



Paul Bulcke
CEO Nestlé
6th May 2009

Nestlé – Long-standing history



Henri Nestlé



**Anglo Swiss
Condensed Milk Company**



1867

1866



1938



1960s



1980s



2000s



1929



1947



1970s



1990s



Key Nestlé figures 2008

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

**The world's leading, recognised
and trusted Nutrition, Health and
Wellness Company**

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

Europe

Switzerland:	1866
UK, Germany:	1872
Norway:	1898

Americas

US:	1882
Brazil:	1920
Argentina:	1930
Mexico:	1930

Asia, Oceania & Africa

China:	1874
Australia:	1908
India:	1912
South Africa:	1927

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

Competitive Advantages



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

OUR PEOPLE:
OUR
COMPETITIVE
ADVANTAGE

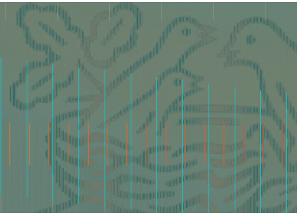
Nestlé People Values & Principles



Nestlé Corporate Business Principles



The Nestlé Management
and Leadership Principles



Code of Business Conduct



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

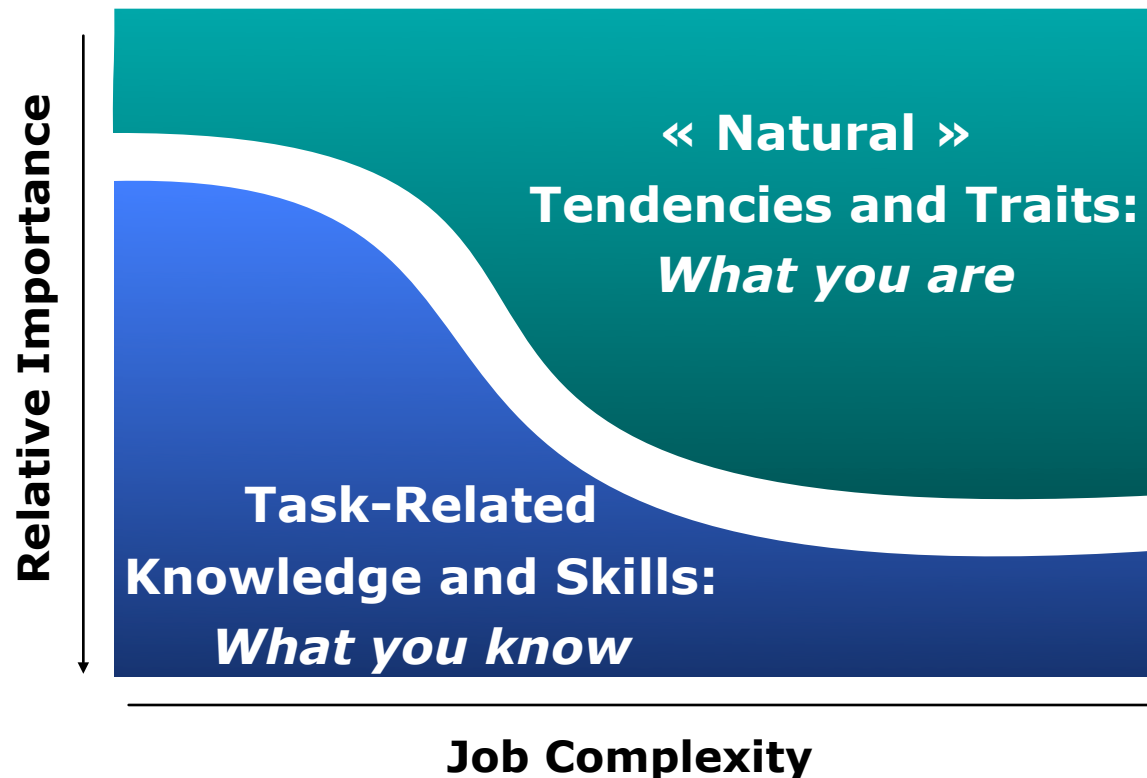
Business Partners

Centers of Expertise

Employee Services

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

Purpose

Performance

Alignment objectives
Manage high and low performers

Development

Align expectations
Facilitate talent discussions

Key Elements

Objective setting
Performance against business objectives
Behavior vs. Nestlé Values

Strengths & development needs
Career aspirations
Development plans

Role of HR – Foster Leadership

Strong commitment to training

Training & Development Formal classroom and e-learning	260'000 employees p/a
London Business School Leadership training since 2002	3'000 employees <i>(all corp. key Positions)</i>
IMD open programs since 2002	600+
Nutrition Quotient roll-out	Initiated 2007 All employees

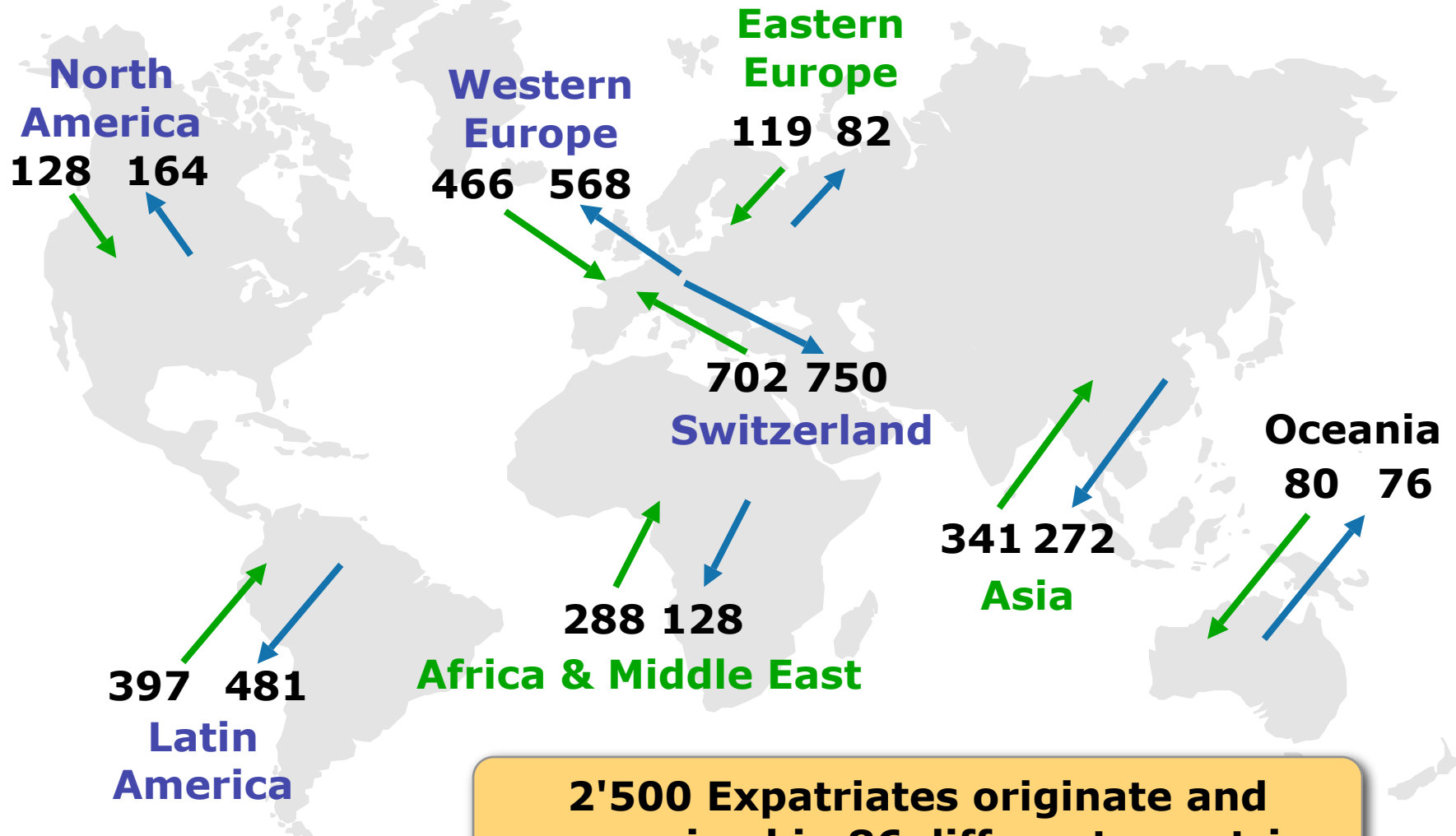
Sustainable long-term relationships

- 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

Role of HR - Manage Cross-Pollination



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

