



A Century of
**Good Food,
Good Life**



Good Food, Good Life

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Foreword



For 100 years, Nestlé South Africa has delivered on its Good Food, Good Life promise to consumers, ensuring continued access to an ever growing range of established and well-loved brands. Through a spirit innovation, the company continues to deliver new and exciting products in response to the evolving needs of it's customers.

By building a solid reputation for quality, nutritious food and beverages, Nestlé South Africa has created a steady increase in demand for it's products. The company understands that customers, consumers and employees choose the Nestlé brand as one they can trust. Consumers can enjoy Nestlé products from early in the morning with a bowl of Nestlé cereal and coffee, to a mid-morning chocolate break, and ending off the day with a comforting hot beverage. The Nestlé brand is a promise that reflects the reliability and trustworthiness of quality products, great service and inspired people.

Nestlé's efforts are aimed at achieving it's corporate ambition of being recognised as the leading Nutrition, Health and Wellness Company while Creating Shared Value in the communities where it operates. The companies core values of diversity, trust, integrity and quality continue to guide its commitment to making a meaningful contribution to the lives of employees, consumers and all it's stakeholders.

Good Food, Good Life

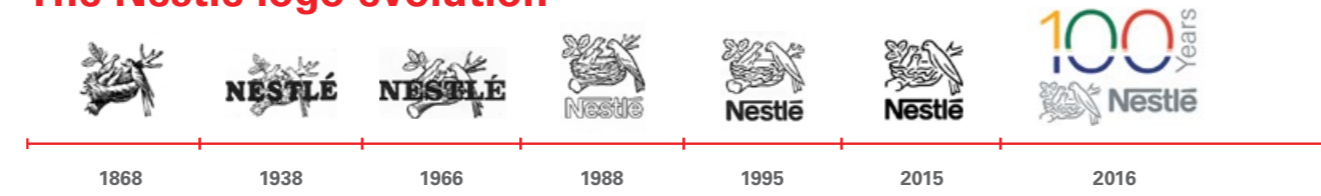


Good Food

The Nestlé Journey over the past 100 years and beyond



The Nestlé logo evolution



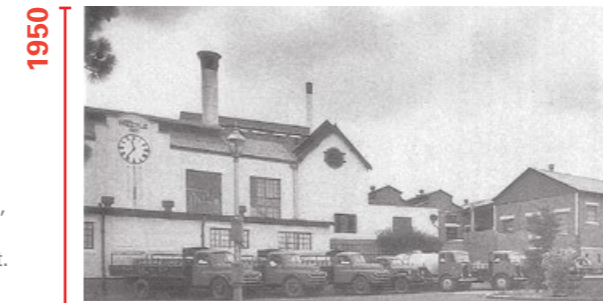
1916 Though the first Nestlé products arrived during the 1870s, the company's presence in South Africa is formally entrenched on 7 July 1916 when it registers as a company.

1928 Nestlé South Africa is operating three factories: Estcourt, Donnybrook and Franklin. Historical records show that these factories manufactured Nestlé's Pure Cream Condensed Milk, Milkmaid Pure Cream Condensed Milk, Ideal Milk, Nestlé Food and Molico Pure Cream Milk Powder.

1932 The Pietermaritzburg factory is established to manufacture chocolates.



1939 Amid the Second World War, LACTOGEN, NESPRAY, MILO, NESCAFÉ, and Nestlé Cream is being manufactured at Estcourt.



Harrismith factory is established and owned by Carnation. In 1985, Nestlé acquires the factory from Carnation and in 1986, Sweetened Condensed Milk, Evaporated Milk and Caramel Treats are produced there. In 1997, the factory starts producing NESPRAY and in 2004, baby food.

1975 Nestlé South Africa launches a Consumer Contact Department with the first telephone answering service in South Africa for consumers.

1985 Nestlé acquires US food giant Carnation.

Did you know?



The East London factory manufactures a number of unique South African products that are not available in any other market. These include BAR-ONE, TEX, Chocolate Log and Peppermint Crisp.

1990 Nestlé announces an equal partnership with General Mills with the formation of "Cereal Partners Worldwide S.A." (CPW) to manufacture and market cereal products.

1993 A 50% partnership with Imperial Cold Storage (Pty) Limited is formed, Dairymaid-Nestlé (Pty) Ltd, and ice-cream, products are developed. Nestlé South Africa (Switzerland) takes over the Borden (Pty) Ltd, the makers of CREMORA and KLIM, from Borden Foods Corporation (Ohio).

1998 Nestlé purchases Borden and establishes Babelegi factory. Babelegi is the only factory in Nestlé South Africa that produces three different products on one site (Cereal, Noodles and CREMORA). The factory produces 15 000 cases of MAGGI 2-Minute Noodles per shift, CPW produces 15 000 cases of Cereals per day and 130 tons of CREMORA per day. Currently, there are 388 employees working at the factory.

Nestlé launches Friskies company.

2001-2003 In January 2002, Nestlé South Africa acquires the remaining 50% shareholding in Dairymaid-Nestlé (Pty) Ltd from Tiger Brands. As a result Dairymaid-Nestlé becomes a wholly owned subsidiary of Nestlé South Africa. The company is renamed Nestlé Ice Cream in early 2003.

By January 2002, Coca-Cola and Nestlé announce their global joint venture partnership, Beverage Partners Worldwide (BPW), is being extended to South Africa. This expansion to the South African market signals the introduction of Nestea Ice Tea, which has helped to grow the ready-to-drink tea category in South Africa.

2005 Harrismith plant is upgraded to a state-of-the-art, high-tech infant formula production factory.

2012 In February, Potchefstroom factory launches the coffee creamer manufacturing plant founded by Specialised Protein Products (SPP) in 1998. In March a Nestlé and Council for Scientific and Industrial Research (CSIR) partnership is signed. In August, two new factories in Babelegi are inaugurated (cereals and noodles).

2014 The main bag filter for the Egron 5 project in Estcourt is shipped from Denmark. This investment, which includes a 3,2 tonne spray-drying plant, is part of the company's commitment to foreign direct investment in South Africa.



2016 In April, Nestlé South Africa officially inaugurates its expanded instant coffee manufacturing plant at Estcourt factory after a R1.2 billion investment toward the plant upgrade
In May, Nestlé announces the sale of our Pet Food/PURINA business to Martin & Martin.

Nestlé's 100 Years of Good Food, Good Life



1927 The Estcourt factory, which is Nestlé South Africa's oldest site, is established. Today, the factory houses approximately 440 employees and is home to the production of MILO, Hot Chocolate, NESQUIK, NESCAFÉ and NESCAFÉ RICOFFY. Estcourt is the only site that has its own Can Manufacturing Department (CMD) and it produces around 57 million cans per year.

1938-1944 Nestlé's newest product, NESCAFÉ, launches worldwide and is manufactured at Estcourt after the first Egron tower is installed in 1939. NESCAFÉ becomes the world's top-selling coffee brand. In South Africa, Ricory follows NESCAFÉ in 1952 and is later renamed RICOFFY in 1971.



1937 Condensed milk and milk powders are manufactured in Standerton.

1948 Bellville Distribution Centre (DC) is established. In 2014, the DC achieved the milestone of 2 million injury-free hours. Currently there are 47 employees and the DC distributes an average of 120 tonnes per day, which is around 2,520 tons per month. The average inbound (receiving) volume per day is five vehicles, which is approximately 140 tonnes per day.

1947 More diversification is introduced when Nestlé merges with Swiss company, Alimantana SA. This signals the birth of the popular MAGGI bouillon cubes and dehydrated soups, which soon becomes a household name.



1958 Mossel Bay factory is opened. It has only one plant running for processing powders and producing cans of NESPRAY in 250g, 500g, 750g and 1.8 kg. In 1990 the Powders processing plant starts producing KLIM in the same quantities, using an average of 75 708.24 litres of milk per day.



1975 Nestlé's head office moves from downtown Johannesburg to Randburg



1996 New Germany DC opens. Today the DC distributes 2 500 tons of Nestlé products per month to customers and Inter-DC's and can import up to 15 different products, which makes it the largest import DC for the country.

1988 Nestlé purchases Rowntree, a UK-based company, which is one of the world's largest chocolate and confectionery companies. This acquisition brings with it the South African company, Wilson-Rowntree. The building in East London, established in 1883, is 133 years old.



2001-2002 Nestlé acquires Pets Products from Tiger Brands and the N'dabeni factory

Nestlé acquires Ralston PURINA Pet Food company.

2000 In July, Nestlé South Africa acquires two local mineral water brands, Valvita and Schoonspruit. Under this agreement, Nestlé also acquires the Valvita and Schoonspruit water sources, and the bottling plant at the Deep Water Estate in Gauteng. Valvita has since been re-launched as Nestlé Pure Life mineral water and is prominent within the retail sector.

2006 Nestlé celebrates 90 years in South Africa. Nestlé's presence in South Africa has resulted in a multi-million rand annual investment due to purchases of milk and other raw materials.

2003 Longmeadow DC is established. Currently, there are 450 employees (including contractors) working at the DC, which operates 18 hours per day in two shifts. In May 2016, the DC achieved a great milestone of 2 million hours without injury.



The ice cream business is sold to UK-based ice cream manufacturer, R&R.

2015 In September, MAGGI launches the limited edition Morogo/Imfino variant as part of a corporate partnership between the government and Nestlé South Africa that started in 2012 to promote biodiversity in South Africa.

In November, Nestlé South Africa is granted a bio-prospecting permit to officially trade in Rooibos during the 2nd Biodiversity Economy Indaba in Durban, KwaZulu-Natal.

2013 In February, Nestlé South Africa sells a portion of its Waters business to Clover through a new entity formed by Nestlé and Clover, called Clover Waters.



Nestlé in Southern Africa

Gauteng

- 1. Babelagi, Non-dairy creamers
- 2. Bryanston, Head office
- 3. Longmeadow, Distribution centre

North West

- 4. Potchefstroom, Cremora

Free State

- 5. Harrismith, Infant nutrition and infant cereal

KwaZulu Natal

- 6. Estcourt, Coffee and beverages
- 7. New Germany, Distribution centre

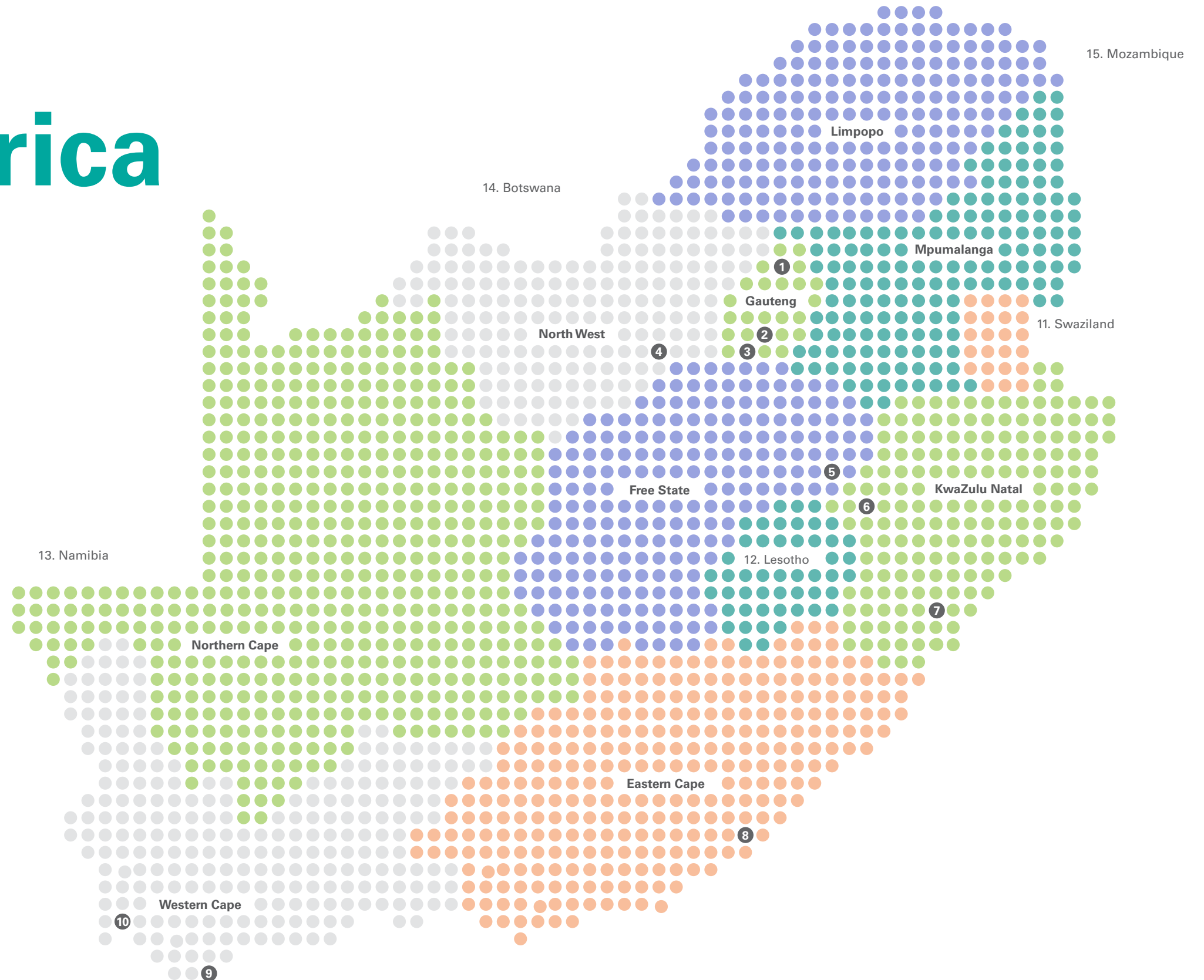
Eastern Cape

- 8. East London, Chocolate

Western Cape

- 9. Mossel Bay, Dairy
- 10. Bellville, Distribution centre

- 11. Swaziland
- 12. Lesotho
- 13. Namibia
- 14. Botswana
- 15. Mozambique



Quality and Safety

“The safety and quality of our products are non-negotiable priorities for us.”

Nestlé’s Quality Management System is a platform that the company uses globally to guarantee food safety, compliance with quality standards and to create value for consumers. Behind every one of Nestlé’s products there is a team of scientists, engineers, nutritionists, designers, regulatory specialists and consumer care representatives dedicated to earn consumers’ trust with safe products of the highest quality. The company has the largest Research and Development (R&D) network of any food company in the world, with 34 R&D facilities (three Science & Research centres and 31 Product Technology Centres and R&D centres worldwide) and over 5,000 people involved in R&D.

In 2011, delegates from the Council for Scientific and Industrial Research (CSIR), Department of Science and Technology and the Technology and Innovation Agency (TIA) visited the Nestlé Research Centre (NCR) in Lausanne, Switzerland. During this visit, Nestlé showcased its R&D capabilities, research programmes and shared its experience in translating academic research into commercial products that have a beneficial impact on the life of consumers. Following the visit, Nestlé South Africa, CSIR and the Agricultural Research Council (ARC) entered into a partnership where the parties undertook to research South Africa’s biodiversity to confirm their health benefits and potential nutraceutical and functional food applications.

This partnership resulted in the development of Nestlé’s MAGGI 2-Minute Noodles with REAL Morogo which were launched in 2015. Morogo (Amaranthus) is an indigenous green leafy vegetable with many nutrients and vitamins.



We
make
Nestlé
trusted

...by never compromising on the safety and quality of our products so that our consumers can enjoy them with their eyes closed.

Brands

Nestlé's product portfolio covers a large range of food and beverage categories which are customised to suit the taste preferences and needs of consumers wherever the company operates in the world.

In South Africa, 95% of the company's products are proudly South African. Some of the country's favourite brands such as RICOFFY, CREMORA and MAGGI Noodles with Real Morogo were manufactured to suit the taste preference of South African consumers.



Cereal Partners Worldwide
Nestlé and General Mills



Proudly
South African for



Consumers

Having been part of the South African lifestyle for 100 years, Nestlé South Africa understands that its customers and consumers choose the company because Nestlé is a brand they can trust.

The Nestlé brand is a promise that reflects the reliability and trustworthiness of the quality of its products and service. Nestlé believes that all foods and beverages can be enjoyable and play an important role in a balanced and healthy diet and lifestyle.

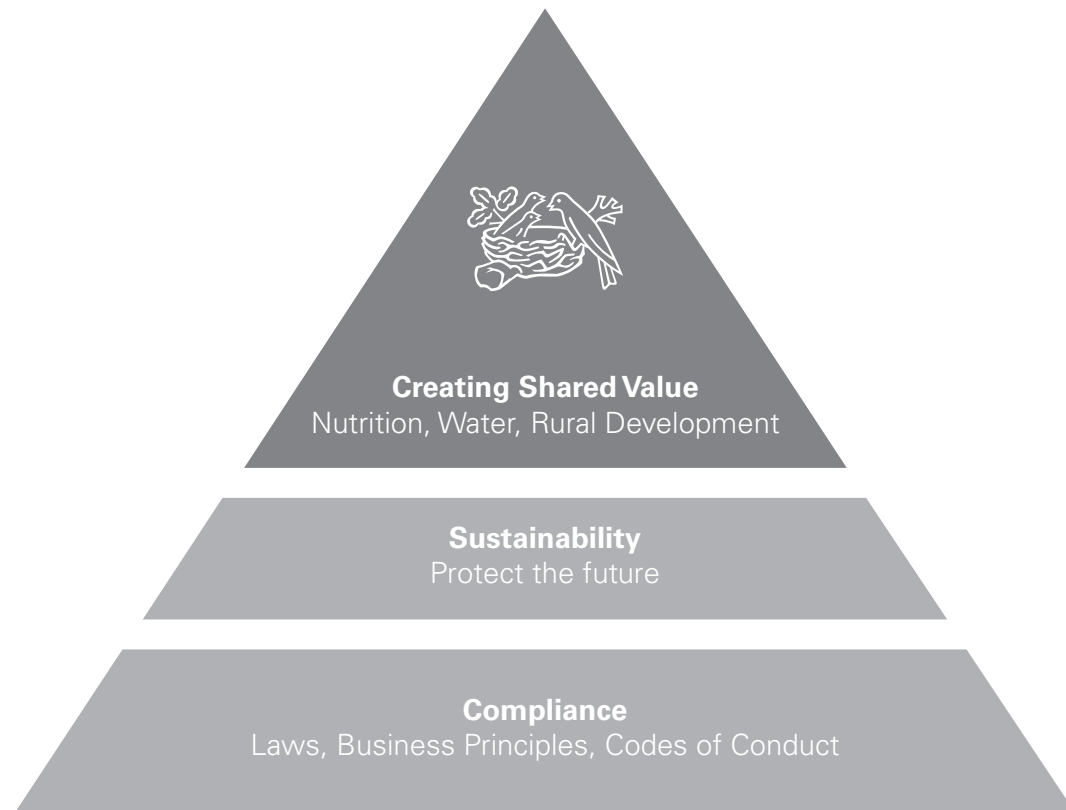




Good Life

Creating Shared Value

Over the years, Nestlé has created value for all its stakeholders including, employees and their families whose quality of life it has enhanced, suppliers whose businesses it has supported, government and communities where it does business.



Over the years, Nestlé has created value for all its stakeholders including employees and their families whose quality of life it has enhanced, suppliers whose businesses it has supported as well as government and communities where it does business.

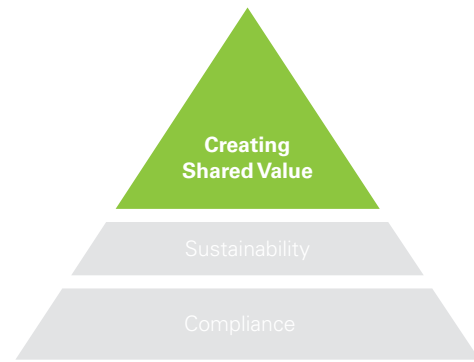
It is the company's belief that it has a duty to operate responsibly and create long-term positive value for society – a business model that the company calls **Creating Shared Value (CSV)**. Nestlé has firmly embedded CSV across all parts of its business.

At the heart of the company's CSV business model is its ambition of becoming the leading Nutrition, Health and Wellness Company. Nestlé takes very seriously its responsibility to work with various stakeholders to educate consumers about the importance of physical activity, balanced diets and providing information about its products.

Nestlé is passionate about protecting scarce natural resources for the future. The company's commitments to environmental and social **sustainability** ensure that it can continue to be part of the long-term solution. Finding better ways to collaborate with various stakeholders and securing collective action is key to addressing society's most critical challenges and maximising the shared value that can be created.

Underpinning the CSV business model is the responsibility the company has to **comply** with the laws and regulations of any country where it has operations. For example, Nestlé signed the World Health Organisations International Code of Marketing of Breast-milk Substitutes (BMS) where it undertook to responsible practices regarding BMS. In South Africa, the company voluntarily signed the Advertising to Children Pledge in and we were one of the first multinational companies who embarked on its transformation journey in the early 2000s.

Flagship Programmes



Nutrition

Nestlé Community Nutrition Programme

The Nestlé Community Nutrition Awards (NCNA) were launched in 1993 to respond directly to hunger and food shortages in South Africa. Through the NCNA Nestlé South Africa aims to address issues of food insecurity and malnutrition by encouraging communities to start their own food gardens. Vegetables and fruits harvested from the gardens are used to create a balanced and nutritious diet for orphaned and vulnerable children in schools and the rest of the produce is sold to the community to raise funds. The competition is premised on a partnership model with provincial Departments of Agriculture who have dedicated extension officers who oversee and monitor the projects. Since 2009 the programme was expanded to include a category that recognises schools and their efforts in curbing poverty and hunger.

Nestlé Healthy Kids Programme

Nestlé Healthy Kids is a global programme, aiming to raise nutrition and health knowledge and promote physical activity among six to twelve year old children, food handlers, teachers and parents. Key to this programme is the promotion of healthy eating habits, the understanding of a balanced diet, and the importance of physical activity as part of a child's daily routine. In South Africa, Nestlé has partnered with the Department of Basic Education (DBE) and is committed to supporting the DBE's efforts on promoting health and well-being by following the DBE's Life Skills Curriculum, which focuses primarily on nutrition and physical activity.

Outdoor gyms

Through its Nutrition, Health and Wellness (NHW) programmes Nestlé South Africa aims to educate consumers about the importance of balanced diets and physical activity. In partnership with Johannesburg City Parks, Nestlé South Africa launched community outdoor gyms in Phiri Park to bring an aspect of health and wellness to communities in 2015. The company also conducts annual community health days where community members consult with registered nurses to check their health indicators (Body Mass Index, waist circumference, blood pressure, blood glucose and cholesterol) and get some tips from fitness experts.



Rural development

Agri BEE

Nestlé contributes to the development of a sustainable dairy industry by facilitating the transformation of emerging black farmers to become commercially viable. The company partnered with the Ministry of Agriculture, Independent Development Trust, and other organisations in this programme to provide institutional support and funding to more than 40 farmers in Harrismith, Free State Province. Nestlé is the biggest milk buyer in that area and the company facilitated the provision of basic facilities such as water supply, electricity and road infrastructure to enable the farmers to compete in the market.

Adopt-A-School

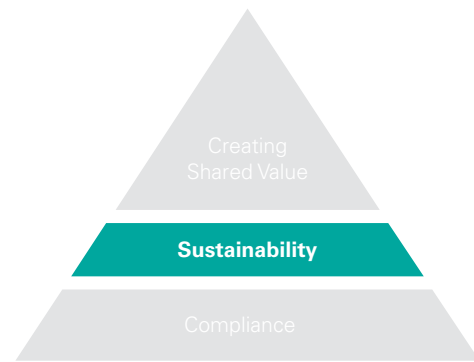
Nestlé's Adopt-A-School Initiative was launched in 2011 as a response to the challenges facing the education system especially in the rural areas. The Programme is therefore a multifaceted approach aimed at building teachers' skills, helping learners to improve numeracy and literacy levels with the end goal of building a pipeline of engineering, food technology and artisan talent for Nestlé in the areas where its factories are located. Nestlé's factories in Estcourt (KwaZulu Natal), Harrismith (Free State) and Mossel Bay (Western Cape) have adopted schools in their areas.

Chicory

Nestlé South Africa partnered with provincial government to encourage local farmers to start growing this crop to generate income and revitalise rural development in the area. Nestlé provides chicory seeds sourced from France, has trained farmers on how to grow the crop and provides on-going mentorship to farmers. The medium to long-term aim is to help create commercially viable farmers and reliable suppliers of quality raw material for its coffee business.



Sustainability



Nestlé South Africa is committed to environmentally sustainable business practices at all stages – making the right choices to protect the future. The company strives to use natural resources efficiently, achieve zero waste and use sustainably managed renewable resources.



Water

Water is essential to Nestlé's operations and responsible water stewardship is critical to the future of the company's business. Nestlé South Africa is working with various stakeholders to help facilitate the sustainable management of water around its factories and where its consumers live. Through its water-saving projects, the company continues to reduce, reuse and recycle water across its business.

Strategic Water Partners' Network

Established in 2011, SWPN is a coordination platform between the South African private sector, government and civil society organisations to jointly find solutions for the country's most threatening water issues.

The SWPN came into being after a request by then South African Minister of Water Affairs (DWA), Mrs Edna Molewa, at the World Economic Forum Annual Meeting (2011) in Davos, Switzerland. Subsequently, the DWA and the Water Resources Group (WRG) launched a DWA-WRG partnership at the World Economic Forum's 2011 Africa Summit in Cape Town. The SWPN has grown into a well-functioning organisation focussing on six thematic areas, and Nestlé chairs the Working Group on Water Use Efficiency and Leakage Reduction. Through its partners, Nestlé was able to develop the No-Drop programme to assist municipalities in assessing and improving its non-revenue water through implementing water conservation and water demand management plans.

Mossel Bay Zero Water Factory

Nestlé South Africa's Mossel Bay factory is next in line to convert from entirely from using municipal water to using water extracted from cow's milk, making it a Zero municipal water intake factory by mid-2017. Once the project is operational, the factory will start using water vapour generated when cow's milk is evaporated. This water is condensed and treated for use as process water and for cooling, heating and cleaning. This process will save up to 250 000 litres of water a day.

Water Saving Initiative in Mossel Bay

In 2012, the town of Mossel Bay in South Africa was experiencing its worst drought in 132 years, with Wolwedans Dam, the town's main water source, at less than 12% full. In supporting the town's efforts to manage the water crisis and ensure efficient water usage, Nestlé South Africa introduced a water saving initiative in line with the company's sustainability strategy. The company reduced its factory's water consumption by more than 50%. In addition, several immediate water-saving measures were introduced, such as shortening automated wash times and modifying hosepipe nozzles to reduce water flow, and employees were also advised on water-saving measures at home.



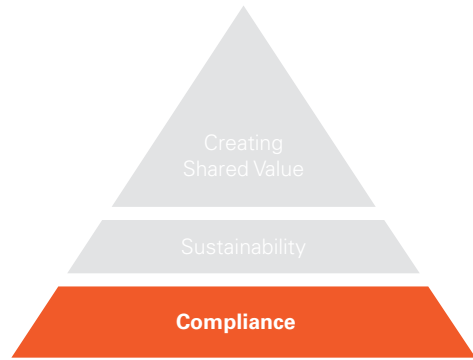
Responsible Sourcing

The Nestlé Cocoa Plan is a global initiative where quality is about much more than just the products. The Plan aims to improve the profitability and sustainability of farms, and advance the social conditions for locals in the regions where Nestlé's cocoa is sourced from. Certification by independent partners - FAIRTRADE and UTZ provide consumers with assurance that Nestlé is using fair and sustainable practices in the sourcing of cocoa.

Nestlé South Africa's KITKAT range of chocolates now bear the Nestlé Cocoa Plan and UTZ logo which confirm that Nestlé is using fair and sustainable practices in the sourcing of cocoa. Through the UTZ programme farmers grow better crops, generate more income and create better opportunities while safeguarding the environment and securing the earth's natural resources, now and in the future.



Transformation Journey



The foundation for Creating Share Value is compliance with the laws of all the countries where Nestlé operates.

As a responsible corporate citizen and a major role player in the South African economy, Nestlé South Africa embarked on an accelerated programme of transformation which included Broad Based Black Economic Empowerment (BBBEE) in 2007.

For the company, this journey is about much more than compliance with the laws of the country; it is a genuine commitment to the transformation of Nestlé South Africa and making a contribution to the transformation of the South African economy broadly.

Nestlé South Africa's BEE objective is to ensure business sustainability and competitiveness that will result in enhanced corporate image, credibility and trust with internal and external stakeholders. The company's BEE Vision is therefore a structured programme of action to transform the company so that it reflects the demographics of the country in all spheres of operations.

As a company Nestlé is proud of the strides it has made in implementing BEE in order to achieve what was intended by the spirit of the Codes of Good Practice.

Nestlé South Africa aims to be a transformed and diverse organisation that reflects the demographics of the country in all the areas of its operations and be a Level 4 Contributor to BEE by 2020. The company will continue supporting this uniquely South African system of social accounting and its intent to remedy imbalances of the past and ensure equal opportunities for all South Africans.



People

Nestlé believes the strength of the company relies on its people and that nothing can be achieved without their full commitment and energy.

In South Africa, Nestlé is home to more than 3500 employees who are based at its operations throughout the country. The company truly believes that its employees are its most important asset and offers them a rich variety of career, training and development opportunities.

Nestlé's people policies revolve around the philosophy of continuous improvement. Training and development is a priority within the group with a view to developing employees who will guarantee that Nestlé remains the strongest and most dynamic food company in the world.

Nestlé South Africa is very proud of the youngsters it has seen emerge as leaders after going through its two year **Graduate Development Programme**. Through this programme, the company develops graduates and exposes them to all spheres of the business to help them gain access to employment opportunities. At the end of the training, the graduates are placed in permanent employ in their respective fields.

As part of Nestlé's commitment to contributing to employment in the country, the company also creates opportunities for interns to receive experiential training in preparation for the job market.





**Here's to
another century
of Good Food,
Good Life!**

To mark Nestlé's 100th year of operations in South Africa, the company would like to thank the many employees – current and past - for their contribution to making Nestlé the sustainable brand that is today.

To the stakeholders – customers, trade partners, various government entities, business associations, institutions of higher learning, Nestlé thanks you.

To the consumers who have made our products part of the South African food basket for generations, Nestlé thanks you.

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