



Nestlé Good food, Good life

# Nestlé India Financial Analyst and Institutional Investor Meet

29th October 2021



# Disclaimers

- **This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which holds only as of the date.**
- **The future involves uncertainties and risks that could cause actual results to differ materially from the current views being expressed.**
- **Potential uncertainties and risks include but are not limited to factors such as changes in general economic, political or market conditions, commodities and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.**
- **Significant disruptions in the operations due to unforeseen events (including as a result of the spread of disease)**
- **Volume and Mix and Organic Growth (OG) are basis Nestlé Internal Reporting Standards.**
- **Figures are regrouped / reclassified to make them comparable.**
- **Calculations are based on non-rounded figures.**
- **'Analytical data' are best estimates to facilitate understanding of business and NOT meant to reconcile reported figures.**
- **Answers to Questions may be given basis generally available information in public domain.**





# Agenda

**15:30 – 16:25**

Business as a  
Force For Good  
by **Suresh  
Narayanan**

**16:25 – 16:55**

Robust  
Fundamentals  
Leveraging  
Efficiencies  
by **David  
McDaniel**

**16:55 – 17:15**

Navaratna in  
Gujarat  
by **Matthias  
Lohner**

**17:15 – 17:40**

Supply Chain  
Resilience  
by **Ashish  
Pande**

**17:40 – 18:30**

Q&A



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# Business As a Force For Good

By Suresh Narayanan



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# Key Takeaways Last Time

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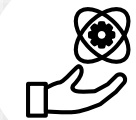
Strong Cost and Efficiency Management



Penetration Led Growth



Investing and Innovating



Competitive advantage through R&D expertise



Brand Salience



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# Rededicating the Progress of a Resilient Organization



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# A Long Association With India



**1912**

Began trading as The Nestlé Anglo-Swiss Condensed Milk Company (Export) Limited

**1959**

Incorporated as Food Specialities Limited

**1961**

First production facility at Moga

**1969**

Listed on Bombay stock Exchange

**1990**

Incorporated as Nestlé India Limited

**2012**

100 years of Nestlé in India

**2021**

9th Factory commences production



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# Committed to Make in India



Moga (1961)



Nanjangud (1989)



Ponda (1995)



Pantnagar (2006)



Choladi (1967)



Samalkha (1992)



Bicholim (1997)



Tahliwal (2012)



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# Our Commitment to 'Make in India' Continues

Our **9<sup>th</sup>** factory in India at Sanand, Gujarat

State of the Art factory- reinforcing our sustainability journey

Digitally the most advanced factory

Over **60%** women workforce at the factory

Part of **INR 26 Billion** investment planned in India over next few years



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# A Range of Products Loved by Consumers



Milk Products  
and Nutrition



Prepared dishes  
& cooking aids



Confectionery



Powdered and  
liquid beverages



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# One of the Largest Listed Pure Play F&B Company in India



**109 Years**

of Providing Safe,  
Quality Nutrition  
in India

**7,700+**

Employees

**150,000+**

Indian Shareholders

**MAGGI, NESCAFÉ,  
KITKAT and  
EVERYDAY**

Few Iconic Brands

**INR 132  
Billion +**

Turnover

**INR 35.3  
Billion**

Contribution to  
exchequer

**INR 1773  
Billion**

Market  
Capitalization

**INR 26  
Billion**

Investment over  
next few years

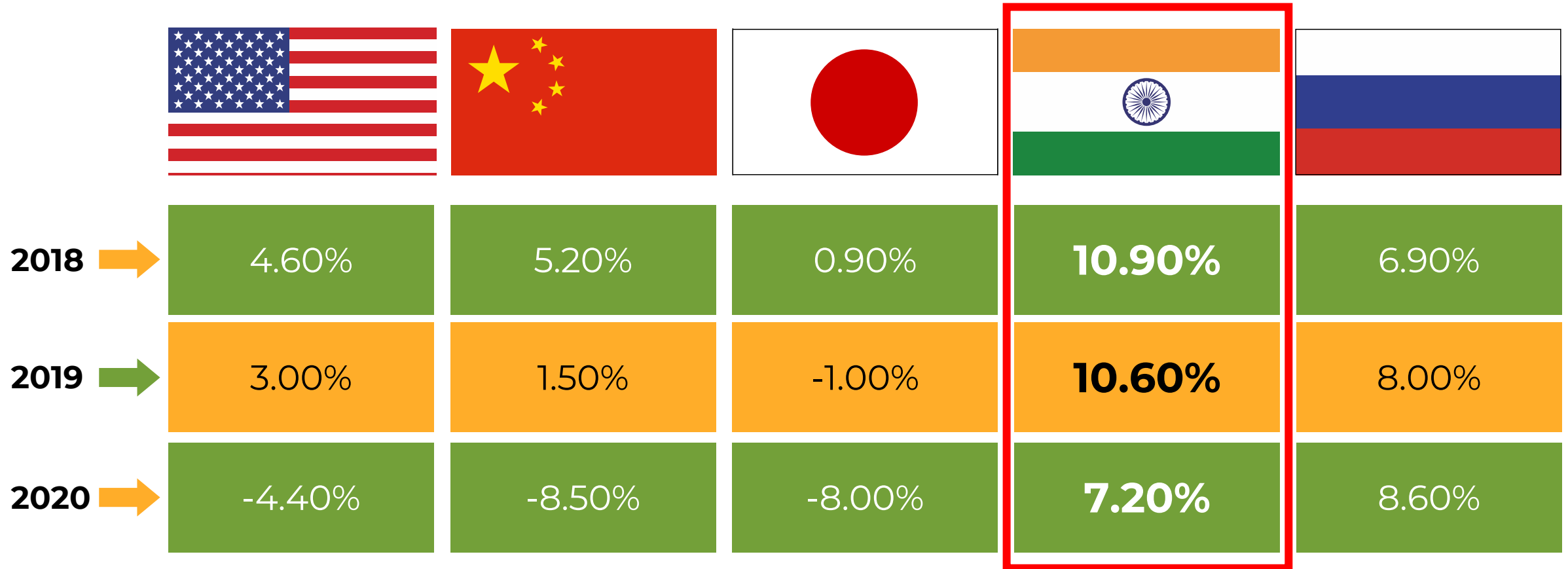
\*Figures as per end 2020



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# India – Amongst The Fastest Growing in the Nestlé World in Last Three Years

## Nestlé Sales Growth



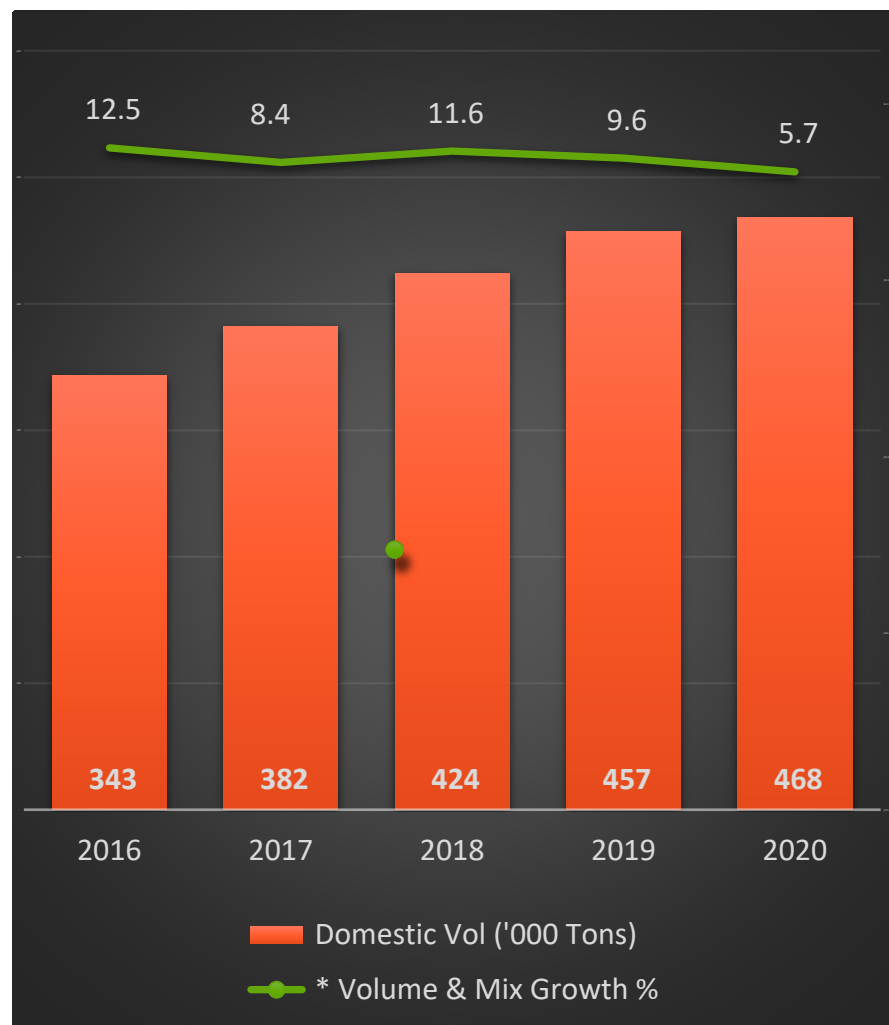
India Growth represents sales growth from all Nestlé brands sold in India  
Year 2020 growth remained impacted due to divestiture of Nestlé Skin Health business



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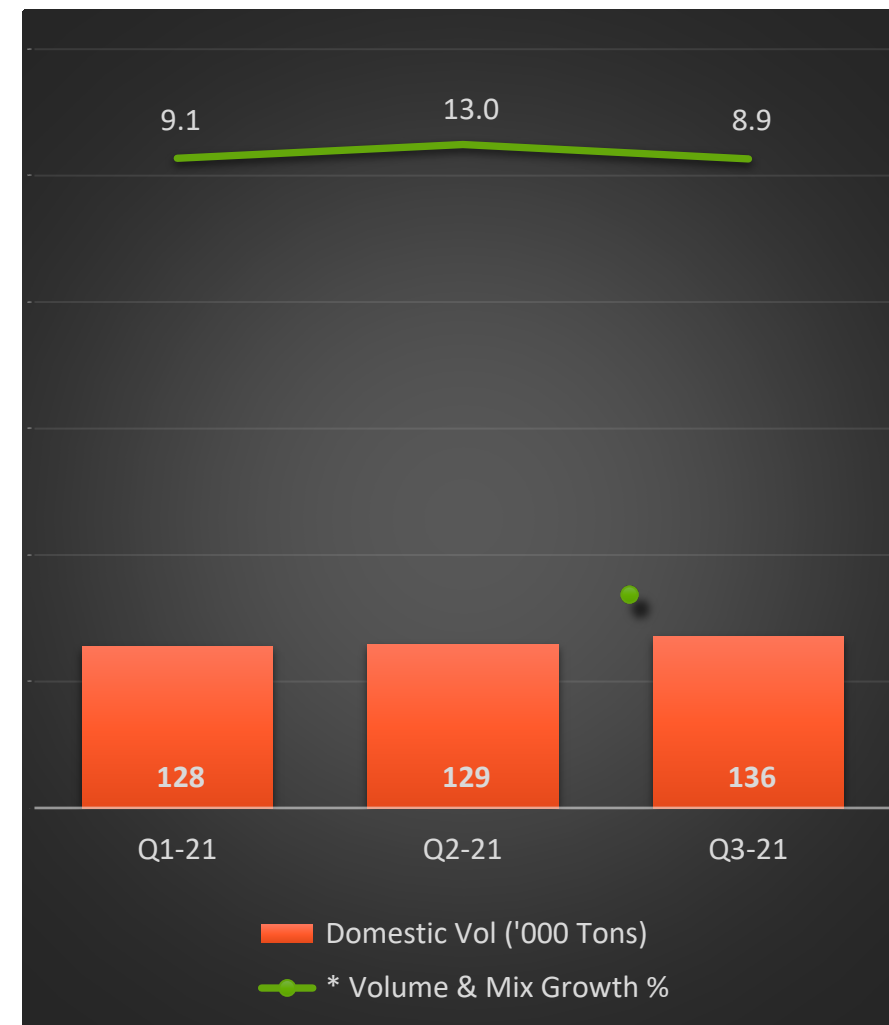
# Volume & Mix Led Growth



CAGR  
2016-20

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**9.3%**

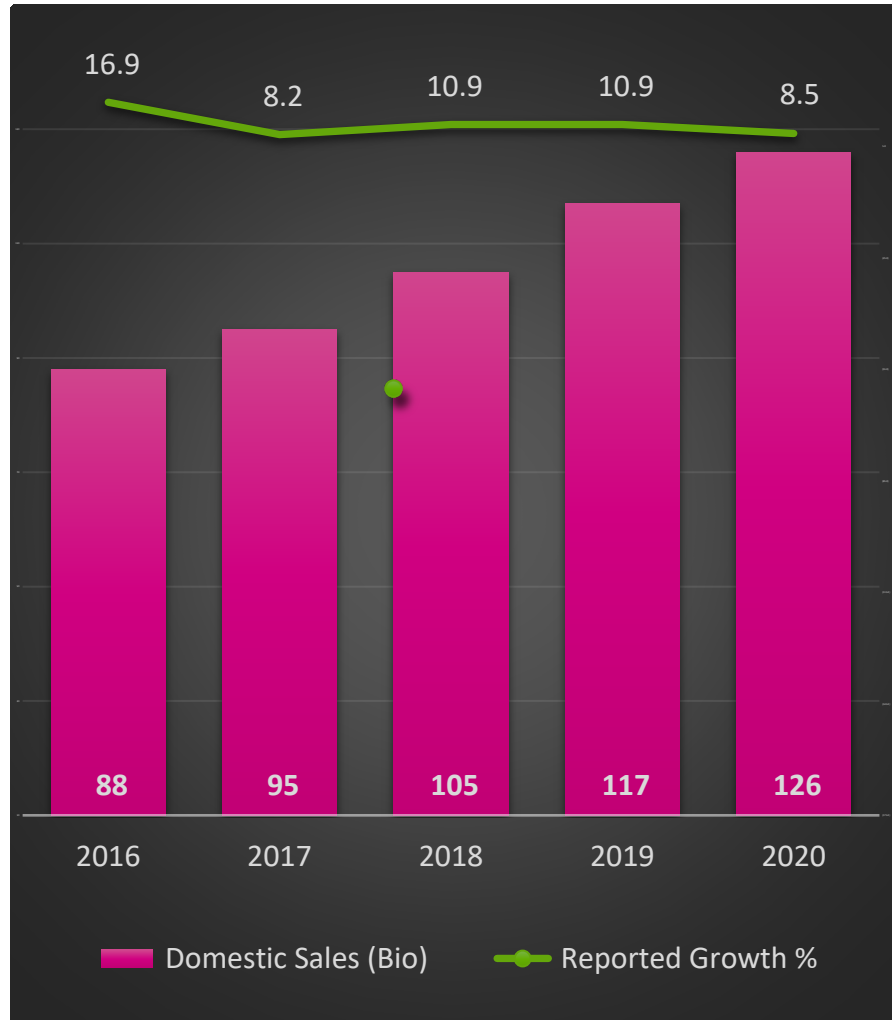


*\* Volume and Mix Growth computed as per Internal reporting standards*

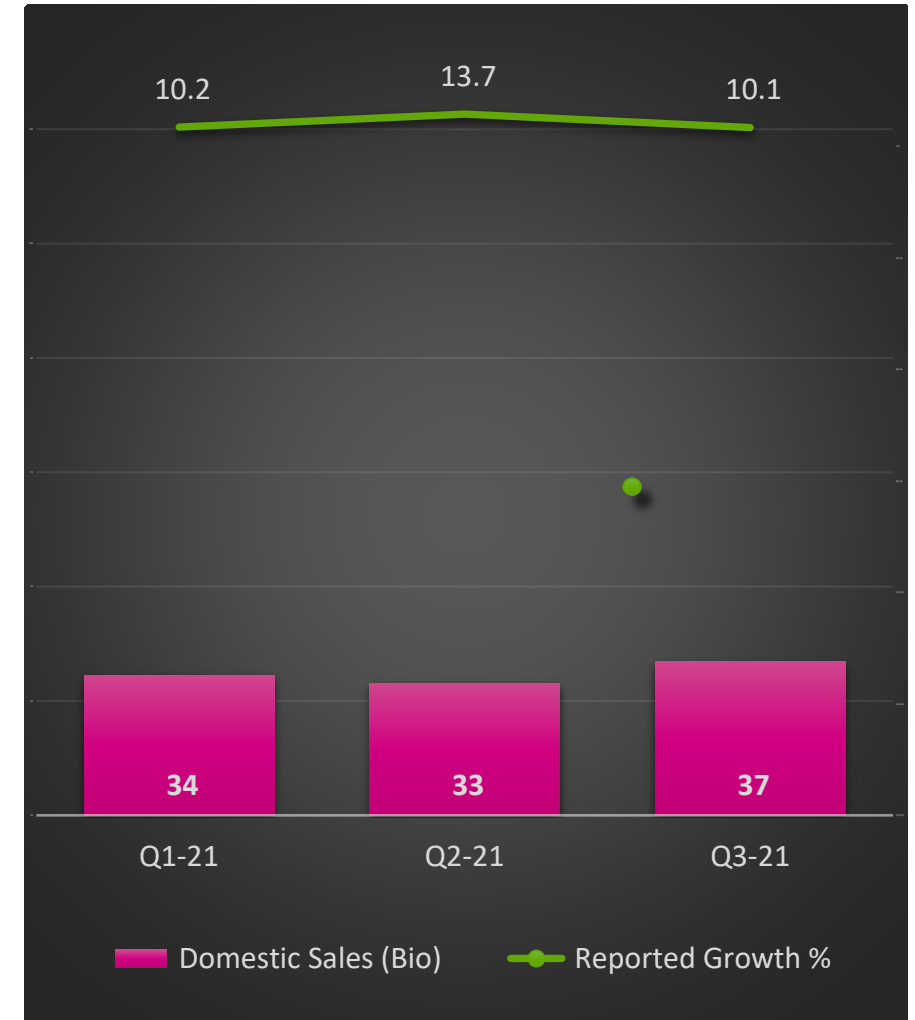


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# Leading to Sustained Domestic Value Growth



CAGR  
2016-20  
**11.0%**

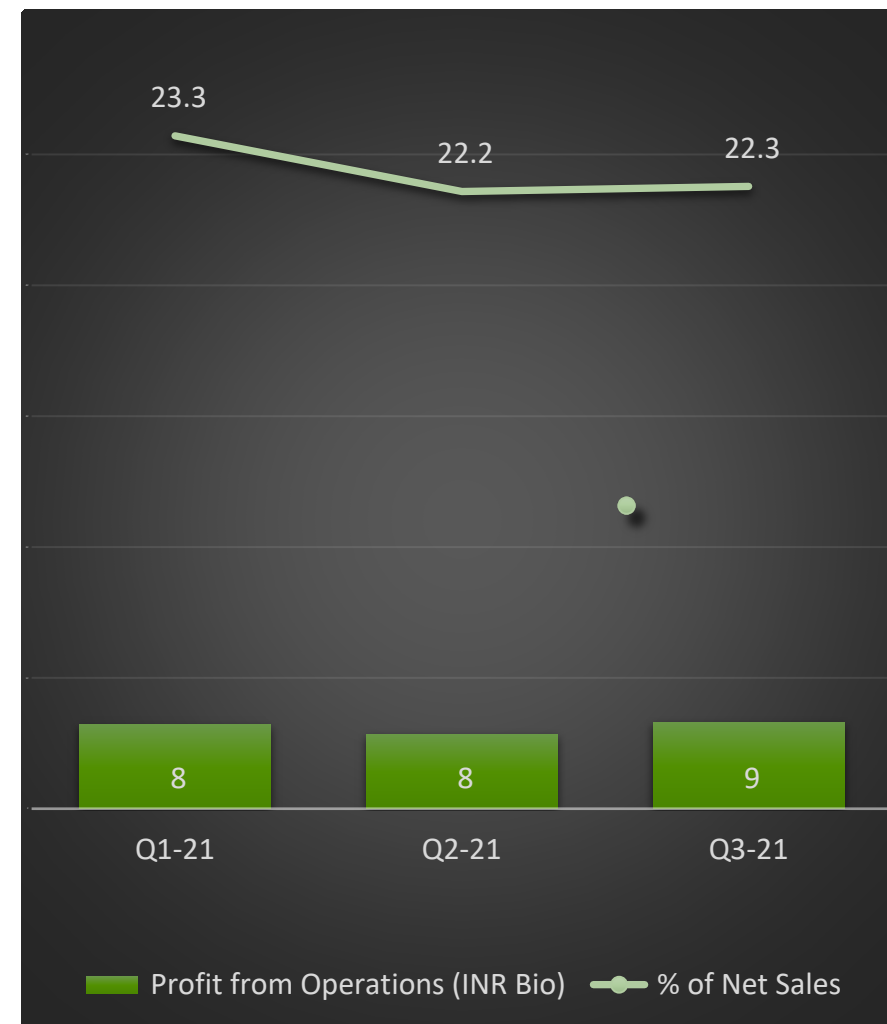


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# Accelerated Profit from Operations



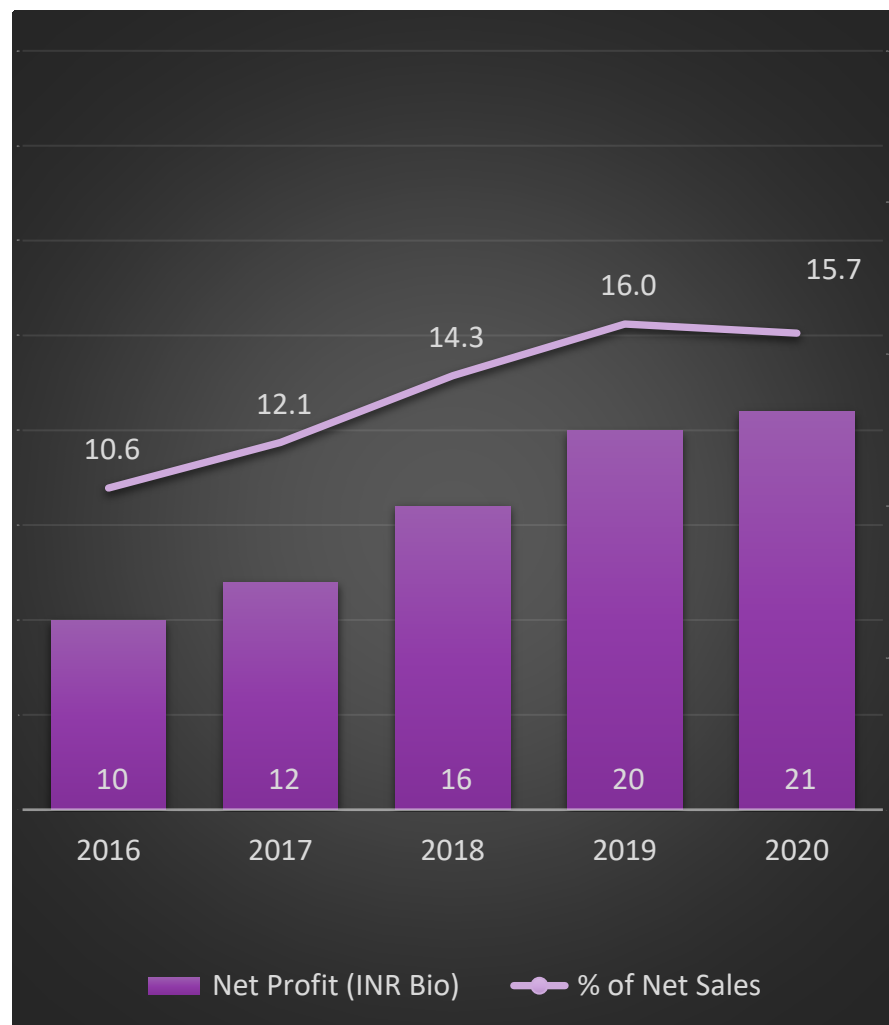
CAGR  
2016-20  
**16.6%**



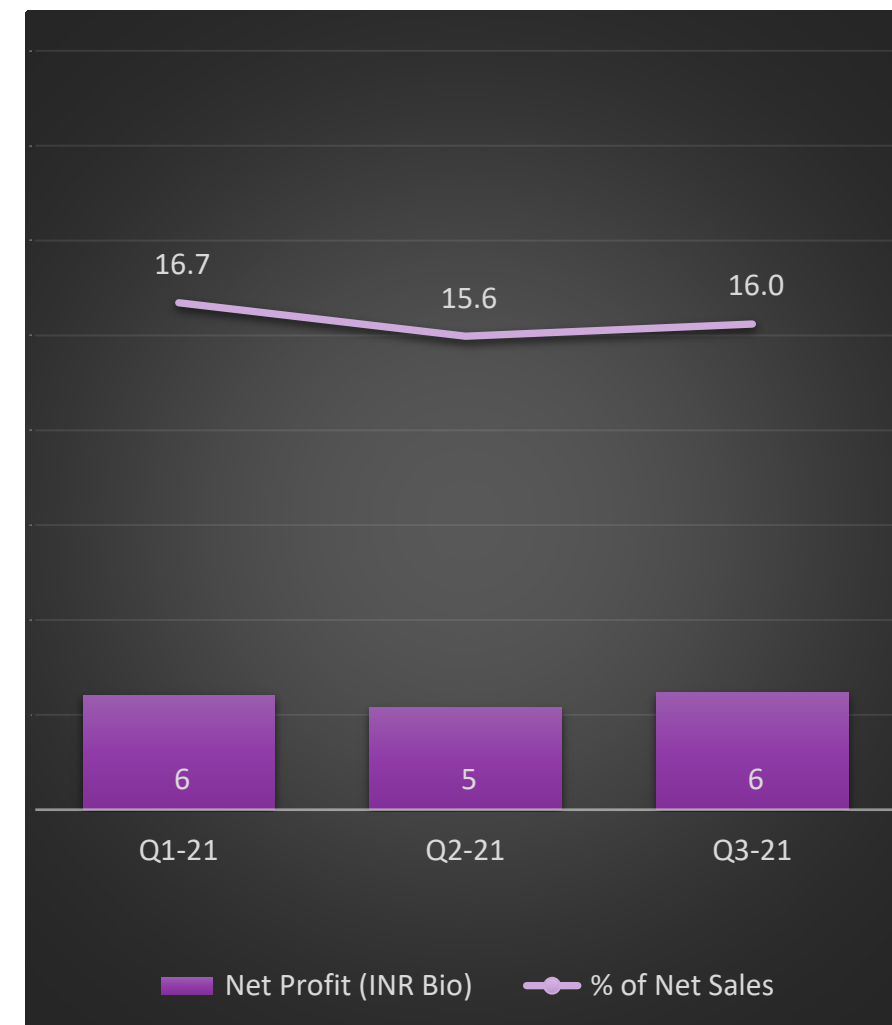
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# And Accelerated Net Profit

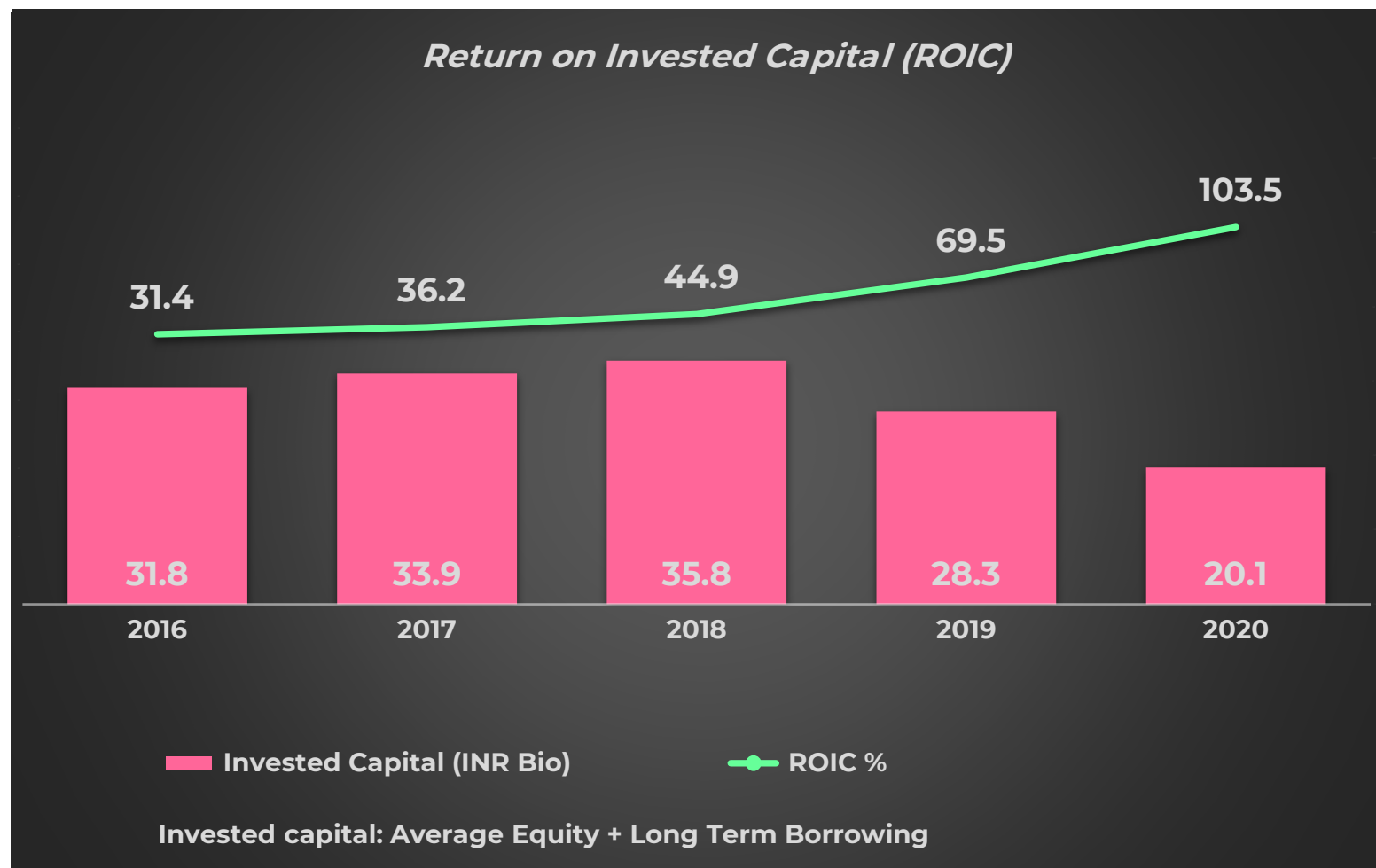


CAGR  
2016-20  
**29.9%**



Impacted by lowering of Marginal Tax Rate from 35% to 25% in 2019

# Extremely Strong Capital Efficiency



CAGR  
2016-20

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**39.2%**



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# Creating Significant Value for Investors Over Time

Total Shareholders Return

**3,597%**

Annualized Return

**19.8%**

## Market Capitalization

Up 36.2 times vs.  
FMCG Benchmark  
Index 15.1 times

**INR 50 Bn**

**2001**

USD 1.1 Bn  
(1 USD= INR 47.2)

**INR  
1,802 Bn**

**2021\***

USD 24.0 Bn  
(1 USD= INR 75.2)

\*As on 25<sup>th</sup> October 2021  
INR Billion is INR 100 crore.  
Source: Bombay Stock Exchange.

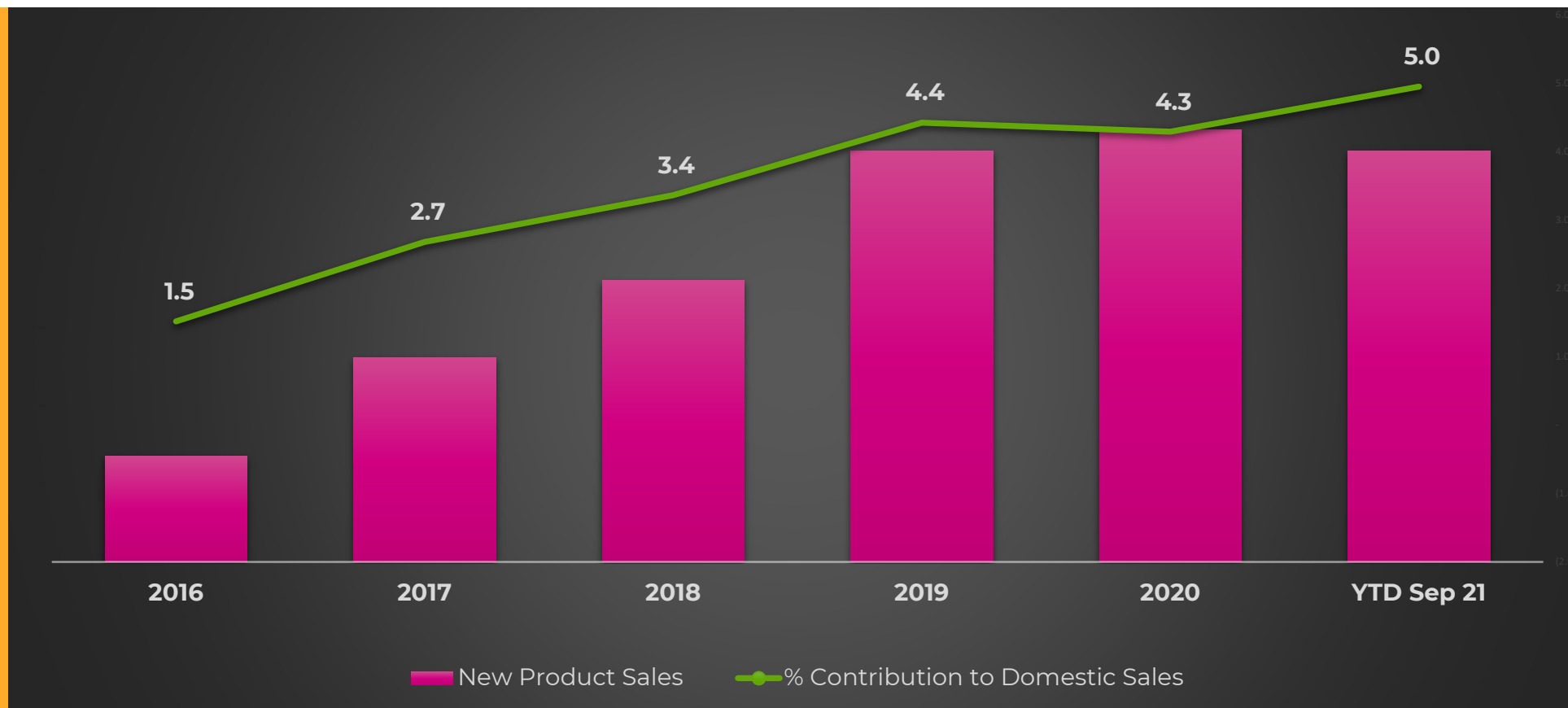


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# A Strong Thrust on Innovation

Over **90**  
new  
products  
in **5**  
**years**

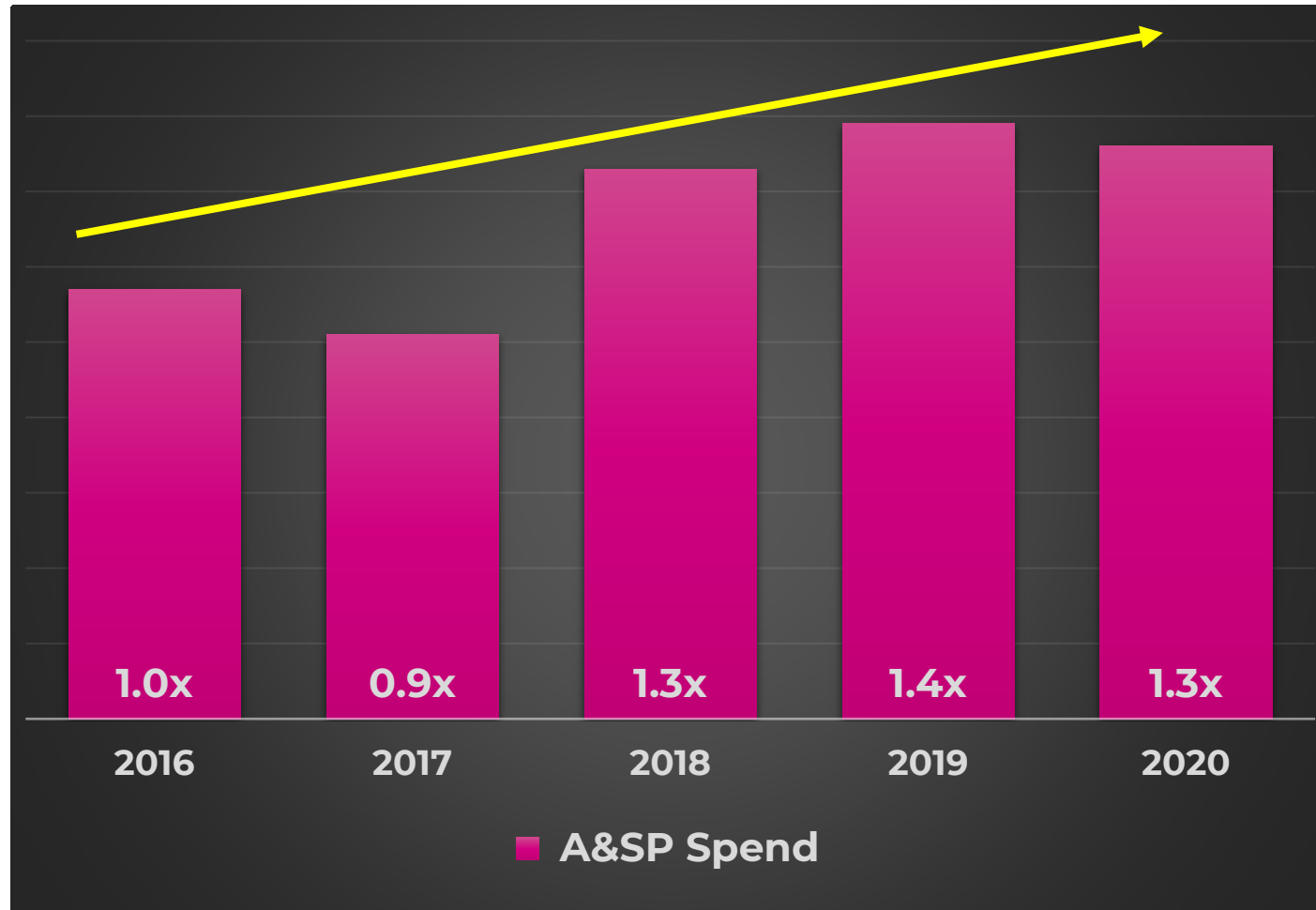


Approx. **10** New Innovation Projects in Pipeline



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# Consistent Media Support to Our Brands



Note: Year values have been indexed taking 2016 as the base

Healthy mix  
between investing  
behind core  
brands and new  
product launches

Improved  
Efficiencies in  
buying media

Targeted communication by  
leveraging consumer clusters

Enhanced digital  
footprint

Investing in brand  
equity vs short  
term promotion

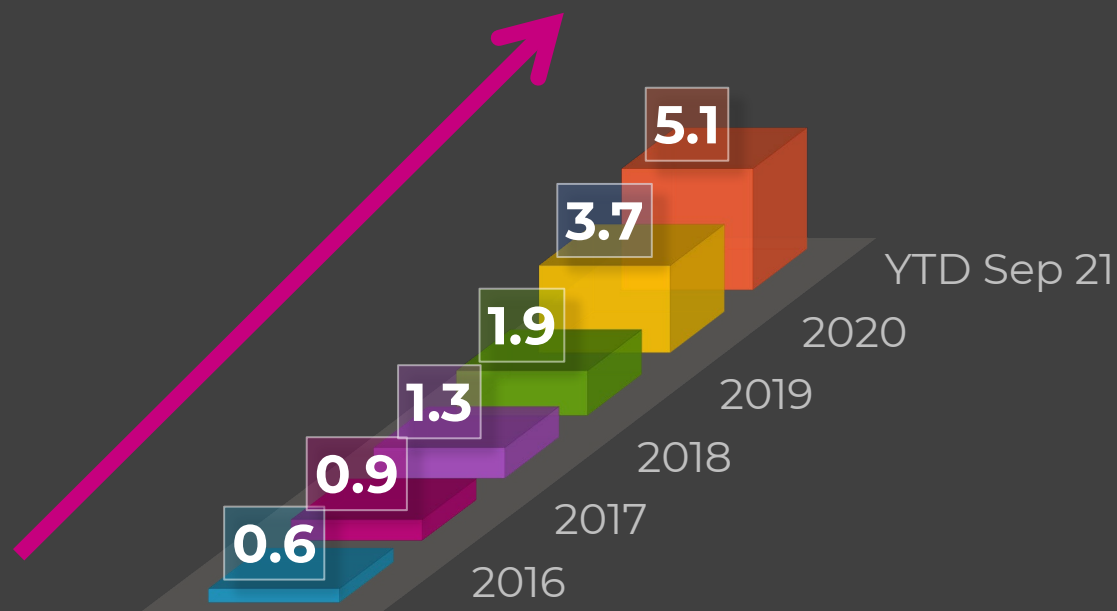


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# Rapidly Accelerating our Footprint – New Channels

## GROWING CONTRIBUTION OF E-COMMERCE TO DOMESTIC SALES

■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ YTD Sep 21



Contribution

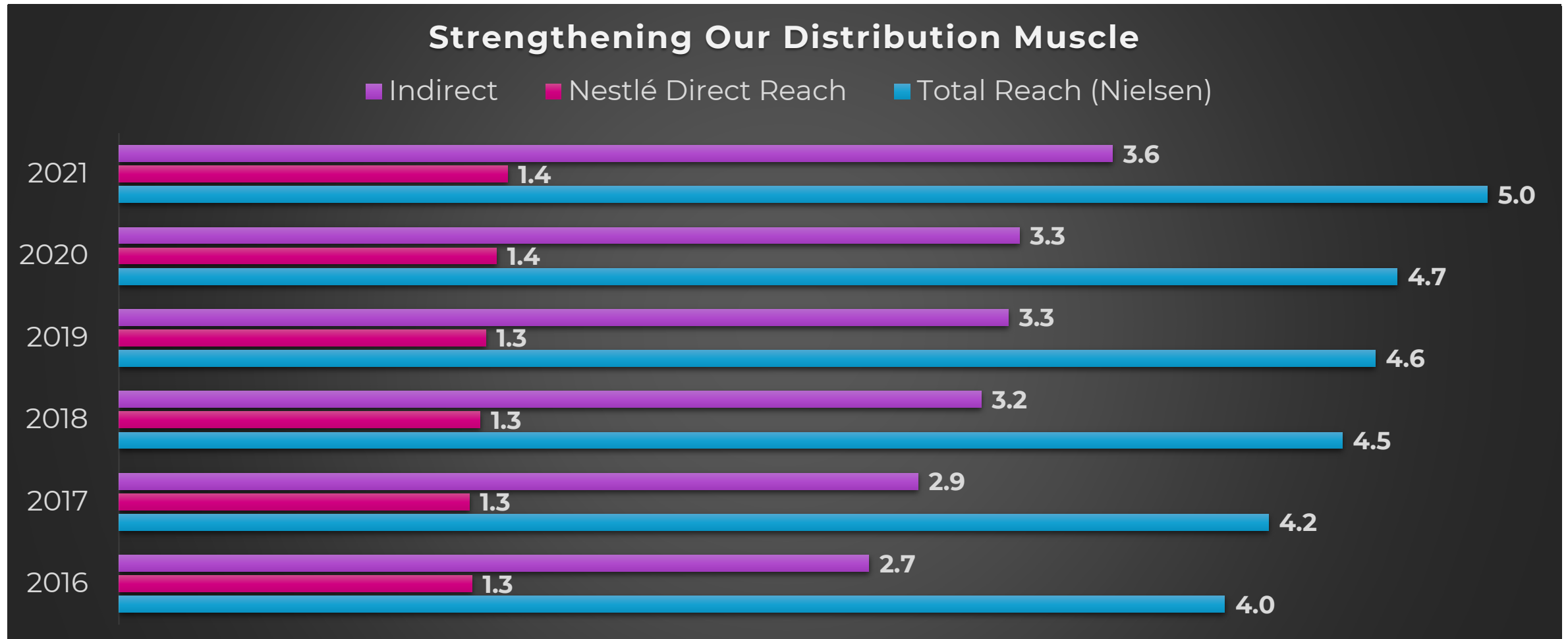
E-Commerce  
grew by  
**65%**



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# Significant Acceleration of Our Route to Market – Overall Reach

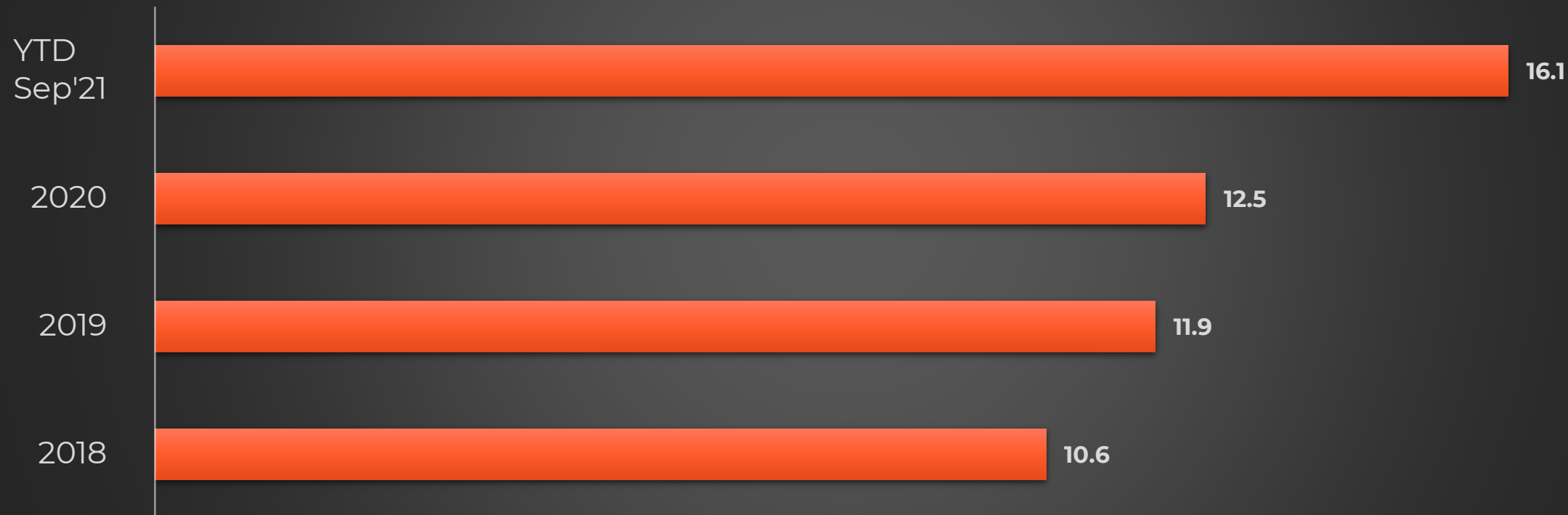


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# RURBAN Is Growing

## RURBAN IN LAST 4 YEARS

■ GROWTH%



\*Before 2019, we did not have Rurban classification, therefore 2018 growth is for Town Class C and D (population below 1 lac)



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# A Journey to further Accelerate Growth in RURBAN

## Customized Portfolio



## Building Infrastructure



## Localized Communication



## Outstanding Visibility

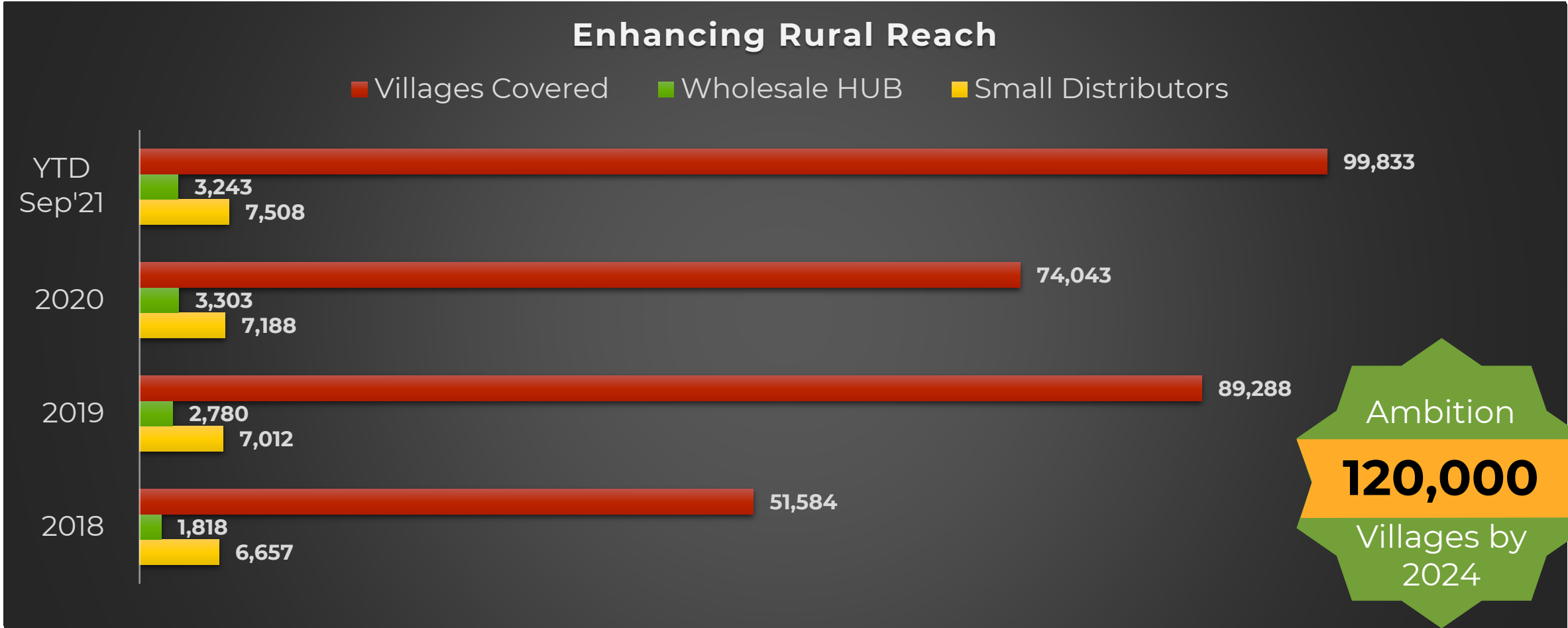


## Building Consumer Connect

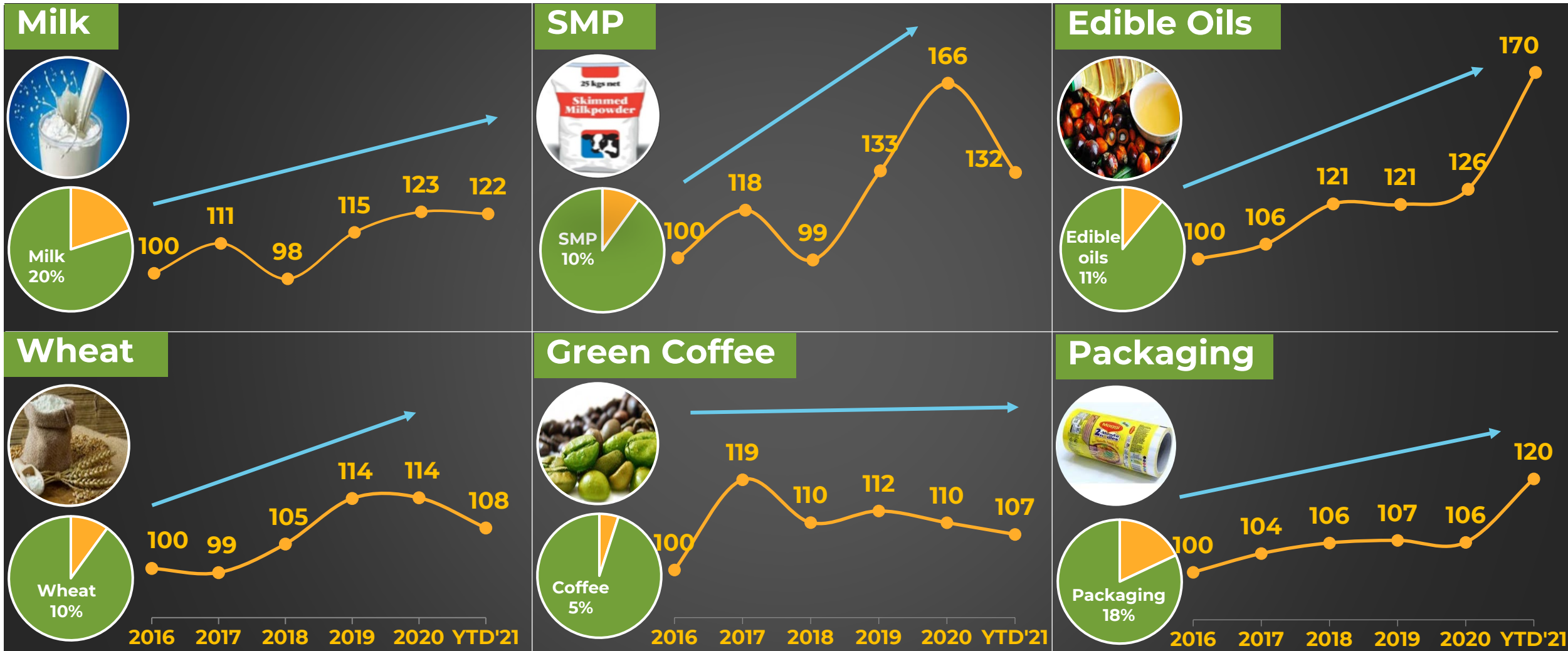




# Grasping the Rural Opportunities

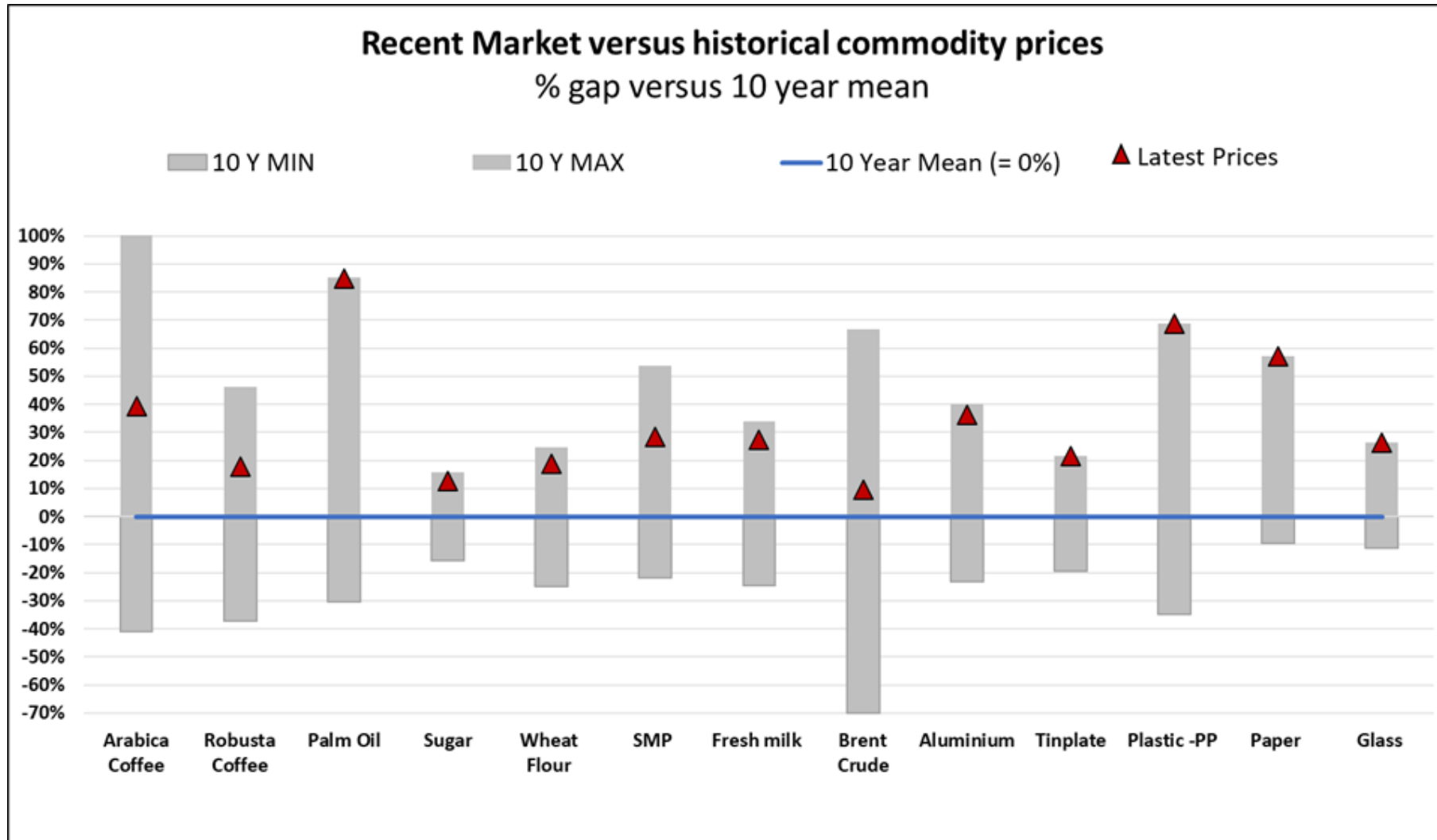


# Navigating Commodity Headwinds



Indexed with base 2016

# Storm Clouds On The Horizon

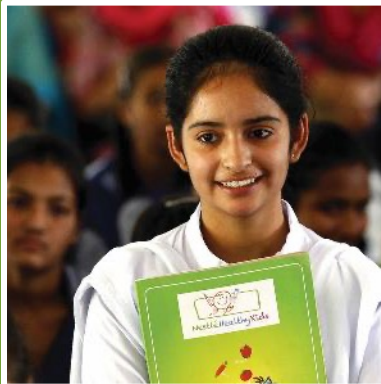


# Business As a Force For Good



ENVIRONMENTAL  
SUSTAINABILITY

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SOCIETAL  
INITIATIVES

---



GOOD  
GOVERNANCE

---



PEOPLE  
INITIATIVES

---



# Environmental Sustainability



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# Pillars



01

CLIMATE

02

PACKAGING

03

WATER

04

SOURCING



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# Climate – Key Priorities



MANUFACTURING



LOGISTICS



FRESH MILK  
PROCUREMENT



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# Manufacturing



Direct ghg emissions  
(tons eq./ton - last 15 years)

**53%**  
reduction

Equivalent emission to  
those generated by

**50,000**  
Cars per day

Energy usage  
(gj/ton – last 15 years)

**48%**  
reduction

Per day  
benefitting

**400,000**  
Households

**100%**  
**RENEWABLE  
ELECTRICITY  
BY 2025**



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# Logistics Re-imagined

A focus on sustainable operations



Initiated Waterways Lanes

2019 0

2021 4

Vehicle Payload Utilization

2019 90.3%

2021 92.5%

Increased usage of bigger size vehicles

2019 5.9%

2021 9.8%

Increased used of Railways

2019 0%

2021 8.2%



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# Packaging & Plastic Waste Management

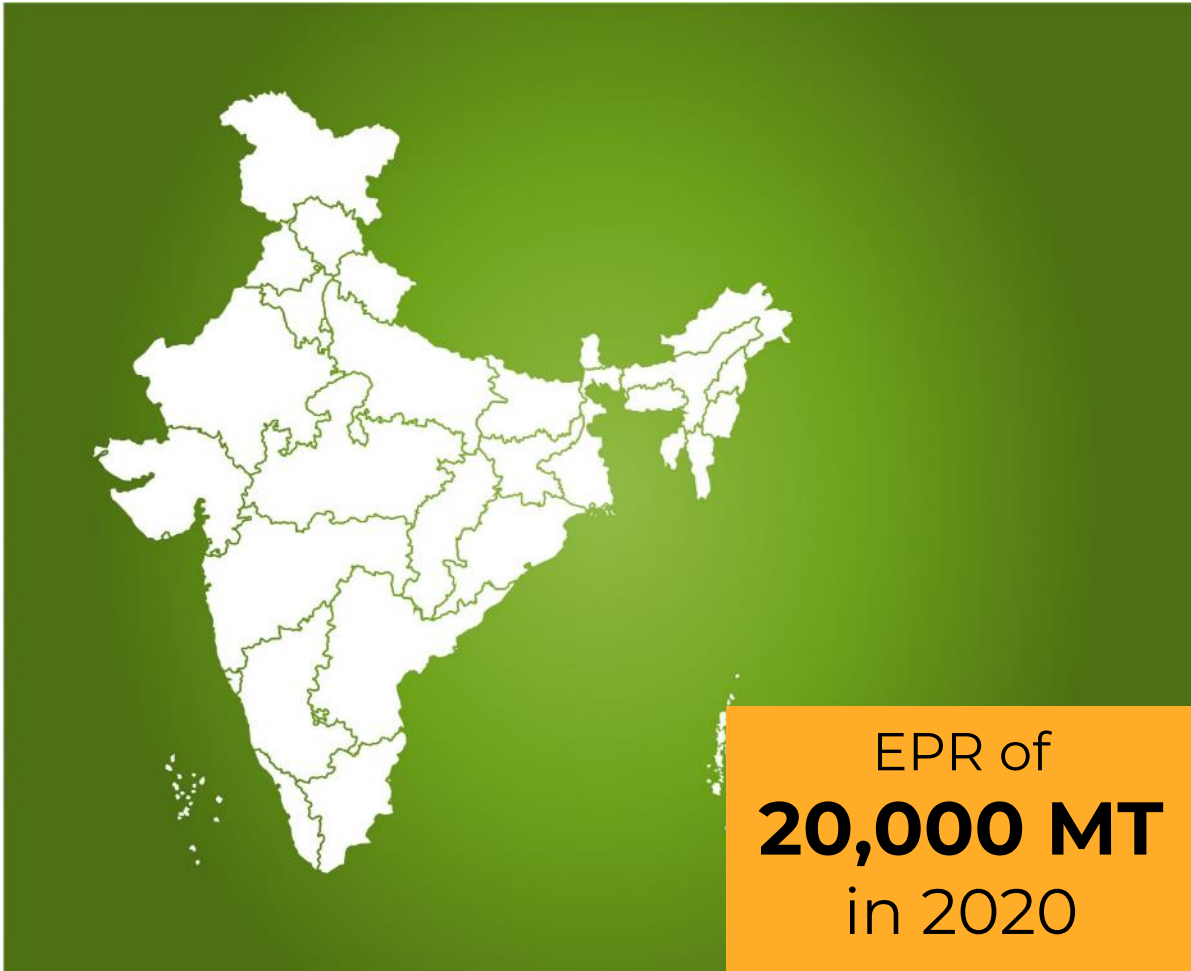
The Drivers for a Better World

**Plastic Neutrality | Packaging Changes | Collaboration | Commitment**



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# Nestlé India Is Now Plastic Neutral



Map not to scale

Plastic Neutrality Across Brands!



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# We are walking the talk

Annually eliminating  
**30 million** plastic  
straws under ready to  
drink portfolio



**Mono material packaging**

Plastic Reduced in our packaging since 2018\*  
**8.6%**

\*includes plastic promo material



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# Hildaari – Collaboration and Awareness



**Establishing Waste Management Systems in Tourist Locations**



Mussoorie



Nainital



Ponda

**Divert Waste from Landfill**

**Waste Worker Professionalization**

**Enabling Digital Monitoring**



Dalhousie



Mahabaleshwar



Munnar



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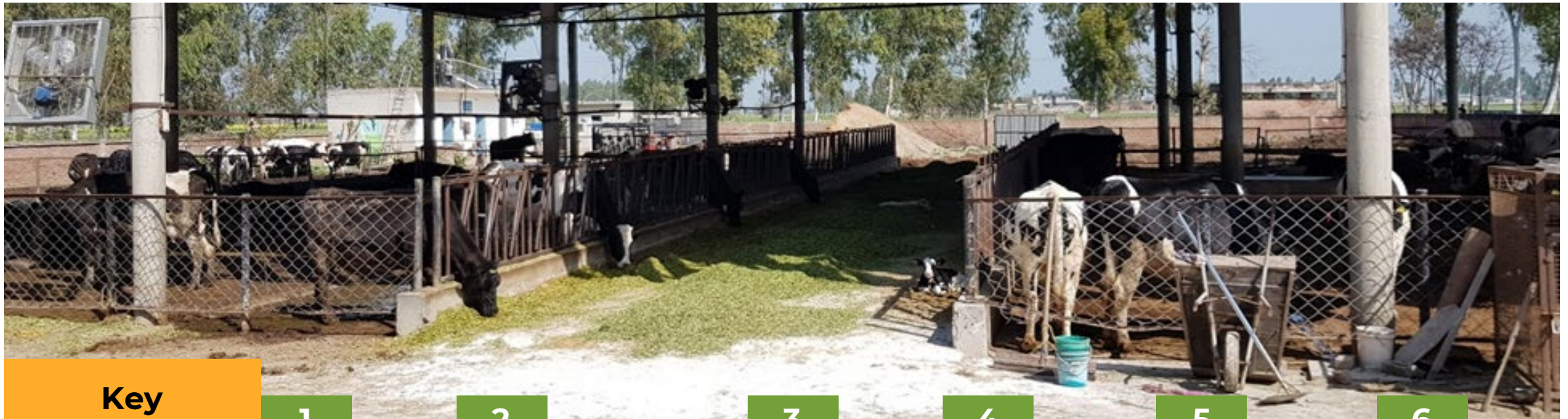
# Our Commitment

**100%** recyclable or  
reusable packaging by **2025.**



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# Fresh Milk Procurement



## Key interventions & Proposed Activities to reduce GHGE

1



### Feed Production

Soil Testing, Tensiometer, Zero Tillage Machine

2



### Enteric Fermentation

Yield Improvement, Mineral Mix., Silage, Green Fodder, Semen, Harvester, Fan, Foggers

3



### Manure Management

Anaerobic Digester  
Manure Separator

4



### Energy & Processing

Solar Energy, Bio-Fuel

5



### Carbon Sequestration

Moringa Plantation

6



### Academic Partnership

Collaboration with knowledge partners



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# Water

**15%**  
Per Tonne

Reducing water use  
of Production per  
tonne from 2018

Per day  
Benefitting

**15,000+**  
Households



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# Responsible Sourcing

Achieve **100% responsible sourced coffee** by 2025



SUSTAINABLE  
COFFEE

Achieve **no deforestation**  
(Palm oil) by 2022



NO DEFORESTATION  
PALM

Achieve **100% cocoa**  
for confectionery by 2025



SUSTAINABLE  
COCOA



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# MAGGI Spice Plan - The Sustainable Sourcing Programme



## Planet

Environmental sustainability of farms



## People

Safe living & working conditions  
Worker conditions and child work



## Profits

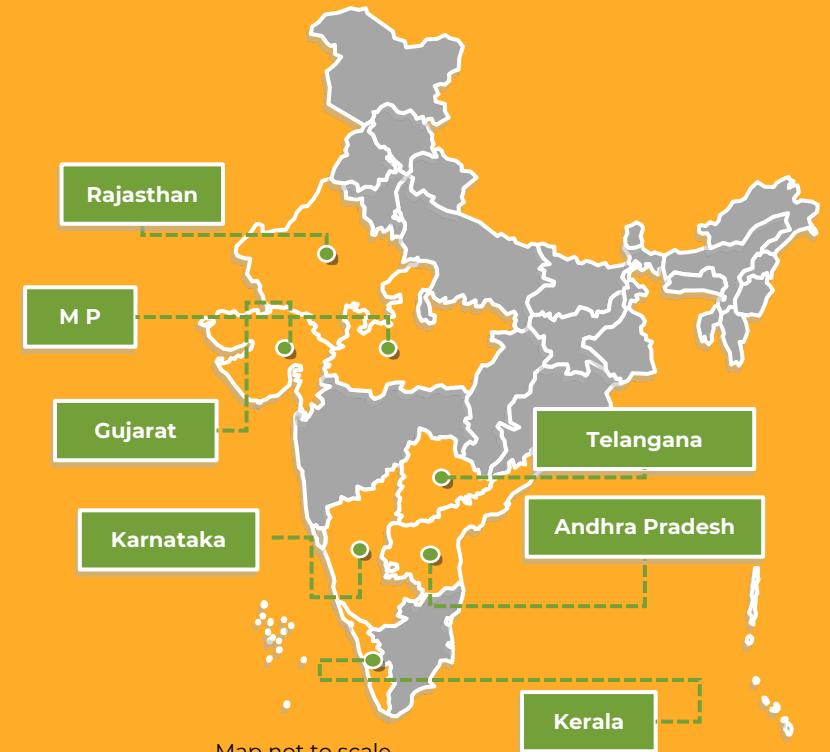
Resilient Livelihoods (farm profitability)

## Responsible Sourcing



## Spice Plan – Traceability

“Touching lives of over **1300** Farmers in 39 Villages across 7 States”



**Spices:** Chilli, Cumin, Coriander, Turmeric



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# MAGGI Spice Plan - Key areas for intervention 2022 - 2025



## Soil Health

Soil testing, incorporation or organic matter, and update of fertilization plans



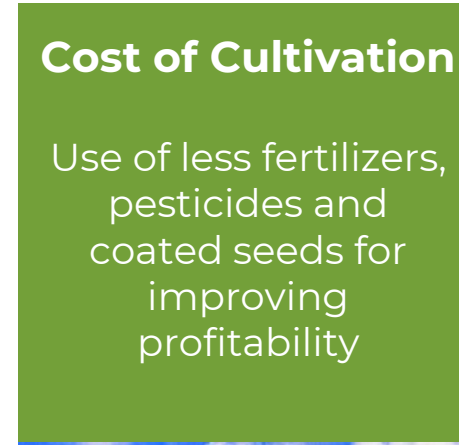
## Water use

Transition to efficient irrigation mechanisms (sprinklers or preferably drip irrigation)



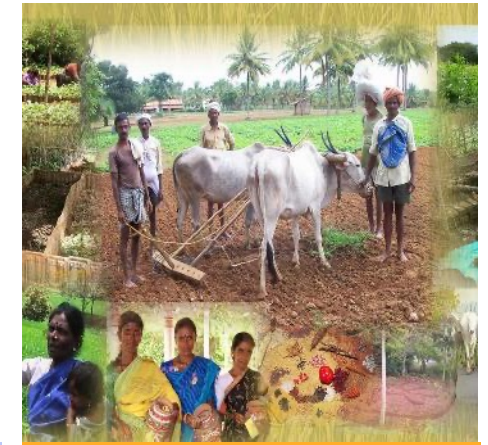
## Pesticide residues

Ensure no pesticides residues on harvested crops



## Cost of Cultivation

Use of less fertilizers, pesticides and coated seeds for improving profitability



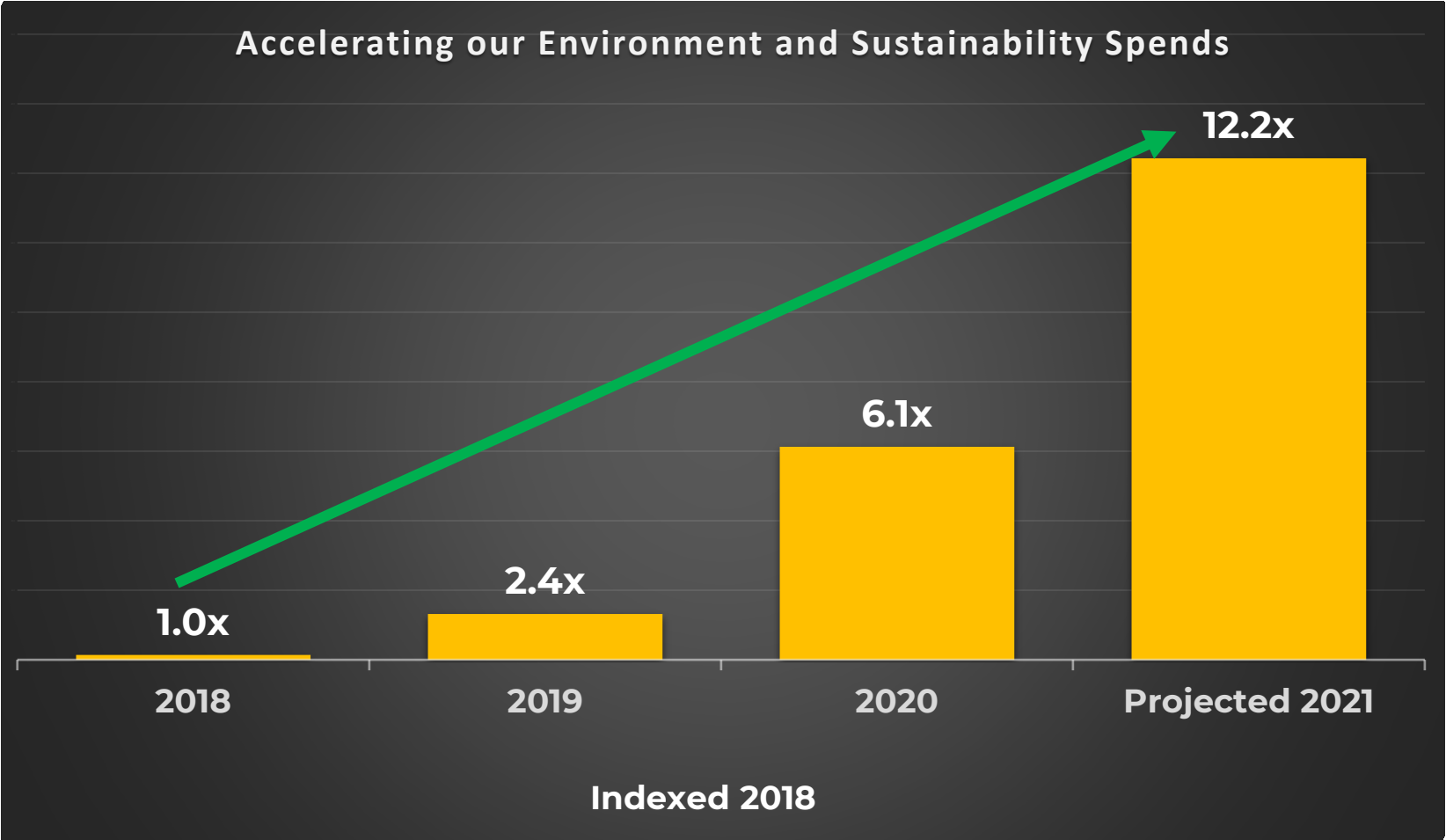
## Biodiversity Enhancements

Incorporation of non-crop trees, hedgerows and buffer strips



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# Putting Money Where our Heart is



# Now Hear From Our Champions



## Video



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# Societal Initiatives



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# Serving Society: Our Focus



Aligned with national priorities and SDGs \*



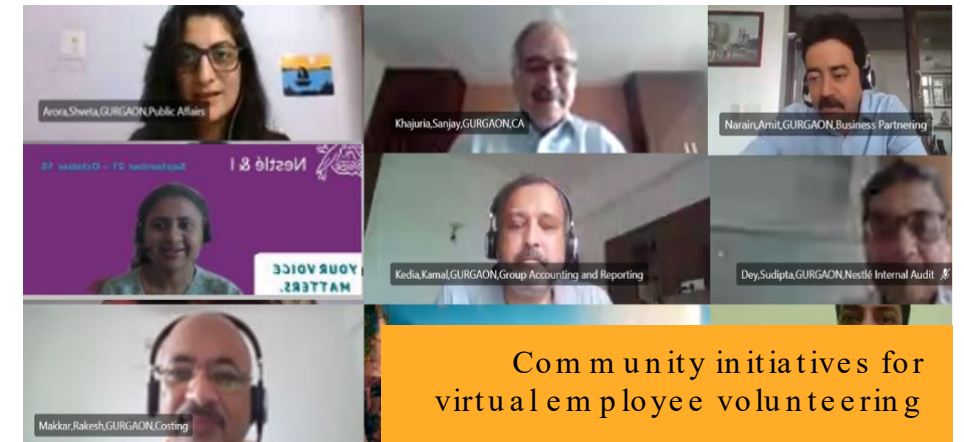
Focus on impact rather than just numbers\*



Providing relief/easing the suffering of vulnerable communities



Embedding sustainability in all our initiatives\*



Community initiatives for virtual employee volunteering

\*Some pictures represent activities taking place pre-pandemic



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# Impact of Key Societal Initiatives

For  
Individuals  
and Families



## Project Jagriti

Encouraging Good Nutrition and Breastfeeding Practices through Community Action

Over **6.5** Million Beneficiaries  
(**2.2** direct and **4.3** indirect)

8 states/UTs



## Healthy Kids Helping Adolescents Live Healthier



Nearly **397,000**  
Adolescents

23 states/UTs



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# Impact of Key Societal Initiatives

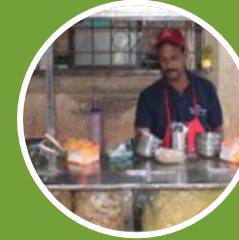
For Our Communities

Creating Access to Clean Drinking Water



Around **150,000** Students

Project Serve Safe Food



**21,800** Street Vendors

Sanitation facilities for girl students



Over **200,000** beneficiaries



**Project Vridhhi**

**1500** people Rohira Village

**1350** people Phase 2 adoption of villages



Water Chamber



School Entrance



Classrooms

**Before Intervention**



**After Intervention**



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# Impact of Key Societal Initiatives

For  
the Planet



Reducing Water use  
in Agriculture  
(near Kabini river basin)

**300** farmers | **180** hectares  
**20%** increase in yield



Creating Awareness about  
Water Conservation

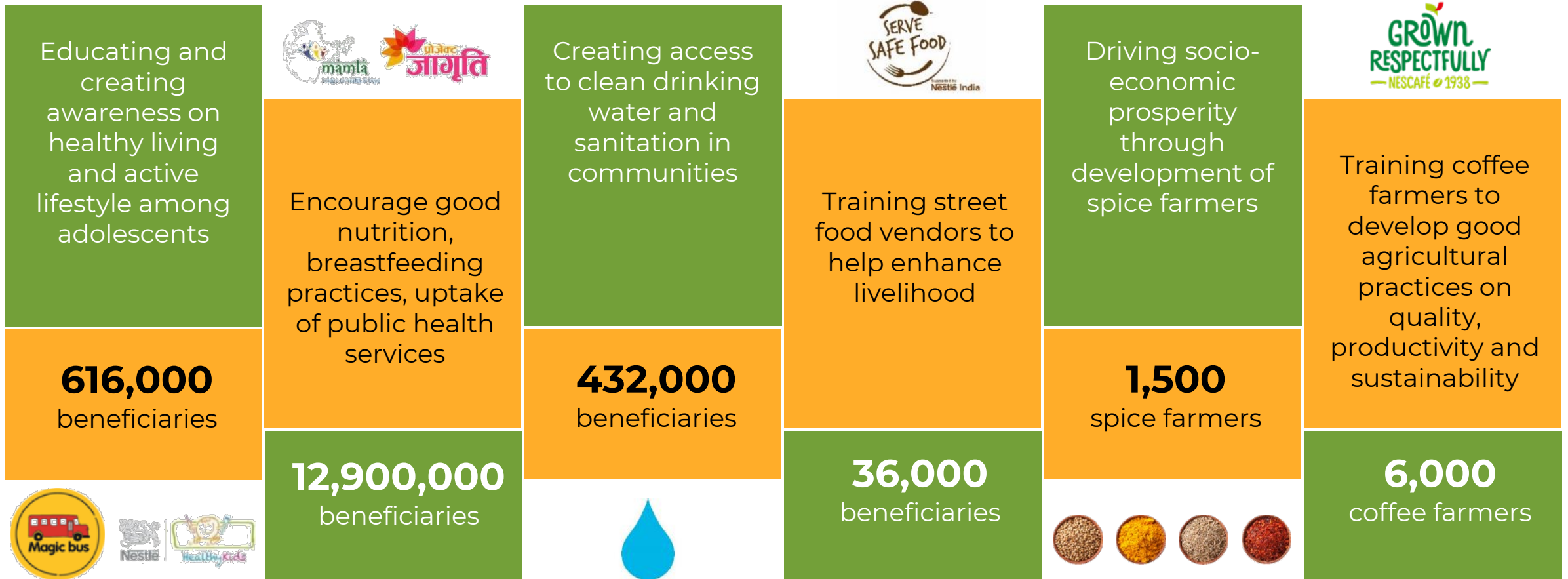
Nearly **120,000**  
students



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# And We Want to Do More...

## Our Ambition by 2024





# Extending Support to Communities During the Pandemic

Touched over  
**1.5 million** people



Continue to support  
Communities: Covid-19  
Relief Efforts

Oxygen Plants near  
5 factory locations

COVID-19 Relief  
Efforts:  
Safeguarding the  
well-being of  
Communities



Providing Dry  
Rations and  
Cooked Meals



# Being the Voice of Purpose – Nanhi Kali Initiative 2016



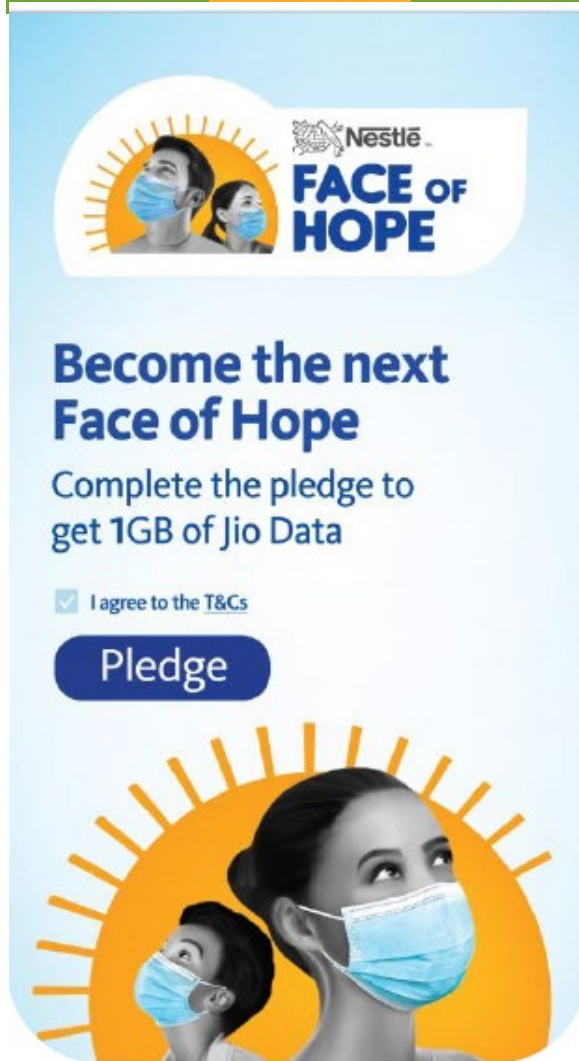
**100 Million  
Packs**



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# Being the Voice of Purpose – The Face of Hope



Aim to reach over  
**250 Million** People

**Over 3 Million**  
Pledges already



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# Good Governance is Good Health

A collage of business-related images. In the top left, a portion of a white keyboard is visible. A silver paperclip is attached to a black object. A smartphone with a black leather case is in the center, displaying a world map and the text 'BUSINESS' NEW NORMAL'. To the right, a white alarm clock is partially visible, with green leaves in the foreground. In the bottom left, a bar chart is shown on a document.

BUSINESS'  
NEW  
NORMAL



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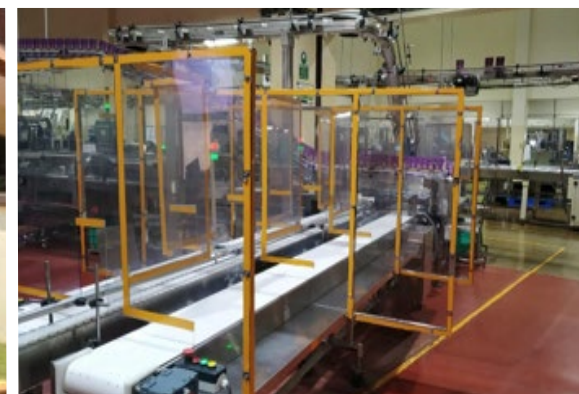
# Workplace Safety During Pandemic

Temperature screening

Hand & Respiratory hygiene

Social distancing

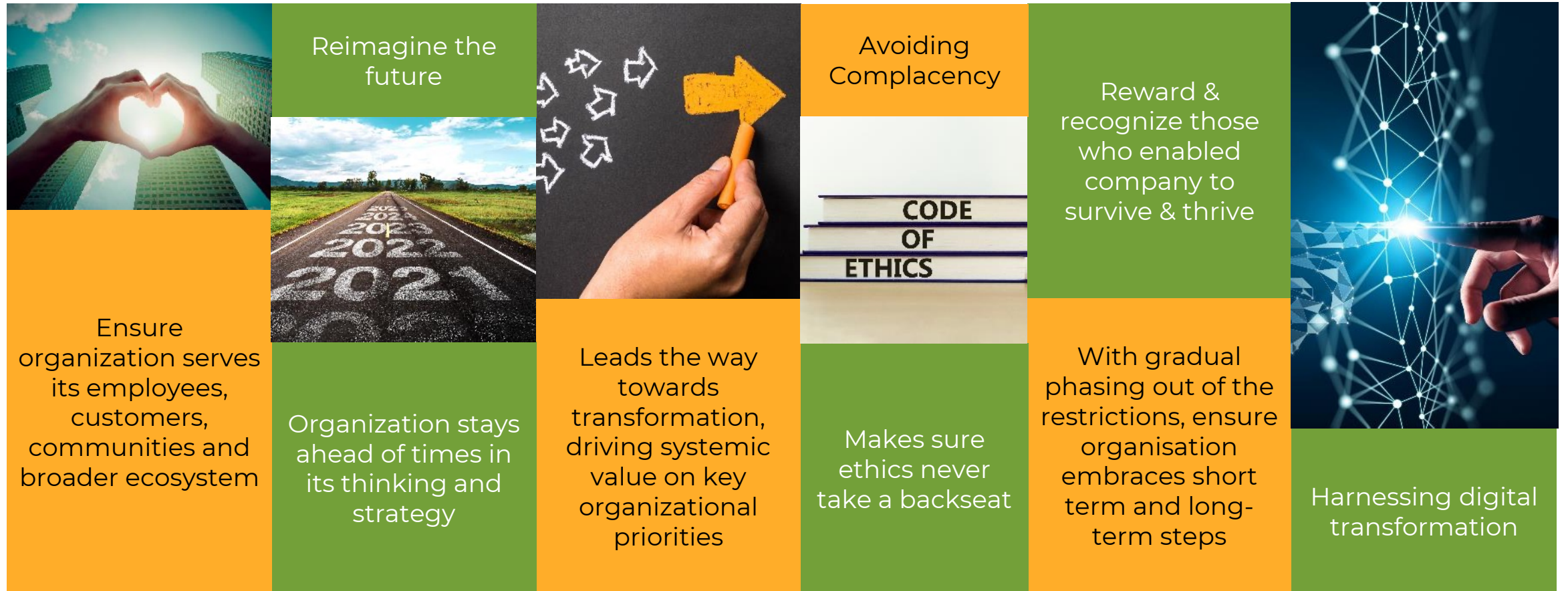
Sanitation of premises



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# Navigating The Pandemic – Critical Support of the Board of Directors





# Our Suppliers, Our Extended Family



## Starting Up

Liaising with Authorities  
for free movement of  
milk tankers



## Ramp Up

Ensuing Continuous & Safe  
supply of milk for  
our consumers

Awareness to all  
Driver Partners

Mask Distribution to drivers



## Supplier Safety

Safety Awareness for our  
Farmers  
and Agent partners



## Extending Financial Support

Early Payments -  
Freight Incentives given



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# Empower and engage our people



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# Unleashing passion, competence and commitment for performance

## Drive Nesternship + Enhance Diverse Hiring



Nesternship: **1000** in 2020 and onboarding **1000** in 2021

Diverse Hiring: Over **40%** of our new hires being women in the last 2 years

## Inculcate Self Learning

Henri Nestle Scholarship:  
**Over 160 employees** given scholarships of **INR 50,000** per person to pursue course of choice

Executive General Management Program: **50 employees** given a fully funded 1.5 years PG Diploma opportunity

iLearn: Learning Management System with over **1000+** courses



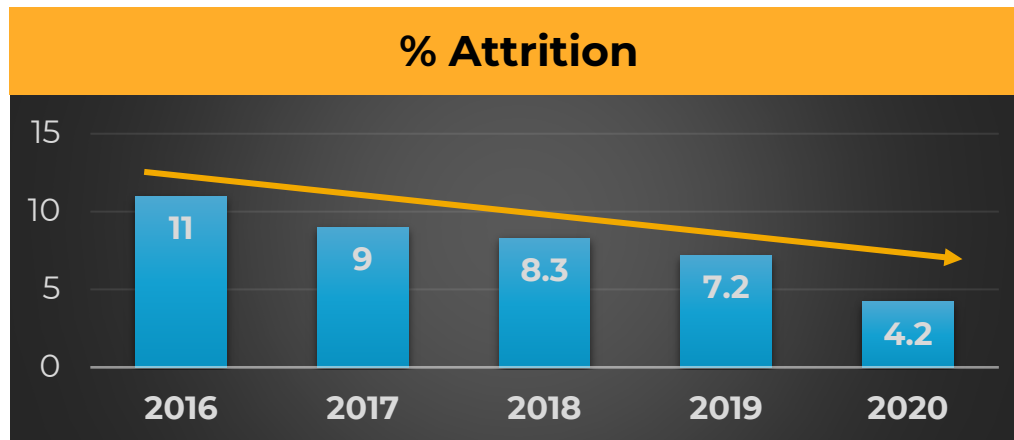
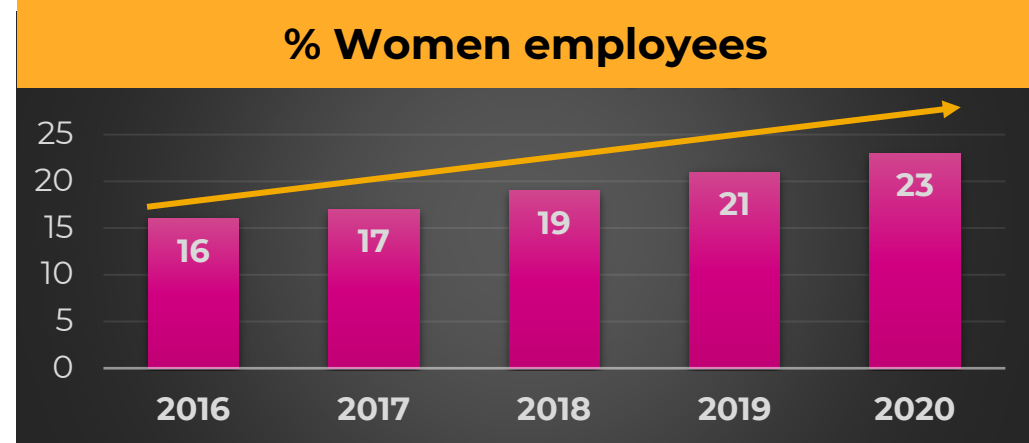
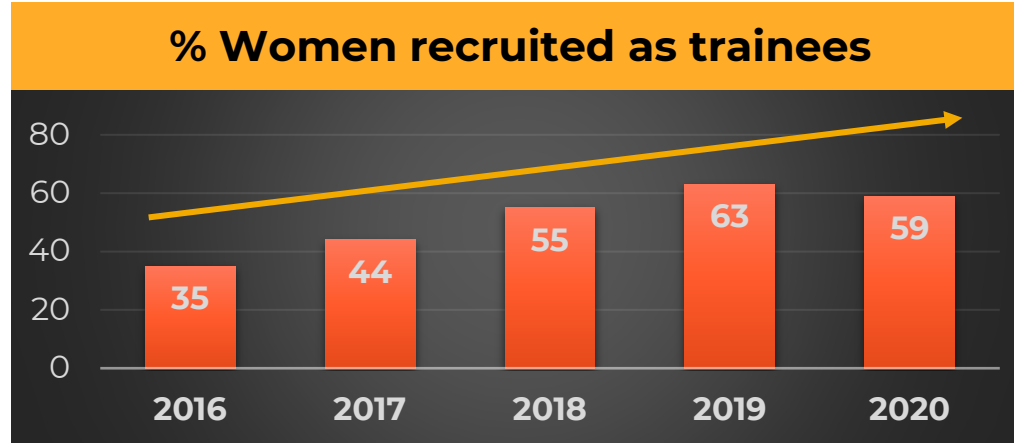
**NesVidya:** Performance Support solution for Field Force, enables learning anywhere, anytime



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# Improving Gender Balance, Retaining Talent



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# Intensify focus on Wellbeing



COVID –  
Medical/financial  
support

Increase focus on  
physical and mental  
wellbeing



**60%** employees  
covered in Mental Health  
awareness sessions



**Over 90%**  
of employees vaccinated  
with at least one dose\*

\*Over 50% double vaccinated



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# Project Nest – A New Home, For a New Beginning





# Key Takeaways

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**Unwavering Commitment to India**



**Leveraging the RURBAN opportunities**



**Strive to continue robust business model**



**Sustainability across our Operations**



**Caring for Communities a way of life**



**A Vibrant Workplace fit for the future**

# Robust Fundamentals Leveraging Efficiencies

By David McDaniel

# Agenda

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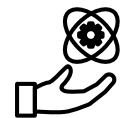
**Strong Performance So Far**



**Financial Highlights**



**Performance Drivers**



**Value Creation**



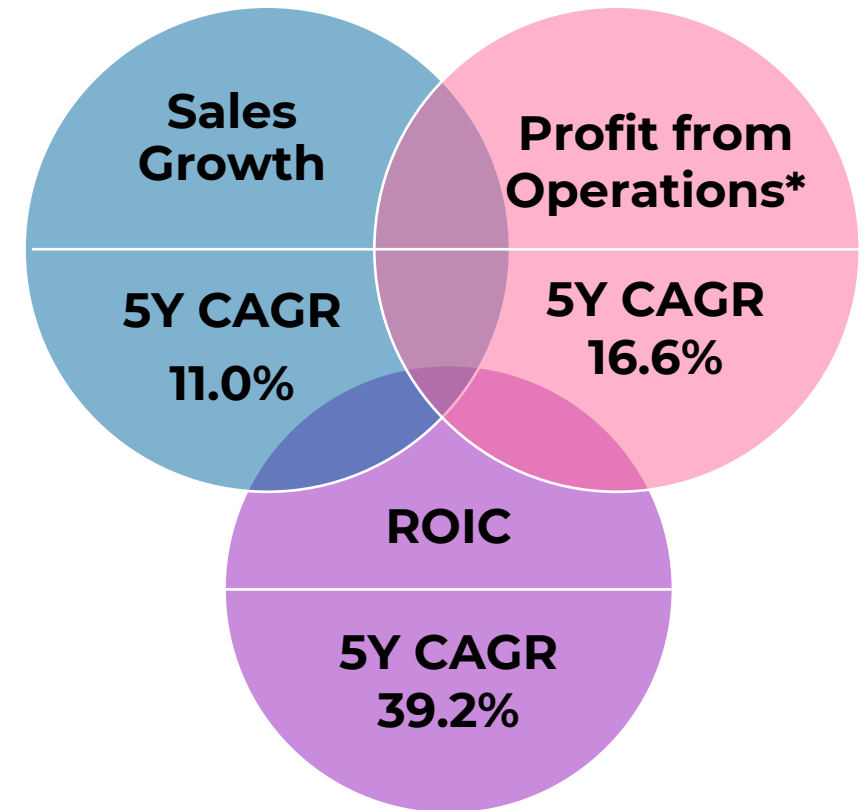
# Strong Performance So Far...

2016  
to  
2020

Volume led profitable growth based on powerful brands, deep insights and agile operations, creating sustainable value for shareholders

## Winning Strategy

- Volume & penetration led growth
- Sustained market leadership across portfolio
- Urban stronghold, expanding to RURBAN
- Manufacturing & Supply Chain optimization
- E-Commerce & Digitization – accelerators



\*Profit from Operations is derived from Profit before Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans), Net Provision For Contingencies (Others) and Corporate Social Responsibility Expense.

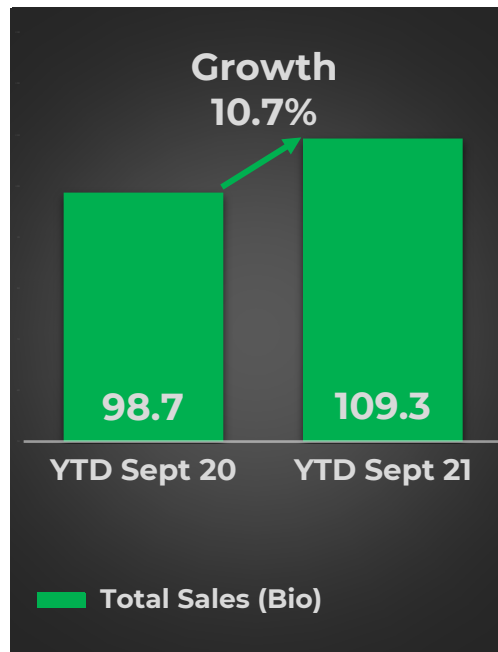
# Financial Highlights: YTD September 2021



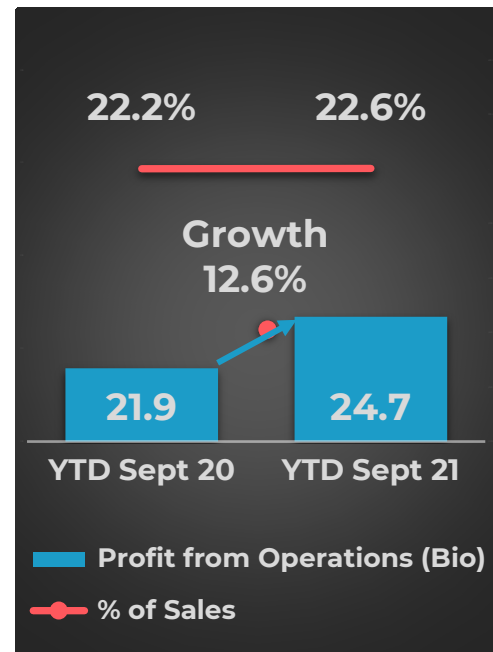
# Key Highlights: Strong Growth Continues; Profit from Operations Improved

YTD  
Sept  
2021

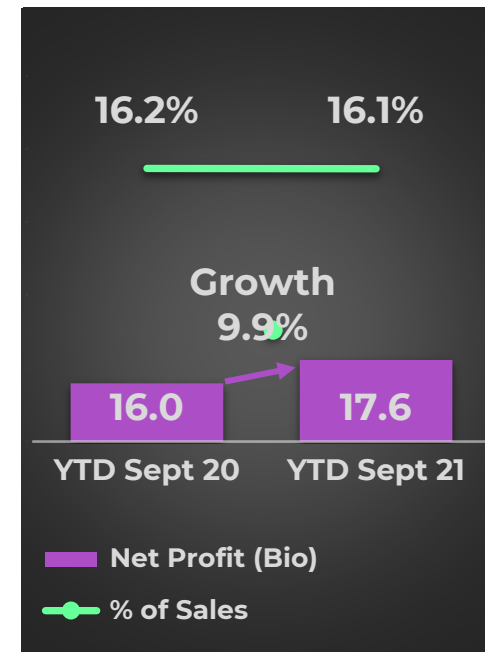
## Total Sales



## Profit from Operations\*



## Net Profit



## Earnings Per Share



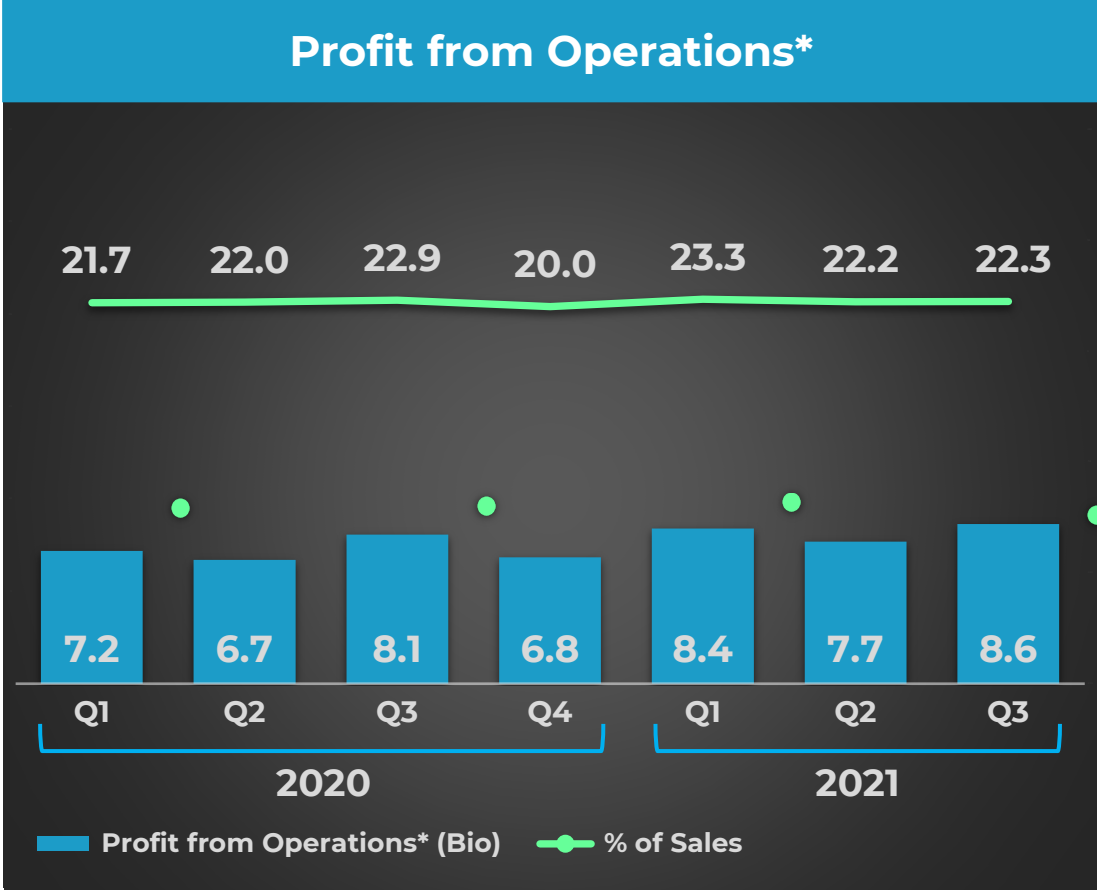
\*Profit from Operations is derived from Profit before Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans), Net Provision For Contingencies (Others) and Corporate Social Responsibility Expense.





# Quarterly Evolution: Growth and Profit Momentum Sustained

2020  
to  
2021



\*Profit from Operations is derived from Profit before Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans), Net Provision For Contingencies (Others) and Corporate Social Responsibility Expense.

# Domestic Segments: Strong Growth across Portfolio, 90% from Volume & Mix

YTD  
Sept  
2021

## Contribution

42.8%



1.0%  
Milk Products  
and Nutrition

32.1%



20.9%  
Prepared dishes  
& cooking aids

14.9%



22.3%  
Confectionery

10.2%



15.7%  
Powdered and  
liquid beverages

## Growth

# Performance Drivers





# Performance Drivers

## Manufacturing



**Project Shark**



**Performance Improvement**



**Generating Capacity**

## Supply Chain



**Procurement Excellence**



**Technology enabled Efficiency**



**Digitalization across Processes**

## Marketing



**Consistent Brand Support**



**Media Money Working Harder**



**Accelerated Digital Investment**

## Fit for Future



**Efficient Structures**



**Optimizing Footprint**



**Lean Processes**



**Enabler 1: Simplification, Standardization & Automation**



**Enabler 2: MIDAS**



# Performance Drivers

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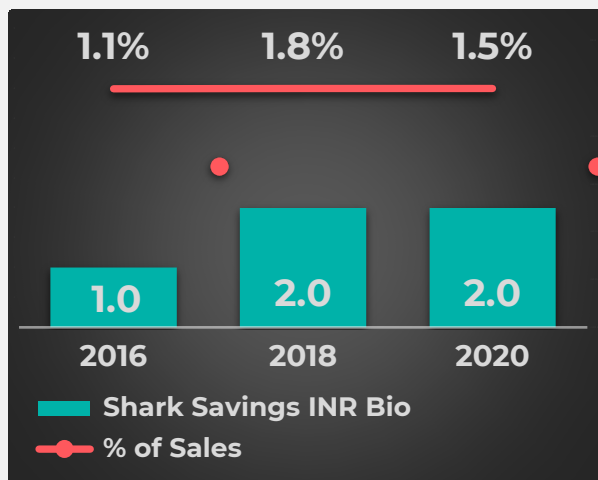
**Enabler 2: MIDAS**



# Manufacturing: Best in Class Performance

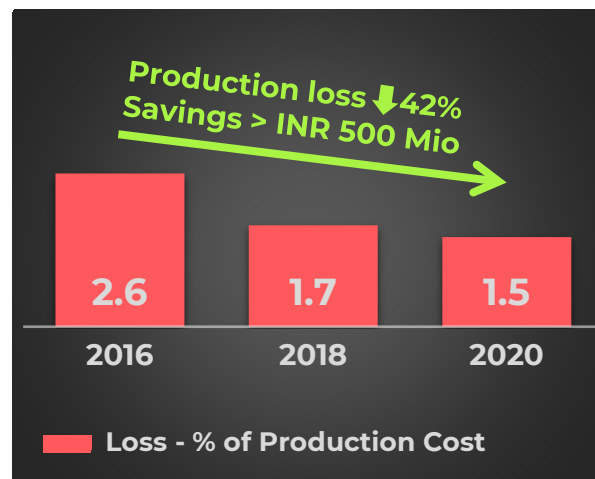


## Project Shark



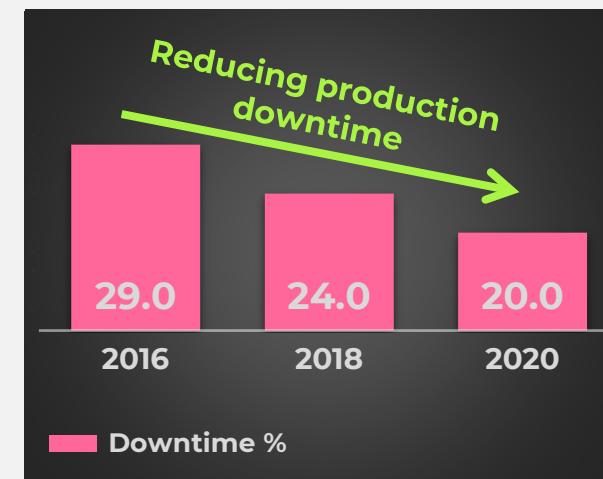
- RM / PM specifications harmonization
- Energies – usage, cost & mix optimization
- Fixed overheads optimisation

## Performance Improvement



- Reduction in overfill
- Lowering rework & waste generation
- Minimizing packaging material losses

## Generating Capacity



- Cleaning time optimization
- Reducing changeovers & stoppages
- Efficacy of preventive maintenance



# Performance Drivers

## Manufacturing



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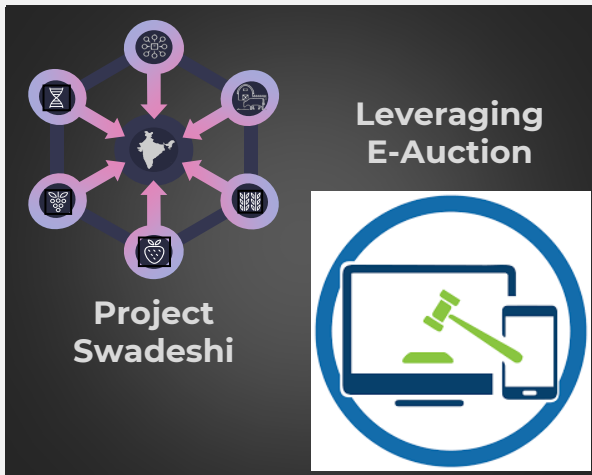


**Enabler 2: MIDAS**



# Supply Chain: Excellence Creating Value

## Procurement Excellence



- Ensuring supply - local sourcing
- Competitive with e-tendering
- Supplier financing program

## Technology enabled Efficiency



- Optimizing distribution landscape
- Transportation hub - technology
- Direct delivery to customers

## Digitalization across Processes



- Automation & simplification
- Tools & technology
- Same team, increased volumes

# Performance Drivers

## Manufacturing



**Project Shark**



**Performance Improvement**



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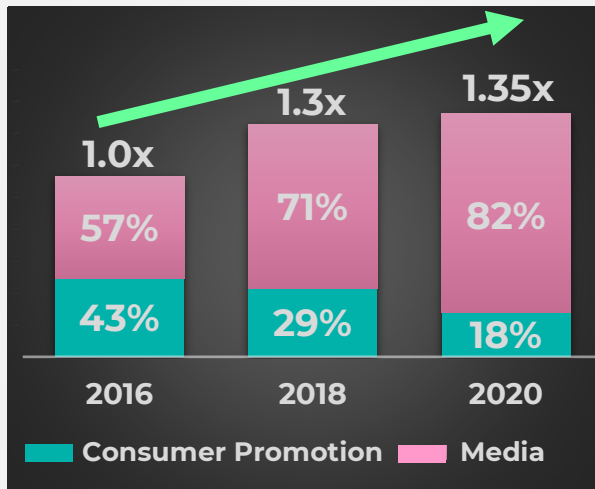
**Enabler 2: MIDAS**





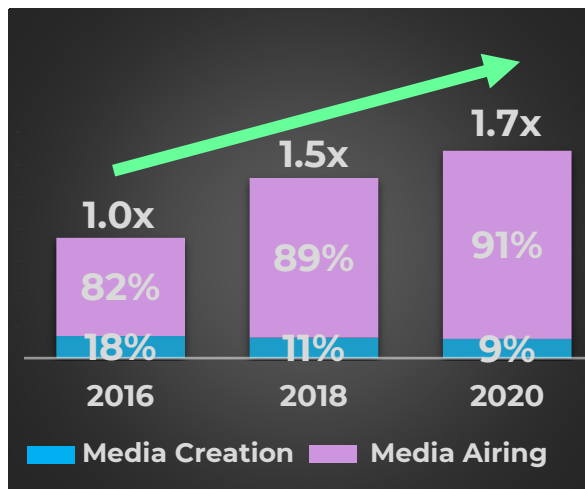
# Marketing Spend: Consistent & Targeted Investment

## Consistent Brand Support



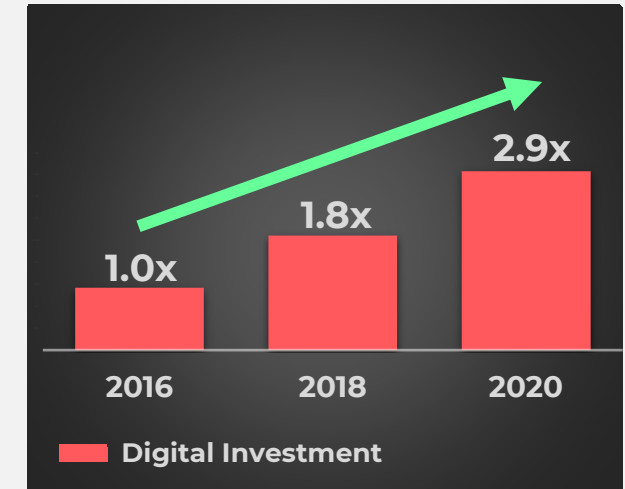
- Focus on brand building
- Tactical consumer promotions
- Optimized category resource allocation

## Media Money Working Harder



- Efficient utilization of creative assets
- Channels & slots spending optimized
- Reduction in cost per view

## Accelerated Digital Investment



- Healthy mix - new & core products
- Cost per view lower than TV
- 'Ask Nestle' remains a strong Nutritional service pillar

All values are indexed to year 2016 in each chart respectively

# Performance Drivers

## Manufacturing



**Project Shark**



**Performance Improvement**



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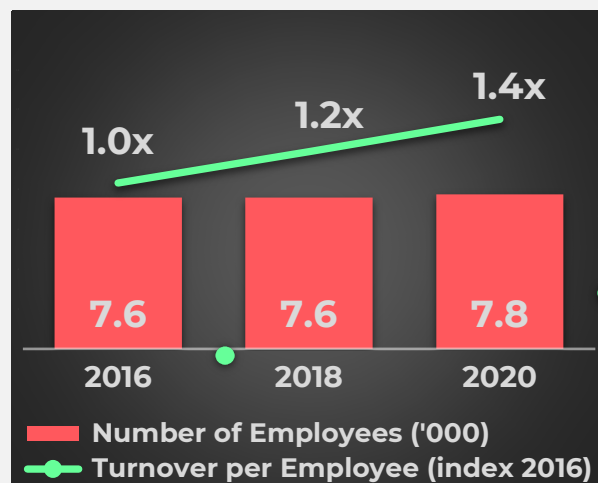


**Enabler 2: MIDAS**



# Fit for Future: Lean Organization & Footprint

## Efficient Structures



- Increasing turnover per employee
- Efficient & motivated workforce
- Enhancing capabilities

## Optimizing Footprint



- Consolidation of office space
- Creating future ready workplaces
- Leveraging technology

## Lean Processes



- Nestlé Business Services
- Centres of Competence
- Simplification, standardization, automation



# Performance Drivers

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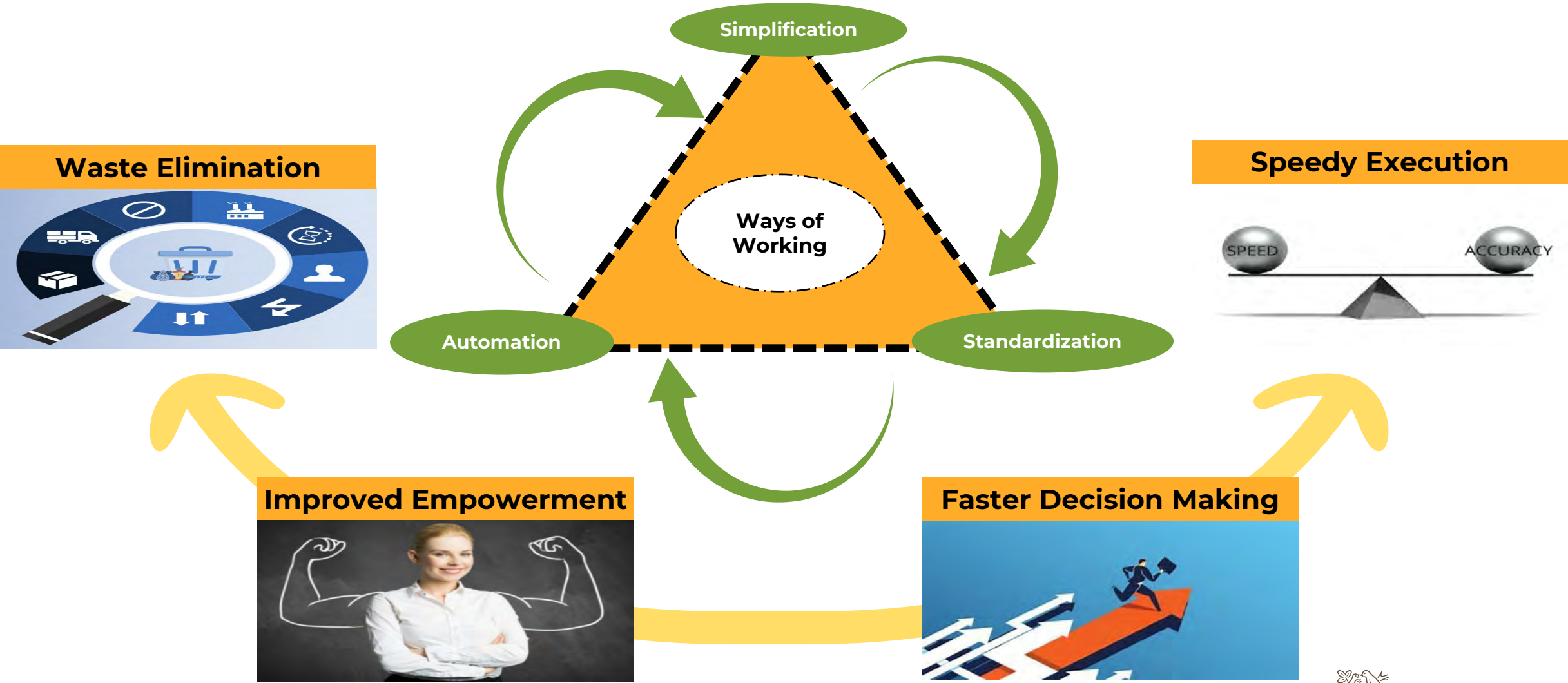
**Enabler 1: Simplification, Standardization & Automation**



**Enabler 2: MIDAS**



# Enabler 1: Simplification, Standardization & Automation



# Performance Drivers

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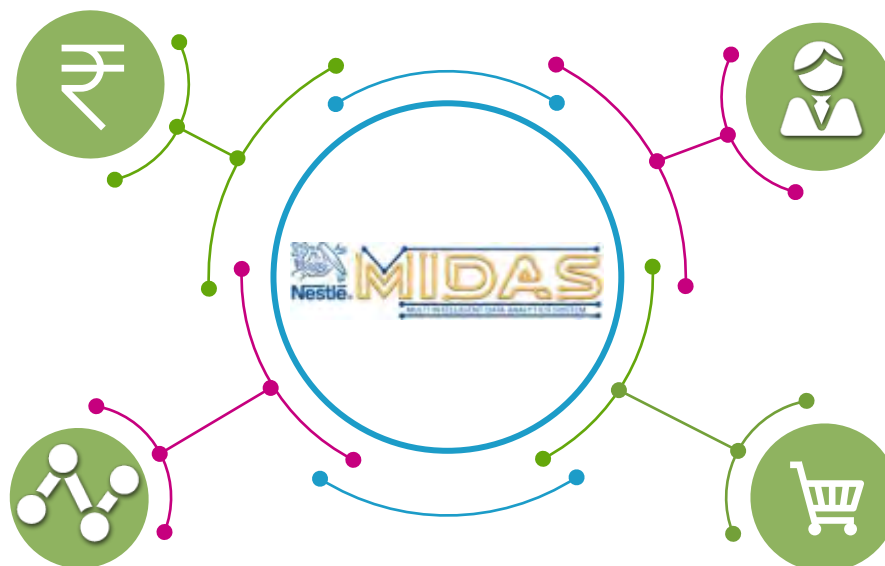
# Enabler 2: MIDAS - Leveraging Data & Analytics

## Optimizing Resource Allocation

Across brands, clusters & geographies

Optimizing marketing spend with

- Ability to simulate scenarios
- Enable pre and post evaluation



## Sharper Consumer Insights

Granular market analysis to guide consumer promotions

Predict category and Nestlé growth, and market share

## Effective Planning Processes

Automating business planning cycle

Support portfolio management

## Targeted Sales and Distribution

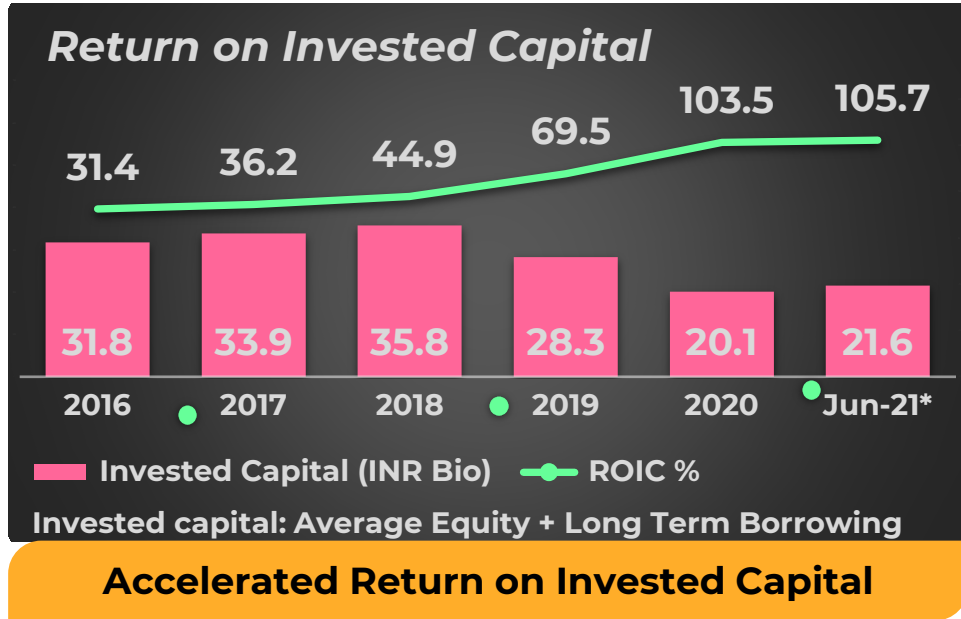
Must sell SKUs recommended for local consumer profile

Course correction prompted, if required to deliver month target

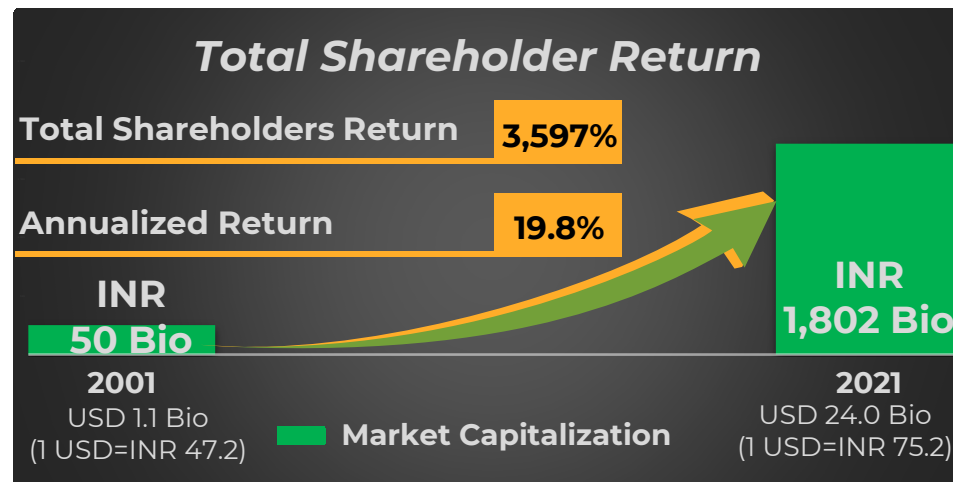
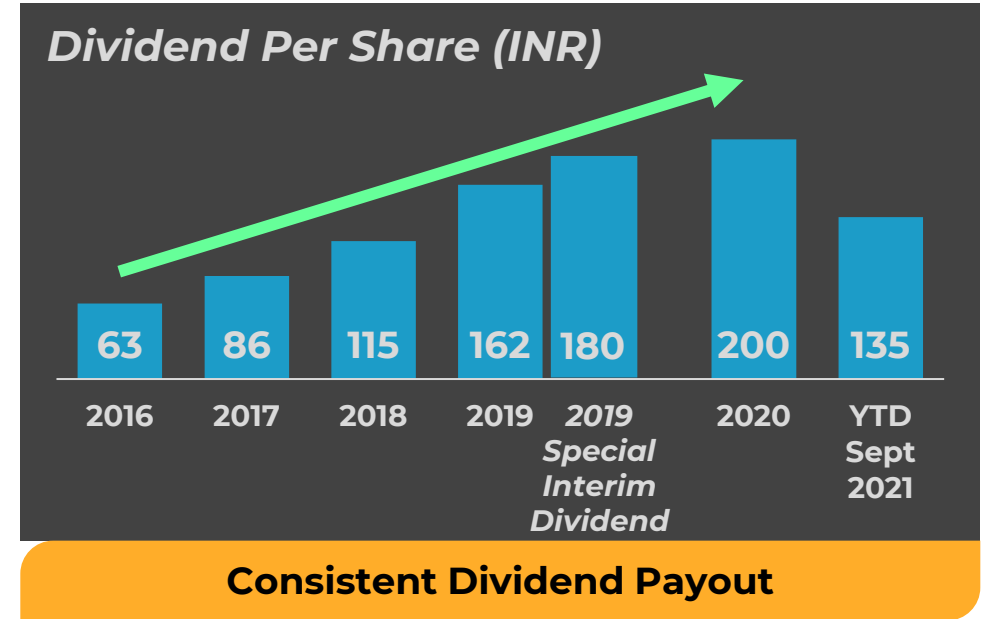


# Value Creation

# Value Creation: Strong Momentum Continues...



\*Return has been annualized to arrive at ROIC



\*As on 25<sup>th</sup> October 2021  
INR Billion is INR 100 crore.  
Source: Bombay Stock Exchange.



Source: Fortune India



Good food, Good life



# Key Takeaways

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Strong Growth Continues, Profit Momentum Sustained



Balanced Portfolio Addressing Consumer Needs



Effective Cost and Efficiency Management



Fit for Future Organization



Best in class Value Creation



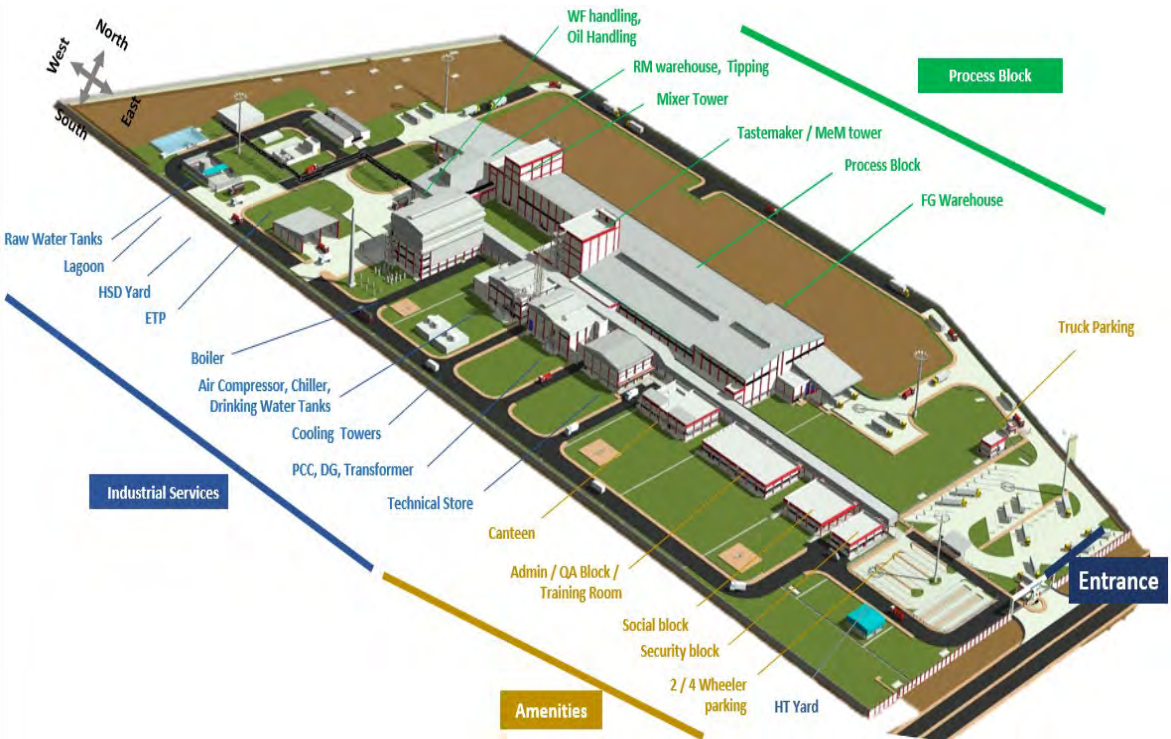
# Navaratna in Sanand, Gujarat

by Matthias C. Lohner



Nestlé Good food, Good life

# Masterplan Overview – Sanand Factory



3D Master plan View



Aerial View



Nestlé Good food, Good life



# Ensuring safe operations across the site

Ensured safe operations while construction & start-up of Sanand Factory during Covid Pandemic

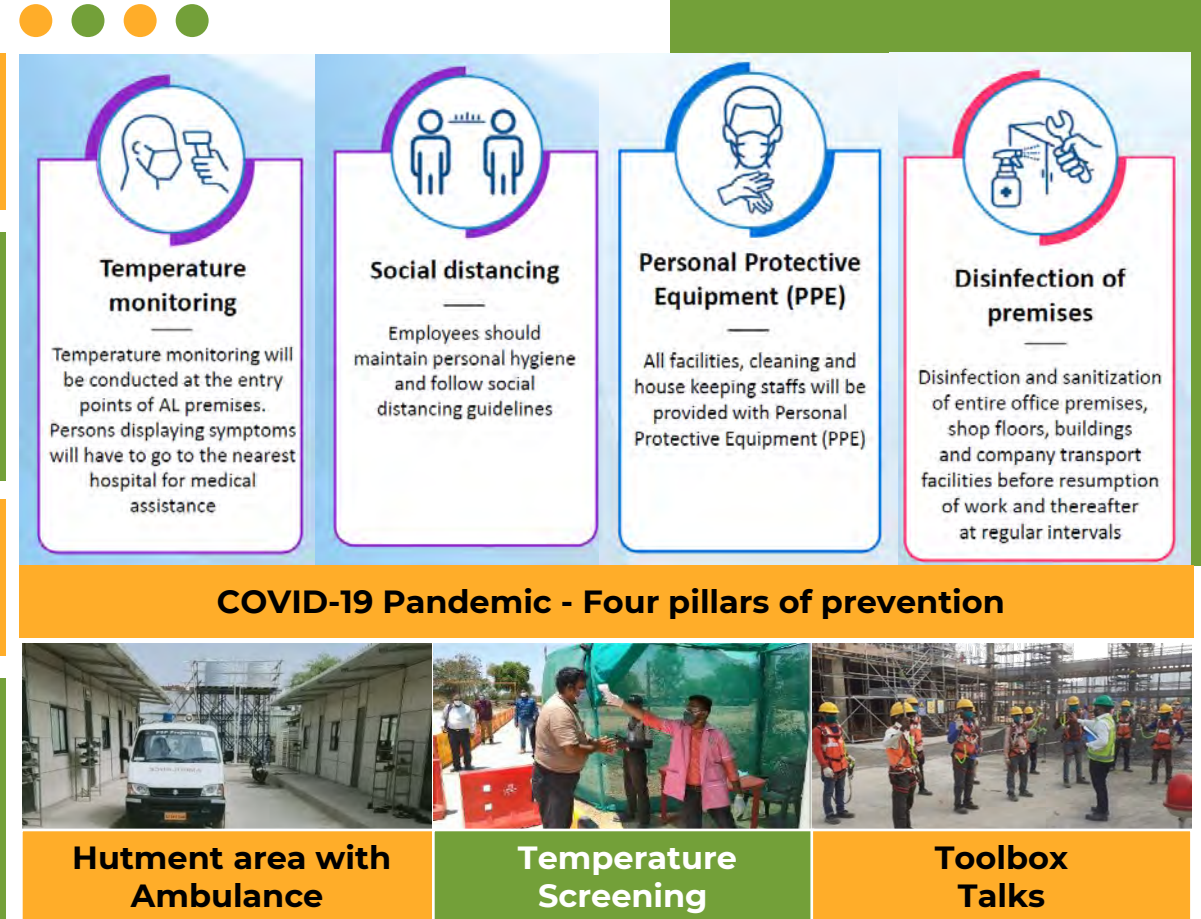
## Covid protocols followed across :-

- Four pillars of prevention – No critical cases
- Stay arrangements for workers – Hutments

Safety procedure & protocols ensured with usage of standard equipment, tools & signages

## Safe Manhours :-

- **Zero** irreversible injuries
- **9700** training manhours
- Over **4600** safety toolbox talks



# Sustainability, Digitalization & Gender Diversity



Good food, Good life



# Sustainability – Aspiring for Zero Carbon Emission



**68% reduction through  
cleaner fuel & Hybrid Power**

- Biomass Boiler for Steam generation
  - Emissions reduction to **ZERO** with Biomass fuel
- 
- Hybrid power (Solar & Wind) implementation by Q2 - 2022
  - **26%** of the total energy will be Hybrid power (max allowed in Gujarat)



**Biomass Fuel Pellets**



**Biomass Boiler**



**Nestlé** Good food, Good life



# Digitalization /Connected Factory – Moving Towards Fully Integrated Unit



## Connected Worker

- DMO is global standard solution which improves
- Manufacturing processes
- Product Quality
- Machine Performance

## Customized Production

- End of line automation
- Training - Augmented Reality

## Process Mastership

- Real time process data
- Advance process control

### Digital Journey

**Real time Data Entry**

#### DMO PERFORMANCE MRC

DAILY CLEANING	WEEKLY M&I	CODE CHANGE
LAMINATE CHANGE	TM BIN CHANGE	JAW CLEAN/SETTING
SACHET MISCUT	UNDERWEIGHT CAKE	MOS
PLANNED STOPPAGES	LOW Q (NO CAKE)	OTHERS

**Reason code for Stoppages**

### Operator Console > TOPACKFP

Overview TasteMakerFill TOPACK01 TOPACK02 TOPACK03

31177487 MAGGI Noodle Tastemaker Mas Sac 6g - 43282513 (0020) 400,000 EA Cre

11:59:59 PM

Quantity 0.0 Count 0 Status Used Storage 143143TMHLB Last Material 43282510 Group(s)

PO Management Produce Performance Consume Net Content Logsheets Inventory Li

Dashboard

#### Logsheets

14 - TM Topack Section - Topack - Basic Conditions / shift	New Entry
TOPACKFP - Topack-one @4 hour ★	New Entry
14 - TM Topack Section - Topack - Basic Conditions - Twice / shift	New Entry

**Landing Page showing line performance**



# Productivity – 20% Higher Productivity with Highly Automated Lines



Cutting edge process technology reduces manual operations



Digitalized shop floor optimizes back-office structure

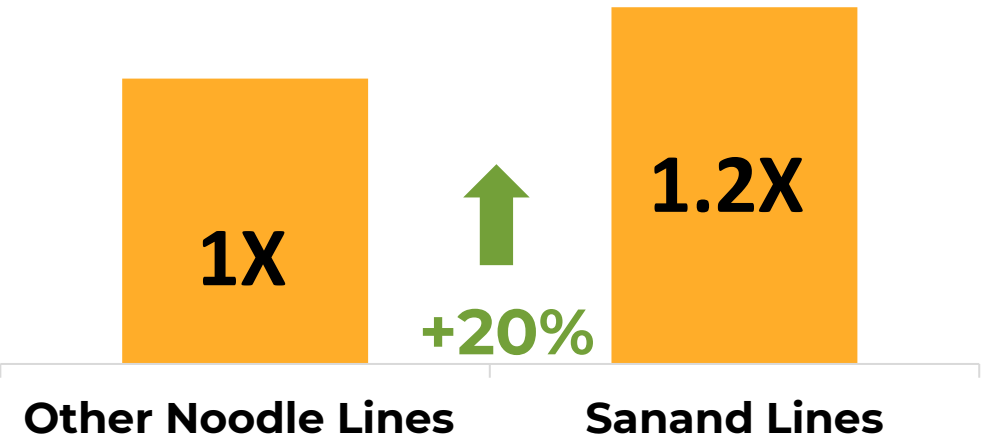


Line centric autonomous working



End-of-Line automation with robotic industrial palletizers

## Productivity



Auto Case Packer



Auto Palletizer



Good food, Good life

# Supporting Diversity :- Gender Diversity, Especially Abled Personnel

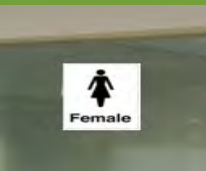
## Gender Diversity



More than **60% female** employees employed at site



**Crèche** for children



Separate **Social Block** for female employees



Dedicated **Priority Parking** for expecting mothers

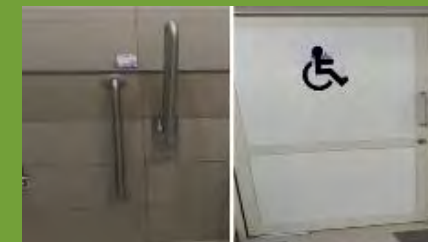
## Especially abled



**Ramps** at factory entrance, buildings, emergency exits for accessibility



**Toilets** installed for especially abled personnel in Security block, Admin block



Dedicated **space in 4-Wheeler parking** for differently abled



Good food, Good life



# Training & Delivering Diversity Equity & Inclusion

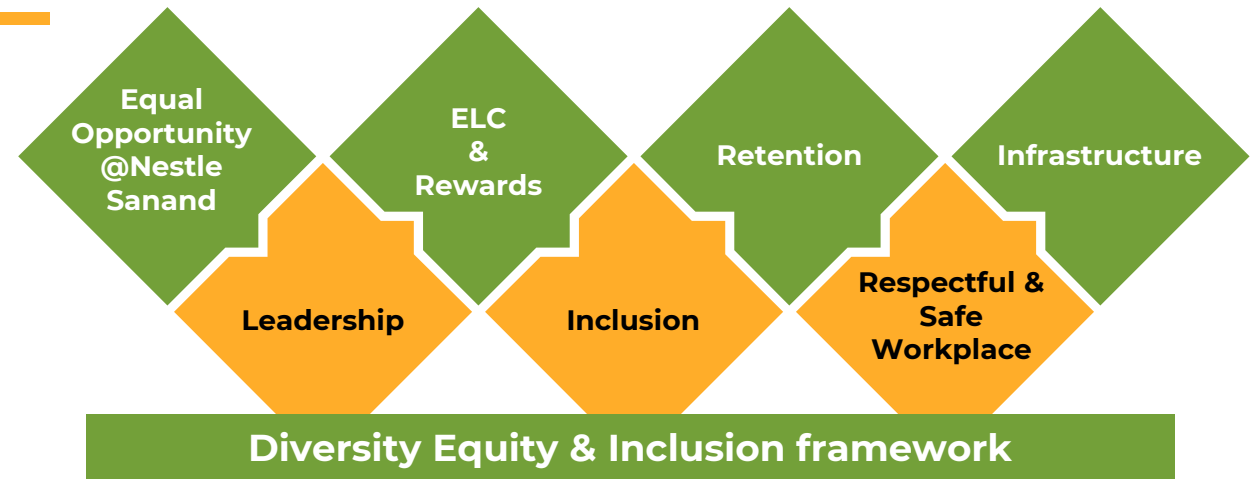
Training – Ensured safe trainings during pandemic

Video Modules developed for onboarding

Small batches of employees exposed to other units for specific workplace training by maintaining Covid protocols

Online platforms for delivering trainings by Nestle R&D and other Subject Matter expert

Developmental actions agreed for all key job's basis competency matrix



Undergoing training at Nanjangud factory



Hands-on experience



Nestlé Good food, Good life

# THANK YOU



Nestlé Good food, Good life



# SUPPLY CHAIN RESILIENCE IN THE FACE OF ADVERSITY

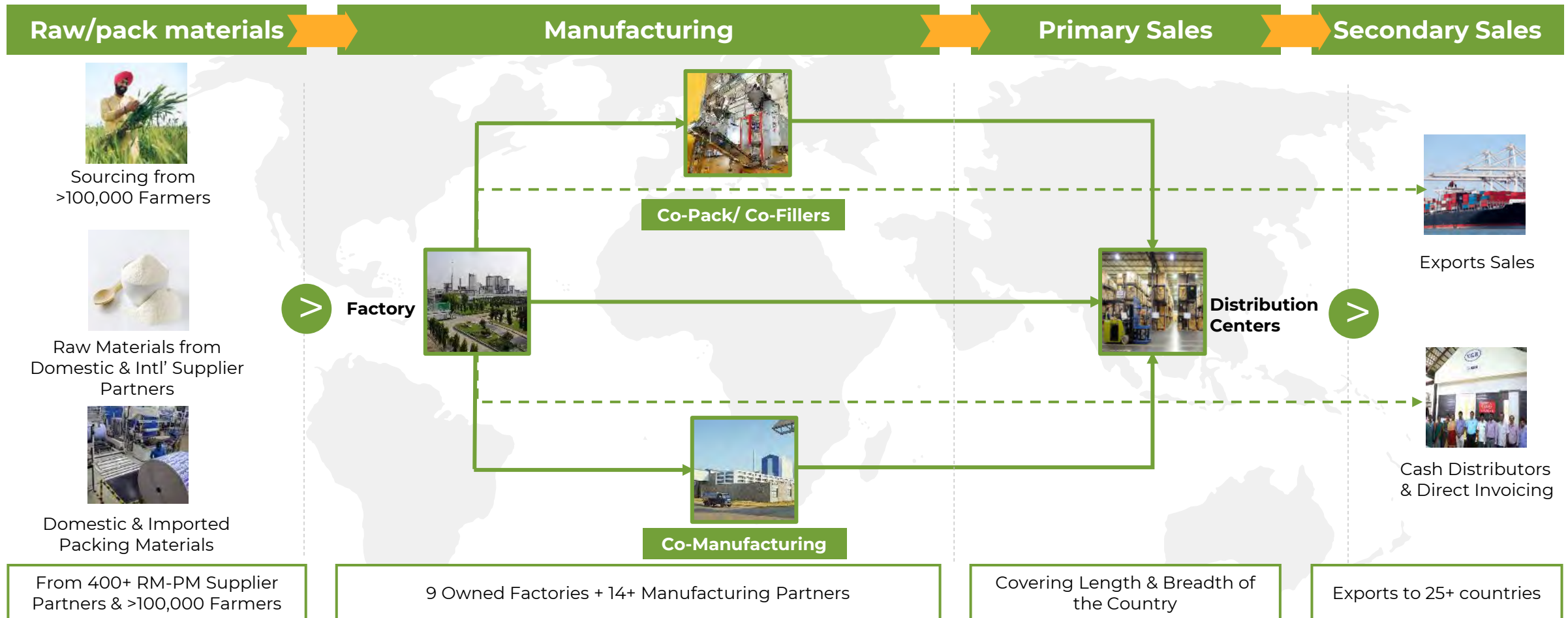


By Ashish Pande



# We work with a Complex Supply Chain...while delivering Variety & Volume at high Velocity

Our route to market is spread out from farm to fork

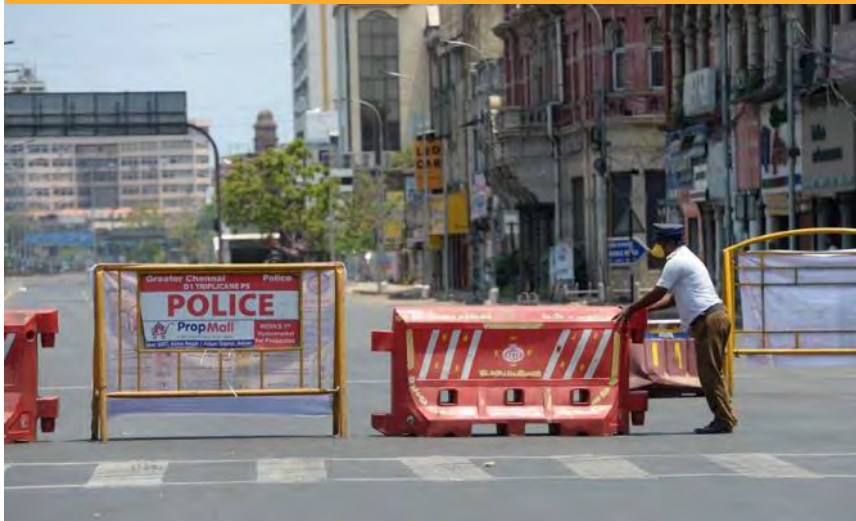


# The biggest Pandemic of our lives disrupted us in all possible ways



## Coronavirus:

India enters **'total lockdown'** after spike in cases





# Our Value Chains were completely brought to a halt at every stage

Lockdowns and Closures severely impacted the movement of goods from one node to another





# Within 7 Days of lockdown, we were able to reconnect with Our Customers & Consumers



# Our lessons in managing volatility... Ensuring a Resilient Supply Chain

Our teams worked within these five frames as the Crisis Unfolded across 2020



And we Identified 4 broad Action Areas to focus on



# We Focused on '4P's to navigate through the Crisis

## People Safety & Health



Focusing on People First & Caring through the crisis

## Portfolio Strategy



Portfolio optimization in line with customer needs

## Processes & Systems



Agility in planning & Steady Ramping up of operations

## Partnerships



Strengthening Partnerships



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# Ensuring People Safety & Health was the foremost Objective

Measures were taken across value chain to provide a safe working environment in our Operations

## Field Staff



- **Safety SOPs** immediately established for all field procurement staff
- Not a single drop of milk was turned down
- **1550** manhours on farmers & **450** manhours on tanker drivers' safety training

## Factory Staff



- **PPEs** immediately ensured
- **Stringent Safety norms** in factory – 2 m social distancing
- **Shift management** /health checks

## Distribution Centers



- **Basic Hygiene** at Nestlé DCs basis COVID guidelines
- **Preparedness** to manage crisis situations
- **SOPs for Drivers** and Transport partners

## Regional Offices & HO



- **WFH** – Continuous encouragement & engagement
- **Recognition** – Proud to be Nestlé
- **Communication** & Updates on Industry & Situation



# People - Our people have gone above & beyond the call of duty

We initiated new channels of Delivery to Ensure supply throughout the country

**We were the first FMCG to initiate exports to Bangladesh during lockdown**



**And the first FMCG to make our stocks available in the North-East during Lockdown**



Pictures presented above are for reference purpose only



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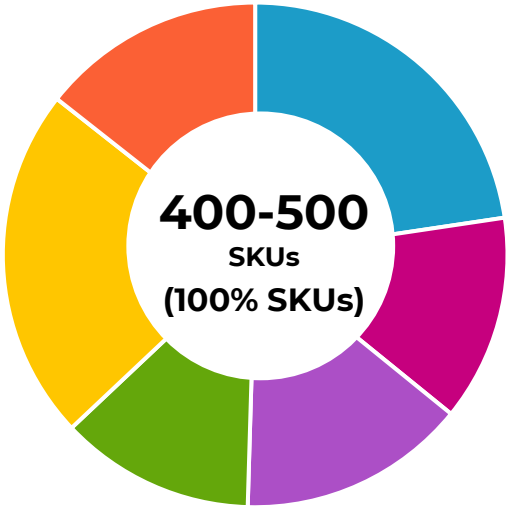


Strengthening Partnerships

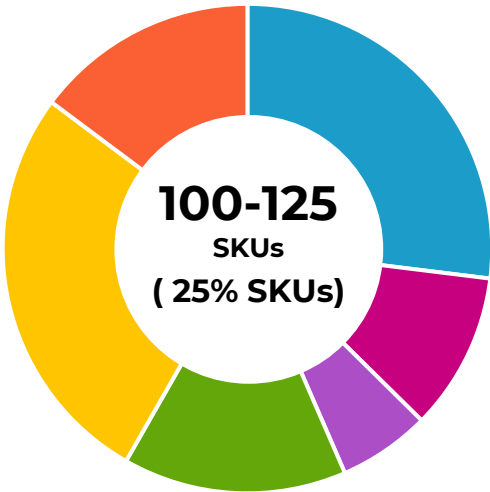
# We made the right Portfolio Choices to ensure supply during COVID

To Maximize Availability, Reduce Complexity & Ease up the Supply

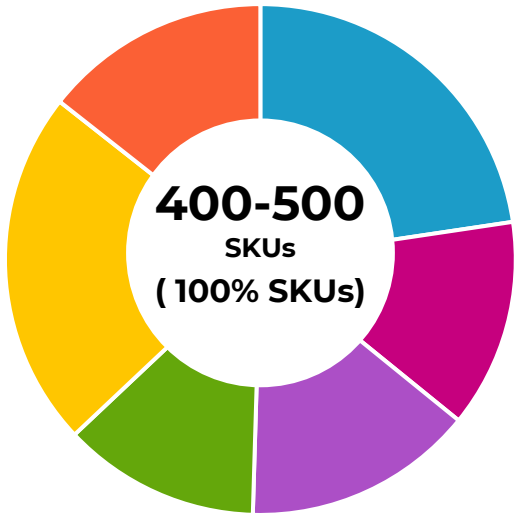
PRE – COVID (JAN '20)



Priority SKUs (Mar '20)



Return to Normal ( Sep '20)





# Innovation was a differentiator to accelerate growth during COVID

Engagement with supplier partners to fuel Packaging & Co-manufacturing Innovation





# Short term disruptions were managed by using Co-Manufacturing as a Lever

Augmentation of Co-Mfg Strategy to play a key role and help us unlock the next level of growth

**Speed to market and innovation**



Expedite entry into market with new and Innovative Products

**De-bottlenecking existing supply constraints**



Manufacturing the supply constrained SKUs to fulfill market demand

**Supplement regional distribution strategy**



Reduce VDC by manufacturing close to market

**Price point SKUs**



Favorable manufacturing costs for low price point products

# We Focused on '4P's to navigate through the Crisis

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Caring through the crisis

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Strengthening Partnerships

# Agile & Responsive Systems which were re-purposed for Growth

## Planning



Re-Look at the planning horizon – Weekly Cadence & Operational Reviews of Key Materials



Event Management Acceleration Cockpit for E2E planning

## Manufacturing

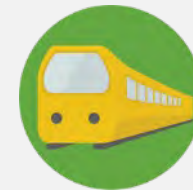


Ramp up Of Production & Manpower strategy



Prioritization of Infant formula, Dairy, Essential food items

## Distribution



Alternate Mode of transport – Rail/VPU



Pick up & drop , Food Facility to all stakeholders



# We Focused on '4P's to navigate through the Crisis

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Caring through the crisis

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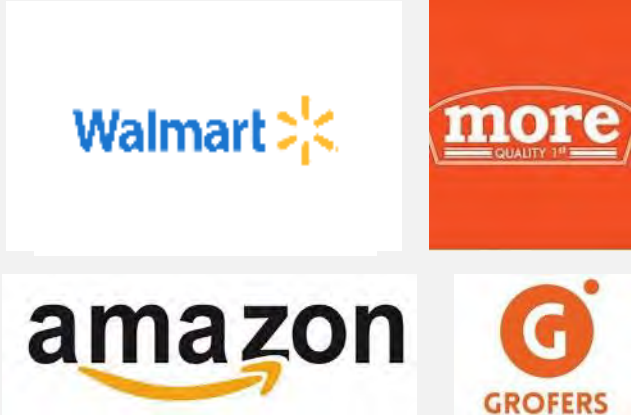
## Partnerships



Strengthening Partnerships

# Winning Partnerships with Customer First mindset

## Aligned the ust Sell SKUs with each Key Customers



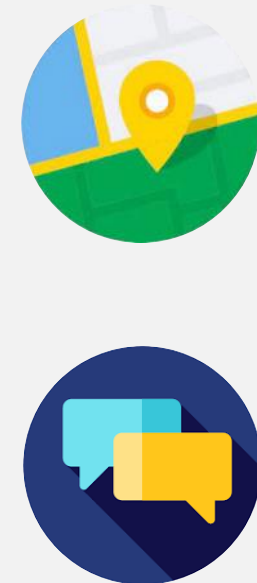
Understanding channel/geography and sometimes customer specific needs is critical to Add Value

## Leveraged Direct Delivery to Customers



Direct Deliver to Customer Locations & Priority Appointment given to Nestle

## Mapped new Customer Fulfilment Centers



To ensure that our stocks are available immediately

Pictures presented above are for reference purpose only

# PARTNERSHIPS - Helping our partners combat the storm

## Support as required by Business Partners...



Early Payments to **Vendors** for their Business Sustainability



Permissions for Tier-1 & 2 Suppliers for Start UP

## Developed Alternative Vendors during the Lockdown

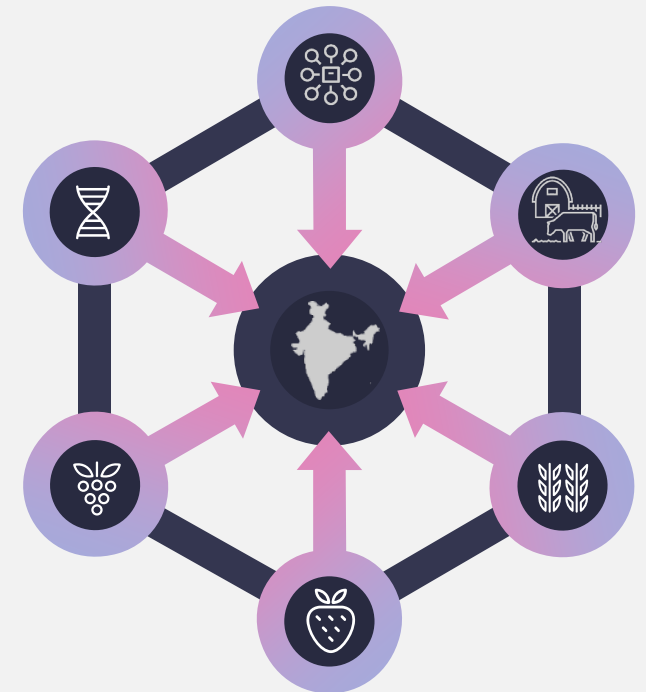


From initial assessments



To Onboarding

## 'Project Swadesi': Mitigated Risk on imported materials





# PARTNERSHIPS - With Suppliers to make our supply chains reliable

## WE CONTINUED TO SUPPORT OUR FARMERS



**Support Extended through Procurement & PPE kits donation**

- ✓ **100,000** Milk Farmers
- ✓ **1500** Tea Farmers
- ✓ **173** Tomato Farmers

## ENABLED DIGITIZATION ACROSS THE VALUE CHAIN

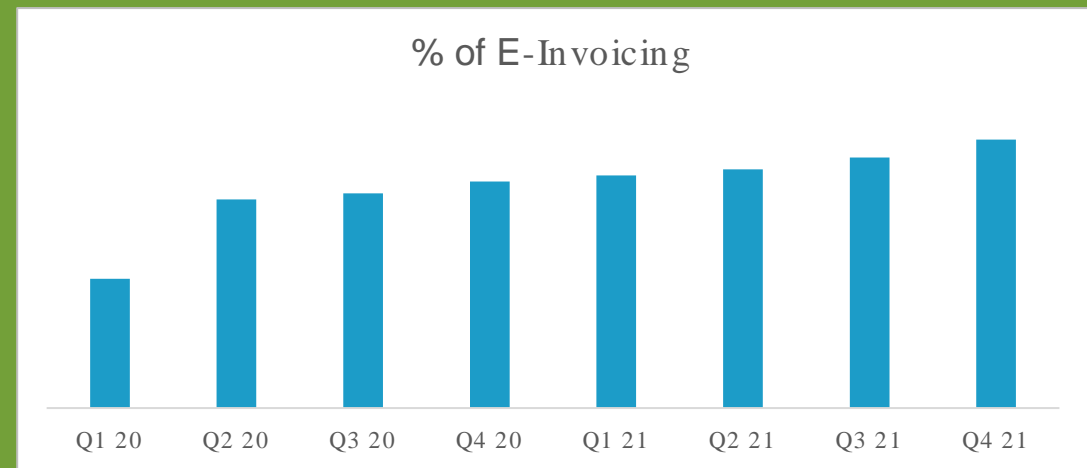


**E-INVOICING**



**TRANSPORTATION-HUB**

% of E-Invoicing



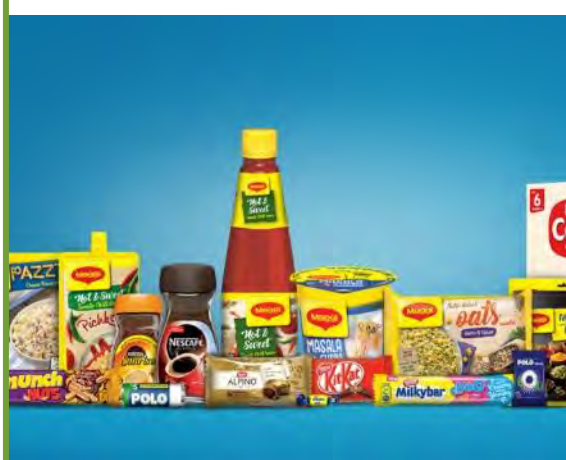
# Nestle has grown to be more resilient & agile through this Pandemic

## People Safety & Health



- Focusing on People First & Caring through the crisis
- Engaging & Empowering

## Portfolio Strategy



- Being Brilliant at Basics
- Co-mans to plug in the short-term supply gaps

## Processes & Systems



- Improving Network agility to pivot as per the situations
- Leveraging digitization for real time visibility

## Partnerships



- Strengthening Partnerships
- Collaborating with Customers to deliver better

# Celebrating Success : Our Moments of Pride

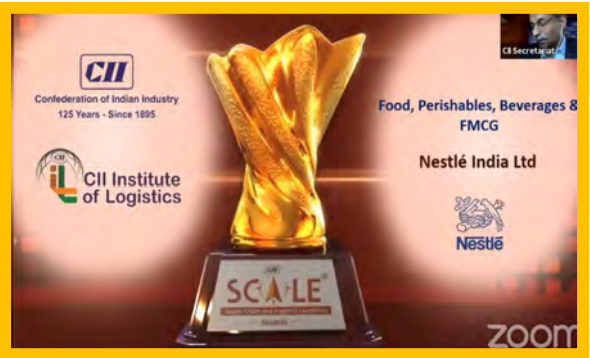
## For Best Supply Chain Practices in 2020



The Customer FEST Awards - 2020



Manufacturing Supply Chain Awards - 2020



Supply Chain & Logistics Excellence Awards - 2020

## Continued Supply Chain Leadership in 2021



35th Inflection Awards 2021 – 20th May'21



2021- Digital Innovation in Supply Chain – 6th Oct '21





# THANK YOU

