



UNITED STATES – ASIA ENVIRONMENTAL PARTNERSHIP



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US-AEP Awarded for Role in Greening the Supply Chain at Nestle Philippines, Inc.

US-AEP Introduces GSC Concept, Delivers Training Programs, Technical Assistance to Nestle

Washington, D.C. USA (August 26, 2002) -- Small and medium enterprises (SMEs) represent one of the most persistent and unregulated polluter groups in Philippines industry today. The United States-Asia Environmental Partnership (US-AEP), a program funded by the United States Agency for International Development (USAID), is working with multi-national corporations such as Nestle Philippines, Inc. to help their SME suppliers reduce pollution and remain competitive and prosperous through a Greening the Supply Chain (GSC) Initiative.

In July 2002, Nestle Philippines, Inc. Chairman and CEO, Mr. Juan B. Santos, presented a Plaque of Appreciation to US-AEP for its leadership in GSC at an awards ceremony in Makati City. US-AEP introduced the concept of GSC to Nestle's executive committee and delivered training programs and technical assistance to Nestle's first tier suppliers in August 2000.

"Smaller companies can benefit from sound environmental practices in terms of savings and improvements to their respective businesses. These benefits can certainly result in improved competitiveness and enhanced viability of operations for the long term," stated Nestle Chairman & CEO Juan B. Santos.

Through USAID's Industrial Initiatives for a Sustainable Environment project, US-AEP facilitated the promotion of the GSC concept in the Philippines. The GSC process allows buyer companies, like Nestle, to require specific levels of environmental performance from their manufacturing partners and vendors. US-AEP's work with Nestle's mission critical suppliers has helped to address their immediate and pressing concerns about compliance with environmental regulations, productivity improvement, competitive advantage, and resource management.

Nestle has seven factory sites in the Philippines, located in Luzon, Visayas and Mindanao. At Nestle's Corporate Environment Office in Metro Manila, environmental officers from these seven factories were trained in GSC by US-AEP. They returned to their factories and trained their own staff. This "train the trainer" concept has since trickled down to Nestle's Strategic Suppliers, who have carried out similar training programs in their plants.

While US-AEP directly trained only about 200 individuals, the train the trainer concept has spread throughout Nestle's supply chain. Nestle provides incentives to reward its suppliers by including environmental procurement questions in their evaluations. This gives suppliers who participate in GSC an advantage when contracts are issued.

Nestle will launch its second Greening the Supply Chain initiative with an additional group of suppliers willing to commit to the adoption and implementation of Nestle's environmental initiatives. Nestle plans to completely green its supply chain within the next two years.

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US-AEP'S GREENING THE SUPPLY CHAIN (GSC) INITIATIVE

- **US-AEP has been promoting the concept of "greening the supply chain" for over seven years.**
- **US-AEP supports GSC in seven countries including:** India, Indonesia, Malaysia, Philippines, Taiwan, Thailand, and Vietnam.
- **US-AEP partners with companies such as:** Nike, Gap, L.L. Bean, Levi Strauss, and Ford Motor Co. Philippines, United Technologies Corp., Nestle Philippines, Fairchild Semiconductors, Hewlett-Packard, Seagate, Lucent Technologies, and others for GSC.
- **US-AEP partners with organizations such as** Business for Social Responsibility Management Association of the Philippines.

Please see Attached Picture of Award

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