

Speech by Keith Richards, Managing Director, Promasidor Nigeria Ltd at CEO's Forum on Children's Rights - 30 May 2013.

Promasidor was founded on two simple concepts:

- i. innovation in product & packaging;and
- ii. a close engagement with our consumers and their communities.

These have become the most critical success factors in our commercial strategy and management practices.

This approach has translated a small African business venture that began selling milk powder in consumer friendly, economic sachets in the Democratic Republic of Congo in 1979 to one of the leading FMCG companies currently operating in 25 countries across Africa.

In Nigeria, Promasidor has been providing nutritional value to children and families by delivering milk in affordable sachets of five, ten and twenty naira since 1993.

That early innovation has been replicated across our brands; Cowbell Chocolate, Miksi, Top Tea, Onga and others in a way that favours ordinary families. Our most recent brand relaunch is Loya HiCal, delivering 50% more bio-available calcium than any other milk in Africa. Calcium that is essential for growing healthy bones and teeth amongst its many nutritional advantages.

Moving on from our approach towards Innovation to our policy on Community Engagement. We have adopted a unique CSR strategic approach to ensure we have multiple engagement with a child & family-centric focus that delivers sustainable value for all our stakeholders – our customers & consumers, the families and communities that nurture them, our employees and partners, right through to our shareholders.

This approach is fundamentally part of our corporate communications and brand marketing. We do not see it as something 'on the side' but an engagement with these communities, and as I have said, with a

strong focus on the family, in a way which is part of our DNA. Our above the Line advertising, our market based promotional activity, our new product development – indeed our whole approach – is built around the connection, in a responsible way, with our family of consumers. We have complete support from our shareholders for this approach and it gives a sense of pride and connection to our employees.

So, we have 4 major focuses for these programmes, namely: Health and Nutrition, Education, Sports, Empowerment and Mentoring.

The majority of our initiatives are focused on Nigeria's young demographic and on nation building through understand that our children and youth are the future of this country.

These include an unbelievably long list of responsible and sustainable programmes; Amila Painting Challenge, Cowbell Chocolate Schools Reward for Excellence, Cowbell Football Academy, Cowbell i-Try Rugby for Schools, Para Soccer Tournament, NYSC Volleyball Tournament, Support of Inter House Sports Competition in Schools, Donation of Incubators to Medical Centres, University Onga Cooking Competitions and so on. We stretch from sponsoring the community and schools based parts of Felabration Week to the provision of Resources, Health Care and Support for Women Empowerment (Entrepreneurship & Enterprise) in Partnership with BME Concern. We also engage with our host communities in Isolo and Orile-Iganmu.

Of course our growing success story of our flagship National Secondary School Mathematics Competition is a key example of this approach. We have picked a major educational challenge and have continued to inspire the mastery of mathematics; which is a core science subject in schools across the country for the last 12 years. In the last few years an average of 30,000 children across the nation sat this exam. We believe upwards of 400,000 school children undertake extra maths classes to prepare for the exam. Every year we see this NASSMAC as we call it, gaining more and more recognition.

This and our other programmes continue to win awards -

SERA AWARDS

1. 2010 - Education (Most Socially Responsible Company - MDGs)
2. 2011 - Best Company - Child Focused CSR

LAGOS STATE MINISTRY OF EDUCATION

1. 2009 - Jam Feast Award for contribution to the building of Nigeria's Future Labour Force
2. 2011 - Jam Feast Top Ten Brands in CSR in Education and Youth Development: Platinum Awardee

EDUCATION

1. 2011 Education Watch Awards For Excellence Best Corporate Organization Education Support Category
2. 2012 Teens Magazine Award for the exceptional commitment to Education in Nigeria
3. 2011 MINDS - Youth Friendly Educational Brands Awards Special Recognition for Outstanding Support in Grass Root Educational Development

But what we do is not about awards or glossy brochures. If anyone misunderstands this and believes it is philanthropy then consider where this approach has brought us in just twenty years in Nigeria. We are in competition with many of the world's largest consumer goods companies and their global brands, which have been here for 60 years and beyond. They have huge financial muscle and yet already we are in the top two or three, in terms of volume share, of every category in which we compete. Several of our brands are household names and have the same or better share of mind than others who outspend us in pure marketing terms ten fold. In just twenty years we have become one of the most respected FMCG companies in Nigeria.

Promasidor can tell you, I can tell you, being responsible – in particular, with a clear focus on the well-being of our child and family related consumer community, is not just morally the right thing to do – it is good business. For us in the Promasidor Group the right of Children to have safe, healthy, nutritional, Quality Food Products is not negotiable and never will be.