



Nestlé

Good food, Good life



ANNUAL
REVIEW
2019





INSIDE THIS REPORT

ENHANCING QUALITY OF LIFE AND CONTRIBUTING TO A HEALTHIER FUTURE

As we pursue our aspirations, we are ever-mindful of our purpose. This is intrinsic to our commitments, inspiring us as individuals, sustaining us as a company, and allowing us to contribute to society in meaningful ways. This subsequently propels the long-term growth of the business.

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ABOUT THIS REPORT

WELCOME TO THE NESTLÉ
ANNUAL REVIEW 2019

Nestlé (Malaysia) Berhad (“Company”) has grown alongside generations of Malaysians for the past 107 years, offering global expertise as well as in-depth local understanding and engagement. Over the past century, the Company has not only been able to prosper due to the wealth of opportunities in this nation, but also due to our relentless drive to fulfil our purpose of enhancing quality of life and contributing to a healthier future for Malaysia through the years.

Recognising our stakeholders as a core pillar of support, we are dedicated to maintaining open and transparent communication. This ensures that our stakeholders are well-informed on the entire scope of our strategic growth plans and operations, which are premised upon creating societal and environmental value alongside business growth. As always, we are guided by our purpose and resolute in our brand promise of ‘GOOD FOOD, GOOD LIFE.’

We provide three dedicated reports at the end of every financial year detailing our economic, social and environmental objectives, the measures undertaken to deliver on these objectives and our progress towards meeting our commitments. Each report comprises the reporting period of January to December 2019, focusing on the operations of Nestlé (Malaysia) Berhad and its subsidiaries (“Group”).

This Annual Review conveys our overall business strategy, financial performance and key drivers for the year which enabled us to achieve our targets, including operational, marketing and sales initiatives.

The Message from our Chairman and Chief Executive Officer (CEO) section elaborates on our performance during the year, as well as on the progress of our strategic plans to drive the sustainable growth of the business. Meanwhile, our Business Review section outlines the ongoing development of our product portfolio and brand campaigns undertaken during the year.

This report has been approved by the Board of Directors of Nestlé (Malaysia) Berhad (“Board”) on 9 March 2020.

OUR REPORTING SUITE

To ensure that our shareholders have access to information and progress updates regarding our business and performance, we provide three comprehensive reports focused on salient areas: Annual Review, Corporate Governance & Financial Report and Nestlé in Society Report (NiS). Throughout the year, we also publish our quarterly financial results, news releases as well as any material announcements on Bursa Malaysia Securities Berhad and on our corporate website: www.nestle.com.my

BOOK 1



ANNUAL REVIEW

This is Nestlé Malaysia's principal report which communicates our growth strategy, key financial results, updates from our brands and businesses as well as other achievements throughout the year.

BOOK 2



CORPORATE GOVERNANCE & FINANCIAL REPORT

This report contains key indicators for the Group's financial performance during the year under review, as well as the policies and measures undertaken to instil best practices in corporate governance.

BOOK 3



NESTLÉ IN SOCIETY REPORT

This is an extensive report encompassing the various initiatives we have in place, aimed at creating shared value and enabling us to fulfil our purpose to make a positive impact on our society and environment.

REPORTING FRAMEWORK

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Companies Act 2016
- Malaysian Code on Corporate Governance
- International Integrated Reporting Framework
- International/Malaysian Financial Reporting Standards
- Global Reporting Initiative guidelines
- International Integrated Reporting Council guidelines
- Corporate Governance Guide by Bursa Malaysia Securities Berhad

ASSURANCE

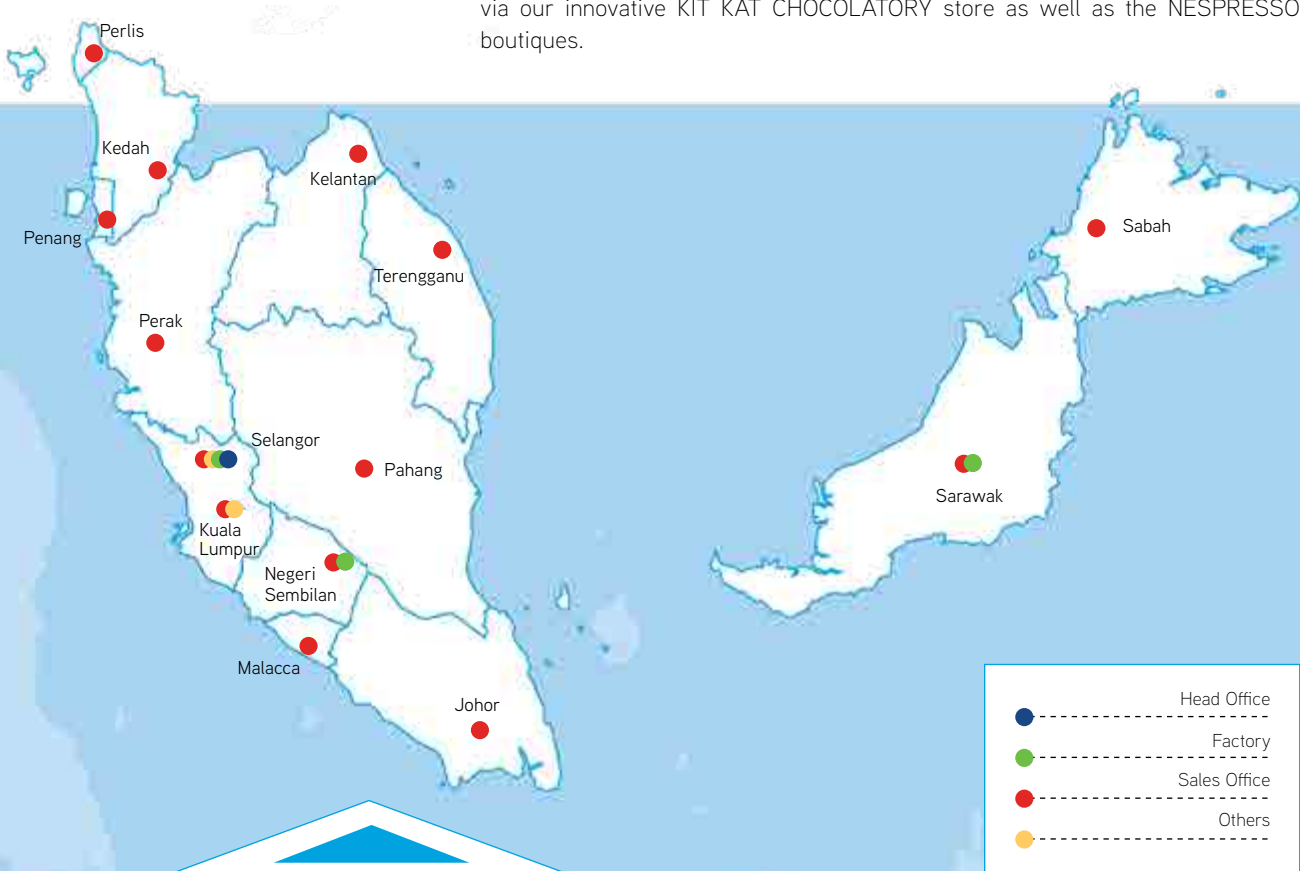
- Internal controls and management assurance
- Compliance and internal audit reviews
- External audit by KPMG PLT on financial information
- External audit by PricewaterhouseCoopers on the NiS

OUR BUSINESS

OUR PRESENCE

Our operations span across the nation, with our head office centrally located in Selangor and six manufacturing facilities throughout Malaysia. Having established an extensive network of 44 strategically located sales offices in Malaysia and Borneo, we are able to mobilise our dedicated teams to reach distributors and customers throughout the nation.

Along with this, consumers have the opportunity to enjoy customised experiences via our innovative KIT KAT CHOCOLATORY store as well as the NESPRESSO boutiques.



SELANGOR

Head Office

- 3 Factories
- 1 Nestlé Distribution Centre
- 7 Sales Offices
- 1 NESPRESSO Pop-up Boutique

KUALA LUMPUR

- 1 Sales Office
- 1 NESPRESSO Boutique
- 1 NESPRESSO Pop-up Boutique



PERLIS

- 1 Sales Office

KEDAH

- 2 Sales Offices

MALACCA

- 1 Sales Office

JOHOR

- 7 Sales Offices

NEGERI SEMBILAN

- 2 Factories
- 3 Sales Offices

KELANTAN

- 2 Sales Offices

TERENGGANU

- 1 Sales Office

PAHANG

- 3 Sales Offices

PERAK

- 6 Sales Offices

PENANG

- 3 Sales Offices

SABAH

- 3 Sales Offices

SARAWAK

- 1 Factory
- 4 Sales Offices

ORGANISATION STRUCTURE

CHIEF EXECUTIVE OFFICER

Juan Aranols

CORPORATE FUNCTIONS

- ▶ Chief Financial Officer
Craig Connolly
- ▶ Executive Director
- Supply Chain
Salman Nazir
- ▶ Executive Director
- Corporate Affairs
Nirmalah Thurai
- ▶ Executive Director
- Technical & Production
Alessandro Monica
- ▶ Executive Director - Sales
Chew Soi Ping
- ▶ Executive Director
- Communications
(operating out of Singapore)
Chow Phee Chat
- ▶ Executive Director
- Human Resources
Shahzad Umar
- ▶ Executive Director
- Legal & Secretarial
Tengku Ida Adura Tengku Ismail

BUSINESS UNITS

- ▶ Business Executive Officer
- MILO
Ng Su Yen
- ▶ Business Executive Officer
- Ready-to-Drink
April Wong
- ▶ Business Executive Officer
- Nutrition
Wong Eu Khean
- ▶ Business Executive Officer
- Foods
Geetha Balakrishna
- ▶ Business Executive Officer
- Ice Cream
Teo Heng Keat
- ▶ Business Executive Officer
- Health Science
Maria Rica Mier
- ▶ Business Executive Officer
- Beverages
Othman Chraibi
- ▶ Business Executive Officer
- Confectionery
Frédéric Porchet
- ▶ Business Executive Officer
- NESTLÉ PROFESSIONAL
Yit Woon Lai
- ▶ Business Executive Officer
- NESPRESSO
Geoffrey Dalziel
- ▶ Business Executive Officer
- Milks
Lam Pui Yuee

OUR BUSINESS

FAST FACTS

Nestlé Malaysia offers nine categories of products

DAIRY

BEVERAGES

FOODS

READY-TO-DRINK

ICE CREAM



**HEAD
OFFICE**

located in Mutiara
Damansara,
Selangor



Turnover of

RM5.5 BIL

in 2019



Employs more than

**4,600
PEOPLE**

**PUBLIC
LISTED**

on Bursa Malaysia
since 1989



20% of our total production is
exported to more than

50 COUNTRIES

across the world



MATERNAL & CHILD NUTRITION

HEALTHCARE NUTRITION

CONFECTIONERY

OUT-OF-HOME

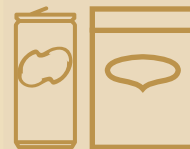
Market capitalisation of
RM34 BIL
as of 31 December 2019



Operates **6 FACTORIES**
and a Nestlé Distribution Centre



100%
of our manufacturing
workforce is
MALAYSIAN




Produces over
500
Halal-certified
products, with leading locally-made
household brands such as MILO,
MAGGI and NESCAFÉ



The biggest
HALAL
producer in the Nestlé world

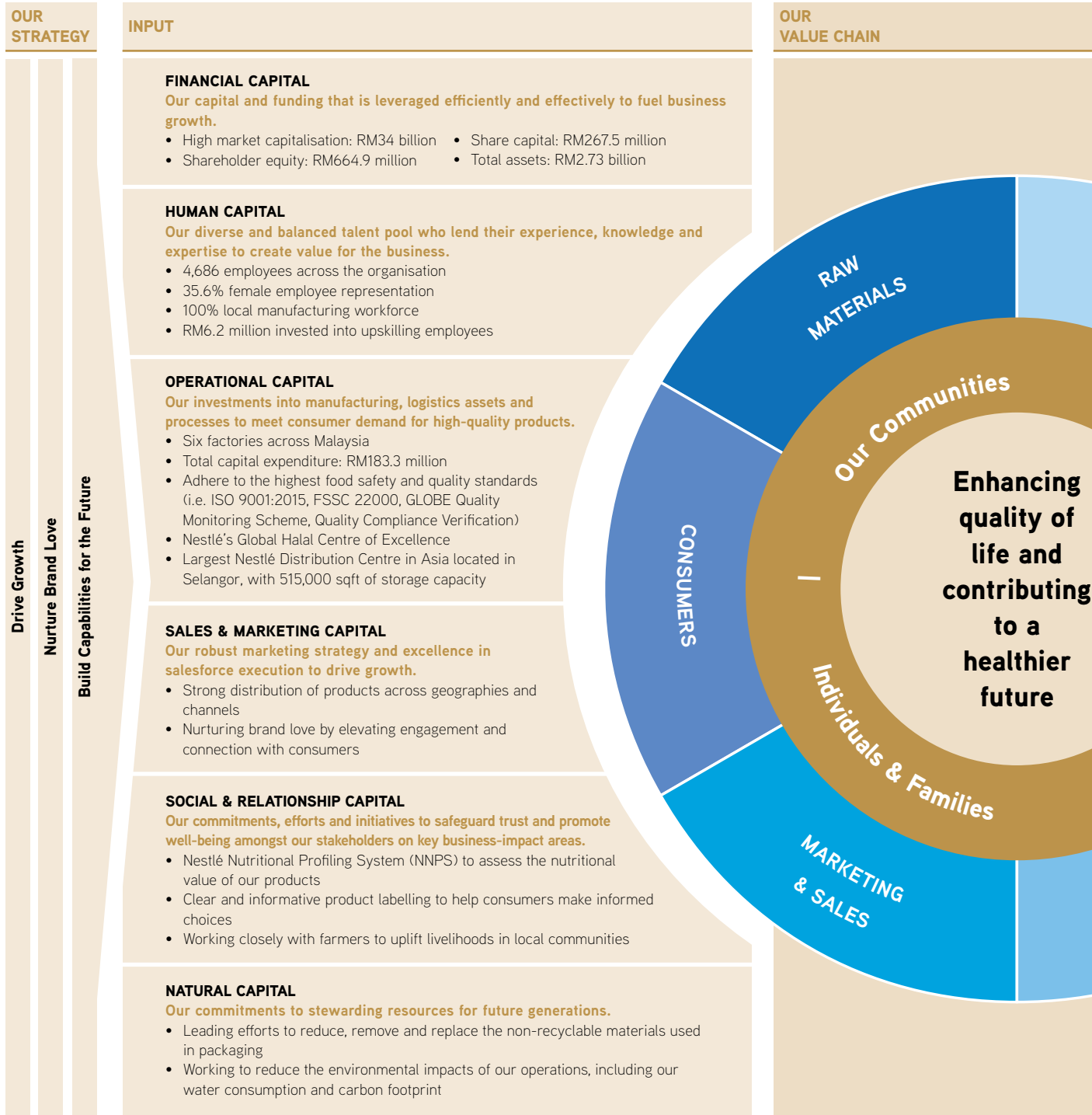
Commercial operations in
Malaysia
SINCE 1912

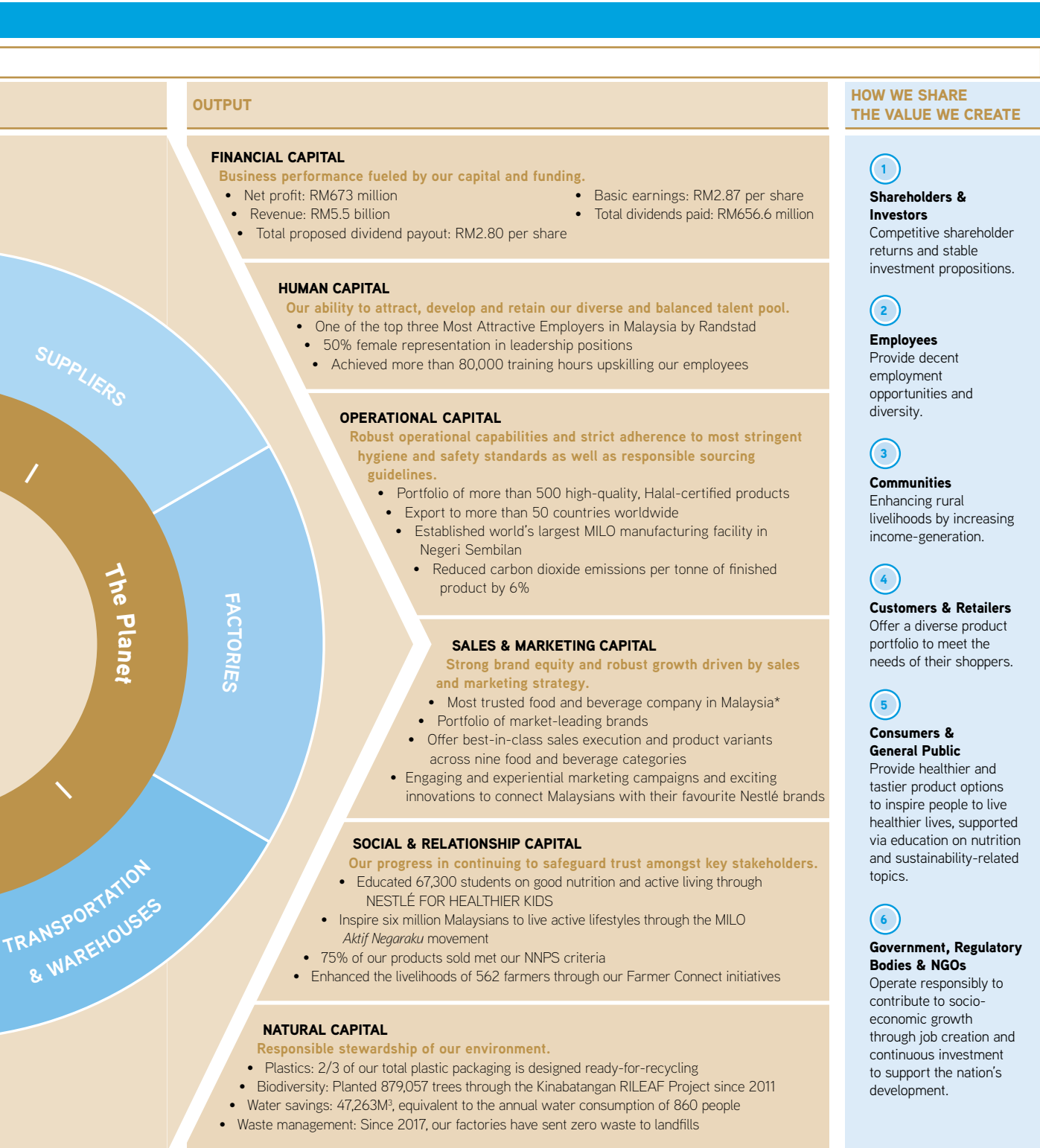


OUR BUSINESS

BUSINESS VALUE CREATION MODEL

PROTECTING TRUST





OUTPUT

FINANCIAL CAPITAL

Business performance fueled by our capital and funding.

- Net profit: RM673 million
- Revenue: RM5.5 billion
- Total proposed dividend payout: RM2.80 per share
- Basic earnings: RM2.87 per share
- Total dividends paid: RM656.6 million

HUMAN CAPITAL

Our ability to attract, develop and retain our diverse and balanced talent pool.

- One of the top three Most Attractive Employers in Malaysia by Randstad
- 50% female representation in leadership positions
- Achieved more than 80,000 training hours upskilling our employees

OPERATIONAL CAPITAL

Robust operational capabilities and strict adherence to most stringent hygiene and safety standards as well as responsible sourcing guidelines.

- Portfolio of more than 500 high-quality, Halal-certified products
- Export to more than 50 countries worldwide
- Established world's largest MILO manufacturing facility in Negeri Sembilan
- Reduced carbon dioxide emissions per tonne of finished product by 6%

SALES & MARKETING CAPITAL

Strong brand equity and robust growth driven by sales and marketing strategy.

- Most trusted food and beverage company in Malaysia*
- Portfolio of market-leading brands
- Offer best-in-class sales execution and product variants across nine food and beverage categories
- Engaging and experiential marketing campaigns and exciting innovations to connect Malaysians with their favourite Nestlé brands

SOCIAL & RELATIONSHIP CAPITAL

Our progress in continuing to safeguard trust amongst key stakeholders.

- Educated 67,300 students on good nutrition and active living through NESTLÉ FOR HEALTHIER KIDS
- Inspire six million Malaysians to live active lifestyles through the MILO *Aktif Negaraku* movement
- 75% of our products sold met our NNPS criteria
- Enhanced the livelihoods of 562 farmers through our Farmer Connect initiatives

NATURAL CAPITAL

Responsible stewardship of our environment.

- Plastics: 2/3 of our total plastic packaging is designed ready-for-recycling
- Biodiversity: Planted 879,057 trees through the Kinabatangan RILEAF Project since 2011
- Water savings: 47,263M³, equivalent to the annual water consumption of 860 people
- Waste management: Since 2017, our factories have sent zero waste to landfills

HOW WE SHARE THE VALUE WE CREATE

1

Shareholders & Investors

Competitive shareholder returns and stable investment propositions.

2

Employees

Provide decent employment opportunities and diversity.

3

Communities

Enhancing rural livelihoods by increasing income-generation.

4

Customers & Retailers

Offer a diverse product portfolio to meet the needs of their shoppers.

5

Consumers & General Public

Provide healthier and tastier product options to inspire people to live healthier lives, supported via education on nutrition and sustainability-related topics.

6

Government, Regulatory Bodies & NGOs

Operate responsibly to contribute to socio-economic growth through job creation and continuous investment to support the nation's development.

* Source: Nestlé's Corporate Equity Monitor Survey 2019 by Kantar Malaysia

CREATING SHARED VALUE

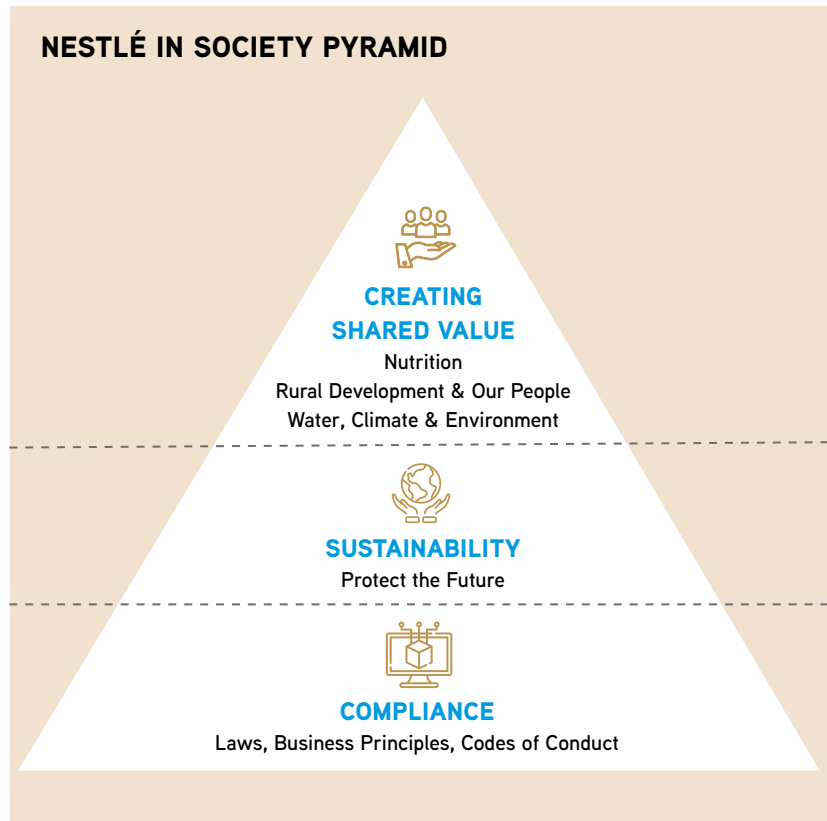
MEETING OUR COMMITMENTS

Creating Shared Value (CSV) is fundamental to how we do business at Nestlé. We believe that our company will be successful in the long-term by creating value, for both our shareholders and the society. Our activities and products should make a positive difference to society while contributing to Nestlé's ongoing success.

This is tied to our strongly held conviction that growth can only be sustained if it is inclusive. CSV embodies our commitment to this and represents one of the avenues in which we bring to life our purpose of enhancing quality of life and contributing to a healthier future.

We have translated our focus in three CSV priorities, representing key areas where our business can make the greatest impact. These comprise Individuals and Families, for whom we strive to enable healthier and happier lives; our support behind the development of thriving and resilient Communities; and the Planet, by helping steward the earth's natural resources for future generations.

To ensure that we achieve these objectives, we have key commitments and targets in place, allowing us to track and report on our progress in a transparent manner. These goals are premised upon ensuring sustainability, human rights and compliance in all that we do.



In addition, our CSV approach is closely aligned with the United Nations 2030 Agenda for Sustainable Development. Having helped to shape the 17 Sustainable Development Goals (SDG), together with the global business community, we are committed to doing our part in achieving these goals. We recognise that we live in an interconnected world in which our futures are inextricably linked.

Our drive to curate a nutritious, great-tasting, high-quality food and beverage portfolio allows us to enable healthier and happier lives, while our rural development programmes support farmers, subsequently enabling us to provide consumers with fresh and sustainable ingredients in their food products. Finally, our commitment to safeguard the environment allows us to reduce cost in our business operations and helps to ensure that natural resources are used in a responsible manner.

OUR PURPOSE

ENHANCING QUALITY OF LIFE AND CONTRIBUTING TO A HEALTHIER FUTURE

OUR 2030 GLOBAL AMBITIONS



FOR INDIVIDUALS & FAMILIES

Enabling healthier and happier lives

To help 50 million children lead healthier lives



FOR OUR COMMUNITIES

Helping develop thriving, resilient communities

To help improve 30 million livelihoods in communities directly connected to our business activities



FOR THE PLANET

Stewarding resources for future generations

To strive for zero environmental impact in our operations

OUR IMPACT AREAS

- Offering tastier and healthier choices
- Inspiring people to lead healthier lives
- Building, sharing and applying nutrition knowledge

- Enhancing rural livelihoods
- Respecting and promoting human rights
- Promoting decent employment and diversity

- Caring for water
- Acting on climate change
- Safeguarding the environment

OUR CSV PILLARS

Nutrition, Health and Wellness

Rural Development
Our People

Water
Environment and Climate

THROUGH OUR AMBITIONS, WE ARE SUPPORTING THE SDG



MESSAGE FROM OUR CHAIRMAN AND CEO

Dear shareholders,

Weathering 2019's economic volatility and challenging environment, our company, Nestlé Malaysia, was able to push through to record another year of growth. Our focus on growth driven by strong and sustained demand-generating activities, funded through internal efficiencies paid back once again. At the same time, we continued to make all the necessary efforts to future-proof the Company, building capabilities for long-term success.

More than ever, our focus to deliver solid performance on the business metrics comes together with a commitment to build our business in a sustainable, respectful and environmentally-friendly manner.



**Y.A.M. TAN SRI DATO' SERI
SYED ANWAR JAMALULLAIL**
Chairman



JUAN ARANOLS
Chief Executive Officer





MESSAGE FROM CHAIRMAN AND

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SYED ANWAR JAMALULLAIL**
Chairman



JUAN ARANOLS
Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS, WE ARE PLEASED TO PRESENT THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019.

SOCIOECONOMIC LANDSCAPE

The global trading environment experienced a challenging year, with overall economic activity weighed down by weakening demand and foreign currency fluctuations. Nevertheless, Malaysia's domestic growth was bolstered by resilient private consumption and stable labour market conditions. Beyond the short-term conjuncture, the push to embrace Industry 4.0 and new technologies continued and this was accompanied by an increased call for solutions to prevailing environmental issues.

In this context, Nestlé Malaysia was able to tap on domestic demand opportunities throughout the year with effective sales and marketing activities, as well as adapting our portfolio to evolving consumer needs reflective of changing lifestyles and consumption behaviours.

OUR FOCUS ON SUSTAINABLE AND PROFITABLE GROWTH

We are fortunate to hold a special position in Malaysia, with well-established brands that resonate deeply with consumers. This is a solid foundation to deliver growth sustainably over time. We drive growth by strengthening our relevance to consumers across multiple channels and through our product innovations. Moreover, we nurture the 'love' of Malaysians for Nestlé brands by remaining relevant in our communication, delivering our high-quality products and ensuring that our brands play a clear role in driving positive societal values, from the MILO brand advocating the long-term benefits of healthy and active lifestyles, to the MAGGI brand fostering Malaysian women empowerment.

PROTECTING TRUST

We are committed to uphold and protect the trust we have earned over the years. Underlying this is our purpose of enhancing quality of life and contributing to a healthier future, anchored by our commitment to enable happier and healthier lives for individuals and families; develop thriving, resilient communities and help to safeguard and protect the planet's resources for future generations.

Holding ourselves to strict standards of integrity and ethical practices, we are guided by the Nestlé Corporate Business Principles. Alongside our business objectives, we strive to be a force for good in all that we do. This is a core tenet at the foundation of everything that we do.



FINANCIAL PERFORMANCE

Overcoming economic headwinds and an intensely competitive environment, our market-leading brands continued to win the hearts and minds of consumers.

This was supported by continuous product innovation coupled with effective marketing and trade activities. With these key growth drivers, we delivered another year of positive earnings, recording solid domestic growth, advancing market share in a number of our categories and making solid progress in profit after tax.

DIVIDENDS

Once again, we are proud to reward the trust of our shareholders with a consistent dividend payment. The Board declared a final dividend of RM1.40 per share, resulting in a full-year proposed dividend payout of RM2.80 per share.



MESSAGE FROM CHAIRMAN AND

Dear shareholders,

Weathering 2019's economic volatility and challenging environment, our company, Nestlé Malaysia, was able to push through to record another year of growth. Our focus on growth driven by strong and sustained demand-generating activities, funded through internal efficiencies paid back once again. At the same time, we continued to make all the necessary efforts to future-proof the Company, building capabilities for long-term success.

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**Y.A.M. TAN SRI DATO' SERI
SYED ANWAR JAMALULLAIL**
Chairman



JUAN ARANOLS
Chief Executive Officer

CORPORATE GOVERNANCE

Our corporate governance framework is premised on best practices in transparency and accountability. To enhance this further, in 2019 we undertook a Board Effectiveness Evaluation, conducted by an external advisory team to review the performance of our Board, Board Committees and individual Directors.

The exercise is aligned with the Malaysian Code on Corporate Governance and Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Further details can be found on page 16 of the Corporate Governance & Financial Report 2019.

KEY ACHIEVEMENTS

We continued to grow ahead of competition in most categories. We managed to offset the pressure from rising commodity costs while honouring our commitment to minimise price increases and protect Malaysians' access to our brands. This was possible through our relentless effort in driving efficiency and sustainable savings.

Key milestones in 2019 included the expansion of our Chembong Factory in Negeri Sembilan, establishing the world's largest MILO manufacturing site and the successful completion of the Chilled Dairy business divestment.



Our factory in Chembong, Negeri Sembilan now stands as the world's largest MILO manufacturing facility.

We announced a significant step forward in our war against plastic waste, as the first food and beverage company in ASEAN to introduce paper straws at a large scale for packaged drinks. We also played an important role in captaining the industry in its journey to address a number of environmental challenges.

We were once again honoured during the year with several accolades bestowed on the Company such as the MSWG-ASEAN Corporate Governance Awards, the Putra Brand Awards and Malaysia's 100 Leading Graduate Employers Awards, amongst others. All these recognitions reflect the quality of the work done by our teams and their commitment behind the Company's success. For the full list of our key recognition during the year, refer to page 98 of the NiS 2019.

OUTLOOK

The year 2020 is off to a very complex start with a number of crises unfolding around the world and downside risks on the economic side, locally and globally. In a year of high volatility and multiple elements of disruption, we will continue to focus on what we do best: work hard every day to deliver great quality products to all Malaysians, as well as our consumers in export markets. We remain confident in our strong fundamentals and we will continue to focus on delivering growth while managing the risks triggered by the volatile external environment.

We will continue to advance in our efforts to leverage new emerging channels and expand our portfolio with great-tasting, high-quality innovations. This will constantly be complemented by our efforts to find efficiencies and savings that can be reinvested to fund sustained growth while protecting our margins. We will also step up our environmental agenda with multiple initiatives that will accelerate our impact towards driving solutions to the multiple environmental challenges that the planet, and Malaysia, are confronted with.

We look forward to continue strengthening our relationships with our employees, customers, suppliers, business partners and shareholders. We are immensely thankful to Malaysians for their continued trust in the Company and love for our brands. As we work towards a healthier future for all, we are ever-mindful of our responsibility to support our consumers in fulfilling their health and wellness aspirations through our trusted portfolio of products.

A final note of appreciation for the efforts of the Board, the Management Team and all the members of the large Nestlé family. Each and everyone's contribution has been instrumental in the good results of 2019.



MANAGEMENT DISCUSSION & ANALYSIS

“In 2019, we again delivered a solid set of financial metrics, in line with our commitment to drive sustainable and profitable growth, year in and year out. More importantly, we continued to sharpen our strategies and build the capabilities needed to future-proof our business.”

JUAN ARANOLS
Chief Executive Officer



FINANCIAL REVIEW

Against a volatile and challenging background, Nestlé Malaysia was able to deliver once more positive results for the year. We continued to build on solid fundamentals and further accelerated our efforts to keep our brands relevant and in tune with fast-evolving consumer expectations.

Sales amounted to RM5.5 billion for the financial year, the first without the Chilled Dairy business which was divested at the end of 2018. Net of this impact, turnover growth was 1.6%, driven by robust domestic sales growth at 4.7%. This was achieved amidst rising commodity prices and subdued export demand. Once again,

we protected consumer accessibility to our brands, minimising the need for price increases through multiple efficiency measures that generated sustainable savings.

The core engine of growth was our robust domestic performance, supported by impactful marketing activities, strong operational sales execution and the introduction of a number of exciting new products that resonated well with consumers. This allowed us to sustain and further improve our market leadership across many categories.

On the back of this solid performance, the Group's profit after tax increased by 2.1% to RM673 million, while profit

before tax stood at RM876 million despite rising commodity costs.

OPERATIONAL AND BUSINESS REVIEW

We operate in a dynamic environment in which the consumer landscape is rapidly evolving, especially when it comes to supporting healthy lifestyles and addressing environmental concerns such as climate change. These trends that are materialising worldwide and also gaining momentum in Malaysia impose on all players in the fast-moving consumer goods sector the need to rapidly adapt business models and ways of working accordingly.



1. EFFECTIVE AND SUSTAINABLE GROWTH STRATEGIES

To ensure sustainable growth, we need to maintain and even amplify our relevance and reach across all consumer segments by catering to their specific needs and aspirations. Our brands and products have to be made available across all channels and consumption moments with rigorous planning and execution throughout the entire value chain. Also, as consumers go increasingly digital, effective online engagement becomes an ever more important ingredient of success.

Harnessing Digital Opportunities

The digital arena has gained great traction in recent years and this trend is set to continue. This is a strong focus area for Nestlé, and most of our brands are already very active in the online ecosystem. E-commerce has become a strong growth driver for sales and continues to grow at high double digits year-on-year, with an 18.4% increase in 2019. Online platforms are rapidly expanding and in addition to providing greater accessibility to our brands, they enable fresh opportunities to engage with consumers in distinct and more experiential ways.

Hence, we are seizing all opportunities to partner with leading regional e-commerce platforms, through events such as our very first Super Brand Day or the 11.11 Singles Day. These events stretch logistic capabilities as consumers expect fast and reliable delivery and we have continued to work with our partners to sharpen logistic models to fulfill these expectations. On the back of these achievements, Malaysia's e-commerce

business today is the largest in the Nestlé market for Southeast Asia and the third largest in Asia.

Addressing Need for Portability & Convenience

Catering to consumers seeking convenient choices that can blend into their on-the-go lifestyles, we made further strides in the area of portability and convenience. Many of our innovations went into this space, such as the various launches in Ready-to-Drink (RTD), MAGGI noodles, Ice Cream and Confectionery. In addition to our portfolio strategy, we continued to drive our focus in convenience channels and proximity stores or mini-markets, as these formats gain share in the overall retail sector.

Best-in-Class Sales Execution

Malaysia's retail ecosystem is large, complex and extremely diverse. We take great pride in partnerships and cooperation with all customers and retailers, big and small, traditional and modern. Similarly, in the out-of-home segment, we serve a multitude of channels, each one with specific service and range requirements.

Nestlé Malaysia has over the years built an effective commercial network to reach out to all these channels and ensure the best presence for our brands. This remains a key success factor and was, once again, instrumental in achieving strong results in the domestic business in 2019.

Despite having the privilege of a firm footing in Malaysia, we at Nestlé are aware that we must continue to evolve with our consumers in order to stay ahead and ensure that our brands remain prominent and relevant in consumers' minds. To achieve this, we have identified four main areas for action:

1. Effective and sustainable growth strategies;
2. Nurture the love of Malaysian consumers for Nestlé brands;
3. Build the capabilities needed to remain competitive in the future; and
4. Contribute positively to address climate change and other environmental challenges.

MANAGEMENT DISCUSSION & ANALYSIS

2. NURTURE THE LOVE OF MALAYSIANS FOR NESTLÉ BRANDS

What is unique to Malaysians is their very special relationship with Nestlé brands that has been established over many years. This constitutes a form of 'love' that we feel extremely thankful and respectful for. Nevertheless, we cannot take this love for granted and we are keenly aware that consumers today are spoilt for choice. We need to continuously build on our brands' strong emotional links, as well as provide robust value and nutritional propositions, so that our products remain a preferred choice for consumers to address the needs of their varied lifestyles and meet their taste expectations.

Connecting Consumers with Our Core

With our presence of over a century in the country, generations of Malaysians have grown up with our iconic brands, which continue to play a significant role in their daily lives. We strive to ensure that these beloved brands continue to matter to both the younger and older generations. This includes building our brands as a force for good, both in terms of the nutritional and value propositions they provide, as well as their explicit effort to propagate values that contribute to a better society.

As an example, the MAGGI brand's commitment to support women empowerment, particularly among young mothers, was expressed with our MAGGI CUKUP RASA "Tak Kenal,



Tak Cinta" campaign, encouraging women to empower themselves and step out of their comfort zones to explore new things. While cooking was a central element in this campaign, it also extended to inspire Malaysian women to pursue their own aspirations and projects in life.

Through the MILO brand, we continued to educate Malaysians on the importance of living a healthy and active lifestyle. Besides practising sports, we also encourage people to take a wholesome breakfast every day, as supported by our "MILO Malaysia Breakfast Day" (MBD) campaign which garnered the participation of over 88,000 Malaysians in 2019. We also took great pride in reminding Malaysians the fundamental truth of MILO as a nutritious drink containing the goodness of milk, malt and cocoa.

Tapping into Premiumisation Trends

Malaysia's expanding and more affluent middle class comes with an increased aspiration for more sophisticated and experiential products.

The coffee segment is one of the areas where this has become more visible. Coffee lovers increasingly look for higher-quality premium offerings, and Nestlé Malaysia, with our unique portfolio of brands is well-equipped to tap into this trend through the three most iconic coffee brands worldwide: NESCAFÉ, NESPRESSO and the new STARBUCKS AT HOME range, complemented by the launch of WE PROUDLY SERVE (WPS) STARBUCKS range of solutions for the out-of-home segment.

For our NESCAFÉ brand, we relaunched the NESCAFÉ GOLD coffee range, showcasing the premium quality and expert craftsmanship that goes into the product. This was brought to life through distinctive new packaging and a refreshed range of NESCAFÉ GOLD Premium Mixes.

In our Confectionery business, we heightened our presence in the gifting segment with the introduction of KIT KAT Senses, providing consumers with a luxurious treat for an indulgent break.

Our Ice Cream business has been consistently strengthening its presence in the premium segment, leveraging the capabilities enabled by a new extrusion line in the Chembong facility with great success.

Promoting Good Health and Nutrition

Through continuous product innovation and renovation, one of our key aspirations is to support the nutritional needs of all socio-

demographic segments. To this end, we further expanded our portfolio this year with healthier and tastier products for Malaysians from every economic background. We also continue to reformulate our products constantly to meet consumers' demand for healthier options, while still delivering on taste expectations.

Besides the nutritional content of our products, we continue to roll out our programmes to promote healthier lifestyles amongst Malaysians. In addition to MILO MBD, the NESTLÉ OMEGA PLUS brand organised its annual "Walk-A-Mile" event to create awareness on high cholesterol, a major risk factor for heart disease amongst Malaysians. The NUTREN Optimum "Regain Strength" campaign was also launched to educate Malaysians on sarcopenia, an age-associated loss of muscle mass and strength especially affecting the elderly, and the key role of nutrition intervention.

We also continued to remain relevant and close to lower-income consumers, with targeted programmes to impart

the benefits of good nutritional habits, such as the MILO "Rural Activation" campaign, reaching out to secondary towns and low-cost housing communities throughout the country. Besides this, by rolling out the "Famili Sihat & Ceria bersama NESTLÉ EVERYDAY" project, we impacted over 100,000 B40 households.

3. BUILDING CAPABILITIES FOR THE FUTURE

Nestlé has been active in Malaysia for more than 100 years and our success reflects our ability to balance short-term performance with investing behind the right capabilities to win in the future.

Efficient Organisation to Future-Proof the Business

At Nestlé Malaysia, we believe that continuous improvement is the best way to adapt to evolving market and consumer dynamics and to the opportunities enabled by emerging technologies. In 2019, we implemented an innovative digital Human Resources system that better empowers employees to manage their career development and advancement, as well as providing improved transparency and perspective to employees on their remuneration.

We completed the upgrading of our GLOBE Landscape Simplification programme in January 2019, allowing for better alignment and simplification of our IT infrastructure, in line with the global Nestlé system framework.



The annual Walk-A-Mile event by NESTLÉ OMEGA PLUS united Malaysians to raise awareness on better heart health.

MANAGEMENT DISCUSSION & ANALYSIS

We also completed an important sales reorganisation, with the merging of the dedicated Confectionery sales force into the larger Corporate sales organisation, enabling them increased access to our customers and an expanded set of capabilities and tools.

In another key milestone for the year, we completed the expansion of the MILO Chembong Factory, which now stands as the largest MILO manufacturing facility in the Nestlé world. By upgrading the factory with new state-of-the-art automated processes and digitalisation, we were able to realise capacity gains with improved productivity. This will allow us to continue meeting the increasing demand for high-quality, made-in-Malaysia MILO products, domestically and for export markets.

In our journey towards Industry 4.0, we continue to incorporate emerging technologies such as the collaborative robots introduced at our Shah Alam manufacturing facility. This enables us to scale up automation and human-machine interaction in our factory processes.

Talent Development & Employee Well-Being

To compete successfully, we need to attract, develop and retain highly-skilled, performance-driven talent with the mindset to excel and win despite any external challenges. This is achieved via talent development programmes targeted to strengthen professional and personal skill sets, such as Blended Learning solutions, combining face-to-face learning

with online components. In order to improve functional capabilities of our salesforce, the Sales Academy houses all sales-related training and development. To ensure a fair and equal opportunity culture, Unconscious Bias Training addresses blind spots and stereotyping that can perpetuate systemic bias in the workplace.

We are dedicated to supporting the needs of all our people. To this end, we introduced the Flexible Work Arrangement benefit for new mothers and fathers (in the role of primary caregiver), supporting the balance of work and family lives.

Equally essential to our talent development is caring for the welfare of our people. The initiatives we have in place are outlined in our Wellness@Work framework. Among

others, this comprises annual health screening via the “Know Your Numbers” programme, whereby employees can track a number of health-related indicators to maintain a healthy lifestyle.

We also continued our annual “Health and Wellness Challenge” this year as well as introduced a targeted wellness initiative to help our team of Field Promotion Operators, including our beloved ‘Abang MILO’ team, to adopt a regular routine of physical exercise and healthy diets.

Mindful of the widespread prevalence of influenza, we administer free flu vaccines to all our employees each year on a voluntary basis. In 2019, 800 employees were vaccinated to protect themselves against flu season.



Our Field Promotion Operators enthusiastically taking part in our wellness programme, to inculcate healthy and active lifestyles.

4. CONTRIBUTING POSITIVELY TO HELP ADDRESS CLIMATE CHANGE AND OTHER ENVIRONMENT CHALLENGES

Consumers today are increasingly concerned about environmental challenges and are more actively seeking out brands that play a positive role in environmental preservation. As the world's largest food and beverage company, we are deeply committed to address pressing environmental issues. We are driven by our two global ambitions: to make 100% of our packaging recyclable or re-usable by 2025; and to achieve zero net emissions by 2050.

A key area which we have accelerated is the war against plastic waste, which is particularly challenging in food manufacturing, given the need to ensure product quality and safety throughout the value chain. In this context, we have undertaken several initiatives to tackle challenges of plastic waste from different angles.

A true breakthrough in 2019 was the adoption of paper straws for our MILO UHT 125ml drink packs, enabling us to save 40 million plastic straws per year from ending up in landfills. Nestlé is the first food and beverage company in ASEAN to introduce this at a large scale. We are also developing sustainable packaging alternatives, starting with removing plastics which are difficult to recycle. As a result of our ongoing efforts, two-thirds of Nestlé Malaysia's plastic packaging are currently designed for recycling, well in line with our aim towards realising our global pledge.



Ng Su Yen, Business Executive Officer, MILO and Juan Aranols, Chief Executive Officer, Nestlé Malaysia showcasing the innovative new paper straws for MILO UHT drink packs.

To minimise greenhouse gas emissions, best manufacturing practices and energy-efficient processes are applied in our operations, and we confirmed again our 'Zero Waste to Landfill' status for all our factories in 2019. Along with this, we have deployed innovative solutions within our supply chain that help us to reduce carbon emissions. We are also continuing our reforestation efforts in East Malaysia, working towards fulfilling our promise of planting one million trees along the Kinabatangan riverbanks by mid-2020.

These are among the many measures we have undertaken as part of our commitment towards environmental stewardship. A comprehensive account of our sustainability commitments and progress during the year can be found in our 2019 Nestlé in Society Report.

CONCLUSION

After a year of positive progress in 2019, Nestlé Malaysia is ready to meet new opportunities and challenges that will come in 2020. Our strategic direction has been set and will largely remain unchanged, while the execution will be adapted to the specific consumer and market requirements. We look forward to continue leveraging our strengths to fulfil our ultimate mission of keeping Nestlé as the most trusted food and beverage company and our brands relevant and cherished in the lives of millions of Malaysian families every day.

OUR PRODUCT PORTFOLIO





Having been present in the nation and in the hearts of Malaysians for over 100 years, we are firmly committed to offering the very best in quality, nutrition and taste.

This encompasses our wide portfolio of Halal-certified products, and many of our key brands have become part of Malaysian households for generations.

True to our promise of delivering GOOD FOOD, GOOD LIFE, we will continue to provide relevant product offerings that resonate with consumer needs, in order to support Malaysians of all ages lead happier and healthier lives.



BUSINESS REVIEW

MILO

Arriving in Malaysian households in 1949, MILO has grown alongside our nation and has been an integral part of Malaysia's development in sports and athletics.

With the natural goodness of malt from barley, milk and cocoa and fortified with vitamins and minerals, MILO continues to nourish Malaysians and remains the leading chocolate malt beverage in the country.



MILO Malaysia Breakfast Day 2019

Breakfast plays a key role in starting the day right. Promoting breakfast consumption and active lifestyles, the annual MILO Malaysia Breakfast Day is the nation's largest breakfast event.

Returning for the seventh consecutive year, we hit a new record of over 88,000 participants in 2019. This took place over eight days in seven locations across Malaysia: Putrajaya, Penang, Kuantan, Kota Bharu, Kota Kinabalu, Kuching and Batu Pahat.

As part of the MILO *Aktif Negeraku* movement, MILO MBD 2019 held various activities aimed at encouraging people to be active and lead healthier lifestyles. This year we also educated participants about good recycling practices, in line with our commitment to help address environmental concerns.



Energetic participants and families enjoyed fun sports activities during the annual MILO Malaysia Breakfast Day.

Serving as an experiential platform to deepen engagement with consumers, MILO MBD enables us to create better awareness on the importance of a nutritious breakfast. It also allows us to convey the intrinsic goodness in a cup of MILO, which is an important source of micronutrients and milk consumption for Malaysians. For further information on MILO MBD 2019, refer to page 43 of our NiS.

MILO Rural Activation

Complementing MILO MBD, we undertook a Rural Activation campaign to reach out to secondary towns and low-cost housing communities in Peninsular Malaysia to help address the impact of undernutrition frequently prevalent in rural areas. Through engaging games and activities, the campaign sought to educate residents on the goodness of MILO and the importance of a wholesome breakfast.

In its second consecutive year, the activation took place over a three-month period in 240 locations, positively impacting more than 90,000 people.



Reaching out to residents in rural areas through the MILO Rural Activation campaign.

MILO Breakfast Campaign

Since 2005, the “MILO Breakfast Campaign” has engaged with parents to advocate for wholesome breakfasts for children, addressing the prevailing issue of schoolchildren skipping breakfast.

In 2019, we illustrated via creative brand imagery how MILO with its nutritional content, can provide children with the energy they need to face the many demands of school. The campaign, which also shared tips on providing ample nutrition and energy to get students through the day especially during Ramadan and exam periods, was also recognised globally through the YouGov Ad of the Month feature by WARC (World Advertising Research Center) in September.

Now in its 14th year, the MILO Breakfast Campaign has made good progress in increasing breakfast consumption among children.



MILO with Whole Grain Cereal

MILO with Whole Grain Cereal is the latest addition to the MILO range catering to the growing segment of health-conscious young adult consumers. The product was launched as a convenient, nutritious breakfast solution containing 25% more cereal* and is high in fibre. Certified with the Healthier Choice Logo (HCL) by the Malaysian Ministry of Health, this product provides 17% of the recommended daily intake of whole grain, helping consumers feel satiated for longer while maintaining the signature taste and goodness of MILO.

MILO with Whole Grain Cereal was launched during Ramadan via television, radio, digital and social media platforms, along with extensive sampling activities, offering young adults a wholesome energy-packed *sahur* or pre-dawn meal during the fasting month.

This latest addition has built strong brand appeal and increased consumption among young adults due to our targeted strategy, contributing to higher sales for the MILO business.



GREEN INITIATIVE

Did you know:

For the first time, MILO incorporated recycling education into the MILO MBD 2019 nationwide events, teaching over 88,000 participants about responsible waste management and successfully collecting almost six tonnes of recyclable waste.



KEY ACHIEVEMENT

Putra Brand Awards 2019
Platinum Award for Beverage (Non-Alcoholic) Category

CMB SBU (Nestlé S.A.) Special Recognition
for MILO Malaysia’s outstanding sports development programmes and sponsorships

* Compared to the MILO Cereal product

BUSINESS REVIEW

FOODS

First established in 1886, the MAGGI brand has been a pioneer in the food industry, known for facilitating easy-to-prepare, tasty meals with its high-quality products. Introduced in Malaysia in 1964, MAGGI has become a household brand offering Malaysians a world of taste and convenience, bringing its wide range of culinary products to the table, enabling consumers to create delicious homemade meals.



MAGGI

MAGGI CUKUP RASA *Tak Kenal, Tak Cinta* Campaign

In line with our brand promise of ‘You and MAGGI, Cook the Difference’, we believe that every cooking experience is an opportunity to make a difference. True to this, the brand embarked on our *Tak Kenal, Tak Cinta* campaign for MAGGI CUKUP RASA, aimed at empowering women to take the first bold step to try new things, from pursuing their choice of careers to even learning how to cook.

The campaign provided a platform to forge a more personal connection with MAGGI CUKUP RASA consumers, particularly the segment of young Malaysian mothers. Introducing Instagram-famous home cook Datin Paduka Eina Azman as the new

brand ambassador, we leveraged her 1.9 million-strong following to encourage women to try their hand at cooking simple homemade dishes with the help of MAGGI CUKUP RASA seasoning. Going beyond the kitchen, the campaign showcased women trying things out of their comfort zone, to illustrate how even small steps can provide women with the confidence boost to go further and be their best selves, be it in cooking or life in general.

As part of the campaign, we organised an engagement session themed, “*Tak Kenal, Tak Cinta – A Conversation with Women on Being More Every Day*” to encourage greater conversation amongst women on empowering their lives, inspired by personal life stories and experiences from key female public figures. The session featured prominent Malaysian personalities

such as Stacy Anam, Farah Ann and Daphne Iking, who shared their own inspiring stories as well as their favourite recipes with MAGGI CUKUP RASA.

To engage with consumers across the nation, a series of roadshows were held throughout Peninsular Malaysia. This also strengthened the positioning for the MAGGI CUKUP RASA brand as an ally for women empowerment, both in and out of the kitchen.

Delighting Malaysians with MAGGI Noodles

Since the introduction of MAGGI noodles to Malaysians in 1972, the product has become an iconic household favourite. This year, we launched the MAGGI “Simply Good” campaign to



Bringing together diverse local variations of goreng-style MAGGI, 10 contestants were selected from across Malaysia to take part in a final cook-off, with three winners crowned.

heighten awareness on the high-quality ingredients and state-of-the-art processes which create MAGGI noodles.

Driven through television as well as digital platforms, the tagline #YangBaikBaikJe defined the goodness of the product, from the perfect blend of 12 carefully-sourced ground spices to the highest quality Australian wheat. Coupled with major events held throughout Malaysia along with sampling sessions, the campaign enabled us to communicate the depth of care and high standards adhered to in producing high-quality MAGGI noodles; a story which resonated strongly with Malaysians.

Emphasising the product's versatility and tapping on Malaysian's love for goreng-style MAGGI noodles typically prepared by local eateries, we also launched the MAGGI "Dua Cara" campaign. To encourage in-home consumption, three easy steps were highlighted to create a goreng-style dish using the originally soup-based MAGGI noodles.

As a result of the strategically executed campaigns with strong digital components, MAGGI noodles saw strong growth in market share for the year.

MAGGI PEDAS GILER X2

Catering to Malaysians' passion for spicy food and building on the success of the original MAGGI PEDAS GILER noodle range, we launched the MAGGI PEDAS GILER X2 Ayam Bakar variant. With twice as much spiciness, we engaged with key opinion leaders who took on the #JanganKelipMata Challenge via digital platforms. They then dared fans and the Malaysian public to take on the 2X Spicy Challenge.

Coupled with on-ground engagements and sampling activities, including deploying MAGGI PEDAS GILER trucks to excite Malaysians to take on the Adakah Anda #RajaPedasGiler? Challenge, we reached over 12 million consumers. This drove significant market share gains for MAGGI PEDAS GILER, enabling us to maintain our market-leading position in the spicy noodle segment.



MAGGI PAZZTA

We marked a new milestone with the launch of MAGGI PAZZTA, the first Halal-certified quick-cook pasta in Malaysia. Recognising Malaysians' affinity towards pasta and taking into account the busy lifestyles today, the product provides a convenient, nutritious solution for the whole family. With two variants of Cheese Macaroni and Mushroom Penne, the product is made with wholesome ingredients including 100% semolina wheat flour, a good source of dietary fibre.

Leveraging the strength of e-commerce, we live-streamed an exclusive pre-launch of MAGGI PAZZTA products on a leading e-commerce platform, where limited edition launch sets were sold out within the first two weeks. This was complemented by digital collaborations with online publications and well-known social media celebrities such as Sari Yanti and other key opinion leaders.

The product was well received by consumers, with more than 240,000 packs sold in the first three months alone.



KEY ACHIEVEMENT

Putra Brand Awards 2019
Gold Award for Foodstuff Category

BUSINESS REVIEW

COFFEE

More than a beverage, coffee represents a global lifestyle in its own right. As a leader in the category, Nestlé has a keen pulse on the coffee market, enabling us to be highly responsive to evolving tastes and trends among coffee lovers.

In line with our commitment to deliver curated offerings to Malaysian consumers, Nestlé has three iconic brands in our coffee portfolio: NESCAFÉ, NESPRESSO and our most recent addition, STARBUCKS AT HOME.



NESCAFÉ

Following its debut in 1938, the NESCAFÉ brand quickly became the coffee of choice among consumers the world over. Today a leading global coffee brand, NESCAFÉ is synonymous with Malaysia's coffee culture and a well-loved household brand in Malaysian homes.

Through its diverse and convenient offerings, NESCAFÉ has a single-minded goal: ensuring only the best cup of coffee for consumers. Delighting instant coffee drinkers with distinctive tastes and flavours, the brand continues to create memorable moments and nurture special connections through every cup.

NESCAFÉ GOLD Relaunch

In line with evolving lifestyles and trends, consumers today are seeking premium products within the coffee segment. In 2019, NESCAFÉ unveiled a new look and concept for its NESCAFÉ GOLD range, that focuses on delivering a premium, crafted coffee experience in every cup.

The renewed NESCAFÉ GOLD proposition emphasised the premium quality of the product, as well as the care and attention that goes into every step of its production process. The campaign focused on how NESCAFÉ GOLD products are made from high-quality mountain-grown Arabica coffee beans, which are ground 10 times finer before undergoing a special roasting process to unlock its rich coffee aroma and flavour.

Complementing this new range, we also launched a revamped line-up of NESCAFÉ GOLD Premium Mixes. This range comes in four variants: NESCAFÉ GOLD Americano, a sweetened black cup with a bold and smooth taste, NESCAFÉ GOLD Dark Latte for an intense coffee experience, NESCAFÉ GOLD Creamy Latte for a milky coffee taste and NESCAFÉ GOLD Flat White which offers a creamy and balanced coffee taste.

The unveiling of the new NESCAFÉ GOLD portfolio was strengthened by exciting on-ground activation and in-store roadshows.

We also took the opportunity to showcase our expertise in crafting premium quality coffee to consumers through engagement activities conducted in a specially curated NESCAFÉ GOLD experiential café, which was placed in malls and high-traffic areas across the Klang Valley.



Othman Chraibi, Business Executive Officer of the Beverages business of Nestlé Malaysia, Juan Aranols, Chief Executive Officer of Nestlé Malaysia and Chew Soi Ping, Executive Director, Sales of Nestlé Malaysia kicking off the launch of the revamped NESCAFÉ GOLD range and unveiling the experiential café.

Further supported by strategic partnerships with key opinion leaders and media houses as well as innovative promotions, the NESCAFÉ GOLD relaunch was a key driver for the brand, growing in-home penetration and achieving double-digit growth in market share.

Live Your Moment Masterbrand Campaign

The NESCAFÉ “Live Your Moment” Masterbrand campaign encouraged Malaysians to enjoy everyday moments with their loved ones over a satisfying cup of NESCAFÉ coffee. Showcasing the brand’s many variants and formats, the campaign illustrated how NESCAFÉ is perfect for every occasion.

Featured across media channels and digital platforms, we also raised awareness via roadshows and sampling activities. Building on NESCAFÉ’s strong legacy and heritage, the campaign effectively enhanced brand affinity and contributed positively to overall sales growth.



NESCAFÉ Blend and Brew White Coffee Kurang Gula

We launched our latest innovation in the NESCAFÉ Blend & Brew coffee range, White Coffee Kurang Gula (less sugar), to meet the needs of consumers who prefer a less sweet option. The product was developed with the help of breakthrough technology, offering 30% less sugar*, yet maintaining the rich flavour and creaminess that white coffee is traditionally known for. The product gained good traction, surpassing sales targets by 18%, driving market share growth and increased penetration for the NESCAFÉ range.

* Compared to the NESCAFÉ White Coffee Original variant



GREEN INITIATIVE

Did you know: 100% of NESCAFÉ coffee mixes’ outer bag pouches are now made with recyclable materials!



KEY ACHIEVEMENT

Putra Brand Awards 2019
Bronze Award for Beverage (Non-Alcoholic) Category

BUSINESS REVIEW

STARBUCKS AT HOME

In order to grow as a business, it is crucial to adapt and expand our portfolio with relevant products that resonate with consumer demand. Tapping on the latest café trends which have sparked a shift towards a greater appreciation for premium coffees, a global alliance was established between Nestlé and Starbucks in 2018.

The alliance demonstrates how two iconic leading global brands have come together, leveraging their respective expertise to provide consumers with a unique offering, founded on a mutual passion for coffee and craftsmanship. Nestlé brings rich coffee experience coupled with system know-how and manufacturing and distribution excellence, while Starbucks brings its iconic high-quality coffee and well-loved flavours.

Capitalising on the opportunities presented by this global alliance, the STARBUCKS AT HOME coffee range was launched in Malaysia in August 2019, enabling consumers to enjoy the premium Starbucks experience in the



comfort of their homes. This alliance not only diversifies our coffee offerings, but also strengthens our leadership position in both in-home and out-of-home segments.

The STARBUCKS AT HOME coffee range in Malaysia currently consists of 11 products, including whole bean, roast and ground packaged coffees, as well as the first-ever Starbucks capsules developed using NESCAFÉ DOLCE GUSTO proprietary coffee and system technologies. Under this umbrella, there are ample coffee choices to suit all tastes

and format preferences. Besides offering the new range at hypermarkets and premium grocers across the country, we further enhanced consumer accessibility by establishing an e-commerce flagship store on Lazada which has garnered over 11,000 followers.

Commanding strong brand awareness and brand equity, STARBUCKS AT HOME appeals to new segments of consumers as well as gaining renewed demand from existing NESCAFÉ DOLCE GUSTO machine users.



Guests at the launch event, including local celebrities (from left) Farah Nabilah, Anzalna Nasir, Afifah Nasir, Kamal Adli, Azira Shafinaz and Yiu Lin, were among the first to sample the new STARBUCKS AT HOME range.

NESPRESSO



Introduced in 1986, the NESPRESSO brand created a precedent by offering high-quality coffee in a revolutionary capsule format. Today, NESPRESSO is globally renowned in the portioned coffee category for its signature range of capsules. A wide array of innovative NESPRESSO machines allow coffee lovers the world over to create and enjoy authentic, high-quality specialty coffees.

Since its arrival in Malaysia in 2016, NESPRESSO has perfectly complemented our coffee portfolio as a premium choice for coffee connoisseurs, with sophisticated flavours and unique service offerings.

Discover a Milky World through BARISTA CREATIONS

Market trends indicate that more than three quarters of coffee drinkers in Malaysia prefer their coffee with milk. Innovating from its current product mix of espresso and black coffee offerings, NESPRESSO launched the new permanent BARISTA CREATIONS milk coffee range in 2019 to cater to this growing consumer segment. Developed through years of extensive research, three coffee variations were created – Corto, Chiaro and Scuro – each embodying a unique taste profile and expertly crafted to be enjoyed with milk.

This new range was unveiled via our “Discover a Milky World” campaign. In addition to influencer engagements via digital platforms, we created further awareness through the NESPRESSO multi-sensorial pop-up café in Pavilion, Bukit Bintang, which allowed consumers to taste, experience and savour the distinctive flavours of BARISTA CREATIONS. Adding an interactive touch, visitors were able to curate their own unique coffee creations at Barista workshop classes.

The Discover a Milky World campaign generated increased sales and enhanced brand awareness as BARISTA CREATIONS became the third most popular NESPRESSO coffee range.

NESPRESSO Second Life Programme

Sustainability is entrenched at the core of the NESPRESSO brand proposition. In line with this, we launched our global sustainability campaign, “Second Life” in 2019. This initiative shed light on the

endless possibilities of recycling and how the brand’s commitment to sustainability is an end-to-end process. This campaign is in line with the brand’s strong commitment towards recycling and follows efforts to recycle its NESPRESSO pods through collection points. NESPRESSO consumers in Malaysia can drop off used NESPRESSO pods at the NESPRESSO Boutique in Gardens, Mid Valley or even have collected from their homes to be recycled.

To further promote our efforts towards a circular economy, for the first time in Malaysia, NESPRESSO distributed collectible sets of Second Life chopsticks, redeemable by consumers who brought in used NESPRESSO capsules for recycling. NESPRESSO also collaborated with other brands that share our vision of sustainability to create a Victorinox Swiss Army Knife and an 849 NESPRESSO Caran d’Ache Pen. Through these initiatives, we aim to demonstrate that the brand experience continues even after the last sip of coffee.



To demonstrate the endless possibilities of recycling, NESPRESSO produced an exclusive set of collectible Second Life chopsticks made from recycled NESPRESSO capsules.

BUSINESS REVIEW

READY- TO-DRINK

Consumers today are constantly on the move and seek product solutions that are easily accessible and available in the retail channels that suit their busy way of life, including convenience stores and petromarts. To accommodate increasingly on-the-go lifestyles, our Ready-to-Drink portfolio which is primarily driven by the MILO and NESCAFÉ brands, offers products in a variety of convenient formats such as beverage cartons, cans, PET bottles and cups.



MILO NUTRI PLUZ

In the light of a recent study which found that calcium intake among Malaysian children falls below the Malaysian Ministry of Health's recommendation, we realised the opportunity to bridge this gap with the launch of our new MILO UHT variant, MILO NUTRI PLUZ. The beverage contains calcium equivalent to one glass of milk and is also a rich source of Vitamin D for optimum bone, muscle and organ development. Available in convenient single serve 200ml packs, this product provides children with the necessary energy and nutrients to complete a busy school day.

In conjunction with the launch, the brand organised a "Raising Extraordinary Champions" dialogue session which brought together subject matter experts including a nutritionist and child psychologist, along with teachers and parents to share insights on how to nurture children to fulfil their potential. The forum also educated parents on the importance of nutrition and how the MILO NUTRI PLUZ product can help complement a balanced meal.

Along with this, we built further awareness through a collaboration with Astro for its popular local mega-drama series *Satukan Rasa*, where MILO NUTRI PLUZ was prominently featured as part of the show and integrated in its storyline.

Through these initiatives coupled with engagement via social media platforms and sampling activities, we recorded strong sales of MILO NUTRI PLUZ in 2019. In addition, the health benefits of MILO NUTRI PLUZ further enhanced MILO's credentials as a leading nutritious chocolate malt beverage for children.

MILO PROTEIN UP

Aimed at providing active adults with an energy boost as well as targeting the increasing interest in health and fitness, particularly among young adults, the MILO PROTEIN UP beverage was launched in August 2019 in a convenient PET bottle format. Packed with 13g of protein, which is equivalent to 21% of the recommended daily adult protein intake, the beverage aids muscle mass development and maintenance of a healthy immune system.

Launched at an exclusive event, excitement was further ramped up via digital platforms, out-of-home billboards and displays which garnered strong interest from the target market. A social media-driven campaign was executed with relevant influencers, selected for their fit and healthy lifestyles which have inspired their massive following. The campaign showcased influencers unboxing their 'Get Fit with MILO' media kits, bringing a fun and interactive appeal to the product. Momentum was sustained with on-ground activations in high-traffic areas such as sports centres, parks and convenience stores. Through these online and on-ground initiatives, we sparked excitement among and reached out to 700,000 Malaysians.

International Coffee Month

Leveraging Malaysian café trends and millennials' increased expectations of their coffee experience, we introduced two new blends of mocha and an extra strong and creamy limited edition range in conjunction with International Coffee Month (ICM) in October. We partnered with convenience channels and selected petromarts to kick off this limited edition campaign, which was further supported with impactful radio and digital messaging, out-of-home displays and in-store activation to create awareness and engagement. The ICM limited edition range contributed to the brand's positive market share growth from September to November.

During the year, we also continued to expand our range of exciting RTD innovations with NESCAFÉ Rose Latte and NESCAFÉ Tarik Kurang Manis, ideal for those on-the-go.



GREEN INITIATIVE

Did you know:

The first food and beverage company in ASEAN to introduce this, we adopted paper straws for several MILO UHT variants, replacing 40 million plastic straws per year.



KEY ACHIEVEMENT

Global MILO Award
Sustainability & CSV
(for the MILO CAREton Project)

BUSINESS REVIEW

ICE CREAM

With a wide range of great-tasting offerings in various formats and flavours, and represented by numerous Malaysian-favourite brands including MATKOOL, DRUMSTICK and LA CREMERIA, we provide the ideal treat for Malaysians from all walks of life.



NESTLÉ LA CREMERIA Relaunch & Exciting New Flavour

We kicked off a refreshed and more vibrant look and feel for the LA CREMERIA brand in 2019, leveraging the growth opportunity among young millennial adults. The relaunch saw LA CREMERIA evolving into a fun and bolder brand, engaging more closely with consumers. The relaunch also offered an exciting line-up of flavours including the newly introduced LA CREMERIA Summer Berries Yogurt ice cream.

To engage with young Malaysians seeking an indulgent, refreshing treat, LA CREMERIA embarked on a digital-first strategy, partnering with Malaysian celebrities and content creators, including Sean Lee, Janna Nick, Remy Ishak and Mira Filzah amongst others. The engagements offered digital content that integrated the product and brand with a truly authentic feel. The social media contents created captured light-hearted moments to indulge with LA CREMERIA products and illustrated in an authentic and original manner how LA CREMERIA is perfect for sharing with the hashtag #shareapint. These contents resonated well especially with young millennial followers and helped increase brand awareness.



The vibrant Instagram-ready LA CREMERIA backdrop at the Artbox Malaysia 2019 appealed to young Malaysians.



Unique LA CREMERIA ice cream creations at the Good Vibes Festival 2019.

The relaunch campaign was complemented by amplifying the brand's presence at festive events during the year, namely Malaysia's largest music festival, Good Vibes Festival 2019, and Artbox Malaysia 2019, a lifestyle bazaar for creative entrepreneurs. To build excitement especially among the target segment of young adults, on-ground activation offered unique experiential moments, with vibrant, visually appealing backdrops ideal for photo opportunities. Consumers were also able to sample the new offerings and unique ice cream creations made with LA CREMERIA products. In addition, we brought on-ground engagement into the retail space, collaborating with established brands such as Genting and B.I.G. Toppen.

Our digitally-driven strategy coupled with on-ground activities enabled us to reach over 10 million consumers nationwide, strengthening brand affinity among young adult consumers. Testament to the success of this campaign, LA CREMERIA achieved exponential growth in 2019, recording outstanding sales growth compared with the previous year.



DRUMSTICK Pika Pika

The NESTLÉ DRUMSTICK brand has a well-established presence in the impulse cone segment. Building on this and capturing opportunities to strengthen appeal to younger consumers, we introduced DRUMSTICK Pika Pika ice cream in 2019, collaborating with The Pokémon Company to tap on its immense adult fanbase in Malaysia.

The launch successfully created hype and excitement via primetime media channels such as TV3 and 8TV, as well as on social media. A key highlight of the launch was a special appearance by popular Pokémon character Pikachu, resulting in successfully viral digital content which saw the product trending on social media. This was complemented by on-ground activities via distinctive DRUMSTICK Pika Pika sampling vans deployed at offices and high-traffic areas.



These efforts enabled us to record strong double-digit growth, achieving record-high market share in the impulse cone segment.



Enthusiastic consumers during the launch of NESTLÉ DRUMSTICK Pika Pika.



GREEN INITIATIVE

Did you know:

In 2019, we embarked on replacing our plastic ice cream spoons with wooden spoons, removing 6 million plastic spoons per year.



BUSINESS REVIEW

CONFECTIONERY



Through our confectionery portfolio, we strive to serve the needs of consumers in the snacking category. To delight consumers looking to indulge, our range of confectionery products includes iconic global brands such as KIT KAT and NESTLÉ CRUNCH. Introduced in the Malaysian market in 1988, KIT KAT products are made from 100% sustainable cocoa and is a leading brand of chocolate in the country.

Leveraging Premium Gifting

Premium gifting is a key growth driver in the confectionery segment. Consumers are increasingly seeking premium chocolates as gifts, and develop preferences based on the

quality, ingredients, premium packaging and overall buying experience of products offered. Leveraging this growth opportunity, we launched KIT KAT Senses.

KIT KAT Senses

With the aim of giving consumers the perfect break, KIT KAT Senses was created to delight all five senses, and is made with luscious hazelnut chocolate truffle, layered on crispy wafer, with a smooth milk chocolate coating. The product is made available in packaging designed for gifting, with each pack of three carrying a positive and inspiring bite-sized message aimed at encouraging consumers to celebrate every happy moment in life.

The launch of this luxurious treat increased the brand's penetration in the gifting segment. We effectively leveraged mainstream local television channels and digital platforms, reaching out to 26 million Malaysians throughout the year.



Popular Malaysian singer Talitha Tan celebrates the launch of KIT KAT Ruby.

KIT KAT Ruby

The KIT KAT brand created a milestone in Malaysian chocolate history with the introduction of KIT KAT Ruby in 2019.

Leveraging our speed and agility in innovation, Nestlé was the first to produce and launch this fourth type of chocolate—after dark, milk and white—to consumers worldwide starting with its debut in Japan and South Korea in 2018.

Made from Ruby chocolate, KIT KAT Ruby has a naturally-derived intense fruity flavour and distinctive pink hue due to the specially-selected Ruby cocoa beans. Unveiled at the newly-refurbished KIT KAT CHOCOLATORY store at Mid Valley, where consumers can personalise their very own KIT KAT creations, the launch event captivated guests with a step-by-step chocolate-making demonstration.



LIMITED EDITION KIT KAT Popcorn

Adapting to the dynamic consumer trend for new experiences, we unveiled an exciting innovation during the year – the limited edition KIT KAT Popcorn, bringing Malaysia its first sweet and savoury KIT KAT flavour. Providing the best of both worlds, this latest variant combines the classic tastes of milk chocolate and salted caramel popcorn.

Leveraging World Chocolate Day, we collaborated with social media influencers and online portals to ramp up awareness and excitement on digital platforms. The brand also partnered with a leading cinema chain, marking our first limited edition item available in cinema concession stands. Our strong digital engagement generated 40.8 million impressions. To reach multiple touchpoints, we conducted extensive in-store sampling as well as eye-catching displays at retail outlets across the nation. This resulted in over 300,000 units sold within a three-month period.



CRUNCH Wafer Nuts

Targeting the affordable chocolate segment, we introduced the all-new CRUNCH Wafer Nuts, with added peanuts for a crunchier bite. New packaging highlighted the fun appeal of the brand, while the revamp also featured a variety of sizes for individual consumption or sharing. Through a multi-channel strategy combining digital activation and an exclusive launch via a nationwide leading convenience chain, we reached out to 3.2 million Malaysians and recorded sales of 200,000 packs within the first month alone.



BUSINESS REVIEW

MILKS

Along with being a vital source of calcium, the goodness of milk provides nutrients and vitamins that are fundamental for healthy growth and development. Beneficial throughout the entire lifespan, milk forms an integral part of our product portfolio, in line with our objective of nourishing individuals and families.

Brands in this category include NESTLÉ OMEGA PLUS, NESTUM, NESTLÉ EVERYDAY and NESTLÉ JUST MILK.



NESTLÉ OMEGA PLUS

Introduced in Malaysia in 1998, the NESTLÉ OMEGA PLUS brand has long been a proponent of better heart health amongst Malaysians. A high calcium milk, NESTLÉ OMEGA PLUS is formulated with ACTICOL, containing plant sterols that help to block cholesterol from entering the bloodstream. Only two servings of NESTLÉ OMEGA PLUS daily is clinically proven to help lower cholesterol effectively*1 and provides 96% of daily calcium requirements*2.

NESTLÉ OMEGA PLUS 30-Day Challenge

To help create awareness on high cholesterol and heart disease in Malaysia, the NESTLÉ OMEGA PLUS 30-Day Challenge returned for the second year. In collaboration with our new partner, BP Healthcare Group, and existing partners Institut Jantung Negara (IJN) and IJN Foundation, we issued a call-to-action to Malaysians to pledge #NOTME to cholesterol and heart disease.

provided participants with nationwide access to high-quality lipid profile checks and cholesterol tests.

Along with raising awareness via roadshows and engagement activities, the 30-Day Challenge was promoted through multiple media channels, from traditional mediums such as television and radio to digital platforms. Coupled with in-store displays, this enabled us to reach out to a wide target audience. To further incentivise Malaysians, attractive prizes worth a total of RM169,500 were offered throughout the campaign.



As a new component this year, the 30-Day Challenge 2.0 introduced lipid profile management, evaluating levels of lipids or fats and fat-like substances in the bloodstream. To manage this effectively, participants were encouraged to adopt healthier behavioural and lifestyle practices, and our partnership with BP Healthcare

The 30-Day Challenge 2.0 proved to be a resounding success with over 1,900 participants, recording an average cholesterol reduction of 25% during this challenge. This propelled market share and growth in penetration for the brand in 2019.

*1 Thomsen et al, 2004

*2 Two servings of NESTLÉ OMEGA PLUS milk powder contain 962mg calcium, based on Recommended Nutrient Intakes for Malaysia 2017

NESTLÉ EVERYDAY



The NESTLÉ EVERYDAY brand has existed in Malaysia since 1956. A powdered milk formula packed with nutrients, NESTLÉ EVERYDAY is well-loved today as a nutritious product for the whole family.

NESTLÉ EVERYDAY *Lepas Raya Lapar Apa?*

The NESTLÉ EVERYDAY “*Lepas Raya Lapar Apa*” campaign was aimed at highlighting the micronutrient deficiency which affects one out of every three Malaysian households. To help address this, NESTLÉ EVERYDAY contains a combination of 12 micronutrients that are vital for healthy growth and development. To educate consumers on the importance of sufficient micronutrient intake and how NESTLÉ EVERYDAY can support this, we launched our *Lepas Raya Lapar Apa* web series from June to August 2019.

Featuring Malaysian television personality Nazrudin Rahman, the webisodes focused on the issue of ‘hidden hunger’, emphasising how diets that do not incorporate essential micronutrients can lead people to

feel satiated, yet not receive proper nourishment. This was communicated in a relatable and relevant manner by showcasing everyday Malaysian families and local dietary habits.

Famili Sihat & Ceria bersama NESTLÉ EVERYDAY

As part of our commitment to aid underserved communities who are most impacted by poor nutrition, we organised the *Famili Sihat & Ceria bersama* NESTLÉ EVERYDAY project, reaching out to more than 100,000 B40 households across 30 locations. In line with our drive to provide tasty, nutritious and affordable products for all Malaysians, including the B40 community, the activation enabled us to heighten brand awareness by demonstrating that good nutrition is easily attainable with NESTLÉ EVERYDAY.

As a collaboration with the KOKO KRUNCH and NESTUM brands, we were also able to build cross-category relevance of NESTLÉ EVERYDAY which can be consumed with both hot and cold cereals.



Reaching out to B40 households through the *Famili Sihat & Ceria bersama* NESTLÉ EVERYDAY project.



KEY ACHIEVEMENT

Putra Brand Awards 2019
Bronze Award for Beverage
(Dairy) Category

BUSINESS REVIEW

NESTLÉ JUST MILK

Revamped with a fresh new look in 2016, NESTLÉ JUST MILK products nourish Malaysians of all ages. Containing imported milk from New Zealand and Australia, NESTLÉ JUST MILK offers full cream and low-fat variants with the optimum amount of calcium and protein to support daily nutritional needs.

NESTLÉ JUST MILK Strawberry

In February 2019, we marked a new milestone, not only for the brand but for Malaysia. While there are several strawberry flavoured milks in the market, leveraging our in-depth market insights of consumers seeking more natural food alternatives, we realised that we could offer an innovative new product and took the opportunity to launch the NESTLÉ JUST MILK Strawberry variant.

As the first flavoured milk in the nation which contains no added colouring, this allowed us to strengthen our foothold in the UHT Milk category, providing a superior, great-tasting nutritious option for Malaysians. Reinforcing our competitive edge, NESTLÉ JUST MILK Strawberry received positive feedback from consumers on the product taste as well as the modern look of the packaging.

This saw the product achieving solid market share gains and significant sales, further boosted by digital media activation which drove product visibility.



NESTUM



A household favourite that has been present in Malaysia since 1960, NESTUM cereal is an easily prepared nutritious multigrain cereal beverage for busy individuals and families. NESTUM is known as being AROMALICIOUS and is made of nutrient-rich multigrain consisting of whole wheat, rice and corn, and fortified with vitamins and minerals, and packed with wholesome fibre.

NESTUM *Tambahje*

As a rich source of nutrients and dietary fibre, multigrains are an important part of a healthy and balanced diet. Mindful that many Malaysians do not consume enough fibre, which can help reduce the risk of adult obesity and diabetes, we launched the NESTUM “*Tambahje*” campaign in 2019 to help close this nutritional gap.



GREEN INITIATIVE

Did You Know:

The outer bag pouches of NESTLÉ OMEGA PLUS Milk with Oats and NESTUM Grains and More Brown Rice are 100% recyclable!

Educating consumers on the goodness of multigrains in NESTUM, the campaign demonstrated how easy it is to add NESTUM All Family Cereal to their favourite beverages. Consumer engagement was driven by on-ground activations, where people could try their hand at adding NESTUM to various hot and cold drinks to better understand the ease of preparing a quick and nutritious beverage.

To scale up our efforts to improve nutritional awareness, the *TambahJe* campaign was successfully amplified via digital platforms, television and print media. We also partnered with NESTLÉ EVERYDAY to reach out to B40 households on the benefits of NESTUM as a wholesome beverage.

The campaign enhanced brand positioning for NESTUM as the ideal choice for Malaysians to increase fibre, protein and whole grain in their diets, and strengthened brand awareness amongst current and new consumers of NESTUM All Family Cereal. The success of this campaign resulted in increased penetration and greater market share, strengthening our growth in this category.

NESTUM Grains and More Brown Rice

Consistent with our efforts to provide great-tasting, nutritious options for Malaysians, we expanded our range with the NESTUM Grains and More Brown Rice variant. Containing the added goodness of brown rice, with 54% more grains and 26% less sugar*, this innovation meets the Malaysian Dietary Guidelines requirement for daily whole grain intake per serving

and also attained the Malaysian Ministry of Health's HCL, affirming its strong nutritional value.

The launch of the new product was featured via television and digital channels. We also engaged with consumers through in-store activation and sampling activities, with over 100,000 samples distributed. The healthy proposition of the product saw solid market share improvement and enhanced brand appeal, drawing 40% new consumers.



* Compared to NESTUM 3in1 Original variant

BUSINESS REVIEW

NUTRITION



Since our inception more than a century ago, nutrition has always been at the heart of Nestlé. Holding true to this legacy, through our nutrition portfolio, we offer our most advanced innovations catering to the nutritional needs of children.

Cabaran Si Manja bersama Nestlé LACTOGROW

Introduced in 2018, the LACTOGROW brand offers a range of scientifically formulated milk powder aimed at helping parents ensure that their children grow up happy and healthy. Apart from nutrients to support optimal growth and development, LACTOGROW products contain *L. reuteri*, probiotic cultures that help improve a child's digestive system and promote nutrient absorption.

We kicked off the second LACTOGROW "Grow Happy" campaign in 2019, showcasing to parents nationwide how the brand can play an important role in their children's happiness and well-being. This year, we took the campaign up a notch and incorporated a new family television game show, "Cabaran Si Manja bersama Nestlé LACTOGROW", in collaboration with Media Prima and SuperPark Malaysia.

The nine-episode programme saw popular local celebrities including Yasmin Hani, Nana Mahazan, Faezah Elai and Haziq Hussni, teaming up with their children to compete with each other in a series of fun activities. We emphasised the core message of how a happy childhood creates a strong foundation for children to grow up well, highlighting proper nutrition and physical activity as key aspects of good health.



Local Malaysian celebrities and their children competed in the Cabaran Si Manja bersama Nestlé LACTOGROW.

With more than 20 million viewers, *Cabaran Si Manja bersama* Nestlé LACTOGROW effectively amplified brand equity and awareness, conveying the functional benefits of the product to a broader segment of consumers. The programme was also shared on the Nestlé Start Well Stay Well YouTube channel.

LACTOGROW *Karnival Ria*

Another initiative under the Grow Happy campaign was the inaugural “LACTOGROW *Karnival Ria*”, honing in on the science behind raising a happy and healthy child. Four ‘happiness pillars’ were emphasised, encouraging children to explore, connect and experience the world with the support of a good digestive system.

Given the fact that children are now exposed to technology from a young age, activities were also geared towards guiding parents on raising children in this digital era. A special highlight was a meet and greet session with local celebrities and social media influencers, which further amplified brand appeal and helped draw in the crowd.

Held in three locations, over 7,000 participants attended LACTOGROW *Karnival Ria*, enhancing brand engagement with parents and driving stronger sales.

CERELAC NUTRIPUFFS – New Savoury Flavours

The launch of the CERELAC NUTRIPUFFS brand in 2016 allowed

us to build a strong position in the segment of nutritionally-appropriate snacks for toddlers aged 12 months and above. Expanding these wholesome offerings, this year we introduced two new flavours, CERELAC NUTRIPUFFS Broccoli & Carrot and Zucchini & Onion. This was unveiled at the TCE Baby Expo, with over 50,000 parents and families in attendance allowing us to engage with the relevant target market.

These new additions saw good market acceptance, achieving 140% of the sales target within the first three months, boosting incremental sales for the year.

More details on this exciting innovation can be found on page 25 of our NiS.

NANKID OPTIPRO Motherhood Unscripted Campaign

Inspired by the unconditional love of mothers and reflecting Nestlé’s deep roots in science-based nutrition, NANKID OPTIPRO products are scientifically designed as a premium, advanced milk formula to equip children with the best start in life.

Building on the brand’s well-established “The Science of Mother” campaign, this year we embarked on the “Motherhood Unscripted” campaign, escalating our presence in the digital arena and Astro TV. Featuring social media influencer Mia Chai as our brand ambassador, the campaign presented a realistic look at the challenges of raising children and shared simple ‘hacks’ to help mothers navigate their parenting journey.

Generating seven million views through digital and media platforms, the campaign resonated strongly with the target audience.



KEY ACHIEVEMENTS

Motherhood Choice Awards 2019

Partially Hydrolysed Protein Milk (for NANKID OPTIPRO HA)

Motherhood Choice Awards 2019

Toddler Weaning Nutrition (for CERELAC)

Motherhood Choice Awards 2019

Comfort Growing Up Milk (for LACTOGROW)

BUSINESS REVIEW

HEALTH SCIENCE



Dedicated to nourishing consumers, we are conscious that there are those with specific dietary requirements for the management of medical conditions. Leveraging our global expertise in the multi-faceted field of science-based nutrition, we strive to provide innovative, targeted solutions from our health science portfolio.

NUTREN Optimum Regain Strength Campaign

A clinically proven supplement first introduced in Malaysia in 1999, NUTREN Optimum contains 50% high-quality whey protein, calcium and Vitamin D for bone health, as well as prebiotics and probiotics to help enhance immunity. NUTREN Optimum is suitable for people who need to maintain their muscle strength and energy, including those recovering from surgery or illness.



We heightened our efforts in 2019 to directly engage with consumers, launching the NUTREN Optimum Regain Strength campaign to educate patients nationwide on sarcopenia, an age-associated loss of muscle mass and strength. Participants were taught about proper sustenance, especially consuming the right type of protein and how NUTREN Optimum can aid in preserving muscle mass with whey protein as a primary ingredient.

Scaling up our digital engagement, we invited consumers to request for samples, receiving over 8,800 requests. Along with this, we shared videos featuring consumer testimonials on the efficacy and great taste of the product. We also showcased educational videos of healthcare professionals focusing on sarcopenia and how optimal nutritional intervention, coupled with essential exercises, is ideal to help address muscle loss. In total, our digital campaigns captured more than 8.25 million views.

Educating a consumer about the benefits of NUTREN Optimum.



Increasing consumer awareness via engaging roadshows with NUTREN Optimum and NUTREN Diabetic.

To educate industry participants on sarcopenia, we organised a scientific forum on preventing and delaying the onset of muscle loss through nutritional intervention and exercise. The forum brought together 100 delegates from relevant health-related fields.

Alongside direct consumer communication, we continued to reach out to hospitals and pharmacies via engagement activities to increase product penetration and distribution.

NUTREN UNTUK DIABETIK

Given the high incidence of diabetes in Malaysia, NUTREN UNTUK DIABETIK is specially formulated to assist those with impaired glucose tolerance. To increase awareness on diabetes management, the NUTREN UNTUK DIABETIK brand held its "Start Your Day Right" breakfast roadshows at hospitals nationwide for the third

consecutive year, emphasising the importance of a nutritious breakfast in line with International Diabetes Guidelines to control blood sugar levels.

In 2019, both the NUTREN Optimum Regain Strength campaign and NUTREN UNTUK DIABETIK Start Your Day Right breakfast roadshows reached out to more than 25,000 patients and 150 healthcare professionals across the nation. As a result of these efforts, our NUTREN range recorded a double-digit growth in sales.

PEPTAMEN AF UHT

Reflective of our focus on specialised dietary needs, we introduced PEPTAMEN AF UHT product. Developed for patients who require enteral feeding, such as those with critical illnesses or who suffer from

malabsorption syndrome, the product is a 100% whey protein formula and is enriched with Omega-3 fatty acids, providing complete and balanced nutrition. Product availability was focused on hospitals in Malaysia, drawing on our target market of relevant healthcare professionals.



BUSINESS REVIEW

NESTLÉ PROFESSIONAL



The NESTLÉ PROFESSIONAL brand was introduced in Malaysia as a new business channel leveraging the growing consumer trend of dining out. Today, the out-of-home category continues providing key growth opportunities and we continue to offer meaningful solutions tailored towards out-of-home businesses and operators. This includes providing high-quality products from our well-established brands such as MILO, MAGGI and NESCAFÉ, as well as culinary engagements, concept and recipe development support, and recognition of excellence in the food and beverage industry.

Launch of WE PROUDLY SERVE STARBUCKS

As part of the global coffee alliance between Nestlé and Starbucks, we introduced the WE PROUDLY SERVE STARBUCKS brand in September 2019, another addition to our extensive coffee solutions portfolio.

WPS STARBUCKS brings the well-loved Starbucks experience in two formats of served and self-serve solutions to suit the needs of food service customers in hotels, offices, universities and colleges. With the served solution, trained baristas offer handcrafted WPS STARBUCKS beverages, while the self-serve solution provides a fully automated coffee service for consumers to create their own preferred Starbucks beverage at the touch of a button.

Both solutions offer a core range of popular Starbucks espresso beverages, including Cappuccino, Caffé Latte and Caffé Americano. As a value-added element, customised coffee systems and training are provided to food service outlets, to ensure the signature taste and flavour of Starbucks is recreated in every cup.

This introduction strengthens Nestlé's coffee offerings to food service consumers, enabling them to enjoy Starbucks beverages in the convenience of their out-of-home environment. This also allows us to tap into a larger segment of consumers in various out-of-home channels seeking a more premium coffee experience.





A fun-filled evening: the Konfirm MILO Engagement event with the Malaysia Coffeeshop Association included games and quizzes on the history of MILO as well as its nutritional content, with prizes given out to participants.

Accelerating Customer Engagement

We regularly organise engagement events in partnership with chef and trade associations in line with efforts to continuously strengthen our relationships with key business partners, including trade partners in the out-of-home industry. These engagement events also provide the opportunity to create greater awareness of the unique NESTLÉ PROFESSIONAL product propositions to key customers.

A key initiative during the year was the “Konfirm MILO Engagement” event, bringing together more than 600 members of the Coffeeshop Association of Malaysia. The event shared the story behind the MILO brand and how it has been quintessential to the growth of Nestlé in Malaysia, along with highlighting the nutritional benefits of MILO.

To impart culinary best practices and reach out to chefs across the country, we also partnered with various chef associations including Ku Su Shin Choong Hung Restaurant Association Malaysia, the Professional Chef Association and the Malaysian Association

of Hotels to conduct a series of culinary events. Here, we familiarised chefs with our products and demonstrated how they could be used to simplify the cooking process, while maintaining their own signature tastes and specialities.

NESTLÉ PROFESSIONAL is also dedicated to support the development of young chefs. In line with this, we held a series of workshops to guide promising young culinary talents on curating their own innovative recipes.

Throughout the year, our engagement activities enabled us to reach out to more than 500 chefs over multiple events.



Upskilling young culinary talents alongside increasing awareness on NESTLÉ PROFESSIONAL product propositions through partnerships and engagement sessions.

OUR LEADERSHIP

BOARD OF DIRECTORS AND COMPANY SECRETARY



**Dato' Mohd. Rafik Bin
Shah Mohamad**
Independent
Non-Executive Director

**Tengku Ida Adura
Tengku Ismail**
Company Secretary

**Juan
Aranols**
Executive Director,
Chief Executive
Officer

**Y.A.M. Tan Sri Dato'
Seri Syed Anwar
Jamalullail**
Chairman,
Non-Independent
Non-Executive Director



**Tan Sri Datuk (Dr.)
Rafiah Binti Salim**
Independent
Non-Executive
Director

**Dato' Dr.
Nirmala Menon**
Independent
Non-Executive
Director

**Craig
Connolly**
Executive Director,
Chief Financial Officer

**Dato' Frits
van Dijk**
Independent
Non-Executive
Director

OUR LEADERSHIP

PROFILE OF BOARD OF DIRECTORS AND COMPANY SECRETARY

Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL



POSITIONS

- Chairman
- Non-Independent, Non-Executive Director

MEMBERSHIP OF BOARD COMMITTEES

- Member of the Audit Committee
- Chairman of the Nomination and Compensation Committee

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Arts in Accounting, Macquarie University, Sydney, Australia
- Chartered Accountant
- Member, Certified Practising Accountant (CPA) Australia
- Member, Malaysian Institute of Accountants
- Court of Emeritus Fellows, Malaysian Institute of Management

PRESENT DIRECTORSHIPS

- Chairman of SP Setia Berhad
- Chairman of Lembaga Zakat Selangor

OTHER APPOINTMENT

- Chancellor of SEGi University

PAST EXPERIENCES

- Chairman, Malaysia Airports Holdings Berhad
- Chairman, Cahya Mata Sarawak Berhad
- Chairman, Malakoff Corporation Berhad
- Chairman, Media Prima Berhad
- Chairman, MRCB Berhad
- Chairman, DRB-Hicom Berhad
- Chairman, EON Bank Berhad
- Chairman, Uni Asia Life Assurance Berhad
- Chairman, Uni Asia General Insurance Berhad
- Chairman, Lembaga Tabung Haji Investment Panel
- Independent Director, Maxis Communications Berhad
- Independent Director, Bangkok Bank Berhad
- Group Managing Director, Amanah Capital Partners Berhad
- Financial Accountant, Malaysian Airlines Systems Berhad

Gender	Male
Age	68
Nationality	Malaysian

Date of appointment(s)

- 25 February 2002 (Non-Independent, Non-Executive Director)
- 5 November 2004 (Re-designated as Independent, Non-Executive Director)
- 16 April 2009 (Chairman)
- 20 February 2018 (Re-designated as Non-Independent, Non-Executive Director)

Board Meeting Attendance in the Financial Year



DATO' MOHD. RAFIK BIN SHAH MOHAMAD



POSITION

- Independent, Non-Executive Director

MEMBERSHIP OF BOARD COMMITTEES

- Chairman of the Audit Committee
- Member of the Nomination and Compensation Committee

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Chartered Accountant, Malaysian Institute of Accountants
- Fellow of the Association of Chartered Certified Accountants, United Kingdom
- Executive Development Programme, International Institute for Management Development (IMD), Lausanne, Switzerland

PRESENT DIRECTORSHIPS

- Non-Independent, Non-Executive Director of Sanicare Hygiene Services Sdn. Bhd.

PAST EXPERIENCES

- Chairman, Cold Chain Network Sdn. Bhd.
- Chairman, Malaysian AgriFood Corp. Berhad
- Chairman, Biotropics Malaysia Berhad
- Independent, Non-Executive Director of Felda Global Ventures Holdings Sdn. Bhd.
- Independent, Non-Executive Director of AgriFood Resources Holding Sdn. Bhd.
- Independent, Non-Executive Director of Handal Resources Berhad
- Various senior management positions in Nestlé group of companies (worldwide)

Gender Male

Age 69

Nationality Malaysian

Date of appointment(s)

- 1 June 2007 (Non-Independent, Non-Executive Director)
- 7 August 2008 (Re-designated as Independent, Non-Executive Director)

Board Meeting Attendance in the Financial Year

100%

Total Attendance 5/5

OUR LEADERSHIP

PROFILE OF BOARD OF DIRECTORS AND COMPANY SECRETARY

TAN SRI DATUK (DR.) RAFIAH BINTI SALIM



POSITION

- Independent, Non-Executive Director

MEMBERSHIP OF BOARD COMMITTEES

- Member of the Audit Committee
- Member of the Nomination and Compensation Committee

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Laws, Queen's University, Belfast, United Kingdom
- Master of Laws, Queen's University, Belfast, United Kingdom
- Honorary Doctorate, Queen's University, Belfast, United Kingdom
- Honourable Doctor of Laws, University of Malaya, Kuala Lumpur
- Called to the Malaysian Bar

PRESENT DIRECTORSHIPS

- Chairman, Allianz Malaysia Berhad
- Chairman, Allianz General Insurance Company (Malaysia) Berhad
- Chairman, Malaysian Genomics Resources Centre Berhad
- Senior Independent, Non-Executive Director of Minda Global Berhad
- Independent, Non-Executive Director of Lotte Chemical Titan Holding Berhad

OTHER APPOINTMENT

- President of Malay Girls' College/Tunku Kurshiah College Old Girls's Association

PAST EXPERIENCES

- Malaysian first female Vice-Chancellor of University of Malaya
- Assistant Secretary General for the United Nations Human Resource Management, New York
- Assistant Governor of the Central Bank of Malaysia
- Executive Director of the International Centre for Leadership in Finance
- Human Resource General Manager of Malayan Banking Berhad
- Lecturer, Deputy and Dean of the Law Faculty of University of Malaya

Gender Female

Age 72

Nationality Malaysian

Date of appointment(s)

- 17 April 2009

Board Meeting Attendance in the Financial Year

100%

Total Attendance 5/5

DATO' FRITS VAN DIJK



POSITION

- Independent, Non-Executive Director

MEMBERSHIP OF BOARD COMMITTEES

- Member of the Nomination and Compensation Committee

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor's Degree in Economics, School of Economics, Rotterdam (HES), Netherlands
- Executive Development Programme, International Institute for Management Development, Lausanne, Switzerland

PRESENT DIRECTORSHIPS

- Sika AG Switzerland
- Member of Advisory Board, Al Muhaidib Group, Saudi Arabia

PAST EXPERIENCES

- Executive Vice President and Head of Zone Asia, Oceania, Africa & Middle East, Nestlé S.A.
- Chairman and Chief Executive Officer, Nestlé Waters
- Market Head, Nestlé Japan
- Market Head, Nestlé (Malaysia) Berhad
- Chief Operating Officer, Nestlé (Malaysia) Berhad
- Various management positions in Nestlé group of companies (worldwide)
- Sales Representative, Nestlé United Kingdom

Gender Male

Age 72

Nationality Dutch

Date of appointment(s)

- 26 April 2006 (Non-Independent, Non-Executive Director)
- 19 November 2013 (Independent, Non-Executive Director)

Board Meeting Attendance in the Financial Year

80%

Total Attendance *4/5

* Absence was due to medical reasons.

OUR LEADERSHIP

PROFILE OF BOARD OF DIRECTORS AND COMPANY SECRETARY

DATO' DR. NIRMALA MENON



POSITION

- Independent, Non-Executive Director

MEMBERSHIP OF BOARD COMMITTEES

- NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Degree in Medicine from the University of Mysore, India (First Class Distinction)

PRESENT DIRECTORSHIPS

- Independent, Non-Executive Director of Sime Darby Berhad

PAST EXPERIENCES

- Independent, Non-Executive Director of AXA Affin General Insurance Berhad
- Independent, Non-Executive Director of Khazanah Nasional Berhad
- Independent, Non-Executive Director, Avicennia Capital Sdn. Bhd.
- Executive Vice President, Head of Designated Markets & Health Asia, MetLife Asia Pacific Ltd
- Head of South Asia, ING Asia Pacific Ltd
- President and CEO, ING Malaysia Berhad
- Medical Office, Hospital Kuala Lumpur

Gender Female

Age 60

Nationality Malaysian

Date of appointment(s)

- 27 April 2018

Board Meeting Attendance in the Financial Year

100%

Total Attendance 5/5

JUAN ARANOLS



POSITIONS

- Executive Director
- Chief Executive Officer

MEMBERSHIP OF BOARD COMMITTEES

- NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Economic Science and Business from the University of Barcelona, Spain
- Executive Development Programme, International Institute for Management Development, Lausanne, Switzerland

PRESENT DIRECTORSHIPS

- NIL

PAST EXPERIENCES

- Chief Financial Officer (CFO) of Zone Asia, Oceania & sub-Saharan Africa (AOA), Nestlé S.A.
- Head of Corporate Group Control, Nestlé S.A.
- Chief Financial Officer, Nestlé Iberian region
- Chief Financial Officer, Nestlé Caribbean region
- Chief Financial Officer, Nestlé Plata region
- Finance Manager of Nestlé Ice Cream and Frozen Food business, Nestlé Italy
- Strategic Business Controller, Nestlé S.A.
- Auditor, Nestlé Spain

Gender Male

Age 51

Nationality Spanish

Date of appointment(s)

- 1 December 2018

Alternate Director

Alessandro Monica

(Profile of Alessandro Monica can be found on page 57)

Board Meeting Attendance in the Financial Year

100%

Total Attendance 5/5

OUR LEADERSHIP

PROFILE OF BOARD OF DIRECTORS AND COMPANY SECRETARY

CRAIG CONNOLLY



POSITIONS

- Executive Director
- Chief Financial Officer

MEMBERSHIP OF BOARD COMMITTEES

- NIL

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Graduated from the Macquarie University, Australia
- Executive Development Programme, International Institute for Management Development, Lausanne, Switzerland
- Leadership Training, London Business School

PRESENT DIRECTORSHIPS

- NIL

PAST EXPERIENCES

- Chief Financial Officer, Nestlé Vietnam
- Head of Nestlé Business Services (NBS), Philippines
- Finance Shared Services Manager, Nestlé Oceania
- National Credit Manager, Nestlé Oceania
- Key Customer Service Manager, Nestlé Oceania

Gender Male

Age 52

Nationality Australian

Date of appointment(s)

- 1 February 2019

Alternate Director

Shahzad Umar

(Profile of Shahzad Umar can be found on page 59)

Board Meeting Attendance in the Financial Year

100%

Total Attendance 5/5

TENGGU IDA ADURA TENGKU ISMAIL



POSITION

- Company Secretary

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Laws from the University of Nottingham, United Kingdom
- Barrister-at-Law of the Honourable Society of Lincoln's Inn
- Diploma in Syariah Law and Legal Practice, International Islamic University of Malaysia
- Called to the Malaysian Bar

PRESENT DIRECTORSHIPS

- NIL

OTHER APPOINTMENTS

- Malaysia Trustee, ASEAN CSR Network
- Committee Member, Federation of Malaysian Manufacturers Business Ethics Committee

PAST EXPERIENCES

- Vice Chairman, International Chamber of Commerce (Malaysia)
- Chairman for ICC Corporate Responsibility & Anti-Corruption Working Committee
- Legal Counsel for Zone Asia, Oceania, Africa & Middle East, Nestlé S.A.
- Legal Counsel, Nestlé Malaysia
- Legal Manager, Kumpulan Guthrie Berhad
- Legal Practitioner

Gender Female

Age 47

Nationality Malaysian

Date of appointment(s)

- 6 August 2013

Board Meeting Attendance in the Financial Year

100%

Total Attendance 5/5

Declarations by the Board:

- None of the Directors own any shares in Nestlé (Malaysia) Berhad.
- None of the Directors have any conflict of interest, personal interest or family relationship with any other Director and/or major shareholders of the Group.
- None of the Directors have been convicted for any offences within the past 10 years nor have been imposed with any public sanction or penalty by any relevant regulatory bodies, other than traffic offences (if any).
- All information disclosed for the Profile of Board of Directors and Company Secretary is true as of 2 March 2020.

OUR LEADERSHIP

PROFILE OF EXECUTIVE LEADERSHIP TEAM



JUAN ARANOLS
Chief Executive Officer



Gender: Male
Age: 51
Nationality: Spanish



CRAIG CONNOLLY
Chief Financial Officer



Gender: Male
Age: 52
Nationality: Australian

Juan Aranols was appointed Chief Executive Officer in 2018.

Prior to his present role, he was the Chief Financial Officer and a member of the senior management team for Zone AOA since 2015, where he also spearheaded the Confectionery and NESTLÉ PROFESSIONAL businesses. He first joined Nestlé in 1990 as an Internal Auditor with Nestlé Spain. He then took on the role of Strategy Business Controller for a number of categories under Nestlé S.A., Switzerland from 1995 to 1998, upon which he became Controller of the Ice Cream and Frozen Food businesses for Nestlé Italy until 2003. Following this, he was appointed CFO for the Plata region in Argentina. He assumed the same role for the Nestlé Caribbean Region in the Dominican Republic and the Iberian region in Spain in 2003 and 2005 respectively. In 2012, he assumed the role of Group Controller at Nestlé S.A. for three years. He graduated from the University of Barcelona, Spain, with a Degree in Economic Science and Business.

Craig Connolly was appointed Chief Financial Officer in 2019.

Preceding this, he was the CFO of Nestlé Vietnam where he played a pivotal role in driving the growth of the company since 2014. He began his Nestlé career in 1986 with Nestlé Oceania, assuming key Accounting positions such as Key Customer Service Manager, National Credit Manager and Finance Shared Services Manager. In 2007, he became Head of Nestlé Business Services in the Philippines, where he led the establishment of NBS Centres in Manila and Cairo, providing a wide range of services to the Asia, Oceania and Africa markets, in addition to North America. Besides having graduated from Macquarie University, Australia, he had also completed the Executive Development programme at IMD in Lausanne, Switzerland and participated in the Leadership Training at London Business School.



ALESSANDRO MONICA

Executive Director, Technical & Production



Gender: Male
Age: 49
Nationality: Italian



CHEW SOI PING

Executive Director, Sales



Gender: Male
Age: 60
Nationality: Malaysian

Alessandro Monica was appointed Executive Director, Technical & Production in 2017.

He previously held the position of Operations Manager for the Ice Cream Strategic Business Unit in Nestlé Switzerland since 2011, where he was responsible for implementing improvement strategies for competitive operations along the value chain. He is also credited with contributing significantly to the change in managing total cost competitiveness. His journey with the company began in 1998 with Nestlé Italy, which saw him take on a number of roles, namely Head of Engineering for Ice Cream and Frozen Food; Market Safety, Health and Environment Officer; and Factory Manager for Ice Cream, Culinary, Chilled and Nutrition. He graduated from the University of Parma, Italy, with a Degree in Mechanical Engineering.

Chew Soi Ping was appointed Executive Director, Sales in 2015.

Prior to his present role, he was based in the Philippines as Senior Vice President for the Ice Cream business since 2013. He began his career with the Company in 1988 as a Management Trainee at Nestlé Malaysia, where he gained extensive brand management experience with key brands such as MAGGI, Chilled Dairy, Milks and Nestlé Ice Cream. He was then expatriated to Nestlé S.A., Switzerland in 2006, taking on the role of Zone AOA Regional Zone Assistant Adviser for the ASEAN, India, Sri Lanka and Bangladesh markets. Following this, he held several positions including Executive Director for the Ice Cream business as well as Nestlé Continuous Excellence. He holds a Masters in Business Administration from the University of Central Arkansas, USA and a Bachelor of Science in Marketing (Hons) from the University of Ozarks, Arkansas, USA. He participated in a Marketing Course in 1996 at IMD in Lausanne, Switzerland and a Leadership Course at London Business School in 2018.

OUR LEADERSHIP

PROFILE OF EXECUTIVE LEADERSHIP TEAM



TENGGU IDA ADURA TENGGU ISMAIL
Executive Director, Legal & Secretarial

Gender: Female
Age: 47
Nationality: Malaysian

Tengku Ida was appointed Executive Director, Legal & Secretarial in 2013.

She spearheads the Group's legal, secretarial and compliance functions. Prior to this, she was the Legal Counsel for Zone Asia, Oceania, Africa and Middle East, since 2010 and was based in Nestlé S.A., Switzerland. Her career with the Company started in 2005 as a Legal Counsel for Nestlé Malaysia. She holds a Bachelor of Laws (Hons) from the University of Nottingham, United Kingdom, and was admitted as a Barrister-at-Law of the Honourable Society of Lincoln's Inn and was also called to the Malaysian Bar. Beyond this, Tengku Ida also holds a Diploma in Syariah Law & Legal Practice from the International Islamic University of Malaysia and has attended the Leadership Course at London Business School.



SALMAN NAZIR
Executive Director, Supply Chain

Gender: Male
Age: 56
Nationality: Pakistani

Salman Nazir was appointed Executive Director, Supply Chain in 2018.

Previously, he was the Supply Chain Director at Nestlé South Africa. He first joined the company in 1993 as a Management Trainee at Nestlé Pakistan and subsequently took on multiple responsibilities during his 25-year tenure in the areas of Factory Controlling, Project Management, IT, Procurement and Supply Chain Management. In 2002, he assumed the role of Procurement Specialist at Nestec S.A., Switzerland. He returned to Pakistan as Corporate Procurement Manager in 2004, prior to his appointment as Head of Supply Chain two years later. He graduated from Punjab University in Lahore, Pakistan with a Bachelor of Science Degree and is also a Certified Management Accountant. He attended the Executive Development Programme at IMD Business School in Lausanne, Switzerland and the Organisational Leadership Course at London Business School.



SHAHZAD UMAR

Executive Director, Human Resources



Gender: Male
Age: 42
Nationality: Pakistani



NIRMALAH THURAI

Executive Director, Corporate Affairs



Gender: Female
Age: 63
Nationality: Malaysian

Shahzad Umar was appointed Executive Director, Human Resources in 2016.

He also concurrently helms the Nestlé Business Excellence portfolio for Nestlé Malaysia and Singapore. He started his career at Nestlé Pakistan in 2001 as a Management Trainee, where he took on key managerial roles in Human Resources. Shahzad embarked on his first international assignment in Thailand, where he oversaw Compensation & Benefits for Nestlé Indo-China in 2008. In 2009, he was appointed Group Human Resources Manager for Organisational Development during his first stint in Nestlé Malaysia, before returning to Pakistan in 2012 to head the Human Resources Division. He graduated from the University of Engineering and Technology in Lahore, Pakistan with a Degree in Mechanical Engineering. He attended programmes for Leadership as well as Executive Development at IMD Business School in Lausanne, Switzerland and London Business School.

Nirmalah Thurai was appointed Executive Director, Corporate Affairs in 2017.

She also leads Corporate Nutrition and Consumer Engagement Services for Nestlé Malaysia. Preceding this, she led the Nestlé Breakfast Cereal business for the Malaysian and Singaporean markets for 12 years. Her career with Nestlé Malaysia spans over 30 years, commencing in 1981 with the management of various portfolios such as Consumer Insights and Sales, as well as the NESTLÉ PROFESSIONAL, NESCAFÉ, Chilled Dairy and Health Science businesses. In 1987, she joined Nestlé United Kingdom for two years before returning to Malaysia. She also holds the Chairperson position of the FMM Malaysian Food Manufacturing Group. She graduated from Universiti Sains Malaysia with a Bachelor's Degree in Arts (Mass Communication).

Nirmalah Thurai will be succeeded by Dato' Adnan Pawanteh upon her retirement as of 1 April 2020.

OUR LEADERSHIP

PROFILE OF EXECUTIVE LEADERSHIP TEAM



DATO' ADNAN PAWANTEH
Executive Director, Corporate Affairs

Gender: Male
Age: 58
Nationality: Malaysian

Dato' Adnan Pawanteh was appointed Executive Director, Corporate Affairs in 2020.

Prior to this, he was the Technical Director of Nestlé Philippines. He began his career at Nestlé Malaysia in 1984 as a Trainee Engineer and subsequently held various roles in the Technical area. In 2001, he was expatriated to Nestlé Australia as Industrial Performance and Production Manager before returning to Malaysia to take on the role of Factory Manager of the Shah Alam Complex. He held this role until he was transferred to Nestlé Turkey in 2010, where he assumed the position of Technical Director. In 2012, he returned to Malaysia as the Executive Director for Technical and Production. Besides Corporate Affairs, he is also currently overseeing Corporate Nutrition, Consumer Services and Halal Affairs for the Company. He holds a Masters of Business Administration in Management from Ohio University, USA and graduated from Loughborough University, England with a Bachelor's Degree in Engineering.

Dato' Adnan Pawanteh will replace Executive Director, Corporate Affairs, Nirmalah Thurai from 1 April 2020 onwards.



YIT WOON LAI
Business Executive Officer, NESTLÉ PROFESSIONAL

Gender: Female
Age: 49
Nationality: Malaysian

Yit Woon Lai was appointed Business Executive Officer, NESTLÉ PROFESSIONAL in 2017.

Previously, she headed the Ice Cream business from 2012 to 2017 and the Chilled Dairy business from 2005 to 2011. She started her career at Nestlé in 1995 as a Brand Executive for Nestlé Cold Storage, a Nestlé Ice Cream joint venture, followed by a Senior Brand Manager role for the MILO business from 2000 to 2003. She was promoted to Group Brand Manager of Chilled Dairy in 2003. Yit graduated from the University of Malaya with a Bachelor's Degree in Economics majoring in Business. She attended the Executive Development Programme at IMD Business School in Lausanne, Switzerland.

Yit Woon Lai was newly appointed as part of the Executive Leadership Team on 1 August 2019.



NG SU YEN

Business Executive Officer, MILO



Gender: Female
Age: 41
Nationality: Malaysian

Ng Su Yen was appointed Business Executive Officer, MILO in 2020.

Preceding this, she was the Business Executive Officer for the Ready-to-Drink business. She started her Nestlé career in 2004 as a Field Sales Executive for the Central region and subsequently joined the MILO business in 2005 as Brand Executive, and has since moved up the ranks. Following a mission assignment in the MILO Strategic Business Unit in Vevey, Switzerland in 2011, she returned to helm MILO as Consumer Marketing Manager. In 2014, she was appointed as Business Executive Officer of the Milks business. She holds a Masters of Business from the University of New South Wales, Australia.

Ng Su Yen was newly appointed as part of the Executive Leadership Team on 1 January 2020.



GEETHA BALAKRISHNA

Business Executive Officer, Foods



Gender: Female
Age: 55
Nationality: Malaysian

Geetha Balakrishna was appointed Business Executive Officer, Foods in 2017.

Prior to this, she was the Business Executive Manager for the MAGGI Food business in Nestlé Philippines. She began her Nestlé career with MAGGI in 1988. In 1999, she parted ways with the Company to pursue an opportunity with Mattel Inc, where she held various commercial roles, with her last position being the Commercial Director for Southeast Asia. In 2008, she joined Cerebos Pacific Ltd in Singapore as the General Manager for the food supplements businesses across the Singapore, Indonesia, Brunei and Philippines markets. She subsequently returned to Nestlé in 2011, taking on the role of Marketing Director for Food and Dairy, Nestlé Singapore. She holds a Bachelor of Management Degree (Hons) from Universiti Sains Malaysia.

Geetha Balakrishna was newly appointed as part of the Executive Leadership Team on 1 January 2020.

OUR LEADERSHIP

NESTLÉ LEADERSHIP TEAM



Shahzad Umar

Juan Aranols

Tengku Ida Adura Tengku Ismail

Ng Su Yen



Othman Chraibi

Alessandro Monica

Yit Woon Lai



Nirmalah Thurai

Frédéric Porchet

Maria Rica Mier



Wong Eu Khean

Geetha Balakrishna

Craig Connolly

Chew Soi Ping



Dato' Adnan Pawanteh

April Wong

Teo Heng Keat



Lam Pui Yuee

Salman Nazir

Geoffrey Dalziel

CORPORATE INFORMATION

BOARD OF DIRECTORS



**Y.A.M. TAN SRI DATO' SERI SYED ANWAR
JAMALULLAIL**

Non-Independent, Non-Executive Director
Chairman of the Board of Directors

DATO' MOHD. RAFIK BIN SHAH MOHAMAD

Independent, Non-Executive Director

TAN SRI DATUK (DR.) RAFIAH BINTI SALIM

Independent, Non-Executive Director

DATO' FRITS VAN DIJK

Independent, Non-Executive Director

DATO' DR. NIRMALA MENON

Independent, Non-Executive Director

JUAN ARANOLS

Executive Director
Chief Executive Officer

CRAIG CONNOLLY

Executive Director
Chief Financial Officer

COMPANY SECRETARY

Tengku Ida Adura Tengku Ismail
(MACS 01686)

Tel : +603 7965 6000

Fax : +603 7962 7213

E-mail : CompanySecretary.Nestle
@my.nestle.com

SHARE REGISTRAR



**TRICOR INVESTOR & ISSUING HOUSE SERVICES
SDN. BHD.**

Registration No.: 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : +603 2783 9299

Fax : +603 2783 9222

E-mail : is.enquiry@my.tricorglobal.com

AUDITOR*



KPMG PLT

(Firm No. LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor

Tel : +603 7721 3388

Fax : +603 7721 3399

* For the financial year ended 31 December 2019

BOARD COMMITTEES

Audit Committee

CHAIRMAN

Dato' Mohd. Rafik Bin Shah Mohamad

MEMBERS

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail
Tan Sri Datuk (Dr.) Rafiah Binti Salim

Nomination and Compensation Committee

CHAIRMAN

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail

MEMBERS

Dato' Mohd. Rafik Bin Shah Mohamad
Tan Sri Datuk (Dr.) Rafiah Binti Salim
Dato' Frits van Dijk

REGISTERED ADDRESS



NESTLÉ (MALAYSIA) BERHAD

Registration No.: 198301015532 (110925-W)
22-1, 22nd Floor, Menara Surian
No. 1, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor

Tel : +603 7965 6000

Fax : +603 7965 6767

PRINCIPAL BANKERS



HSBC BANK MALAYSIA BERHAD

Registration No.: 198401015221 (127776-V)

MALAYAN BANKING BERHAD

Registration No.: 196001000142 (3813-K)

STOCK EXCHANGE LISTING



Main Market

BURSA MALAYSIA SECURITIES BERHAD

Registration No.: 20030103357 (635998-W)

Stock Code : 4707

Stock Name : NESTLÉ

CORPORATE DIRECTORY

HEAD OFFICE

NESTLÉ (MALAYSIA) BERHAD

Registration No.: 198301015532 (110925-W)
22-1, 22nd Floor, Menara Surian
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CONSUMER SERVICES 1 800 88 3433

WEBSITE www.nestle.com.my

FACEBOOK <http://www.facebook.com/Nestle.Malaysia>

INVESTOR RELATIONS

Craig Connolly, Chief Financial Officer

Tel : +603 7965 6000

Email : InvestorRelations.Malaysia@MY.nestle.com

FACTORIES AND DISTRIBUTION CENTRE

BATU TIGA

NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.
Registration No.: 199401029400 (315081-K)
Lot 3, Jalan Playar 15/1
Kawasan Perindustrian Shah Alam
40700 Shah Alam
Selangor

Tel : +603 5522 5600

Fax : +603 5510 6263

SHAH ALAM COMPLEX

NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.
Registration No.: 199401029400 (315081-K)
Lot 5, Jalan Playar 15/1
Kawasan Perindustrian Shah Alam
40700 Shah Alam
Selangor

Tel : +603 5522 5600

Fax : +603 5522 5999

SRI MUDA

NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.
Registration No.: 199401029400 (315081-K)
Lot 75 & 76, Jalan Playar 15/1
Kawasan Perindustrian Shah Alam
40200 Shah Alam
Selangor

Tel : +603 5520 6400

Fax : +603 5520 6500

CHEMBONG

NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Registration No.: 199401029400 (315081-K)

Lot 691, Jalan Perusahaan Utama

Kawasan Perindustrian Chembong

71300 Rembau

Negeri Sembilan

Tel : +606 686 3900

Fax : +606 686 4080

CHEMBONG (ICE CREAM)

NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Registration No.: 199401029400 (315081-K)

Lot 3857 – 3862

Jalan Perusahaan 4

Kawasan Perindustrian Chembong

71300 Rembau

Negeri Sembilan

Tel : +606 686 3900

Fax : +606 686 4095

KUCHING

NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Registration No.: 199401029400 (315081-K)

Lot 844, Block 7

Muara Tebas Land District

Estet Perindustrian Demak Laut

93450 Kuching

Sarawak

Tel : +6082 472 800

Fax : +6082 472 999

NESTLÉ DISTRIBUTION CENTRE

NESTLÉ PRODUCTS SDN. BHD.

Registration No.: 197901000966 (45229-H)

Lot 7316 (PT3609)

Jalan Klang-Banting

Mukim Telok Panglima Garang

42500 Telok Panglima Garang

Selangor

Tel : +603 3123 3000

Fax : +603 3123 3001

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NESTLÉ (MALAYSIA) BERHAD

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