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## Nestlé and sustainable development

Nestlé defines sustainable development as "the process of increasing the world's access to higher quality food, while contributing to long-term social and economic development, and preserving the environment for future generations". Nestlé tries to be a genuine partner in sustainable development. The rise in the world's population means there is an increased demand for food. This in turn places pressure on water and raw materials produced by the primary sector. If Nestlé wants its business to continue growing it must encourage more production of better quality raw materials from its suppliers. Recognising that others face this issue, Nestlé created the Sustainable Agricultural Initiative with other food manufacturers. The group defines sustainable agriculture as "a productive, competitive and efficient way to produce agricultural raw materials, while at the same time protecting and improving the natural environment and social/economic conditions of local communities". They recognise that this will take time, but by co-operating these competitors are better placed to make an impact on a global scale.

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## Limiting water usage/wastage

Between 1997 and 2001 Nestlé's volume of production increased by 32% but the amount of water used in production was actually reduced. For example, Nestlé's Harrismith plant in South Africa achieved savings of around 40% through recovery of water generated by evaporation and tight controls on the municipal water supply. Nestlé achieved a 12% reduction in wastewater production in the period 1997-2001. From 1993-1999 the company built 38 new wastewater treatment plants and 120 plants were upgraded.

## Costs and benefits

The examples above involve large amounts of investment in capital equipment. Nestlé invests over £43 million per year for the protection of the environment in its factories, with 30% of this applied in the water area. Nestlé takes a long-term perspective on gaining a return on this investment, for sustainable growth and improvement in efficiencies. Another cost which shows Nestlé's commitment to improvement is the team of over 200 auditors employed to check that the business is complying with its own *Corporate Business Principles*. Nestlé's internal communication system includes an intranet, on which the *Principles* are published. There is also a cost attached to the external communication of 'spreading the message' e.g. the report referred to above. One benefit is that employees see Nestlé as a good business to work for. The annual employee turnover rate is just 5%. In 2001 a European survey of recent business school graduates ranked Nestlé as 13th most desirable company to work for.

