



## Nutrition, Health, and Wellness

## Awards & Recognitions

**MAGGI amongst the Top 5 in  
Brand Equity's 'Most Trusted Brands' 2014**



**Nanjangud factory receives Karnataka  
State Export Excellence Award for the  
year 2013-14**



**NESTLÉ KITKAT and NESTLÉ EVERYDAY  
win Gold and Bronze at  
Goa Fest 2014**



**NESCAFÉ #ItAllStarts campaign ranks as  
'most chosen ad for 2014' on YouTube  
in India**





**MAGGI adjudged the Most Powerful  
Brand in India by WPP Milward Brown  
(2014)**



**NESCAFÉ, ALPINO, BABY & me  
shine at Effie Awards India 2014**



**NESTLÉ KITKAT rated 2nd Most Trusted  
Brand of India by Brand Equity**



**NESTLÉ BABY & me Wins Gold at  
Asian Customer Engagement Forum  
(ACEF) 2014**



**'Share Your Goodness' campaign ranked  
among best of the year by Google**



# The Board of Directors of Nestlé India



**A. Helio Waszyk**  
Chairman



**Etienne Benet**  
Managing Director



**Shobinder Duggal**  
Director-F&C



**A. Protonotarios**  
Director-Technical



**Michael W.D. Garrett**  
Non Executive Director



**Rajya Vardhan Kanoria**  
Non Executive Director



**AK Mahindra**  
Non Executive Director



**Ravinder Narain**  
Non Executive Director



**Swati A. Piramal**  
Non Executive Director



**B. Murli**  
SVP-Legal & Company Secretary

# Content

- 05** Message to Shareholders
- 06** In conversation with the Managing Director
- 08** Prepared Dishes and Cooking Aids
- 10** Dairy Products
- 12** Chocolates & Confectionery
- 14** Coffee and Beverages
- 16** Nutrition
- 18** Nestlé in Society
- 20** R&D and Science Based Nutrition
- 21** Corporate Information
- 22** Directors' Report
- 33** Auditors' Report
- 38** Annual Accounts
- 67** Annexure - 1 to  
The Directors' Report  
Report on Corporate Governance
- 76** Annexure - 2 to  
The Directors' Report  
Conservation of Energy etc.
- 80** Annexure - 3 to  
The Directors' Report  
Annual Report on CSR Activities

**Inside back cover:**

State-of-the-art Manufacturing Plants of Nestlé India





# Dear Shareholders

The year gone by has been challenging in many ways. Volatility in commodity prices, low consumer sentiment, food inflation along with political and social turmoil and uncertainty were some of the key concerns. From a more long term perspective, the Indian Economy is grappling with two major concerns, food security and nutrition, where the food processing industry can play a very significant role.

India is severely impacted by malnutrition. While on the one hand, inability to access or afford nutritious food is causing under-nutrition and related disorders, it is also forecasted that economic growth and related lifestyles changes will lead to over-nutrition related disorders such as obesity, and further aggravate the double burden of nutrition. The increasing demand for food from a population striving for a better life is further compounded by population growth. The economy is struggling to ensure food and nutrition security even as the demand for food continues to grow and the land available for agriculture reduces.

Clearly, finding ways to reduce wastage of agricultural produce and to enhance delivery of balanced nutrition needs to be high priority for the industry and policy makers. With appropriate support from policy makers the food processing industry can substantially reduce wastage of perishable agricultural produce and other food items. Food processing and technology can reduce or completely eliminate this wastage of agricultural produce in India, which is estimated to be over Rs.50,000 crores every year, as well as develop products that facilitate balanced nutrition in our daily diets. Nestlé has the capability to play a very significant role in both these areas.

The role of food is dynamic and plays different roles across income segments and geographies. 'Good Food, Good Life' is our mission and we are constantly researching and observing the role that food

plays in the lives of consumers across the income pyramid. We are focused on understanding the changing lifestyles, evolving needs, and dietary preferences of consumers and rely on Nestlé's extensive global R&D network and expertise in science based nutrition to develop products that enable consumers to lead better lives and help them to improve nutrition in their daily diets. However, since what we eat, when we eat, how we eat is a personal choice, we realize that the role of nutritional education and the ability to make an informed choice is important and we have been rolling out initiatives that will be useful for consumers.

Our vision and ambition is to be the recognized leader of Nutrition, Health and Wellness in India. We already have strong brands, a capable organization, and immense trust and loyalty of our consumers but as we move ahead in our journey we may need bold changes, swift adaptation and tough decisions, especially for evolving to a product portfolio that is more focused on premium and value-up ranges. While doing this we will continue to protect our current business base and gear up to make the organization more efficient to take on the current and future trade evolution and competitive challenges. We are convinced that it is the winning strategy and will strengthen our ability to provide our consumers with Nutrition, Health and Wellness.



A. Helio Waszyk  
Chairman



Etienne Benet  
Managing Director





“ As a Company we maintain high standards and values. Stakeholders have seen that we are ethical and responsible with strong business principles. In fact, the way we do business is to Create Shared Value. ”

**In conversation with  
Mr. Etienne Benet, Managing Director.**

**Q. Nestlé is highly trusted and has immense goodwill in communities where it operates. What sustains this?**

Trust and goodwill are earned over time when people consistently see something good, and that is true for Nestlé as well. As a Company we maintain high standards and values. Stakeholders have seen that we are ethical and responsible with strong business principles. In fact, the way we do business is to Create Shared Value.

The underlying principle of 'Creating Shared Value' is that responsible and efficient businesses should focus on ensuring that business interests and societal interests intersect. Prosperity and happiness are at the heart of every dream. Nestlé does business in ways that fulfill this dream, so that we not only deliver long-term shareholder value but also benefit society.

**Q. Why does Nestlé emphasize RURAL DEVELOPMENT, WATER, NUTRITION ?**

The benefit is far greater for both business and society when the resources are used efficiently and in a sustained manner. We believe that these three are fundamental to our business and are also priority for society and therefore we focus our resources on them. It is based on the understanding that society will benefit if business thrives.

RURAL DEVELOPMENT is a focus because the well-being of the farmers and rural communities who are our suppliers, are intrinsic to our ability to do business in the future. As our business grows the farmers also prosper.

WATER is the second pillar because water plays a pivotal role for sustainable development. The ongoing availability and quality of water is critical to life and society, and it is essential for the production of food and to our operations.



NUTRITION is the third focus because food and nutrition are the basis of health and the core of our business.

**Q. Do you see any measureable impact of this philosophy in India?**

There are certainly broad indicators for the impact of our business philosophy in creating prosperity, and how it has spin-off effects on people's lives.

In 1961 we started working with milk farmers in Moga when the dairy industry did not exist there. Today more than 100,000 milk farmers are benefitting from our expertise and investments in dairy development programmes, apart from 100,000 farmers who grow tea, coffee, chicory, wheat across the country.

As our business has grown we have also created over 50,000 direct and indirect jobs.

Water conservation within our factories is a very systematic and ongoing process and we believe the results are remarkable. Using state-of-the-art technology, expertise, and understanding the basic importance of water we have reduced water consumption per tonne of production by 72 % in the past 15 years even as production has continued to increase.

Nutrition, Health and Wellness is in the DNA of Nestlé and apart from the product development activities we are actively rolling out non-commercial initiatives to raise knowledge of nutrition and health and promote physical activity amongst school children.

**Q. How do we ensure that the food we eat is good?**

People tend to categorize foods as good or bad primarily on account of mis-information and the lack of awareness. No food is good or bad. Each food has a role to play in our diets and we need to also appreciate that responsible pleasure is part of a balanced lifestyle. When our lifestyles change, we need foods that enable us to live that lifestyle and also provide Nutrition, Health and Wellness. The need is to constantly understand the changing lifestyles and to use R&D and the science of nutrition to develop high quality products that can complement the consumers.

**“ At Nestlé we constantly work with consumers to understand their lifestyles and needs and invest heavily in R&D and food technology to develop healthy products that provide taste and science based nutrition. ”**

**Q. What can be done to tackle malnutrition, or as they say, the double burden of nutrition?**

The double burden of nutrition is a combination of micronutrient and nutrient deficiency, over-nutrition and the body's inability to assimilate the nutrients in a balanced manner because of varying lifestyles that we lead. More and more evidence suggests that malnutrition during the first 1000 days of life from pregnancy through 2 years of age sets the blueprint for health throughout life. The reasons for the double burden are multifactorial.

Food and nutrition are the basis of health. Each food has a role in our diets but what we eat, when we eat, how we eat is influenced by personal choice as well as economic and social factors including affordability as well. There are millions of people who are still living with incomplete and unhealthy diets and most of them do not even realize the impact this insufficient nutrition has on their productivity and that of future generations. At Nestlé we constantly work with consumers to understand their lifestyles and needs and invest heavily in R&D and food technology to develop healthy products that provide taste and science based nutrition. Technological advances can help with products that provide science based nutrition conveniently but we also need to focus on balanced diets and physical activity if we are to safeguard against both under and over-nutrition. A lot of work needs to be done to increase nutritional awareness.

## Prepared Dishes and Cooking Aids



MAGGI's campaign #HealthIsEnjoyable is a benchmark for user generated content and engagement on Twitter.



Over 3 million fans  
on MAGGI page



2nd largest F&B brand with  
more than 30000 followers



MAGGI Oats Noodles  
commercial generates over  
1.5 Million views

