sustainable and comprehensive water sector transformation.

Nestlé is a founding member of the UN Global Compact CEO Water Mandate and supports the use of internationally consistent water measurement tools, management processes and practices. We're currently helping to develop a new standard, ISO 14046: Water Footprint - Principles, Requirements and Guidelines, which should be completed by 2014.

As a participant in the Alliance for Water Stewardship, we're helping to establish a voluntary certification programme, which, when completed in two years, will allow water managers and water users to demonstrate compliance with a new International Water Stewardship Standard.

Nestlé has contributed to the Carbon Disclosure Project's Water Disclosure report every year since its launch in 2010. We received the highest score of any food producer in the Dow Jones Sustainability Index water-related risk section this year.

Water use in our operations

Water reduction and efficiency strategies are an essential part of our drive to improve environmental performance. We are also implementing programmes to reduce water withdrawal and discharges, reuse water and invest in water-saving technologies.

In 2012, we withdrew 138 million m³ of water, or 2.9 m³ per tonne of product, a 9% reduction compared to 2011. We've invested in a range of water-saving initiatives throughout 2012, including projects in Mexico, Spain, the United States and Uzbekistan.

Community engagement

We share water supplies with neighbouring communities and rely on them for our raw materials and in our operations. Engaging with them to address water issues also supports our CSV objectives by mutually benefiting Nestlé and the communities in which

our farmers, suppliers and consumers live. Since 2007, we've worked with the International Federation of Red Cross and Red Crescent Societies and the Red Cross Society of Cote d'Ivoire, to provide water and sanitation facilities and hygiene training in Cote d'Ivoire to 100 000 people.

We've also launched 217 clean drinking water projects in the South Asia region, helping to improving access and sanitation for more than 100 000 school children in village schools across several countries.

Blog of Peter Brabeck-Letmathe

www.water-challenge.com

In August 2012 Peter Brabeck-Letmathe started his blog dedicated to global water crisis. The goal of the blog is to attract attention to the water crisis and its outcomes. We need to address the issue right now and take all necessary measures to ensure saving and rational use of water. Water that we drink and use for purification and in cooking is only a minor part of total amount of utilized water. Major part, 90% of total amount of water utilized worldwide, is used in food production. One liter of water needs to be consumed to get one calorie of nutrition. Compared to 3 to 4 liters of water, which we drink every day, our average daily ration requires as many as 6,000 liters of water to be consumed to grow the crops that find their way on to our plates. If we were to review the above figures in the context of feeding growing world population, then we shall immediately realize the acute water shortages, which by 2030 shall affect one third of world's population and will also ultimately lead to a critical shortage of food in the world. It shall make food so expensive that millions of people shall find themselves starving below the poverty line.

Focus on nutrition

Nestlé sets as a priority improved living standards of consumers through supplying tastier and healthier food



Nestlé Chairman Peter Brabeck-Letmathe (in center) visits a water facility at a farm that delivers milk to the East African Dairy Development project factory in Kibiyet, Kenya.

and beverages and, given that, we are very anxious about growing food crisis, which is closely connected with global water crisis. If we are to solve these and other severe problems we need to join our efforts.

Our care about proper nutrition is supported by scientific research and results in increased content of micronutrients and reduced content of unhealthy components like salt, sugar, saturated fats and trans-fatty acids. We offer consumers information on product contents and demands of human body in nutrients, as well as our recommendations on portion sizing.

In 2009 Nestlé launched global programme “Healthy Kids” to teach children worldwide the basics of proper nutrition. Now the programme is under way in 64 countries and spans around 5.5 mln children. In January 2012 Nestlé became a title sponsor of Kids’ Athletics programme of International Association of Athletics Federations (IAAF), which is one of the largest athletic development programmes in the world. Nestlé is also a founding member of international network EPODE (Ensemble, Prévenons l’Obésité Des Enfants – Let’s

work together to prevent childhood obesity), which is the world largest network for fighting obesity. Besides, the company is going to collaborate with International Diabetes Federation (IDF) in implementing joint programmes promoting diabetic awareness and its prevention.

In everything we do we rely on Research and Development activities we are doing across our global R&D network– from the genomic studies

in Nestlé Institute of Health Sciences to bio fortification and behavioral research.

As the world’s leading Nutrition, Health and Wellness company Nestlé has a unique opportunity to help address the food and water crises; in particular the specific nutrition challenges facing consumers at a local level: from over-nutrition to under-nutrition including micronutrient deficiencies. This “double burden” of malnutrition





Two girls taking part in the 8-minute endurance race at the Kids' Athletics in Vevey, Switzerland

and the related stress on already overstretched healthcare systems is a pressing challenge for us all.

More and more scientists are arriving at the conclusion that right approach to nutrition should be exercised throughout whole human life to prevent obesity from middle age up. Through its studies, nutrient food, programmes and services, Nestlé helps to establish healthy nutrition-specific habits starting from the first 1,000 days of life, then promoting healthy nutrition among youth and further on till elderly age.

We are confident in saying that we always offer consumers most tasty and most healthy options whether we are talking about food and beverages rich in nutrients (like dietotherapy) or as far as candies and ice cream is concerned. Nestlé is in the forefront of active and prevention-oriented approach to handling chronic diseases and micronutrient deficiencies.

The very size of the above problems drives them beyond the limits of responsibility of a single company, government or non-governmental organisation.

Creating Shared Value offers an opportunity for Nestlé, together with other stakeholders, to effect positive nutritional and lifestyle change through the business we do and the consumers

we serve throughout life - from mothers and infants to old age.

Rural development

Nestlé works directly with some 690 000 farmers who produce the raw materials that go into our products and 73% of our factories are located in rural areas - so rural development is at the very heart of our Company and one of our three CSV focus areas.

Managing rural development

Following input from Nestlé CSV Advisory Board, Nestlé has developed a Rural Development Framework, to assist us to deliver a consistent approach on rural development. The Rural Development Framework also focuses on supporting rural communities around our operations. It aims to deliver business and societal value by focusing on key gaps and alignment of objectives along the supply chain and with stakeholders, including farmers, farm workers and the communities within which they are located. The framework recognises the role of trade partners through whom Nestlé buys the majority of its agricultural raw materials, and the role of governments in providing services to communities.

Helping farmers

To secure a reliable supply of raw materials for the future, Nestlé needs to build "farmer loyalty" just as it builds consumer loyalty to its brands. We are aimed to ensure that farmers are "farmers by choice" - fairly rewarded and farming in line with environmental and sustainability best practice. In 2012, Nestlé helped more than 44 000 farmers access support and assistance worth up to USD 37.8 million, of which Nestlé provided USD 23 million as direct financial assistance. More than 1100 specialists, including agronomists, and over 12 000 support staff contributed to these projects in 2012.

Many farm workers experience very poor working conditions, so we're taking concerted action to address risks and human rights in our supply chains. In January 2012, Nestlé issued a Commitment on Child Labour in Agricultural Supply Chains (available in full at www.Nestle.com/csv/ruraldevelopment/sourcing/tacklingchildlabour), highlighting cocoa, hazelnuts and vanilla as priority concerns. In February, we became the first food manufacturer to partner with the Fair Labour Association (FLA). Our work with them is focused



In 2012 Nestlé trained 27,000 cocoa farmers, distributed 1.1 million high-yielding cocoa plantlets, and sourced 38,000 tonnes of cocoa through the Nestlé Cocoa Plan.

on protecting workers conditions and rights in our hazelnut supply chain in Turkey and our cocoa supply chain in Cote d'Ivoire.

The Rural Development Framework also focuses on supporting rural communities around our operations. During 2012, we decided to focus our investment on 21 countries, prioritised by social and business needs. In 2013, Nestlé carries out assessments to define the priority areas of involvement based on the level of influence and ability to make an impact, as well as the relevance to Nestlé's operations.

Responsible sourcing

To ensure that vendors share and work in accordance with our principles for our key commodities, we've created Responsible Sourcing Guidelines (RSGs) for palm oil, soya, paper and board, milk, coffee, cocoa, sugar, hazelnuts, vanilla, seafood, and in the near future, animal welfare. These seek to ensure that our suppliers' operations are aligned with our business principles and social and environmental com-

mitments. We've made rapid progress on palm oil since our traceability work began in 2010. By the end of 2012, Nestlé purchased 80% certified sustainable palm oil, of which 13% is traceable RSPO certified oil and 67% is GreenPalm certificates. We aim to increase the amount of palm oil that can be traced back to plantations that are independently assessed and verified against our Responsible Sourcing Guidelines, exceeding the RSPO commitments.

Responsible sourcing initiatives

In 2010, Nestlé made a commitment that no Nestlé products - including critical raw and packaging materials - should be linked to deforestation. We're currently working towards this commitment, through the RSGs for commodities linked to this issue - palm oil, soya, beef and paper - while also taking into account the impacts of dairy, cocoa, coffee and sugar.

The Nestlé Cocoa Plan

The Nestlé Cocoa Plan is working to improve the lives of cocoa farmers and the quality of their crops, through focussing on the three pillars of enabling farmers to run profitable farms, improving social conditions and sourcing sustainable, good quality cocoa. In 2012 we trained over 27 000 farmers and distributed 1.1 million plants globally, built or refurbished 12 schools in Cote d'Ivoire, as well as kicking off a partnership with the Fair Labour Association to further assist our work on eliminating child labour.

How responsible sourcing works at Nestlé

Our responsible sourcing activities are organised into three separate programmes:

- Audit programme - tier one suppliers: audited against Nestlé Supplier Code requirements addressing labour standards, covering health and safety, environment and business practices;



Women and children in Kenya must often spend up to 12 hours a day just collecting water



Regenerating the Haitian coffee industry. We are supporting an international development programme to help regenerate Haiti's coffee industry, set up by the Multilateral Investment Fund of the Inter-American Development Bank in collaboration with the Agence Française de Développement.

- Traceability programme - high-risk categories: traces the origins of all relevant goods not purchased directly from the farmer, including palm oil, soya, paper and sugar;

- Farmer Connect Programme - direct from farmer: covers all direct purchases from farmers.

Nespresso Ecolaboration programme

Through its Ecolaboration programme, launched in 2009, Nespresso is proving that quality and sustainability can go hand in hand.

Ecolaboration aims to improve the quality and security of supply of our coffee beans, manage the environmental and social impacts of our business, and improve the lives of our coffee farmers, their families and communities. During 2012, Nespresso brought all its sustainability efforts together through Ecolaboration and made bold

commitments on sustainable sourcing, improved recycling and carbon reduction. Nespresso is working with local agronomists and other partners to give farmers the advice and assistance they need to meet our AAA Sustainable Quality coffee programme standards - paying a higher premium to those who do. The brand had installed about 20 000 dedicated capsule collection points in 21 markets, reaching its 75% recycling commitment a year early. It's also cutting emissions at the growing stage and point of purchase, introducing more energy-efficient coffee machines for Nespresso connoisseurs.

Environmental sustainability

Nestlé depends on increasingly constrained natural resources, so we are helping to protect the environment now and for future generations - improving environmental efficiency

in our own operations and involving our partners to continuously optimise the environmental performance of our products along the value chain.

Our approach

The Nestlé Policy on Environmental Sustainability covers our whole value chain. For our food and beverage business we've identified four priority areas: water; agricultural raw materials; manufacturing and distribution; and packaging. Every Nestlé factory uses the Nestlé Environmental Management System, which is fully aligned with ISO 14001:2004 - the International Standard specifying requirements for environmental management systems - to improve environmental performance, ensure compliance with all relevant requirements and enable our factories to achieve ISO 14001:2004 certification. By the end of 2012, 418 factories were certified to ISO 14001:2004.

Environmental product life cycle

We work with our stakeholders to use natural resources efficiently, favouring the use of sustainably-managed renewable resources and targeting zero waste. We use the Packaging Impact Quick Evaluation Tool for the eco-design of our packaging and the GEF (Global Environmental Footprint) tool for bottled water, which is ISO 14064-1 and ISO 14040/44 certified. We have conducted Life Cycle Assessments (LCAs) for all our product categories and in 2012 we completed the development and started the roll-out of an Ecodesign tool called EcodEX, which we will use to assess and optimise environmental sustainability holistically across the entire value chain. This will enable sustainability to be integrated at the earliest stage of the product development cycle and enable fact-based decisions.

Raw materials

Nestlé transforms agricultural raw materials into tasty, nutritious and healthy food and beverage products.

We're working with farmers and others in our supply chain to grow, harvest and process these raw materials in more environmentally efficient ways, through, for example, our responsible sourcing programmes including Farmer Connect (our programme to purchase direct from farmers) and the Nestlé Supplier Code (the non-negotiable minimum standards on use of natural resources); and also indirectly through activities such as the Sustainable Agriculture Initiative at Nestlé (SAIN). During 2012, we ran SAIN projects in 46 markets, including Brazil and Kenya; and facilitated workshops on related topics for suppliers.

Manufacturing

For many decades we've focused on making our own manufacturing sites more environmentally efficient. Since 2002, we have reduced water withdrawal by 29% and direct greenhouse gases by 24%, while increasing production volume by 53%.

Our on-site energy consumption for 2012 was 90.7 petajoules, equivalent to 1.9 gigajoules per tonne of product - a reduction of 4.7% compared to 2011.

We completed 36 projects through our Energy Target Setting Initiative this year (investing a total of CHF 82 million) saving circa 173 000 tonnes CO₂eq.

We are working to continuously improve the performance of the safe natural refrigerants now in use at our installations, and also intensifying our research into safe, environmentally sound refrigeration systems.

Creating Shared Value Forums

In November 2012 New Delhi, India, hosted Global Creating Shared Value Forum 2012: The role of business in securing sustainable development. Nestlé was an initiator of the forum. Among the participants of the forum there were over 450 government, civil society and business representatives who came to discuss the role of business in securing sustainable development as well as raise public awareness, particularly in South Asia, of such responsible approach to business as Nestlé's concept of Creating Shared Value. The forum, co-hosted by the Federation of Indian Chambers of Com-



This borehole provides a community water source in Sérihio, Côte d'Ivoire. It is one of the results of a joint project between the IFRC, the Red Cross Society of Côte d'Ivoire and Nestlé, which has delivered improved water and sanitation facilities to more than 60,000 people since 2007.



More than 6,000 farmers in Côte d'Ivoire have received training in 2012 as part of the plan. By 2015 Nestlé aims to train a further 24,000.

merce and Industry (FICCI), focused on such issues as nutrition, protection of water resources and rural development, which are core to Nestlé's business activities. «We believe in the power of Creating Shared Value,” said Nestlé Chairman Peter Brabeck-Letmathe. “It will be most effective when it stimulates opinion sharing in all business sectors across the globe.”

Every two years, up to three innovative schemes related to nutrition, water or rural development are shortlisted for the Nestlé Creating Shared Value Prize. The Prize is open to individuals, governmental and non-governmental organisations, academia and social enterprises.

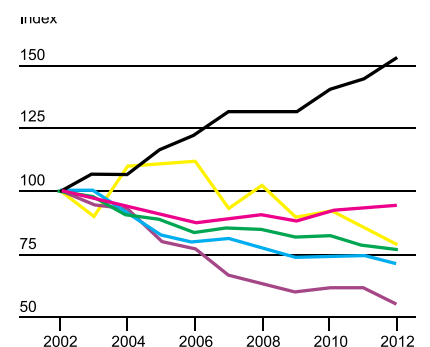
The winner is selected by the Nestlé CSV Advisory Board, an independent body comprised of internationally recognized experts in corporate strategy, nutrition, water and rural development, and is awarded up to CHF 500,000 to scale up or replicate its project. In 2012, the Nestlé CSV Advisory Board received more than 600 applications

from 76 countries. The Board awarded the Creating Shared Value 2012 Prize to Paraguayan nonprofit organisation that aims to boost education and entrepreneurship for young people (Fundación Paraguaya de Cooperación y Desarrollo).

Second All-Russian Creating Shared Value Forum

On June 7, 2012 Moscow hosted Second All-Russian Forum on Corporate Social Responsibility «Creating Shared Value: Inspiring Responsible Behavior». The forum was initiated by Nestlé and supported by commission of the Russian Public Chamber on social policies, employment relationship and living standards of people. Among the participants of the forum there were Janet Voûte, Vice President at Nestlé S.A., Stuart Irvine, CEO of Nestlé Russia and Eurasia, Andrey Bader, Corporate Affairs Director at Nestlé Russia and Eurasia. Among the speakers at the forum there were Elena Topoleva, Chairwoman

Resources consumption and wastes generation as compared to production output, 2002–2012



- Total output
- Total water intake
- Direct emissions of greenhouse gases
- Total energy consumption by production
- Total water disposal
- Solid wastes for further reprocessing



Nestlé Prize in Creating Shared Value. Nestlé Prize in Creating Shared Value 2012 was awarded to Fundación Paraguaya for its 'Self Sufficient Agricultural School' model. This rural development programme in Paraguay gives high school students in rural communities the entrepreneurial and practical skills they need to lift themselves out of poverty.

of commission of the Russian Public Chamber on social policies, employment relationship and living standards of people, Valentina Berezina from Ministry of Education and Science of the Russian Federation, representatives of business community, charity organisations and mass media. Representatives

of governmental authorities, business community, nonprofit organisations and mass media shared their experience on how to inspire Responsible Behavior, told stories about successful projects in this field, discussed opportunities and perspectives related to building a responsible society in Russia and

expressed their proposals on further collaboration of all the participants in this field.

*The Article is based on materials from 2012 Nestlé S.A. Social Report: Nestlé in Society



At the Creating Shared Value forum in Moscow, Russia, in 2012





Good Nutrition and A Healthy Lifestyle

Nutrition is one of the three focus areas of our “Creating Shared Value” approach. Our aim is not only to produce the highest quality products, but also to be the best and most respected food and beverage company that promotes good food and a healthy lifestyle. As the world’s leading Nutrition, Health and Wellness Company, we have a unique opportunity to help address the food and water crises; in particular the specific nutrition challenges facing consumers at a local level: from over-nutrition to under-nutrition, including micronutrient deficiencies.

- **Our goals**
- **Nestlé helps to solve global nutrition problems**
- **Nestlé’s Clinical Nutrition**
- **Programme “60/40+” – a tool to create the right product**
- **Establishing health during the first 1,000 days of new life**
- **The “Start Healthy, Stay Healthy” Programme**
- **Right approach to promoting infant nutrition**
- **“Healthy Kids’ – Nestlé global education programme**
- **Make a healthy choice!**
- **Lessons of proper nutrition at Nestlé Russia**
- **Helping to define the proper portion size**
- **Nestlé Nutritional Compass**

World Food Crisis

- There are 925 million under-nourished people in the world today (FAO).

- Two billion people - nearly one-third of the world population - suffer from deficiencies in iron, iodine, vitamin A, zinc, or a combination of these; e.g. the World Health Organisation estimates that over 740 million people suffer from iodine deficiency disorders, and that 250 million preschool children are vitamin A deficient.

- Globally, an estimated 43 million preschool children were overweight or obese in 2010, a 60% increase since 1990, of which over 80% live in developing countries (American Journal of Clinical Nutrition, Nov 2010).

Sharing our nutrition knowledge with the world

In order to combat the causes of malnutrition, healthcare professionals around the world need relevant and up-to-date information. To help provide this, in 2005 we created the Nestlé Nutrition Institute. In just seven years, this independent, nonprofit organisation has become the largest private publisher of nutritional information in the world. Its website currently attracts more than 170 000 registered users in nearly every country in the world.

The Nestlé Nutrition Institute also carries out nutrition research in public health and health economics. Read more at www.Nestlénutrition-institute.org

75.7% of Nestlé products meet Nutritional Foundation criteria

1.54 bln CHF has been invested by the company all over the world in R&D



Our goals

Good nutrition and a healthy lifestyle are the priorities of our company's development. Nestlé is committed to improving the quality of life by offering products that taste better and are of optimal nutritional value.

We have set our goals for 2012 in the context of five key nutrition challenges: advancing science to address global nutrition issues; helping mothers give children the best start in life; helping families to meet their nutritional needs; helping to meet the nutritional needs of people in emerging markets; and helping to meet the needs of older people and those with other specific nutritional requirements.

We want our consumers to make an informed choice in favor of healthy food and beverages.

Nestlé helps to solve global nutrition problems

More and more scientists are coming to believe that we need to exercise a correct approach toward nutrition throughout our lives.

As the world leader in healthy food production, Nestlé seeks to help solve problems regarding both over-nutrition, which leads to obesity, and various diseases connected with excessive weight and poor nutrition followed by a deficit in vital micronutrients.

Thanks to the research done at Nestlé, our nutritious products, programmes implemented and services

provided, we help people to form the right habits regarding nutrition from the very first days of their lives. Nestlé promotes healthy nutrition principles starting with children and young people and so on throughout their lives until they grow old.

What has been achieved by Nestlé in upholding the principles of good nutrition and a healthy lifestyle, as well as in making its products meet the expectations of consumers is based on the developments of the world's largest network of research centres. Nestlé's main research centre located in Lausanne (Switzerland) conducts research in the field of food products, their quality, safety for health and balanced nutrition. This research lays the foundation for innovations, which are handed over to 32 technology and research centres of Nestlé all over the world. Nestlé's scientific consultants, who work in 300 applied research teams, ensure that the above developments meet the expectations and needs of different groups of consumers. Here in Russia, there are six applied research teams, which develop new products at plants manufacturing confectionary, culinary products, ice cream, coffee, cereal and baby food.

In 2011, Nestlé strengthened its position in this field after opening the Nestlé Institute of Health Sciences, the purpose of which is to perform a detailed study on the relationship among nutrition, way of living, heredity, individual characteristics of metabolism and how these factors determine a person's predisposition towards chronic

diseases. The Nestlé Institute of Health Sciences will use the research results to produce foods that not only help consumers to keep up with the high pace of life, but also either delay or totally prevent the development of chronic diseases.

Nestlé's Clinical Nutrition

Nestlé's clinical nutrition is one of the innovations in Nestlé's product line designed to protect human health. Caring about health becomes more integrated and individual needs oriented.

Clinical nutrition products are intended for people who are unable

for some reason to feed themselves properly, who have undergone major surgery, or suffered from severe injuries and traumas, as well as for those who engage in vigorous forms of physical exercise. "Clinutren" and "Peptamen" are food products with high biological value and a balanced content of proteins, fats, carbohydrates and a full set of vitamins and minerals. This nutrition is capable of ensuring the recovery of an injured body, checking the development of different complications, enhancing immunoprotection, accelerating wound healing, improving mental and physical performance efficiency, normalizing weight. Many expert assessments prove that utiliza-

tion of the above products makes it possible for patients to considerably reduce the cost of treatment and length of in-hospital treatment, as well as improve results of the therapy.

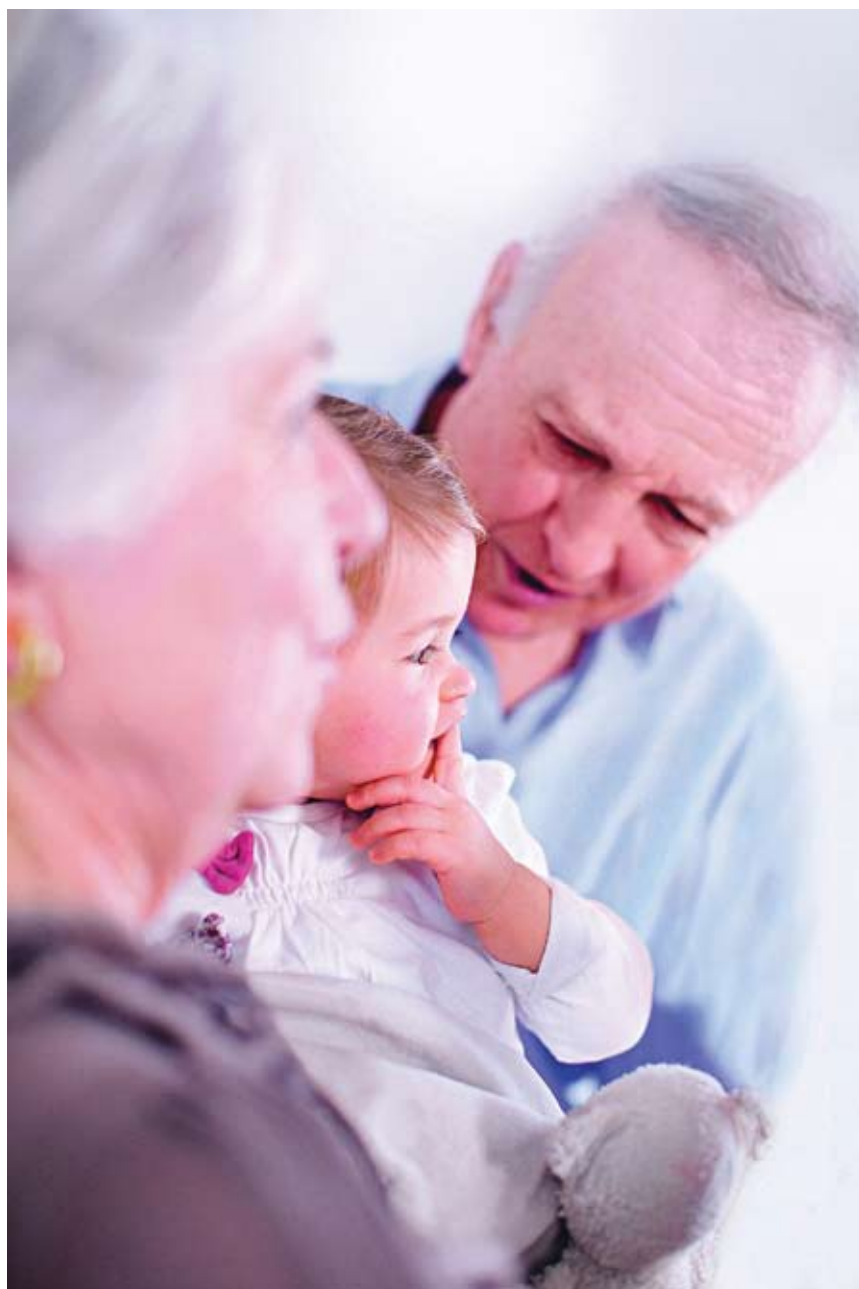
Programme "60/40+" – a tool to create the right product

We strongly believe that healthy products should taste good, otherwise they won't become a regular item on our tables. But it's not an easy task to combine superior taste with outstanding nutritive properties in one and the same product. We want our products not only to have no match in taste, but also possess the greatest nutritional value.

Creation of such products is based on the "60/40+" product testing procedure designed by the company. The goal of the procedure is that the taste test and the assessment of nutritional value of a Nestlé product vs. a competitive product conducted in a specialized lab should result in at least 60% of consumers preferring the taste of the Nestlé product, while the "+" sign is granted when determining the nutritional value. When analyzing the nutritional value of products, every one of them is assessed against a list of criteria as per intake recommendations for these or the other nutrients as accepted by such a respected organisation as the World Health Organisation and in compliance with the of the appropriate Russian authorities. The criteria for each product are to be established based on the following principles:

- the role of the product in a balanced diet;
- nutritional factors (such as caloric value, fat, sodium, sugar, calcium, whole grain, etc.);
- recommended per day consumption of nutrients by particular consumers;
- size of an individual portion for different categories of consumers: adults and/or children.

To ensure maximum efficiency, the programme focuses on both new types of products and those products most



Responsible attitude to marketing and advertising

While caring for consumers' health and fighting obesity, Nestlé rigorously sticks to the principles of proper communication with consumers stipulated in such documents as Nestlé's Corporate Business Principles and Consumer Communication Principles. Among other things, these principles support consumers in making sober nutrition choices, eating healthy food and living an active life, and for children they set forth provisions on the inadmissibility of undermining parental authority, having unreasonable expectations or promising overwhelming success.

A responsible approach to dealing with children and communicating with them forms a special part of the above Principles. It contains two important provisions: outright prohibition of advertising targeting children under 6 and limited advertising for children between 6 and 12 y.o. Concerning the latter, only foods with a restricted sugar, salt and fat content may be advertised. programmes The company also adheres to the above rules when carrying out its promotions and charity programmes.



demanding by consumers. In 2012, programmewe tested products under the "60/40+" programme in Russia, which accounted for more than 64% of the total volume. The programme is aimed at continuously raising the taste and nutrition profiles of Nestlé products. The results obtained in the course of this programme are used by Nestlé to adjust its product profiles:

- by reducing the content of potentially harmful substances in the products – sodium, sugars, total content of fat and trans fatty acids, saturated fats and artificial colours;
- by adding ingredients that are recognized as healthy (like wholegrain and vegetables), as well as underconsumed substances (vitamins and minerals).

For example, the whole range of Nestlé ice cream and products under NESQUIK and Bon Pari brands produced in Russia are already free from artificial colours. Besides, our company has undertaken to reduce the sodium content (major component of salt) in its products all over the world by a total of approximately 10% before 2015. Since 2010, almost 90% of the total sales of Nestlé and BYSTROV cereals in Russia contain whole grains and almost all Maggi products contain iodine-treated salt. Since 2009, the majority of Bystrov cereals and porridges have been enriched with a natural prebiotic culture called Prebio1®, which is good for the digestion. A number of baby food products (dry baby formulas, milk beverages) also contain this healthy component. Some baby formulas, as well as Nestlé cereals and infant milk are enriched with BL bifidus bacteria.

Thus, besides applying rigorous nutritional value criteria within the "60/40+" test and making sure that we beat our competitors in terms of product taste, we are also continuously working to increase the content of vital nutrients in our products and reduce the content of saturated fats, salt and sugar. We want to offer our consumers the tastiest and most healthy products.

Nestlé Corporate Business Principles

• Nutrition, Health and Wellness

Our core aim is to enhance the quality of consumers lives every day, everywhere by offering tastier and healthier food and beverage choices and encouraging a healthy lifestyle. We express this via our corporate proposition 'Good Food, Good Life'.

• Quality assurance and product safety

Everywhere in the world, the Nestlé name represents a promise to the consumer that the product is safe and of high standard.

• Consumer Communication

We are committed to responsible, reliable consumer communication that empowers consumers to exercise their right to informed choice and promotes healthier diets. We respect consumer privacy.



Establishing health during the first 1,000 days of new life

Pregnancy is the most emotional time for every woman as she is about to give life to another human being.

A baby's whole life depends on the care and nutrition it receives while still in the mother's womb. The first 1,000 days of a new life upon conception are extremely important, while undernutrition of the mother and her baby during that time will have a long negative effect on the infant's physical and neurological development and its health status. Research by Lancet (Victoria S.G. and other, 2008) has shown that

“interference during that time has an effect on learning/working ability, reproductive health and income level throughout human life. Past the age of two, the destructive consequences of undernutrition become irreversible”.

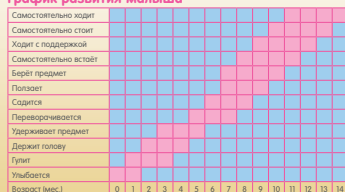
The “Start Healthy, Stay Healthy” Programme

The “Start Healthy, Stay Healthy” Programme was launched in Russia in 2006. Prior to launching the programme, the Institute of Nutrition of the Russian Academy of Medical Sciences together with Nestlé conducted research on the quality of the

Как малыш растёт и развивается?

Возраст	Масса тела, г	Ваш малыш	Длина тела, см	Ваш малыш
При рождении	3700-4100		50-51	
К концу 1-го месяца	3700-4100		54-55	
2-го	4500-4900		57-59	
3-го	5200-5600		60-62	
4-го	5900-6300		62-65	
5-го	6500-6800		64-68	
6-го	7100-7400		66-70	
7-го	7600-8100		68-72	
8-го	8100-8500		69-74	
9-го	8600-9000		70-75	
10-го	9100-9500		71-76	
11-го	9500-10000		72-78	
12-го	10000-10600		74-80	

График развития малыша



ПРОДУКТ ДОСТУПЕН ТОЛЬКО В АПТЕКАХ И ДЕТСКИХ МАГАЗИНАХ ВАШЕГО ГОРОДА

ООО «Нестле Россия»
Вопросы и предложения направлять по адресу: 109004 Москва, д/я 74.
Бесплатная горячая линия: 8-800-200-20-55.
contact@ru.nestle.com; www.nestlebaby.ru
Товар сертифицирован

ЗДОРОВЫЙ ОБРАЗ ЖИЗНИ: СОВЕТЫ ДЛЯ БУДУЩИХ МАМ



Healthy Eating During Pregnancy: Helpful Advice

- Plan your daily diet using the nutrition pyramid.
-
- Eat a variety of fresh fruit, whole grains, beans, vegetables, par-boiled rice, and nuts.
-
- Choose wholegrain breads and cereals that are high in fiber and enriched with vitamins and minerals. A high-fiber diet also helps to prevent constipation.
-
- Include regular servings of lean meat, fish, milk and dairy products in your daily diet. They provide the protein vital to your baby's growth and development.
-
- Fish (for example, salmon) is a good source of fatty acids essential for proper brain development.
-
- Use fats and sweets sparingly, choose fruit and vegetables instead, which are sources of healthy carbohydrates.
-
- Drink from 1.5 to 2 liters of liquid a day (water, unsweetened fruit tea, fruit and vegetable juices).
-
- Use iodized salt.
-
- Eat only meat, fish, seafood, and eggs that have been thoroughly cooked.
-
- Choose low-fat milk and dairy products; avoid unpasteurized milk and soft cheeses.
-
- Avoid alcohol, do not smoke, and do take any medication without the advice of a physician.
-
- Limit your intake of caffeinated beverages (no more than one cup of coffee a day).
-
- Take vitamin and mineral supplements as instructed by your physician.

Important:

if you are planning a pregnancy, begin taking vitamins containing folic acid as soon as possible, ideally at least one month before becoming pregnant.

nutrition infants in Russia receive since from birth until the age of three. The results of the research highlighted many problems in how infant nutrition is organised. Afterwards, based on the data obtained, guidelines for parents were issued and innovative products were created to address the needs of children in Russia in particular. Leading Russian experts in the field of nutrition emphasized the exceptional practical effect from integrating knowledge shared by pediatricians all over the world regarding infant nutrition during the first years of life. As a part of the programme, an expert team of Russian scientists under the auspices of Nestlé and HQ R&D Institute of Nutrition of the Russian Academy of Medical Sciences issued a guide called “Nutrition Organisation Principles for Infants under the Age of Two” based on Russian practice analyses and modern scientific works on infant nutrition. The recommendations help parents to establish an optimal diet for newborn babies to ensure harmonious development and cultivation of good habits in nutrition.

Right approach to promoting infant nutrition

Breast milk is an ideal product for nursing infants. It's a proved principle that the longer an infant receives its mother's milk the healthier it will be. In compliance with WHO recommendations, Nestlé advocates exclusive breast-feeding during the first six months of an infant's life followed by the introduction of supplements in addition to breast-feeding. If breast-feeding is not possible, there are infant formulas, which is a healthier choice than cow's milk or rice water. The history of our company started in 1866 when Henry Nestlé invented a milk mix to feed a neighbor's infant who was unable to assimilate its mother's milk.

When advertising our children's foods we adhere rigorously to the WHO Code as it was adopted by national governments all over the world. We introduced expanded management



systems over all our operations to ensure compliance with the WHO Code. These systems provide detailed guidelines for all Nestlé employees who deal in the sales and marketing of breast milk substitutes in order to

ensure compliance with our policies and local legislation at all levels.

In order to ensure compliance, we carry out multiple internal audits, as well as external audits every three years. Besides, a violation reporting system has been established within



Nestlé fortified products, in particular fortified by Prebio1

the company, as well as a reporting and business ethic principles observance system, which is managed from the outside. Information provided by all the above sources is annually submitted to Nestlé's Board of Directors, thus contributing to continuous improvement of our methods.

In 2011, Nestlé became the first manufacturer of infant formulas to acquire a ranking in the index of responsible investments FTSE4Good, the only index in the world containing rigid criteria regarding breast milk substitutes marketing.

"Healthy Kids" – Nestlé global education programme

The growing rate of obesity among children is causing more and more anxiety all over the world. Whereas the health of an infant is the responsibility of its parents, the health of

a pupil is by far the responsibility of the child itself. An active lifestyle and healthy nutrition may ensure not only the healthy development of a child, but also maintain optimal weight. To teach children the principles of proper nutrition, Nestlé launched a global programme called "Healthy Kids" in 2009. This programme has been implemented by our company in cooperation with more than 250 partners all over the world, including national and local authorities, educational institutions, non-profit organisations, healthcare establishments and sport associations. In 2012, the programme targeted about 5.4 mln children in 64 countries of the world.

Since 1999, a similar "Good Nutrition Programme" has been underway in Russia as well. This very programme provided a model for creating Nestlé's global programme "Healthy Kids" programme. In 1999, Nestlé, together with Institute of Developmental Physiology



of the Russian Academy of Education, designed this programme for Russian pupils to cultivate proper nutrition habits and teach them to look after their health. In the form of a game, grade school students learn about different foods and how they contribute to their health. As a number of the studies carried since the launch of the programme has shown, it has changed the behavior of children – they are beginning to observe a dietary regimen and hygiene rules, and choosing healthier foods. Now the programme is underway in 48 regions of the Russian Federation. In 2013, the programme will see the participation of nearly 1 mln pupils, while the total number participants since it started amounts to 5.5 mln children and teenagers. All reference materials are provided free of charge.





The guests of our "Cooking Together" culinary sessions are often children of boarding schools, children of employees, our partners and journalists

Throughout the time the programme has been in effect, Nestlé has invested over 310 mln rubles in its development.

Make a healthy choice!

Since 2010, Nestlé has been running a communication programme called "Healthy Choice!" intended for a wide range of consumers. The programme is based on what Nestlé knows about consumers' food requirements. When buying and consuming products, our consumers first want health benefits for themselves and their children, i.e. organism protection, increased mental and physical activity, sound digestion, optimal weight, good mood, stress protection and certainly sound growth and development of their children. The "Healthy Choice!" campaign includes a whole range of activities: TV campaign, activities at trade outlets, web site www.Nestlé-zv.ru and groups in the leading social networks.

Lessons of proper nutrition at Nestlé Russia

A responsible company cares for the health of its staff. And any responsible individual should care for his or her own health. We realize that teaching our staff the basics of proper nutrition and a healthy lifestyle shall help them both in their work and their private lives. Every company employee is involved to some extent in the global educational programme on food issues named Nutrition Quotient (NQ). Nestlé's goal is that by 2015, 100% of its staff will have taken this training either in electronic form or in specialized classes. In order to keep the information fresh, Nestlé conducts maintenance informational campaigns on a regular basis and employs all kinds of support tools – festivals and "visual propaganda" at offices and plants. The company holds special lectures on the most important issues concerning health.

Helping to define the proper portion size

As surveys show, the size of portion considered to be "normal" at present was significantly smaller in the past. Meanwhile, more and more people tend to lead a sedentary life. Such imbalance between the increased caloric value of food and reduced physical activity is increasing the number of people with excess weight or suffering from obesity. Besides, an imbalanced diet without enough fruit, vegetables and fish in it deprives many consumers of vital nutrients. In order to help our consumers stick to a well-balanced diet, the Nestlé Nutritional Compass on many products contains info on the optimal size of a portion and its caloric value. For example, such information is provided on all packs of Bystrov and Nestlé cereals, Nesquik countlines, many types of ice-cream, chocolate and other confectionary products.

Nestlé Nutritional Compass

Our product range includes different foods and beverages fit for consumers of all ages. Recently principles of proper nutrition and a healthy lifestyle have been gaining importance and arousing greater public interest. As new data on nutrition issues is obtained, properly understanding every family's needs is becoming increasingly important. We already know that nutrition-related habits acquired in infancy and childhood are most likely to last throughout life. We recognize that obesity in children and adults is becoming a global problem and that elderly people tend to have improper nutrition. In order to raise consumer awareness about product content and healthy ingredients, all Nestlé product packages bear a Nutritional Compass intended to help consumers make the right and conscious choice of products. It contains information on the nutritional value and healthy properties of the product, as well as advice on a balanced diet and healthy lifestyle.

Many Nestlé packages have information about the distinctive features of the products obtained during modern

ПИЩЕВАЯ ЦЕННОСТЬ	в 100 г	в 300 г	% РСН* в порции
Энергетическая ценность	547 кДж 130 ккал	1641 кДж 390 ккал	
Пищевые волокна	1,1 г	3,3 г	13%
Углеводы в т.ч. сахар	14 г 1,6 г	42 г 4,5 г	
Жиры в т.ч. насыщенные	5,4 г 0,7 г	16,2 г 2,1 г	
Белки	6,4 г	19,2 г	
Кальций	0,3 г	0,9 г	38%

* Рекомендуемая суточная норма.

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Качество продуктов. Качество жизни.



Nestlé

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Единый электронный адрес:

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Полезная информация

scientific studies. For example, on the front of Bystrov cereal packages there is information that they contain dietary fibers and natural prebiotic Prebio1, which is good for digestion. This information was confirmed by the St. Petersburg Mechnikov State Medical Academy. The contact information on Nestlé product packages allows consumers to give their feedback. In 2012, Nestlé Russia answered more than 36 thousand consumer enquiries, 39% of which concerned Nestlé products and a healthy diet.



«Создание общих ценностей»
Creating Shared Value





Nestlé is a Responsible and Attractive Employer

People are the key drivers of development and success for every company. That is why Nestlé is working toward creating an atmosphere where each and every employee is given an opportunity to achieve high results as a professional. We believe that the company's main competitive advantage is our staff, so Nestlé pays great attention to preserving its position as the best employer in the labour market.

Nestlé's offices and factories in Russia and Eurasia have a staff of over nine thousand. Nestlé is famous for its strong corporate culture based on principles that are mandatory for everyone no matter how high their position.

- Employees are the key to success for Nestlé
- Drive to excel
- Securing human rights and education
- Labour safety and occupational health
- Promoting professional competence and skills
- Fair treatment of employees and evaluation of their individual contribution to the company's success
- Bonuses and compensation programme for the staff
- Measuring employees' level of satisfaction with their work for the company

Employees are the key to success for Nestlé

The consumers of Nestlé products are people of all ages – from babies to the elderly, representatives of different nationalities and confessions. The main responsibility of a producer is product safety. This is why we must be highly professional and exercise the strongest precaution at every stage of production - we are in charge of the safety and well-being of our consumers.

We believe that we can only be up to the mark if we achieve full commitment of all our staff. A motivated and trained employee who is committed to corporate values is the key to success for Nestlé.

Every employee of the company is given a chance to make a contribution to the company's performance and success, as well as develop their own abilities by means of open communication and active cooperation.

Drive to excel

The NCE (Nestlé Continuous Excellence) initiative is aimed at creating and promoting in every employee such features as a drive to excel and an entrepreneurial spirit. The initiative has become a common and mandatory process not only for the staff that is involved in production, but for all white collars and trade representations of the company as well. The NCE initiative is aimed at improving all processes within the company to achieve the three key goals: to make our consumers happy with the best products, to preserve our competitive position and to ensure compliance with the legislation and the company's policies. The basics of the initiative are the three fundamental modules: appropriate targets, the leadership development programme and compliance with requirements. In order to make a complex mechanism work as an integral whole, fault and downtime free, we need to precisely define the functions for every part of it. The important thing is to make the role of every plant, business and department answer the purpose of



the whole organisation. Developed for three years in advance, both separately for each plant and the Nestlé market as a whole, master plans are meant to ensure transparency across the company and, most important, apprehension by each employee of their role and personal input into the achievement of the company's common goals. The tools essential to achieve the goals account for only 20 per cent of success, while the remaining 80 per cent are provided by the efficient work of the staff.

The second NCE module – leadership development programme – is to maintain an atmosphere within the company that helps staff to perform to the best of their abilities. The leadership development process extends to all aspects of interaction with personnel: hiring new people based on interviews to assess competence, creating “success profiles” for leading positions, practicing performance management, introducing incentive programmes, as well as individual potential development. NCE implementation urges managers to revise their role in personnel development – they need to learn how to inspire, involve and educate. The objective of a manager is to ensure the maximum input from all staff in

setting and achieving team goals, while gradually leaving behind the directorial method of management. For this purpose, all of the company's managers undergo training in the development of coaching-style management.

The third NCE module – compliance with the requirements of applicable legislation and Nestlé's internal policies and standards. We try to make our company a role-model for our consumers, customers, suppliers, shareholders and the whole of society, which is why we observe high standards of business ethics and fair practices. The seven aspects about ensuring strict observance of the rules and policies. Those are availability of corporate principles and policies and good knowledge thereof by our staff, building a corporate culture where all employees act in compliance with the legislation and Nestlé's principles, appointing people within the company in charge of the above, developing and implementing internal control procedures, monitoring and reporting, establishing procedures for violation reporting and follow-up. Our operational principles and policies are available to the public on our website and require mandatory compliance by our staff and suppliers.

Nestlé Corporate Business Principles

- **Human rights and working conditions**

Human rights in our business activities

We fully support the United Nations Global Compact's (UNGC) guiding principles on human rights and labour and aim to provide an example of good human rights' and labour practices throughout our business activities.

- **Our employees**

Leadership and personal responsibility

Our success is based on our people. We treat each other with respect and dignity and expect everyone to promote a sense of personal responsibility. We recruit competent and motivated people who respect our values, provide equal opportunities for their development and advancement, protect their privacy and do not tolerate any form of harassment or discrimination.

- **Safety and health at work**

We are committed to preventing work-related accidents, injuries and illness, and to protecting employees, contractors and others involved in the value chain.

- **Supplier and customer relations**

We require our suppliers, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our non-negotiable standards. We are committed in the same way to our own customers.



Nestlé Continuous Excellence programme. Meeting of FI and GA NCE leaders from France, UK, Germany, Poland, Ukraine and Russia at the training in Nestlé Kuban factory in Timashevsk

HR Priorities:

- securing human rights and educating the company's personnel;
- securing labour protection;
- promoting professional competence and skills;
- fair treatment of employees and evaluation of their individual contribution to the company's success;
- bonuses and compensation programme for the staff;
- continuous measuring of employees' level of satisfaction with their work at Nestlé;
- recent graduates development programme and hiring professionals in the labour market.

Securing human rights and education

One of Nestlé's business principles is strict observance of the United Nations Global Compact on human rights and labour protection. In 2012-2013 the company developed an online course of training in human rights. This 4-hour course and testing ensure thorough understanding by our employees of human rights. After taking this course, department managers held talks with their staff on human rights issues while elaborating and planning how to enforce human rights in their ongoing operations. Over 6,000 employees have taken this online course.

Labour safety and occupational health

Nestlé is consistent in actively promoting labour safety culture with a greater focus on occupational health. Nestlé consistently works to ensure labour safety and, alongs with the programmes, to strengthen leadership in Health Safety Employment matters, is beginning to implement specialized projects, like "Zero access", "ErgoPro" – a programme in ergonomics, and MHE, a programme on safe materials handling applicable to all warehouses and production sites. As regards leadership in labour safety, along with the training for top managers, a specialized course has been developed – "Leadership in Labour Safety for Middle Managers". The above course marks the next step in implementing a Nestlé's document called "Safety Leadership. Basic Behaviours" (Guideline).

In 2013, Nestlé announced it had implemented a Strategy on Occupational Health, on the basis of which all markets and businesses need to prepare their own strategies adapted to local conditions. All local strategies must include minimal requirements to protection of occupational health of

the staff and contractors, as defined by Nestlé. Considerable contribution to promotion of safety culture is provided by such programmes as NCE (Nestlé Continuous Excellence) and TMP (Total Performance Management). Within NCE, starting from the shifts handover level and up to OMP (Operational Master Plan), objectives on unsafe conditions and behavior are set and monitored. It helps in understanding where and what risks may emerge to come up with the appropriate improvements programme.

During shift handover and at regular operating meetings, we track our efficiency in safety followed by immediate decisions to eliminate risks. This is work that all personnel are invited to take part in.

Labour safety culture ascends to a new level through regular dialogs on safety (BBS dialogs, Behavior Based Safety). Since 2012 they are held not only at plants, but also at sales offices and the head office. In May 2013, Nestlé Russia's factory in Samara hosted participants in Nestlé's global training SH&E Pillar TPM (dedicated to labour safety, occupational health and environmental protection). As a pilot plant in implementing TPM, the Samara



Safe behavior lesson in one of the schools in Zhukovsky town. The production branch of Nestlé Russia in Zhukovsky town traditionally celebrates the week of labour safety devoted to the World Safety Day that is on 28 April by giving classes of safe behavior to school children of Zhukovsky town. Children actively take part in questionnaires, watch the film on safety at home and school and participate in contest of safety posters.

factory was among the first in Europe to put the SH&E Pillar to use. All audits highly evaluate operations according to this pillar. Training participants, specialists and managers from other markets highly appraised not only the safety level and proficiency of the factory's SH&E department team, but also the commitment of all the staff, especially those at production lines where TPM is being implemented.

Nestlé Russia maintains its leading position as regards HSE issues among Nestlé's companies in Europe. For years its indicators LTIFR and TIFR (LTIFR – lost time injury frequency rate; TIFR – total injury frequency rate) are at the lowest level. For 2012, they were 0.2 and 0.5, respectively. These indicators reflect the accident rate per 1 mln. hours worked and account for LTIFR and TIFR own staff as well as contractors.

It has become possible to achieve such results thanks to the programmes being implemented and the keen awareness of the labour safety issue on the part of managers and employees. All factories are active in promoting labour safety culture. For example, round table talks are held with state authorities and managers from other companies, organisopen lessons are organised for pupils and festivals are dedicated to Labour Safety Days. It stands to reason that all of this has been achieved due to the strong and professional teams of HSE services.

Developing professional competence and skills

Education is a part of the company's culture. Employees at all levels realize the need to continuously improve their knowledge and skills, thus making the company focus on personnel development and training issues.

Employees at Nestlé Russia are given the opportunity to take part in educational programmes aimed at promoting their professional competence and skills. Educational programmes for employees include courses provided both by the coaches of Nestlé Russia and the outsourcing services of training agencies.

In so doing, the company actively utilizes modern tools like electronic platforms, which are designed for education purposes, as well as for storing and updating data on the education records of each employee.

The company's culture is known for its special attitude toward self-development and improved quality of work being performed, which is why some departments and plants have special groups – education and development pillars. Such groups are composed of employees from business and production departments, as well as from the training department. The purpose of such pillars is to ensure the achievement of business targets through developed and improved professional competence.

Fair treatment of employees and evaluation of their individual contribution to the company's success

Fair treatment of employees is based on open discussions about targets and the extent to which they have been met. The company encourages its employees to express their targets

and expectations in the course of an open dialog.

Nestlé conducts its business in compliance with the applicable legislation of the country and according to the provisions set forth in conventions of the International Labour Organisation concerning employment of children and fair treatment of employees. The appropriate principles are reflected in Nestlé's Corporate Business Principles and its HR Policies.

Observance by Nestlé of what is required by local legislation and what is provided in Nestlé's Corporate Business Principles is being checked through the independent audit programme CARE, which covers such areas as HR and HSE.

For many years Nestlé has been exercising such a practice as employees' Performance Evaluation. In the course of the evaluation an employee and their boss together set the objectives for the year and then analyze what has been achieved.

The last two years have witnessed the extreme care given to creating conditions that would ensure high labour efficiency, in particular to ensure that material remuneration should reflect an employee's performance



Fire training in Nestlé Russia branch in Samara in September of 2012.



Award of winners of the contest devoted to the World Safety Day in Nestlé Kuban factory (April 2012)

as determined during a Performance Evaluation.

Bonuses and compensation programme for the staff

Nestlé is an international company with a great history, as well as established values, working principles, and unprejudiced and equitable rules that apply to all the staff. An important

tool for maintaining our values, and developing and implementing the company's strategy is bonuses and compensation management.

The HR department is in charge of establishing wages and managing all the company's policies regarding remuneration and bonuses: medical insurance and sick leave payments, provision of additional leave entitlements, material aid for employees and their families and so forth.

Measuring employees' level of satisfaction with their work for the company

The company sees one of the important principles of interaction with personnel as the ability to listen to what people say and react accordingly.

Knowledge of corporate culture helps an employer to create working conditions that are more attractive to



Family day celebration is a tradition in Nestlé Russia. Employees together with family members took part in Family Day on July 6, 2013

personnel, as well as follow the progress in a good working atmosphere.

The global initiative “Nestlé and I” started by the headquarters for the third time and conducted in all Nestlé companies shows the level of employees' satisfaction with their work for the company, their vision of career development and evaluation of Nestlé present and future.

The main purpose of the “Nestlé and I” survey was to define the key factors of corporate culture that directly influence work efficiency and the quality of the company's performance. When filling in the questionnaire the employees expressed their satisfaction or dissatisfaction with various working processes and procedures existing within the company (personal recognition and awards, team leadership, career development, etc.).

After analyzing the results of the third “Nestlé and I” survey carried out in mid-2012, the company is currently developing a corporate action plan to maintain the strong sides and improve the factors that are below satisfactory level and need special attention.

Graduates development programme and hiring professionals in the labour market

In the long run, the success of the company depends on its ability to attract, retain and develop those employees who can secure its long-term growth, which is exactly the reason why our company is interested in attracting young promising candidates. To that end, Nestlé Russia organises lectures for students from the leading educational institutions. Special programmes have been developed for university graduates to provide focus training for junior manager positions in marketing, sales, finance and logistics. The course lasts 18 months, at the end of which successful graduates are offered the position of junior managers or specialists in the company's divisions.

Nestlé Russia successfully is successfully implementing the Young Specialists Training Programme for students and graduates. Since 1998, about 80 people have participated in the Programme, most of whom are

now working in different departments of the company's office in Moscow or hold leading positions in the plants' departments.



Future Generation of Nestlé Russia employees. Students of the Kuban State Technological University visit the Nestlé factory in Timashevsk.





Nestlé Russia's Contribution to Environmental Protection

While aiming to ensure long-term profitability and sustained development of business, at the same time Nestlé is trying to reduce impact on the environment. This is made possible by implementing measures and business practices aimed at establishing environmental balance. First of all, these are the Nestlé Corporate Business Principles, which regulate the business processes and operations of over 300,000 employees and suppliers. A responsible attitude to maintaining environmental sustainability, preserving water resources and enhancing agricultural development is part of the company's four fundamental principles.

- **Environmental sustainability**
- **Water saving projects**
- **Packaging optimization**
- **Energy consumption and atmospheric emissions reduction projects**
- **Responsible sourcing**
- **Far and wide in Russia**
- **Ecological education and volunteer activity**



Nestlé corporate business principles regarding environmental protection

- **Environmental sustainability**

We help to protect the environment and scarce resources for the present and future generations by improving efficiency in our operations and involving our partners in the process of continuous optimization of the environmental performance of our products along the value chain.

- **Water**

A global water crisis is threatening food security because two-thirds of all fresh water is used in agriculture. With water demand to rise by 50% by 2030, water scarcity is a likely scenario for billions of people. We are determined to help address this crisis.

- **Agriculture and rural development**

As the global population increases and continues to shift to urban areas, the challenge to produce sufficient raw agriculture materials is becoming ever more difficult. This is why we are working hard to ensure we source raw materials in a responsible and sustainable way.

- **Responsible sourcing**

Our aim in responsible sourcing is to ensure that our suppliers work in accordance with the same principles and values as we do. It means consumers can trust the way our ingredients and materials are sourced before manufacturing begins.

Environmental sustainability

Nestlé in the Russia and Eurasia market does a great job in the field of industrial safety and environmental protection. Monitoring of industrial safety and environmental protection is carried by professional technical services and engineers at plants, as well as environmental specialists.

Last year, the company intensified and better organised its energy- and water-saving efforts, as well as efforts in the field of environmental sustainability in general. Nearly all Nestlé factories all over the world tend to improve their environmental KPIs.

Nestlé sets targets on energy- and water-saving for all its production divisions in a centralized manner: reduction in energy consumption by 3.5% and water consumption by 5% vs. previous year. For Nestlé companies operating in Europe, targets are more rigid – by 4% and 6%, respectively.

Since 2011, Nestlé has set targets for reducing greenhouse gases and wastes for disposal. The target for 2013 is minus 1% for the reduction of greenhouse gases and minus 10% in absolute measure for the reduction of wastes for disposal. Each production branch must implement at least one project for each resource-saving indicator and report it in a corporate system for project efficiency tracking I-Nexus, which affords estimation of the effectiveness and cost effectiveness of the implemented projects. This approach has been in effect since 2012 and allows for all savings indicators to be well-structured and transparent.

We are continuously improving our activities in environmental protection. Many projects have been implemented at plants that resulted in significant resource savings and have had a positive effect on the plants' operations during the first 5 months of 2013: considerable savings in energy- and water-resources have been achieved; emissions of greenhouse gases and volume of wastes for disposal have been reduced as well.

Water saving projects

Today 31 states face a chronic deficit of fresh water. According to the forecast, by 2025 this number will increase to 48 as water intake from natural sources exceeds the recovery thereof (United Nations Environment Programme). In the future, the situation will become even more aggravated since by 2010 the world population will have increased to 10 billion people.

Three projects have been implemented in 2013 aimed at saving clean fresh water at the plant in Namangan manufacturing milk and beverages. These projects have been designed by local specialists, require zero investments and are easy to implement. Thanks to these projects, the first 5 months of 2013 show water savings of up to 2,000 m³, which is quite a high value for a plant of that size.

Many measures are to be implemented at the confectionary plant in Samara in the second half 2013. We expect water savings of 34,000 m³. This would be a kind of a record among all Nestlé branches in Russia.

Packaging optimization

Packaging plays an important part in establishing high quality standards, reducing food wastes and keeping consumers up to date. When designing packaging solutions for new Nestlé products, the impact of different materials on the environment is studied in order to develop measures to minimize this impact. Thus, in 2012 a major problem relating to the consumption of packaging material was resolved at the ice-cream plant in Zhukovski. A good team comprised of production line operators, the production manager, an analyst and the senior mechanic managed to achieve impressive results within one year: packing laminate wastes generation was reduced by 20%. The correct setup of operational equipment and permanent monitoring by production personnel make it possible to keep up with what has been achieved.

Energy consumption and atmospheric emissions reduction projects

In 2012, much was accomplished at the factory located in the town of Timashevsk as a part of the ETS (Energy Target Setting) project. A team comprised of external specialists from energy audit companies, engineers from the plant's technical service and representatives from the Swiss Head Office spent a week studying documentation and the actual situation at the factory. This lengthy "brainstorm" resulted in a series of proposals and projects related to energy consumption reduction. The Timashevsk factory was selected to be the pilot project due to the variety of production processes and the factory's largest energy consumer among all the Nestlé factories located in Russia and Eurasia. Upon completion of the work,

the team presented about a dozen projects with different budgets and different time periods. Now the plant management has enough materials to work efficiently on saving resources for the next 5 years and so do their best to ensure sustainable environmental development.

Responsible choice

Nestlé imposes severe demands not only on the quality of its products, but also on the way it conducts its business and working conditions of its personnel. These stringent criteria are extended to all markets where Nestlé operates, as well as to the operations of its partners.

The Nestlé Supplier Code stipulates the chief criteria every company supplier must comply with. When signing contract with Nestlé, suppliers

Supplier Code: geography of violations

Audits help to find out what is wrong or missing in the suppliers' operations. Different countries and regions show their peculiarities in the way they are inconsistent with the Nestlé Supplier Code. There are no official statistics concerning the most widespread discrepancies, however some trends can be pointed out.

For example, Europe is noted for incompliance with the established working hours rules due to rather mild legislation: sometimes manufacturing companies have to violate those provisions to raise the output rate.

Chinese plants manufacturing promotion products for many Nestlé markets are places where auditors also detect multiple violations related to severe working conditions and employment of children.



Nestlé Kuban factory in Timashevsk of Krasnodar Krai

undertake to comply with the above requirements.

In order to obtain independent confirmation that all of its partners are complying with the Nestlé Supplier Code and observing its requirements, the company launched a global programme called Responsible Sourcing. Russia was among the first countries where this programme came into effect and, since 2012, it has been joined by all European markets and some countries from other regions. By 2015, this programme will become globally implemented and be extended to all Nestlé markets all over the world.

Implementation of this programme is the responsibility of the purchasing department. However, suppliers are being checked by independent, globally-recognized, international audit companies, like Bureau Veritas, Intertek& SGS.

In the course of audits, the operating standards of suppliers are checked to ensure that they comply with national and international legislation, as well as the minimal requirements

of Nestlé Supplier Code as per the following four criteria:

1. The Safety and Health Package is aimed at making sure that the working conditions at plants are not harmful to the health of personnel.

2. The Environment Package is intended to find out whether suppliers comply with the requirements of the Russian environmental legislation. Nestlé expects its partners to make continuous efforts to improve the efficiency of their operations and ensure environmental sustainability, including by means of a water resources protection programme.

3. The Working Conditions Package oversees compliance of labour contracts with appropriate legislation, and checks the availability of the required infrastructure at plants, such as locker-rooms and dining rooms.

4. The Honesty in Business Package oversees compliance with the laws and good faith in business operations.

Far and wide in Russia

An audit of suppliers' operations takes from one-and-a-half to two-and-a-half days, during which term auditors visit the plant, carry out attestation of work places and reveal what is wrong or missing. Each audit includes a mandatory procedure in which the auditor interviews each employee personally without the managers present. In order to properly evaluate the managers' qualifications at least 20% of staff should be interviewed.

All discrepancies detected during an audit are broken down into minor, major and critical. Suppliers are recognized as not complying with Nestlé's requirements even if minor deficiencies are detected in work places. In this case, a corrective action plan should be drawn up for this company and cooperation should resume only after an agreement is entered on eliminating all of the discrepancies.

The end of 2013 will signify the finish of the second wave of audits carried out within the Responsible Sourcing programme in our market. To date, during 2012-, the company

DEVELOPMENT OF LOCAL SUPPLIERS

In 2009, the Perm branch of OOO "Cereal Partners Rus" drew up a development strategy for local cereal suppliers. Within the framework of this strategy, the cereal factory in Perm has been maintaining close cooperation for four seasons now with local wheat suppliers from OOO Velikolenskoe. This agricultural enterprise is located in the Kungursky District of the Perm Territory. When cooperation began, the branch purchased 500 tons of wheat a year. In 2012, this amount increased to 2,000 tons. Cooperation with a local supplier makes the branch confident that the grain it purchases is high in quality and meets safety standards, as well as having a stable competitive price. The branch provides

OOO Velikolenskoe with professional knowledge and shares information on the latest technology. The branch's specialists from CPW SA and Nestlé Russia have made frequent trips to meet with the supplier. The supplier is enlarging its planting acreage, building a new grain-drying complex, and creating jobs. 2013 is the first year OOO Velikolenskoe has planted corn they have not cultivated before. The factory plans to make a 100% transfer to the use of local wheat in 2015. With this in mind, several projects will be launched to find local suppliers with whom to establish long-term mutually beneficial cooperation and develop agriculture in the region.



has completed 51 audits out of the 63 planned. It has brought about the following results: 34 suppliers (81%) comply with Nestlé's requirements, i.e. have fully eliminated the discrepancies detected during audits. The next step is to extend the programme to all other suppliers in order to cover the whole chain of participants involved in the

manufacture of Nestlé's products in the near future.

Environmental Education and Environmental Volunteer Actions

In keeping with the traditions of the past, last year the production branches of Nestlé Russia held outreach activities



Nestlé Russia Volunteers together with friends and relatives took part in 2013 oaks planting in the National Park Ugra in October 2013. 5600 seedlings of oaks were planted in the area of 1,4 ha.

among children dedicated to environment protection.

Other production branches organise best children's drawing or poetry contests dedicated to SH&E issues. The best works are taken as models for information cards and posters to be displayed on boards at production branches.

Many environment volunteer activities have been held in Nestlé branches as well. For example, the April 2013 event in Timashevsk town was devoted to establishing a new recreation park in the Industrialny district. Volunteers planted 126 young trees on the territory of the recreation-park-to-be.

Volunteers from the plant in the town of Perm, together with the non-governmental public organisation Prikamye, cleaned a specially protected natural reservation in the Sverdlovsk Region. In three hours they filled 100 garbage bags (about two tons). Volunteers from the factory in the town of Vologda planted young trees in the children's village SOS in June 2013, while the villagers – children from foster families provided active assistance.

In 2012, staff from the head office in Moscow, together with the diver

club Nemo, cleaned the banks of the Moscow river flood plain. This year garbage was collected separately for further recycling. The joint efforts resulted in the collection of 18 m3 of garbage, including 9 m3 of common garbage and 9 m3 of glass, plastic and metal.

The DUBki environmental project was launched in 2011 when volunteers from Nestlé Russia first planted an oak wood at the site burnt down by the fire of 2010 in the Ugra national natural park. The tradition was maintained in 2012 and 2013 with planting of the second and third oak woods.

Altogether, over the last three years, volunteers from Nestlé Russia have planted over 10 thousand young oaks on an area of over 15 ha.







Nestlé and Society

This chapter is devoted to charity programmes that Nestlé Russia carries out in Moscow and the regions where its factories are located. Charity is an integral part of Corporate Social Responsibility. By Creating Shared Value, we understand creating values not only for stakeholders, but also for society as a whole. In our charity activity, we give preference to projects that correspond first of all to our CSV concept, namely those projects that are related to nutrition and that serve to improve health and develop good nutritional habits in people. Among other charity or sponsorship projects that we support are those connected with culture, children's creativity, help to low-income people, people with disabilities, orphans, and volunteer programmes.

- Teaching proper nutritional habits
- Results of the “Good Nutrition Programme”
- Culinary sessions “Cooking Together”
- Supporting culture
- Supporting children's creativity
- Supporting athletic programmes for children
- Helping people with disabilities
- Developing volunteer efforts at Nestlé

Teaching good nutritional habits

In 1999 our company launched a large-scale educational “Good Nutrition Programme”. It is a joint project of Nestlé Russia and the Institute of Developmental Physiology of the Russian Education Academy (head of corporate authors – M.M. Bezrukikh, DPI director, REA academician). The goal of the Programme is to accustom children and teenagers to the culture of nutrition as a component of a healthy lifestyle. The reason for establishing the Programme was provided by research done by DPI REA on what elementary school pupils know about proper nutrition. The research showed a low level of knowledge on proper nutrition and health (children didn’t know how many times a day they should have meals, became confused when asked to choose healthy products, etc.). Surveys by parents also helped to identify serious problems in how child nutrition is organised in families: dietary patterns are not observed,

there are no healthy habits related to hygiene, etc. Therefore, the need for special education and upbringing for the younger generation that addresses the issue of nutrition proved to be an urgent problem requiring a solution. Meanwhile, educational institutions lacked courses and programmes aimed to form proper skills and habits related to nutrition. Therefore, realizing the importance of the issue, Nestlé Russia decided to develop and introduce a special educational programme in schools called the “Good Nutrition Programme”. The initiative of Nestlé Russia aimed to supply schools and kindergartens in different regions of Russia with specialized educational materials and organise teaching on proper nutrition was of high social importance. The initiative was supported by the Ministry for Education and Science of the Russian Federation, as well as regional departments and ministries of education. The fact that the programme was in high demand was shown by the rapid growth of its participants: in 1999, the project had only nine participating regions, but

by 2001, there were already 20. At present, the project is underway in 48 regions, while the number of participants exceeded 5 million. During the 14 years of its existence, investments in the programme amounted to 310 mln Rubles. We selected the programme “Talking about Proper Nutrition” to participate in a competition within the ranking “Leaders of Corporate Charity 2013” in the category “Best corporate charity programme (project) in the company’s development strategy” as it ideally fits the company’s Creating Shared Value strategy.

The programme is made up of three modules: “Good Nutrition Programme” for children aged 6 – 8, “Two Weeks at a Health Camp” for ages 9 – 11, and “Formula for Good Nutrition” for kids aged from 12 to 14. Each module is accompanied by a learning kit with notebooks for students and teaching guidelines for teachers. By now we have also developed a multimedia game for pupils aged 12 to 14. The programme is being implemented in schools, kindergartens, boarding schools and extended education insti-



Российская программа «Разговор о правильном питании»

- Основная цель-формирование культуры здоровья и правильного питания у детей.
- Разработана в Институте возрастной физиологии Российской академии образования.
- Внедряется с 1999 года.
- В настоящее время ежегодно принимает участие более 800 000 школьников из 48 регионов России.
- Всего за годы реализации программы в ней приняло участие около 5 500 000 детей и подростков.
- Содержание программы базируется на российских кулинарных традициях.



tutions. As a part of the programme, we annually organise three contests for children (children's creativity contest), families (family photo contest) and teachers (methodological studies contest). In June, Nestlé also hosted an Interregional Conference on "Raising A Healthy Generation" in Moscow. We invited the regional coordinators of the "Good Nutrition Programme" – representatives of regional educational authorities, and teachers – winners of methodological studies contest held in the regions, to participate in the conference. The key purpose of the conference is to summarize the most valuable experience gained during implementation of the programme and discuss the problems that arose. The conference participants listen to the lectures delivered by leading experts in developmental physiology, dietology and pedagogy and dedicated to the new developments in scientific research. The conference also offers opportunity for the participants to meet popular actors, writers and singers.

Results of the "Good Nutrition Programme"

The efficiency of the "Good Nutrition Programme" was demonstrated by the results achieved, thus allowing the Ministry of Education and Science of the Russian Federation to recommend it for implementation in schools across Russia (letter of 01.03.2011 No. 06–368), as well as to be used by all regional departments of the educational network in their work related to young generation health promotion. Regularly held social surveys showed that the programme had changed the behavior of pupils – they have begun following dietary patterns and hygiene rules, and choosing healthy foods. Over 70% of parents noted that the dietary patterns of their families have changed. Adults have begun to pay greater attention to the issue: they are introducing healthy meals more often into the daily diet and taking regular meals. At present, the experience gained during implementation of the "Good Nutrition Programme" is being put to use

when designing and implementing similar educational programmes for children in CIS countries--Belorussia, Uzbekistan, Georgia and Kazakhstan. Full information on the "Good Nutrition Programme" is available at [www/prav-pit.ru](http://www.prav-pit.ru).

"Cooking Together" culinary sessions

Since 2009, we have been providing lessons for children and teenagers called "Cooking Together" culinary sessions. The first time, we invited children who are graduates of boarding schools and disabled children. The sessions are held once in two months and are aimed not only at teaching kids how to cook simple and tasty meals, but also at helping them to socially adapt. Among the session participants are volunteers from the company. Employees of the company are glad to spend time with

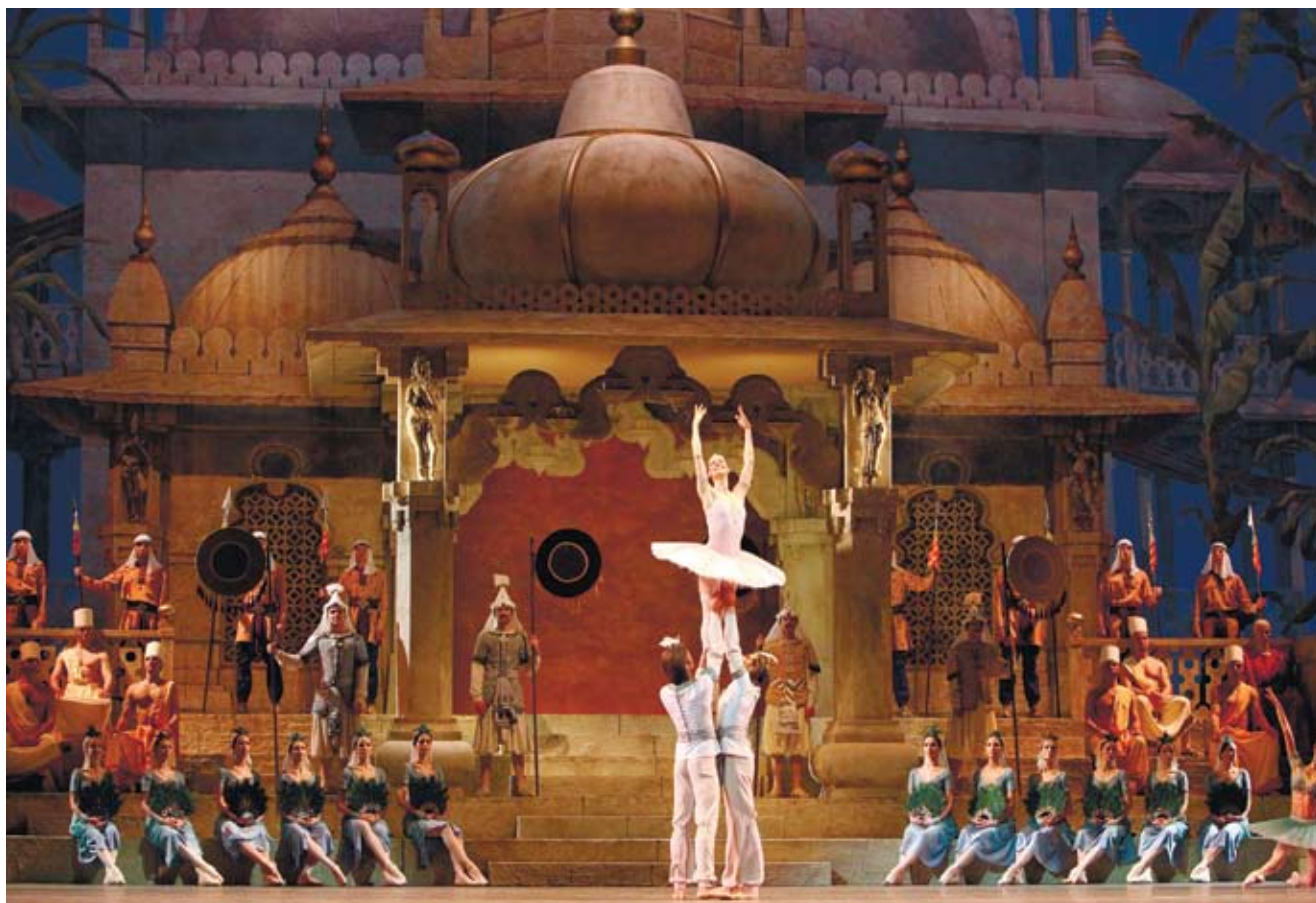
children: they tell stories about proper nutrition and the company, and listen to what the children tell about their lives. The sessions end pleasantly with a joint dinner, photo session and giving of gifts. "It's very moving to see how the kids loosen up. When the sessions start they feel ill-at-ease, say they are afraid of cooking, but they end up full of enthusiasm and bursting with plans for the future. After the sessions, nearly all of them want to become cooks", said Olga Prokhoda, Nestlé Corporate Social Responsibility Manager.

Supporting Culture

Since 1996, from the very beginning of our operations in Russia, our company has assumed the role of patron of the arts in support of culture and making it more affordable for the Russian people. Large-scale sponsorship projects include such famous ones as



At the culinary session in Nestlé Russia



Famous Bayadere at the historical stage of the Bolshoi theater

the Golden Mask Theatrical Festival, the Chekhov International Theatre Festival, the 3rd Theater Olympics, Moscow International Festival, etc. Nestlé helped to establish the first independent orchestra in Russia – the Moscow Symphony Orchestra. For over 15 years, the company has sponsored this creative team. The conductors the orchestra has had a chance to perform with include V. Ziva, Ya. Panupa, A. Kats, A. Anisimov, D. Yablonsky, I. Golovchin, A. Korniyenko and others. The participants of MSO musical performances have included true stars of the international classical stage – Yu. Bashmet, V. Tret'yakov, V. Repin, V. Viardot, B. Berezovsky and many others. Nestlé and MSO joint projects, like Musical Memorable Dates, summer concerts at the Arkhangelskoe estate, an annual series of concerts in the Grand Hall of the Moscow Conservatory and educational concerts for children, have earned the orchestra renown for its talented artists and Nestlé the fame of a patron of the arts. In 2004, it was exactly support of MSO that prompted

the Guardian Council of the Maecenas Fund to award Nestlé an honorary diploma and commemorative golden token of Maecenas. In 2003, Nestlé's extensive charity activities and many years of financial support of the Russian arts have brought the company an honorary Golden Mask award.

In 2003, Nestlé became a sponsor of the White Nights Stars Festival dedicated to Saint Petersburg's 300th anniversary. Between 2007 and 2011, the company sponsored the Moscow Easter Festival directed by Valery Gergiyev. The festival is a hit every spring when it is held in Moscow and other cities of Russia.

2010 marked the beginning of collaboration between Nestlé and the Bolshoi Theatre, the most famous theatre of Russia. "Partnership between Nestlé and the Bolshoi Theatre is based on the principles of profound respect, mutual understanding and drive to excel in everything we do both separately as professionals and jointly in our mutual projects. Our alliance grows stronger year by year. We pride ourselves on the

partnership with the greatest theatre of the world aimed at creating eternal values for society and world culture", said Maurizio Patarnello, CEO Nestlé Russia and Eurasia Region.

Since 2012, the company has acted as a title sponsor of the annual Moscow International Festival of Chamber Music "Window To Switzerland" conducted with support of the Swiss embassy in the Russian Federation. In 2013, Nestlé has been upholding the tradition of introducing the Russian public to Swiss art masterpieces, and also sponsored the Le Choeur du Coeur Swiss choir's visit to Russia mostly composed of people with disabilities, to take part in the International Socio-Cultural Forum "Theatrical Kaleidoscope" in Krasnoyarsk.

Supporting Children's Creativity

Children are our future, so, the welfare of our society depends on how spiritually they are developed. The Kalinka Children's Creativity Centre is

one of our old partners. Every concert of this dancing group at the annual “I Want to Dance” festival gathers a full house at Tchaikovsky Concert Hall. For several years, the company has been supporting such wonderful events for children, where they can demonstrate their talents, as the Moscow All-Russia School Theaters Festival “Russian Drama” and the All-Russia Cadet Festival “Young Talents of the Motherland”, which are held in Moscow. For the third year in a row, we have been collaborating with the Vladimir Spivakov International Charity Foundation by providing food and giving sweets to the children participating in the festival. “Moscow Meets Friends” is the Foundation’s largest project of. The festival is held annually on the eve of summer school vacations. The best young talents of Russia and the world who won qualifications are allowed to perform in Moscow International Performing Arts Centre and on other musical stages of Moscow, with the State Chamber Orchestra “Moscow Virtuosi” under maestro Vladimir Spivakov being a partner of their solo performances.

The Big Break Festival of Theatre for Children is being held in Moscow for the seventh time. This is not the first time Nestlé Rossiya is supporting the event. The festival schedule presents the most interesting developments in world art for children. We are pleased that our company does its part in the important mission of aesthetic upbringing and character building .

Supporting Athletic Programmes for Children

Nutrition, spiritual development and, finally, sports are what predetermines successful character building. Today, when obesity has become a global problem, sports are what we must focus on. Nestlé Rossiya supports the projects of Russian non-governmental organisations aimed at children’s athletics development. Since 2007, Nestlé Rossiya has been supporting the long-term All-Russia programme “Healthy Children -Strong Russia”. The goal of the programme is to introduce comprehensive measures to preserve and strengthen health, promote athletics and advocate a healthy lifestyle. The campaign provides for

annually held “school sports days”, volleyball and gymnastics championships among children from orphan asylums and boarding-schools. There are also ceremonies held at which great athletes and prominent sports figures are celebrated, such as D.N. Chernyshenko, V.A. Tretyak, S.S. Zhurova, A.T. Sikharulidze, A.I. Tikhonov, A.G. Gorshkov, V.I. Starshinov, A.S. Yakushev, B.P. Mikhailov, A.N. Maltsev, V.S. Davydov, V.F. Mamatov, etc.

Besides this campaign, Nestlé Rossiya supports international children’s tournaments in rhythmic gymnastics held by the International Sport Club Association (ISCA) and Sport Ballroom Dancing International Tournament “Dynamo Big Prize” held by the Dynamo sport and dancing club.

Every year our company supplies food for children staying at the “Big Adventure” Summer Camp in Karelia. This camp participates in the “Adventure” programme headed by Dmitry and Matvey Shparo. During their stay at the camp, children have a great opportunity to demonstrate their strength and endurance. The camp’s activity plan is designed to teach kids how to work in a team, set goals, overcome



Skiing tour on the dogs sledge at «Big Adventure Camp» in Karelia



difficulties and care about friends. By making decisions on their own and achieving set goals, kids feel excited about their personal victories. Apart from kids, there are other inhabitants at the camp--Husky dogs fed on food supplied by Purina PetCare, a Nestlé brand. Communicating with such good-natured dogs and especially participating in the three-day ski tour with dog sleds does the kids a lot of good, helping them to become more responsible, kind and compassionate people. Nestlé has been in collaboration with the "Adventure" Club for over 15 years. We are glad that our company participates in such wonderful programmes aimed at character building, like those conducted by the "Adventure" Club, which is eager to support activities complying with our strategy of advocating a healthy lifestyle.

Helping Disabled People Programme

From the very beginning of its operations in Russia, the company has been regarding the issue of supporting disabled people as one of the priorities of its charity efforts. We must support people who either from birth or for some later reason have found themselves in conditions that are very unusual for healthy people. The life of a disabled person is a continuous victory over themselves and their misfortunes. And any opportunity to

participate in social life makes it possible to demonstrate to yourself and other people that life goes on, that your relatives need you and that you can serve your country. Nestlé Rossiya helps over thirty organisations working with disabled people. Among them are the Regional Nongovernmental Organisation of Disabled People "Perspective", the Association of Young Disabled People of Russia "Apparel", the Interregional Nongovernmental Organisation of Disabled Persons "Pilgrim", the Charity Foundation "Social Adaptation of Disabled People", the Charity Foundation "Independency", the Charity Foundation "Second Birth", disabled children from the "Peleng" Centre, BF "Downside Up", the "Down's Syndrome" Association, the Regional Nongovernmental Organisation of Lifelong Disabled Persons and their Parents "Nika", the Moscow Athletic



Alliance of Disabled Persons and others. "We are grateful for the help our disabled people received, thank you for the confidence in our organisation, and we hope that our friendship will be another link in the chain of your success. We hope you feel well and have good friends and reliable partners", this is how one of numerous letters ends and makes us sure that people need our care.

Developing Volunteer Effort at Nestlé

Corporate volunteering has been on the rise in recent years and is turning into a popular trend. Our goal is to bring more people into our volunteer ranks. For this purpose, we launched a survey within the company and identified what particular lines of volunteer work are the most interesting for our staff. The priorities are: helping children and environmental programmes. Our volunteer campaigns are conducted under the Nestlé slogan: "Let's make life better!"

The most popular and most welcome project among the company staff is the Angel Tree, which we hold together with The organisation Salvation Army charity organisation. Thanks to the company's employees, over 500 people receive New Year's gifts every year. A significant aspect is that the children receive precisely the gifts they ask for. In 2013, children from the Petrovskaya Boarding School in the Yaroslavl Region, children from the SOS children's villages in Tomilino of the Moscow Region and Vologda, the Yurovskaya Boarding School in Moscow Region, Boarding School No. 2 for hard-of-hearing children in Krasnodar, children from kindergarten No. 74 in the Kirovsky District of Saint Petersburg, the Skazka Kindergarten in Vorsino, the Mercy Centre in Obninsk, the Gavrilinsky Orphanage in Vologda and the Contemporary Social orphanage in Samara will receive New Year gifts.

Another line of Nestlé's volunteering efforts targets the environment. Our concern for nature was the reason for

establishing the “Clean Bank Operation” Programme, which we have been implementing for a number of years with volunteers from the “No.More.Garbage” social movement. Its goal is not just to remove garbage from places of recreation, but also to educate the people using these places. A good example often prompts visitors to recreation sites join the campaign. Subsequently, those participating in the cleanup will never leave garbage after them and also teach their children to have a solicitous attitude toward nature.

This is the second year we have been participating in All-Russia Campaign “Let’s Do It!”, also initiated by the “No.More.Garbage” social movement. The campaign was boosted by volunteers from Nestlé Rossiya’s head office and factories in Zhukovsky, Perm, Vologda and Timashevsk. Forty-four volunteers from among Nestlé Russia’s staff from the Moscow office and factory in Zhukovski, their family members and friends, as well as people from the “New Acropolis” Culture Centre and “No.More.Garbage” social movement collected a total of 205 bags of garbage, 60% (glass, plastics and metal) of which was sent for recycling.

As part of this campaign, volunteers from Nestlé Kuban carried out an

environmental campaign called “Clean Bank Operation”. For the second year, the environmental campaign has been targeting the embankment of the Kirpili River on Krupskaya Street. It took the volunteers only an hour and a half to collect 80 bags of garbage. The garbage was collected separately – glass, metal, plastics and other wastes were sorted into different bags. In Perm, “Linden Hill”, a natural landscape area, and the embankment of the Yegoshikha River were targeted. In 2002 this area was turned into a specially protected natural reserve of Perm famous for its 100-year old lindens and plants included in the Red Book of Perm Territory. The same day, the campaign was joined by staff of Nestlé branch in Vologda and their family members, 25 people in total. Overall, the initiative of the “Let’s Do It!” environmental movement in Vologda was supported by TOS “Kirovsky”, the “GOR.COM 35” Youth Centre and a number of nongovernmental organisations and factories. Next year we are going to repeat this campaign and expect to see more participants.

Another interesting project selected for implementation by the Nestlé Russia staff is planting oaks in Ugra National Park. This park stretches for 200 km along the lowlands of the left-hand

tributaries of the Oka River – the Ugra, Zhizdra and Vyssa—and crosses the whole of the Kaluga region. The park combines different natural landscapes. In 2010, large parts of Ugra suffered from forest fires. Now it is an eight-toothed bark beetle that destroys the trees today. Nestlé’s volunteer project “Oaklets” fit perfectly in with the programme of planting of trees in the park in the autumn. As of today, Nestlé Rossiya’s volunteers have planted around 10,000 oaklets in the park – three entire oak woods. This project dates back to 2011 when it originated with a NESCAFÉ Classic campaign called “A Million Reasons to Awaken to Life!” Among other things, this Awaken campaign is doing one good deed – giving new life to the forest.

Viktor Grishenkov, Director of Ugra National Park, thanked the participants of the 2013 campaign: “I like the precision and quality of work demonstrated by the Nestlé volunteers as well as their enthusiasm. It’s a common practice in the world for business to assist national parks, which is not the case in Russia, unfortunately. Nestlé’s help is a lucky exception from the rule. The company has a plant in the Kaluga Region, and I want this cooperation to continue for the benefit of all!”



Nestlé Russia volunteers. Pleasant fatigue after good work for the sake of nature

Charity in the Regions

Nestlé Kuban Factory in the Krasnodar Region

Teaching students a sensory evaluation of NESCAFÉ natural instant coffee

The town of Timashevsk in the Krasnodar Territory is home to Europe's biggest natural instant coffee-manufacturing factory – Nestlé Kuban. This is Nestlé's largest project in Russia, in which around 10 billion Rubles have been invested since 2004. 2011 witnessed the opening of phase two of the factory. Nestlé Kuban manufactures agglomerated coffee under the NESCAFÉ Classic brand and freeze dried coffee NESCAFÉ Gold. Nestlé's Kuban Factory, which employs around 1,100 people, manufactures NESCAFÉ coffee for both Russia and the CIS countries.

Collaboration between Nestlé Kuban and the Food and Pharmaceutical Processing Industry Institute of Kuban State University of Technology has been going on for a number of years. In 2010, a classroom was opened at the university for conducting sensory evaluation of natural instant coffee. The project was aided by Nestlé Kuban. This year, fourth-year students of the institute

were the first to attend the new educational programme developed by Nestlé Kuban specialists. For two months leading experts of the coffee factory have been providing a series of lessons for students in the classroom equipped for sensory evaluation of natural instant coffee. The educational programme features lectures by specialists about the coffee-manufacturing process and the basics of sensory evaluation and taste testing. Besides, as part of the course, the experts-to-be visited Nestlé Kuban Factory where they acquainted themselves with the natural instant coffee-manufacturing process – from accepting the green beans to packing the finished product. During the study course, every student took part in 17 taste tests, evaluated 11 beverages and learnt how to identify different aromas and blends of coffee.

Testing coffee at the Food and Pharmaceutical Processing Industry Institute of Kuban State University of Technology. "Very interesting training! We liked everything we were taught, for example, at the first session we learnt how to identify fragrances, at the second – tastes - slightly sour, a

little bit bitter – and describe them" (Maria Mindyukova, monitor).

Planting greenery in the Industrialny Micro District of Timashevsk

Nestlé Kuban's production activities are based on principles of environmental friendliness, innovations and environmentally safe technologies. We are also interested in preserving the beauty of the Krasnodar Region. For many years, Nestlé Kuban has been an active contributor to campaigns on landscaping and greenery planting in Timashevsk. Aided by the company, the town's central park received a children's playground and fountain. It is an established tradition that the factory staff participates in environmental actions like cleanups of parks, embankments and other recreational areas.

In April 2013, the Nestlé Kuban staff took part in landscaping a park in the Industrialny Micro District. In the new recreational zone they planted 126 two-year old trees 2.5-3 m tall. Norway maple and linden seedlings were purchased from a nursery-garden in the Kurgansky District of the Krasnodar Territory, while young Freeman maples and plane trees came from Poland.

Help to Krymsk Flood Victims

In June 2012, the Krasnodar Region suffered from a natural disaster. Several days of pelting rain brought up the water level in the Aderba, Bakanka and Adagum rivers, thus causing water logging of nearby settlements. The flood in Krymsk affected 24 thousand people, over 4 thousand houses and 12 social facilities with schools and kindergartens among them. Employees of Nestlé Kuban were among the first to respond and lend a hand. The factory,



Coffee tasting in the Food and Processing Institute of the Kuban State University

Nestlé Rossiya's Moscow office and other company factories in provinces took part in a charity campaign to collect essentials and basic necessities for the victims. They sent eight tonnes of food products and beverages (bottled potable water, instant/breakfast cereals, etc.). Nestlé Kuban Factory also sent over 6 thousand packs of instant coffee and coffee beverages. In addition to sending humanitarian aid, volunteers from Nestlé Kuban took part in rehabilitation measures after the flood. The administration of the Timashevsk District stressed the role played by the volunteers of Nestlé Kuban in eliminating the consequences of the flood in Krymsk and presented everyone who visited Krymsk to lend a hand and deliver humanitarian aid with a note of thanks on behalf of Alexei Zhitlov, Head of the Timashevsk Municipal Unit, and a medal commemorating the 85th anniversary of the Timashevsk District.

Environmental Support

The factory employees are regular participants of environmental volunteer

actions. For example, on June 5, 2012, while celebrating World Environment Day and Environmentalist Day, a team made up of representatives from all departments of the factory, 90 people altogether, visited the town woods of Timashevsk to clean them up. The environmental action was joined by employees of the district administration, mayor's office and youth activists. In two-and-a-half hours they collected over 400 100-liter bags of garbage and three trucks of dead branches.

For two years in a row volunteers from Nestlé Kuban participate in All-Russia Cleanup "Let's Do It!", which takes place in many towns across Russia.

For the second year, the environmental campaign has been targeting the embankment of the Kirpili River on Krupskaya St. It took the volunteers only an hour and a half to collect 80 bags of garbage. The garbage was collected separately – glass, metal, plastics and other wastes were sorted into different bags. This way of waste sorting makes it possible to recycle a major part of the wastes rather than dumping them.



"Our company focuses on the stability and welfare of the region it performs its operations in. According to Nestlé's corporate Creating Shared Values concept, we not only help those who need it, but also make our contribution to the development and transformation of Timashevsk. The more beautiful places we have in town, the more smiles we shall see on faces of its residents", said Harald Primer, Nestlé Kuban CEO.

Patron of the Arts of the Year

For many years Nestlé Kuban has played an active part in the social life of the Timashevsk District. Together with the district and town administrations,



Planting Greenery in the Industrialny Micro District of Timashevsk



Coffee tasting in the streets of Timashevsk. Nestlé Kuban factory is a permanent sponsor of the Timashevsk City Day.

the company is implementing a series of projects aimed to develop the pre-school education system and help the World War II veterans, disabled children and large families of the district. The factory participates in the town's urban redevelopment and cultural life and acts as a partner in campaigns aimed at promoting athletic activities and a healthy lifestyle among the youth. Every year, Nestlé Kuban and the NES-CAFÉ brand sponsor the Timashevsk Day celebrations. When preparing

for the Town Day celebrations, the Timashevsk town administration led a public awareness campaign called "Timashevsk Protectors 2013". The prize in the "Patron of the Arts of the Year" category went to Harald Primer, Nestlé Kuban CEO.

The "Timashevsk Protectors 2013" public awareness campaign is a tribute to society's best work collectives and the individuals Timashevsk is proud of. The "Maecenas of the Year" Diploma

was presented by Anatoly Nesterov, Mayor of Timashevsk.

Helping Animals

In 2012, volunteers from Nestlé Kuban took the "One Thousand and One Tails" animal shelter under their patronage. Collaboration with the shelter started with joint action by Nestlé Kuban and Nestlé Purina PetCare (Moscow). The staff of the Timashevsk factory raised funds and purchased 145 kg of dog food for the shelter. Nestlé Purina PetCare, in turn, provided 295 baskets of dry cat food (around 600 kg altogether). Volunteers from Nestlé Kuban visited the shelter to deliver the food and articles of animal care collected by the staff, as well as spend some time with the animals deprived of human affection and care. After the first charity campaign, a basket was placed in the hall of Nestlé Kuban for gathering voluntary contributions. And now, every month the factory employees purchase food with the funds raised and give it to the shelter.



Nestlé Kuban employees with their nurslings in the pets shelter "One and Hundred tails"

Nestlé Russia LLC Branch in Vologda

The Nestlé Russia LLC branch in Vologda is an active participant in various social projects, regularly supports orphanages and children's sports, and participates in different local campaigns and environmental activities.

"Last year and this year have been marked by our branch's participation in many social projects," – said Anna Alfeyrova, Manager of Corporate Issues at the Nestlé Russia LLC branch in Vologda. "I would like to point out that the charity and social initiatives of our branch are receiving substantial input and contribution from the townsfolk and our personnel. We appreciate the trust and thank all the participants in our social campaigns".



Helping children at boarding schools

In our social endeavors we focus on charity initiatives, in particular on helping children at boarding schools. The children who live there permanently receive everything they need: stationery, books, stuffed toys, etc. The Angel Tree event on the eve of 2013 in "The Children's Village S.O.S" – a

special establishment where orphans and children deprived of parental care are being raised in a manner close to the family environment—attracted much attention from the employees of the Vologda factory. Nearly all of the factory's employees participated in the Angel Tree event by collecting money and purchasing the very gifts the children wanted, for example, bicycles,

photo cameras, roller-skates, stuffed toys and many other things.

"Making kids' dreams come true, seeing happy children's eyes and hearing words of gratitude gives us an incredible feeling that inspires us to continue our good deeds!" – commented Alena Popova, an employee of the Vologda branch and an active participant in these activities.

The personnel of the Vologda branch have also been organising different campaigns to raise money for children who need urgent and expensive medical treatment.

Sports projects

We regularly support children's sports, such as street football championships among all the schools of the town and other sports activities. In May 2013, for example, on the big sports arena of "Yubileyny" Sports Club in the town of Cherepovets, a children's sports festival was held under the slogan "Healthy from Birth!" intended for children between the ages of 8 months and two years and their parents. The festival was organised by the sports committee of the Cherepovets Mayor's Office supported by Nestlé's department of infant nutrition and the Vologda fac-



Our friends in the Children SOS village



Town is clean. On the photo below: Participants of the All-Russian Campaign "Let's Do It!" in September 2013

tory. Joyful sports competitions were organised for children who wanted to take their first steps in sports. This idea, which united athletic games, a healthy lifestyle and proper nutrition, made for a comfortable atmosphere and encouraged the children, who were supported by numerous fans – mothers, fathers and grandparents.

All the festival participants received mementos, souvenirs and honorary certificates, while the winners were presented with Nestlé gifts prepared by the company branch in Vologda.

Keeping the town clean

Participation in environmental actions is also among the priorities of the Nestlé Russia LLC branch in Vologda. The factory personnel takes

part in Subbotniks (voluntary Saturday cleanups) and other activities aimed at cleaning up the town's parks and public gardens.

In 2013, the Nestlé branch in Vologda took part for the first time in the municipal contest "Blossoming Town" initiated by the Vologda administration. Last year, the branch's personnel set up a convenient and modern playground for children in the Oktyabrsky public garden of Vologda using their own resources and now they are improving. In particular, they have arranged the most beautiful flower bed in town and have furnished the playground with a modern rubber coating.

Apart from this, the branch regularly conducts Subbotniks. The employees of the Vologda factory have been active

participants in campaigns aimed at promoting an environmentally responsible lifestyle. For example, they planted a Nestlé alley in "The Children's Village S.O.S" and in the autumn of 2013, together with their family members, 25 employees in total took part in the All-Russian Campaign "Let's Do It!" aimed at cleaning the town and collecting garbage for recycling.

Initiative charity

Special appreciation should be given to the great contribution of the factory's personnel to implementing social initiatives, their active participation and creative ideas, which are crucial to the success of such activities. The Vologda branch is rich in creative and talented people. In the autumn of this year, Svetlana Bogacheva, Production Manager of the Nestlé Rossiya LLC branch in Vologda, organised a personal exhibition of paintings at the exhibition hall of the "Marmalade" Trade Recreation. The exhibition also displayed the paintings of two more young painters. Svetlana decided to donate the money raised on the paintings sold to one of orphanages in town.

All of these good deeds do not go unnoticed. The people's gratitude is expressed in the many thank-you letters the branch receives. What is more, the name of Philippe Fehrenbach, Director of the Nestlé branch in Vologda, was listed in "The Golden Book of Vologda" in appreciation of the factory's social programme.



Nestlé Purina PetCare Factory in the Kaluga Region



Andre Henry, Director of Nestlé Russia branch in Vorsino, and N.V.Kuznetsov, Head of Administration of Municipal region Town of Borovsk, open the children play ground in Borovsk in June 2012

In 2007, Nestlé Russia started its production activities in the Kaluga Region with the first stage startup of a factory for manufacturing Nestlé Purina PetCare dry cat and dog food. A total of approximately 1 bln. Rubles was invested in the factory's construction and outfitting at that time. The company also invested the same amount in the construction of the second stage for manufacturing wet foods for pets. The new manufacturing plant was commissioned into operation in the summer 2009.

In 2011, a new distribution centre was opened on the premises of the manufacturing branch. In 2013, a new shop for manufacturing wet pet food was opened on the premises of the plant, investments into its construction amounted to some 1.4 bln. Rubles. The Nestlé Purina PetCare Factory located in the settlement of Vorsino of the Kaluga Region manufactures dry and wet cat and dog food under the FRISKIES, DARLING, CAT CHOW, DOG CHOW, FELIX and GOURMET brands. Today the factory has a workforce of 374. The factory mainly utilizes locally purchased raw products and packing materials complying with Nestlé's strict quality standards. Nestlé's priorities are personnel safety at all levels, environmental considerations and assistance to the local community.

The factory's priority targets include the kindergarten in Vorsino, the boarding-school of the 8th form in Ermolino, and the clinic in the Borovsky District of the Kaluga Region.

In 2010-2013, the company implemented a number of social projects in the town of Borovsk. For example, Nestlé Purina gave the clinic in the Borovsk District a modern ambulance and hi-tech medical equipment (a Japanese-made analyzer of blood

coagulation factors) and opened a new children's playground in the centre of town. A total of nearly 4 mln. Rubles have been invested in these projects alone within the "Creating Shared Value" corporate programme of social responsibility.

According to Anatoly Artamonov, Governor of the Kaluga Region, it is critically important that, besides providing jobs with competitive salaries for the Borovsk District inhabitants, Nestlé Purina PetCare also supports social projects. "By giving the clinic this generous gift, the company is making a worthy contribution to improving the quality of medical services for the residents of Borovsk", – he commented.

The "Skazka" Kindergarten

Cooperation between the factory and "Skazka" Kindergarten No. 1 started soon after the launch of the second stage of the plant back in 2009 – at that time, the plant donated tables, racks, cabinets and play furniture to the kindergarten. The furniture was



New sport room for children of Kindergarten "Fairy tale" is opened

used to outfit three nurseries, locker rooms and play rooms. In 2010, the company gave the kindergarten new beds for bedrooms and sets of play furniture. In 2012, a new children's playground was opened on the kindergarten's grounds. The playground was opened and tested by the children themselves. In July 2013, the plant donated furniture for the kindergarten's gym and swimming pool – a number of sports complexes for children, a playpen, a trampoline[?]- playpen, an exercise bike, as well as different sets of sporting equipment. Nestlé Purina PetCare (a branch of Nestlé Russia) spent a total of around 200,000 rubles on purchasing, installing and setting up the above equipment.

"We want to promote our business by creating shared values for our personnel and the community around us. We are glad to present the children of the kindergarten in Vorsino with modern sporting equipment to help them grow healthy and strong. We hope the new equipment will turn the children into active athletes", - commented Alessandro Zanelli, CEO Nestlé Purina PetCare in Russia and the CIS.

Children's Playground

In June 2012, Nestlé Purina PetCare donated a playground located on the grounds of the central public garden to the children of Borovsk. The opening ceremony was attended by N.V. Kuznetsov, Head of the Municipal Administration "Town of Borovsk", A. Henri, Director of Nestlé Rossiya branch in Vorsino, T.G. Zadirako, Executive Director of BF "DorogaVmeste" ("Together on the Path") and other representatives of the local authorities and, most important, children, who immediately set about exploring the playground attractions: swing sets, merry-go-rounds and sandpits. The playground fully complies with all safety and ergonomic requirements. The company spent a total of over 300,000 rubles on building and setting up the playground. In his speech at the opening ceremony, N.V. Kuznetsov stressed the significance of the project

for the town: "What is important for us is that Nestlé is among the companies that are permanent contributors to wellbeing of our region. The children's playground is a generous gift to the kids of our district and the town as a whole, as well as more proof of Nestlé's high level of social responsibility".

"We are happy to give the children of Borovsk such a modern playground and want to see them grow healthy and strong. We hope the kids like the playground and make it their favourite place to play", said Mr. Henri, Director of Nestlé Russia branch in Vorsino.

Boarding School in Ermolino

According to tradition, the first spring days are the time when the children of the boarding school in Ermolino take a guided tour of Moscow. The tour is organised by people from the head office of Nestlé Rossiya and Nestlé Purina PetCare, who try to make the trip as interesting for the kids as possible. The itinerary features breakfast at a café, guided tours of Red Square and inside the Kremlin walls, a visit to the Armory, a walk along Tverskaya Street and getting acquainted with the Moscow subway. The tour proceeds to the Moscow office of Nestlé Rossiya, where, at Nestlé's "Customer and Consumer" Innovation Centre, the children and adults cook simple but tasty dishes. A joint lunch with demonstration of

talents completes this rich-in-events day, and in the evening, after receiving gifts from volunteers of Nestlé Russia, the children head for home. To qualify for the tour, the children have to take part in a competition and show success in studies and good behavior. So, some straight-A pupils have already been to Moscow for the second time. The kids greatly appreciate these tours. Here's what Lyudmila Anatolyevna Fedotova, Director of the boarding-school, said: "This is already the fourth tour to Moscow for our children with Nestlé. And I am confident in saying that everyone will remember this day. Our alumni continue to communicate with each other even upon leaving the school, and one of them came to see us right after the tour. You just can't imagine how many vivid memories we witnessed, the boy seemed to remember the menu of the culinary session and all the dishes they cooked down to the smallest details! Besides, we only accept pupils who have distinguished themselves to participate in the tour, thus making the trip a true reward – indeed they are seen off by the other kids. We very much appreciate the role that Nestlé plays in our life, indeed it seems that very little while also very much is needed to make kids smile". In November, following an invitation from Nestlé Russia, the children went to the "Big Change" festival held in Moscow for the seventh time.



Children from Ermolinsky boarding school are the guests of Nestlé Russia culinary session

Nestlé Russia Factories in Perm

There are two Nestlé Russia factories in Perm: the Confectionary Factory (former Kamskaya) and the Breakfast Cereals Plant (Cereals Partners Rus Ltd.). These Nestlé enterprises have been working for many years to the benefit of Perm and the Perm Region, not only by manufacturing high quality and tasty foods, but also providing jobs for the population. The plant implements a social programme that covers not only its personnel, but also their children, veteran workers and retired employees. The plants hold regular sports events: competitions in indoor soccer, volleyball, basketball, swimming, etc. A key aspect of the mission of Nestlé Rossiya branches in Perm is supporting values that are important for the whole of society based on the social and environmental responsibility principles. For many years, the factories of Nestlé Russia in Perm have been

permanent participants in campaigns for promoting sports activities and a healthy lifestyle, helping veterans and disabled children, maintaining family traditions and environmental initiatives, and stimulating extracurricular development for children and youth.

Journey through town

Such programmes included a creative New Year family holiday called “Journey Through Town” held at the PERM museum at end of last year. At the entrance to the museum each child was handed a map of an imaginary town and, accompanied by their parents, travelled through “the stations”, where they had to perform intriguing assignments. No matter how many assignments a child succeeded in, every one of them was presented with a gift prepared by the company.

Learn and Be Able

The curiosity of the young inhabitants of the Perm Territory continued to develop during the programme “Know Everything About Our Small Motherland – 2012” sponsored by our confectionary plant. On February 13, 2013 the Perm Palace of Youth hosted a ceremony to award the winners of the 4th territorial quiz “Know Everything About Our Small Motherland – 2012”. The quiz had 2,174 participants, who were pupils from 38 localities of the Perm Territory. They were aided by over a thousand parents, teachers, and workers from cultural and educational organisations of the Kama River Region. According to the jury, the children performed well despite the very difficult questions and assignments. Among the questions was one related to the history of the Perm plant: “What anniversary did the Perm



A fest for children “Safety is Super Important” took place at the Cereals factory in Perm in June 2013. Their drawings remind their papas and mamas of the safety rules that are to be followed at the factory

branch of Nestlé Russia LLC (former Kamskaya plant) celebrate in 2011?" The jury declared the winners in different categories – 625 children (teams and individual participants, curators and consultants) were presented with different prizes and awards, among which tours to the Perm plants were the most popular. Thus, the Nestlé Russia3 confectionary plant was attended by pupils from Perm school No.111 and a team from schools in the Uralsky and Ilinsky settlements. After being properly instructed on safety issues and changing into special uniforms, the children began their acquaintance with the plant. First they watched a documentary film about the plant, where they saw not only present-day, but also historical footage, after which they proceeded to the chocolate shop and learnt how their favorite KIT KAT candy bars are made. Then they had the opportunity to talk with the workers over a cup of tea and ask them whatever they wanted. Everyone was happy with the tour. Children dubbed it as "KIT KAT Day" since they not only saw and tasted the sweets, but were also given them as gifts!"

Maria Durbale, director for development of the territorial magazine "We are Fellow Countrymen" and coordinator of the quiz "Know Everything About Our Small Motherland" said: "A trip to the confectionary plant was the most popular award. You won't believe it but all 2,000 participants said that they wanted a trip to your plant as their prize. We were very careful about choosing the winners, so here you have the ace of aces! Thanks for your help in promoting such an important cause!"

Get ready, get set... go to the museum!

In the summer, the Perm branch of Nestlé Russia became "the sweets partner" of the largest museum game for the children of Perm – "Get ready, get set... go to the museum!" The game is a joint project of the three chief museums of Perm: The Perm Museum of Local Lore, the Perm State Art Gallery and the Museum of Modern Art. In 2012, these largest museums joined their efforts and invented a travelling game with exciting guidebooks, maps, pictures, questions and creative assignments. The game proved such a great success that in 2013 the project was joined by other museums, honorary sponsors and partners. This multiplied effort made it possible in 2013 to achieve even more impressive results: during the campaign the museums were attended by over 6,000 children and parents. Among them was a group from the Children's Cancer Centre, as well as many organised groups from schools and orphan asylums.

Anastasia Serebrennikova, a specialist of the department for research and work with museum attendants from the Museum of Modern Art, said: "We are pleased to be a partner of companies that care about healthy nutrition for children and support family values. We have created not just children's, but family history! It's always great when parents and children participate together in some event. Thanks for becoming a part of this magic as well".

«Oh, Sport – You Are Strength!»

In December 2012, the Perm branch of Nestlé Russia supported the 4th Open Festival of Kettlebell Lifting "Gentle Force". It hosted over 300 participants from Moscow, Chelyabinsk, Kirov, the towns of the nearby Kama-River region etc. The 2012 festival became notable for the record it set in the "Mass Lifting of Kettlebells" category and was entered in the Book of Russia's Records. For two minutes, 283 men simultaneously lifted kettlebells. We were very proud to see not only passionate fans, but also true professionals in kettlebell lifting among the personnel of the Perm branch of Nestlé Russia LLC. Denis Panov, the raw food and fifth grade product panman, was a senior referee in two events: in pressing kettlebells turned upside down and in pressing from seated position. At the end of the competition, the strongest men received sweets from the company – for supporting martial spirit and physical strength.

Supporting Family Values

Every year on July 8, Perm inhabitants celebrate city-wide Family Day – "Family Traditions and Loyalty". This year Yuri Arkadyevich Utkin, Deputy Chairman of the Perm City Duma, congratulated 23 Perm families. Among those awarded were couples who had lived together for more than 30 years, parents with many children, and fathers and mothers of distinguished children who have done credit to Perm and the Perm Region. Our company also congratulated the best families by giving them our sweets. Family values have become one of our priorities in developing our company's personnel. A little earlier, on July 6, we had a Family Day at Nestlé with participants represented by personnel from the factories, trade offices and Moscow head office.





The collected garbage is separated. Participants of the All-Russian campaign "Let's Do It!" in Perm

Keeping the Perm Region Clean

Besides supporting charity campaigns, the company's personnel take part in environmental volunteer actions. For example, every year they participate in the "Russia-wide Clean-up "Let's Do It" environmental campaign. For the second year in a row, the company's volunteers have been focusing on Linden Hill, a natural landscape of territorial importance – a specially protected natural reserve located in the Sverdlovsky District of Perm that has high environmental and esthetic value. In 2013, personnel from the Confectionary Plant and the Breakfast Cereals Plant collected 6 garbage bags of glass, 12 bags of plastic, 5 bags with scrap metal and 34 bags with mixed garbage in two hours. This garbage was partly recycled.

The Ded Moroz train is bringing gifts to children

Since 2009, the Breakfast Cereals Plant has been in cooperation with the Public Educational Establishment "Perm Territorial Fund For Social Assistance". The Fund provides targeted material assistance to disadvantaged inhabitants of the nearby Kama River

Region and conducts different charity campaigns. The plant's personnel assist the fund by organising the collection and transfer of clothing, footwear, and books. It has become a good tradition to participate in the "the Ded Moroz Train for Kids" campaign. Sweets from the plant are given to children from childcare centres of Perm and the town of Solikamsk, as well as from the temporary accommodation centre for immigrants "Ocher".

The Path of Good

Since 2011, volunteers from the Breakfast Cereals Plant have been attending the State Public Institution of the Perm Territory "Interdepartmental Centre for Aiding Children Deprived of Parental Care" every two months. The assistance provided by the volunteers, like footwear repair and cleanup, is greatly appreciated by both the centre workers and children who live there. In 2012, to mark Food Industry Workers Day, the plant hosted an exhibition of children's craftworks made of the grain used in preparing Breakfast Cereals. The exhibition aroused sincere admiration among the personnel and helped to find new volunteers to aid the orphanage. On New Year's Eve people from the plant collected children's books,

developmental games, clothes and footwear for the orphanage. In the autumn of 2012, the plant's management made arrangements for the children from the centre to attend performances of the Perm State Puppet Theatre. By New Year, the centre was granted a gift certificate for purchasing household appliances. Using the funds provided, the centre acquired a TV set and two system blocks. Cooperation has continued into 2013. A plant that manufactures foods so loved by children cannot do otherwise.



Nestlé Russia Branch in Zhukovski

Thirty-five km from Moscow, in the small green town of Zhukovski, a Science Town and the centre of Russia's aircraft sciences, we established a factory more than 10 years ago that now manufactures the favorite ice cream of children and adults alike: "48 kopeks", BonPari Jungli, Extreme, Maxibon, Meg, Nesquik and many others. The Nestlé factory in Zhukovski employs over 600 people.

This past year Zhukovski celebrated its 66th anniversary, however, despite being so young, the town is recognized worldwide thanks to its glorious past and present as an aircraft centre. Many of the town streets are named after test pilots, Heroes of the Soviet Union: Ametkhan Sultan, V.P. Chkalov, V.M. Myasishchev, Yu.A. Gagarin, A.N. Ganchik, S.N. Anokhin, etc. The town's central street is named after Yuri Gagarin. Speaking of which, the first astronaut was trained on the premises of the town's Flight Research Institute. However, the town has never lost its aviation-related origin, for 21 years it has been hosting one of the world's famous aero shows – International Aviation and Space Salon, which is annually attended by up to half a million people. The Nestlé factory in Zhukovski is a permanent partner of the MAKS aviation salon, while Nestlé ice cream becomes the top seller when the salon is open.

Support of Town Activities

For many years Nestlé's branch in Zhukovski has been playing an active part in town life. Annually, in mid-August on Town Day, the factory treats everyone to ice cream. When the campaign was first conducted, the people on the streets could not believe that the company was giving ice cream away for free and either took out their purses or just walked on by. But the curiosity of kids usually prevails – they believe in miracles, which this time was demonstrated by the Nestlé ice cream factory. No town holi-



It has become a tradition to treat citizens of Zhukovsky with delicious ice-cream during the City Day

day escapes the factory's participation – we give away our ice cream for free on May 9 Victory Day, June 1 Children's Day, September 1 Knowledge Day and certainly at large-scale international exhibitions – MAKS and Tank Show, this year being no exception.

Lessons in Safe Behaviour for Schoolchildren

As early as in 2012, the HSE department of Nestlé's branch in Zhukovski developed an educational programme called "Safe Behaviour for Schoolchil-

dren" for elementary school pupils. In April 2013, prior to conducting Labour Week at the factory, department heads and the branch CEO, Stanislav Wiebe, held five lessons on schoolchildren's safe behaviour in five town schools with support from the Zhukovski administration. The lessons proved intense, interesting and vivid. The lessons focused on safe conduct, detailing how to behave in emergencies and under threats to safety – what to avoid doing and what incautious actions may lead to. Children watched documentaries on safety in school and at leisure, ending



Stanislav Wiebe, Director of the Nestlé Russia branch in Zhukovsky, teaches schoolchildren to the rules of safe behavior

with a funny contest to help solidify knowledge in fire protection. Both children and teachers liked the lessons very much. Each was presented with small memento from the company.

Yurovo Boarding School

For several years, our company has been patronizing the boarding school in Yurovo for children with infantile cerebral paralysis. The factory managers and workers visit the school on the most important occasions for the children and give them presents. Neither New Year celebrations, nor celebratory assemblies on September 1, nor Last Bell celebrations go without the participation of the factory's representatives. These children need care like no one else. They always wait for us and take great delight in the gifts. Next year the factory plans to hold lessons at the Yurovo school on security like those we gave in the town schools this year. We also plan to develop a joint project that all the school pupils can take part in – a culinary studio, master class, etc.

Environmental Campaigns

Volunteers from our factory have joined the All-Russia Environmental Campaign "Let's Do It!"

In 2013, like many other employees of our company, we took part in the All-Russia Environmental Campaign "Let's Do It!" As a part of the programme, our volunteers, together with volunteers from the central office, gathered on

Saturday, September 14 on the shores of Generalskoye Lake – not far from our factory, in Ramensky district – and set about cleaning up. As a result, 205 bags were filled with all kinds of waste! The shores of the lake were cleaned of glass (70 bags), plastics (44 bags), metal (11 bags) and mixed wastes (80 bags). We think that such success will encourage even more participants from among the factory workers to take part in the next environmental campaigns.



Volunteers of the Nestlé Russia Head office, Nestlé Russia branch in Zhukovsky and "No.More.Waste" public movement after cleaning the banks of General lake in Ramensky district of the Moscow region

Confectionary Factory in Samara is the First Nestlé Enterprise in Russia

The town of Samara is home to Nestlé's first enterprise in Russia: a confectionary factory (the former Confectionary Association Rossiya). 2010 marked the factory's 40-year anniversary. The factory is implementing a multitude of programmes within the framework of the global Creating Shared Value concept. Since the day it was founded, the Samara branch of Nestlé Rossiya has been playing a notable part in the social life of the Samara Region by supporting many social and cultural programmes, veterans organisations, and disadvantaged people, as well as contributing to the development of children's sports and creative upbringing.

The plant not only supports its employees. Their children and grandchildren are also attended to – this is part of the company's social programme. Hundreds of "the factory's small ones" started their school life carrying backpacks decorated with

the catching red banner "Russia is a Generous Soul". Every year the trade union committee prepares joyful festivities for future first-grade pupils. Since 2011, the tradition has been resumed of organising guided tours around the plant for pupils – the children of the company's employees. While first-grade pupils only visit only candy bar production lines, senior pupils follow the entire chocolate-manufacturing process and also visit the work places of their parents.

Helping disabled people

For some years the plant has been supporting the Samara Region branch of the All-Russian Society of the Disabled. At New Year, Easter, and on Knowledge Day (September 1), hundreds of disabled children are presented with sweets from the Samara Confectionary Plant. In 2013, at the request of the Samara Region branch of

the All-Russia Society of the Disabled, Ekaterina Burtseva, Factory Manager for Corporate Issues, was presented with a Thank-You Letter from the Samara Municipal Duma for her prominent community service.

2013 –Year of Environmental Protection

2013 was declared the year of environmental protection in Russia. The factory's personnel voluntarily committed to contribute to improving the environmental situation in the town. On April 20, 2013, volunteers from the Samara branch, as a part of the All-Town Subbotnik (voluntary Saturday clean-up), carried out an environmental campaign called "Our children have to live here!" They focused their efforts on the "Dubki" recreational park area on Stara-Zagora street. Around one hundred volunteers from Samara's Confectionary Factory "Nestlé Rus-





A way to school start from visiting the Nestlé Russia “sweet” factory in Samara

sia” and the company’s sales office, supported by the administration of the Kirov District of Samara, cleaned up the area in the park and near the lake. During the four-hour campaign, the volunteers, many of whom brought their children along, collected and removed over 320 bags of garbage.

Commenting on the initiative, Jamie Geddes, the director of the Samara’s branch of Nestlé Russia, said: “The factory, like Nestlé as a whole, pays much attention to the impact it makes on the environment: large investments are made in resource saving technologies, efforts are being made to improve working conditions, harmful emissions are annually reduced. This volunteer action is not the last one this year. We are also planning to plant trees and make an alley, which, as the volunteers believe, will become an excellent recreation area for the townsfolk”.

Generosity campaign

The Samara Confectionary Factory is supporting another region-wide promotional campaign called “Generosity”. The organizers of the campaign, which celebrated its 15th anniversary this year, are the Artistic Union Association

of the Samara Region and the Samara Regional Organization of the Russian Union of Journalists. The main purpose of the campaign is, and has been for the last 15 years, finding and encouraging empathic and compassionate people engaged in generous deeds.

During its 15 years, the campaign has awarded prizes to over 300 participants, while the project itself has turned into the region’s symbol, becoming its claim to fame. The campaign’s organising committee has received 177 applications from 8 towns and 15 districts of the Samara Region this year. Regional ministries and authorities, nongovernmental organizations, the media and the region’s inhabitants themselves helped to choose the prize-winners for the campaign’s anniversary year. Nominees were selected for 9 categories: “Fosterage”, “Overcoming”, “Salvation”, “Heroes of Our Times”, “Philanthropist”, “Self-Sacrifice”, “More Than Just an Official”, “Caring About People”, and “The Military”.

The Public Council eventually selected the top 35 nominees. The oldest among the prize-winners, Vladimir Chudaykin, the last Hero of the Soviet Union in the Samara Region, is now

87 years old, while the youngest, Ilya Shpot, is just 9.

The campaign winners are people worthy of admiration. For us they are all role models of courage, self-sacrifice and humanness, while also being just ordinary people like each of us. The organizers and partners of the campaign are absolutely sure that generosity has no limitations in terms of age, gender or social status, it doesn’t favor people of a specific profession, education or place of residence. Each and every one of us is capable of helping people and accomplishing noble deeds. The only thing we need is to open our hearts to light and good.

The Nestlé Russia Confectionary Factory in Samara has been maintaining ties of friendship with the Samara Regional Organization of the Russian Union of Journalists for many years by supporting different contests and campaigns organized by this Union. The “Generosity” campaign is an example of such partnership. This time, as in past years, the winners were presented with boxes of Nestlé’s chocolates manufactured by the “Chocolate” factory and so loved by many generations of Samara residents.

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