Nestlé – Long-standing history

1867
1866
1929
1938
1947
1960s
1970s
1980s
1990s
2000s

Henri Nestlé

Anglo Swiss Condensed Milk Company
Key Nestlé figures 2008

Sales: **CHF 109.9 bn - organic growth 8.3%**

**283'000** employees – present in all countries

Market capitalisation today: **2nd** placed European Co.
**Decentralised – early global presence**

**A long and rich history: often perceived as local**

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Year</th>
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<tbody>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Switzerland:</td>
<td>1866</td>
<td></td>
</tr>
<tr>
<td>UK, Germany:</td>
<td>1872</td>
<td></td>
</tr>
<tr>
<td>Norway:</td>
<td>1898</td>
<td></td>
</tr>
<tr>
<td><strong>Americas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US:</td>
<td>1882</td>
<td></td>
</tr>
<tr>
<td>Brazil:</td>
<td>1920</td>
<td></td>
</tr>
<tr>
<td>Argentina:</td>
<td>1930</td>
<td></td>
</tr>
<tr>
<td>Mexico:</td>
<td>1930</td>
<td></td>
</tr>
<tr>
<td><strong>Asia, Oceania &amp; Africa</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China:</td>
<td>1874</td>
<td></td>
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<tr>
<td>Australia:</td>
<td>1908</td>
<td></td>
</tr>
<tr>
<td>India:</td>
<td>1912</td>
<td></td>
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<tr>
<td>South Africa:</td>
<td>1927</td>
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**Food is local: every day Nestlé sells over a billion products in over 130 Countries**

**Importance of local knowledge and local experience to be close to the consumer**
Nestlé’s Vision, Strategy & Alignment

- Delegation
- Empowerment
- Autonomy
- Flexibility
- Initiative
- Acceleration

OUR PEOPLE:
OUR COMPETITIVE ADVANTAGE
Nestlé’s Principles are **NON-negotiable**

CEO’s task: ensure awareness of and allegiance to our Principles
The HR Business Challenge

- Optimise people **performance** for superior business results.
- Ensure **personalized** people management and increase employee engagement & motivation.
- Create **business environment** respectful of people.
- Have right people in right places at right time over the **long term**.
How HR is managed at Nestlé

HR organisational alignment

Business Partners

Centers of Expertise

Employee Services
Role of HR – Enrol and Recruit

Different requirements for different jobs

Attitude and Aptitude

Nestlé recruits based on competencies, fit and potential

Competency-based recruitment training:
- 700 trainers
- 20,000 hiring managers
Role of HR – Retain and Develop

Focus on both short and long term

<table>
<thead>
<tr>
<th>Purpose</th>
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<tr>
<td>Performance</td>
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<tr>
<td>Development</td>
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### Purpose
- Performance:
  - Alignment objectives
  - Manage high and low performers
- Development:
  - Align expectations
  - Facilitate talent discussions

### Key Elements
- Performance:
  - Objective setting
  - Performance against business objectives
  - Behavior vs. Nestlé Values
- Development:
  - Strengths & development needs
  - Career aspirations
  - Development plans
## Strong commitment to training

<table>
<thead>
<tr>
<th>Training &amp; Development</th>
<th>260'000 employees p/a</th>
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<tr>
<td>Formal classroom and e-learning</td>
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<table>
<thead>
<tr>
<th>London Business School</th>
<th>3'000 employees</th>
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<tbody>
<tr>
<td>Leadership training since 2002</td>
<td>(all corp. key Positions)</td>
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<tr>
<th>IMD</th>
<th>600+</th>
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<tr>
<td>open programs since 2002</td>
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<tr>
<th>Nutrition Quotient roll-out</th>
<th>Initiated 2007</th>
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<tbody>
<tr>
<td>All employees</td>
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Role of HR – Prepare the Future

Sustainable long-term relationships

- Employees with 20+ years service: 30,000
- Average service at retirement: 27 years
- Turnover: Below 5%

Talent pool management

- 1,000 Corporate Key Positions
- 2.2 Successors on average
- 80% of successors come from within talent pool
- 33% of talent pool successors planned for cross-zone moves
2'500 Expatriates originate and are received in 86 different countries.
HR Manager Responsibilities

- Catalysing business through people
- Coaching on people matters
- Custodians of principles
- Service providers
- Ambassadors
Line Manager Responsibilities

- Manage and lead people
- Establish business needs
- Custodians of principles
- Take final decisions on people matters
- Act as mentors and role models
Nestlé CEO – HR Head

- People co-pilot
- Coach
- Sounding board for competition preparation and fitness
People & Nestlé: A winning combination