

Laporan Penelitian



Partnership for Sustainable Business: “The Case of Nestlé and Dairy Farmers in East Java, Indonesia”

Dr. Iin Mayasari
Dr. Iyus Wiadi, MPA
Tia Rahmania, M.Psi., Psikolog
Prima Naomi, MT
Retno Hendrowati, MT

**Direktorat Manajemen Pengetahuan Riset dan Pengabdian Masyarakat
Universitas Paramadina
Jakarta 2013**

LEMBAR PENGESAHAN

Penelitian dengan Judul

Partnership for Sustainable Business: “The Case of Nestlé and Dairy Farmers in East Java, Indonesia”

Telah disahkan dan disetujui oleh Lembaga Penelitian dan Pengabdian Masyarakat Universitas Paramadina, pada:

Hari /Tanggal: 20 Desember 2013

Yang mensahkan dan menyetujui:



Asriana Issa Sofia, MA

Partnership for Sustainable Business: “The Case of Nestlé and Dairy Farmers in East Java, Indonesia”

This case study highlights Nestle Indonesia’s initiative as an example of how a company helps fight poverty and improves healthy environment by forging a mutually beneficial business partnership between the core business activity (producing and marketing its brand) and dairy farmers as its suppliers, with the help of an NGO contributing its expertise.

The partnership has grown to a three-way synergy between Nestlé Indonesia, the Humanist Institute for Development Cooperation (HIVOS) - a Dutch non-governmental organization (NGO) - and cooperatives of farmers. Each party contributes its special resources. The NGO provides technical knowledge and expertise, the farmers have the cows and Nestlé Indonesia provides zero interest loan and guaranteed market for the fresh milk. The case examines the challenges and opportunities of such a partnership in the context of income generation for the poor, which also addresses environment issues and improvement of family’s health in the process.

Nestlé Indonesia Profile

Nestlé Indonesia is one of the subsidiaries of Nestlé S.A. the leading company in the field of nutrition, health and wellness, with headquarters in Vevey, Switzerland. Nestlé SA was founded over 140 years ago by Henri Nestlé; a pharmacist who provided baby cereal to help a mother save her baby who was very ill and unable to receive breast milk.¹

In 1930 Nestlé had the largest share of the Indonesian market for dairy products. The increasing consumer demands on dairy products influenced Nestlé to officially start doing business in Indonesia in 1971 on behalf of PT. Food Specialties Indonesia. Nestlé supported the production of dairy products by opening the milk processing plant in Waru, East Java, in 1972. Related to the processing plant, Nestlé Indonesia began to provide technical assistance to the local people, especially to dairy farmers. In 1979, a coffee processing plant was established in Panjang, Lampung, as the second factory in Indonesia to produce Nestlé NESCAFÉ coffee. In 1988, Nestlé closed Waru factory and moved the plant to Kejayan in Pasuruan, East Java, to produce greater amounts of dairy products. In 1990, the new plant at Cikupa was established to produce

confectionery of POLOs and FOX'S. In 2000, PT Food Specialties Indonesia, Nestlé Confectionary Indonesia & Supmi Sakti was merged into PT Nestlé Indonesia.

At present, Nestlé employs more than 2,600 employees to produce a variety of Nestle products at four plants:

- 1) The Kejayan, Pasuruan, East Java, plant processes dairy products such as DANCOW, BEAR BRAND and Nestlé DANCOW IDEAL;
- 2) Panjang factory at Lampung processes NESCAFÉ instant coffee;
- 3) The plant in Cikupa in Banten produces confectionery products such as FOX'S and POLOs; and
- 4) The plant in Karawang, West Java for the manufacture of DANCOW, MILO, and Nestlé CERELAC baby cereal.



Photo 1: Kejayan has expanded to become one of the 10 largest Nestlé factories in the world and has produced 650,000 liters of milk fresh every day with raw materials from 33,000 dairy farmers in East Java through 42 milk suppliers, that has the impact for generating more than IDR 2,5 billion/day for sustaining sustainable growth, Photo by Nestle, 2012.

Nestlé has been investing for the future to ensure the financial and environmental sustainability of actions and operations: in capacity, in technologies, in capabilities, in people, in brands, in research and development. Nestlé aims to meet today's needs without compromising the ability of future generations to meet their needs, and to do so in a way which will ensure profitable growth year after year and a high level of returns for shareholders and society at large over the long-term. Nestlé has commitment to respect and to follow all applicable laws in Indonesia, including abiding by laws and regulations for the Halal Products Guarantee. Nestlé's commitment won the company an "A" (excellent) in an assessment of the application of the Halal Assurance System (SJH) from the Research Institute for Food, Drugs and Cosmetics of the Indonesian Ulema Council (LPPOM-MUI), so Nestlé is entitled to receive a Certificate of SJH.²

The Mission of Nestlé Indonesia is nurturing a healthier life for Indonesians. It has motto "Good Food, Good Life". Nestle has commitment to combine science and technology in order to create

products which fulfill the basic human need for quality and nutritious foods that are safe and enjoyable to consume.³ The strategic business unit in Nestlé has involved a number of qualified and well-known brands. Nestlé is committed to provide brand with quality, taste and nutrition. All foods and beverages served are enjoyable and play an important role in a balanced and healthy diet and lifestyle. Nestlé also ensures the same level of commitment to quality, taste and nutrition across all products. The brands promoted around in Indonesia are including:

- 1) Chocolates and Confectionary: Kit Kat, Fox, Polo, Milo
- 2) Drinks: Milo, Nestea, Nesfruta, Nescafe, Bear Brand,
- 3) Healthcare Nutrition: Dancow Batita, Dancow Datita, Dancow 1+
- 4) Baby Food: Cerelac
- 5) Cereals: Fitnessse, Nestlé Koko Crunch, Milo, Stars, Cookie Crisp, Honey Gold Flakes, Cornflake
- 6) Dairy: Dancow, Carnation, Nestlé Cap Nona.
- 7) Healthcare Nutrition: Nutren Diabetik, Nutren Optimum, Nutren Fibre, Nutren Junior, Nutren Peptamen, Nutren Peptamen Junior.

Corporate Business Principle

Nestlé continuously makes efforts to find answer many problems such as food security, poverty alleviation, and human resource capacity building. The effort includes providing education on nutrition and healthy life style and addressing environmental impacts. Nestlé is committed to take its role in collaborating with all stakeholders for the improvement of people's welfare in the areas of nutrition, water, and rural development.⁴

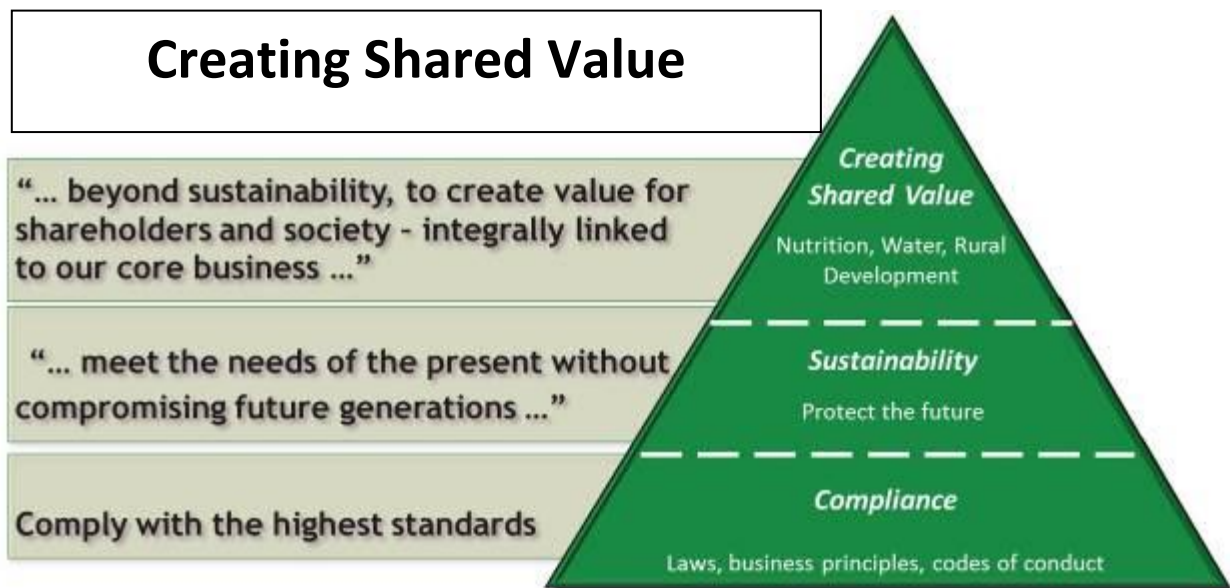
In 2011, Nestlé launched a modular training program detailing various components of the Corporate Business Principles. Nestlé Corporate Business Principles will continue to evolve and to adapt to a changing world. The basic foundation is unchanged from the time of the origins of Nestlé, and reflects the basic ideas of fairness, honesty, and a general concern for all people. Nestlé is committed to adhering to the Business Principles in all countries, taking into account local legal requirements, cultural and religious practices. The Business Principles are:

- 1) Nutrition, Health and Wellness
- 2) Quality Assurance and Product Safety
- 3) Consumer Communication
- 4) Human Rights in Business Activities
- 5) Leadership and Personal Responsibility
- 6) Safety and Health at Work
- 7) Demonstrate Honesty, Integrity, and Fairness to Supplier and Customer Relations
- 8) Agriculture and Rural Development
- 9) Environmental Sustainability
- 10) Sustainable Use of Water and Continuous Improvement in Water Management⁵

Creating Shared Value

Nestlé believes that for a company to be successful for the long term and to create value for its shareholders, it must also create value for society. Nestlé calls this ‘Creating Shared Value’ that built based on strong foundations of compliance and sustainable business practices. It means that to create long term business success, a company must create value for the consumers, business partners, employees, the government, and communities while creating value for the shareholders.

Creating Shared Value (CSV) is defined as policies and operating practices that enhance competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.⁶ The concept of shared value also puts emphasis on societal needs. It also recognizes that social harms or weaknesses can create internal costs for firms—such as wasted energy or raw materials, costly accidents, and the need for remedial training to compensate for inadequacies in education. To address societal harms, company can innovate through using new technologies, operating methods, and management approaches—and as a result, increase their productivity and expand their markets.⁷



"It is our firm belief that, for a company to be successful over time and create value for its shareholders, it must also create value for society. We call this Creating Shared Value (CSV). Based on strong foundations of compliance and sustainable business practices, this is our basic way of doing business." CEO & Chairman Nestlé S.A.

Applying the concept of CSV, Nestlé demonstrates the value that creates in economic, social, and environmental terms for the society at large and help to resolve the problems that people are faced with. In this case, Nestlé has discovered and refined the concept by implementing it in business value chain and corporate responsibility strategies. Nestlé has value chain that consists of major components: agriculture and rural development; manufacturing and distribution and product consumers (nutrition); and environment, manufacture, and human resources. These components are analyzed to contribute to CSV.⁸

In agriculture and sourcing components, the value chain impacts would be purchasing practices that focus on quality, sustainability, research and development to improve productivity of suppliers. The activity includes transfer of technology, farmer's capacity building, and partnership for sustainable agriculture. The value for Nestlé includes access to quality raw at predictable prices, meanwhile the value for society would be higher harvest yield based on lower input thus improving the productivity and welfare of farmers.

In nutrition, water, and rural development, Nestlé supports the research and development to produce nutritious product. The value for Nestlé would be favorable market position meanwhile the value for society would be having choices of qualified products at affordable prices. In the case of water management, the value for Nestlé would secure the water meanwhile the value for society would be fulfilling their needs. In the case of rural development, the value for Nestlé would be securing company's raw material supplies meanwhile the value for society would be improving the welfare of farmers.

Overall, the benefits of applying the concept of CSV for Nestlé

- 1) Having reliable supply of high quality raw material;
- 2) Improving product quality and strengthening with the society; reducing the production and distribution of cost,
- 3) Entering new and developing market; and
- 4) Gaining competitive advantages for shareholder.

Meanwhile, the benefits for society are:

- 1) Improving harvest and income;
- 2) Reducing the usage of natural resources;
- 3) Having employment creation at local community;
- 4) Improving access for nutritious products for consumers; and
- 5) Having investment and economic growth.

The Implementation of Nestlé in Creating Shared Values

Nestlé supports the achievement of the CSV through the continuation and expansion of existing efforts, and the launch of new efforts. It has an ongoing commitment to highlight compliance and sustainability of business practices.

1) **CSV in Nutrition**

- a. Nestlé implements “60/40+ technical approach by acquiring each product to have a taste test process with minimum results 60% of sample consumers preferring such product over other similar product sample produced by competitors.
- b. Nestlé applies Nestlé Nutritional Profiling System that ensures all products to have nutritional values for customers and Nutrition Foundation to ensure product health and safety including sugar, salt, saturated fats, trans fat and energy content.
- c. Nestlé Healthy Kids Programs. It aims to improve awareness, knowledge, understanding about nutrition, personal hygiene and the importance of physical activity among school children.
- d. Dancow Nutrition Caravan. The program aims to improve the nutrition knowledge of mothers so as to help building the healthier and qualified future Indonesian generation.
- e. Dancow Parenting Center. It supports healthier and better quality of Indonesia family lives by becoming the trusted partners of parents to nurture optimum growth and development of Indonesian children.
- f. Dancow Batita Posyandu Program.
- g. MILO School Competition. It promotes sports as part of a healthy life style.

2) **CSV in Rural Development**

- a. Partnership with East Java dairy farmers. It improves dairy farmers’ income by providing assistance particularly on sustainable farming practices.
- b. Partnership with Lampung coffee farmers.
- c. Collaboration with Indonesian Coffee and Cocoa Research Institute (ICCRI).



Photo 2: A group of dairy farmers heading to the cooperative to deliver fresh milk as part of their daily activities to earn income for their families. Photo by Nestlé Indonesia, 2011.

3) **CSV in Environmental Sustainability**

- a. Co-Generation Power Plant. It aims to reduce energy consumption and the impact on environment.
- b. Water Recycling. It aims to conserve and to protect water sources by using water for producing steam, cooling towers, and cleaning.

- c. Paddy Field Irrigation with Treated Waste Water.
- d. Reforestation Program.
- e. Clean Water and Sanitation Program
- f. Biogas Program.

Nestlé Long term Partnerships with Dairy Farmers

The long term objective of Nestlé for milk factory is to support the raw materials that focus on home country. To support it, Nestlé needs the increasing volume of fresh milk, more from dairy farmers and milk cow population. Yet, the increasing volume of cow can have a negative impact on environment if it is not properly handled.

Partnership with East Java dairy farmers has been strengthened since May 22, 1975. That was the historical moment for Nestlé and the members of the Pujon Dairy Cooperative and it was marked as the initial collaboration when the first 160 liters of fresh milk were sent to Waru Factory. Nestlé has been committed to help dairy farmers improve the income level of dairy farmers by providing assistance particularly on sustainable farming practices. Previously, Nestlé had to import milk solids as there was insufficient fresh milk supply from the area. This situation had then shifted gradually when a team of agronomists analyzed the situation on the ground and concluded that adequate fresh milk could be produced in East Java. Both the quality and quantity of fresh milk production could be maintained if the supply chain (from cow to factory) was improved. Nestlé started to provide low-interest loans to a number of cooperatives to allow them to purchase the cooling unit which was used to ensure the quality of fresh milk. With the increasing demand for high-quality fresh milk, Nestlé set up the AgriService Department in 1985 to provide technical assistance to all of fresh milk suppliers.⁹

Nestlé is not only responsible for providing market of milk production from dairy farmers, but also confirms the sustainability of dairy farming. The sustainability of dairy farmers is run with the development strategy of dairy farmers since 1971.



Photo 3: Nestlé, together with suppliers, the farmers and dairy cooperatives, continue to work hard to meet increasing demands for dairy products in the market, and ensure long-term, sustainable development of the livestock sector. By Nestlé Indonesia, 2011

Nestlé runs the strategy to help farmers gain access of farm loans to increase numbers of cows and provide training in fundamental farm management (hygiene, animal health, and feeding, feed formulation). At morning and evening milking sessions in the shelters, it's a common sight to see on-site personnel performing tests to determine the quality of the freshly collected milk. One of the challenges in implementing the strategy with dairy farmers is increasing the competitiveness of milk price.¹⁰

Nestlé is able to reduce the dependence on imported milk solids. Farmers enjoy a higher standard and quality of life as a result of their improved farms. Nestlé, with suppliers, the farmers and dairy cooperatives, continues to work hard to meet increasing demands for dairy products in the market, and ensures long-term, sustainable development of the livestock sector

The largest cooperative, affiliated with Nestlé is Koperasi Pujon. Koperasi Pujon is the biggest milk supplier for Kejayan Factory in Pasuruan. Koperasi Pujon has good motto-Learning to Improving Economic or *SAE-Sinau Andhandani Ekonomi*. The principle of supporting for milk supply, Koperasi Pujon has implemented consistency, continuous improvement, and moved strong in applying Nestlé standards. Milk quality improvement teams work with cooperatives and farming groups on improving the quality of their livestock on an ongoing basis (ways to produce more fresh milk), for higher productivity and greater efficiency.

Related to biogas program, the cooperative has the role of educating dairy farmers in implementing biogas. This cooperative also facilitates education session with dairy farmers concerning the price of milk, supporting to keep on producing milk instead of selling cows. The cooperative also provides health subsidy for dairy farmers and family around IDR 35,000.00; given maximum three times per month.¹¹

Biogas Program

Biogas Program is one of the initiatives of Creating Shared Values that focuses on environmental sustainability dimension. It is the commitment that is part of Nestlé Indonesia's effort in creating value for dairy farmers, members of Nestlé cooperatives partners in East Java as one of Nestlé's stakeholders. The Biogas program is believed to be successful over time to create value for the society along Nestlé's supply chain.¹²

1. The Reasons to Initiate The Biogas Program

Mostly, the business process of Nestlé is supported by the supply of dairy farmers. Consequently, the process creates the result of animal waste. The animal waste in the form of

cow waste can contaminate the ground water supplies. Adequate waste storage becomes important to avoid contamination of ground water supplies. Because most waste storage systems require sizeable investments with no immediate financial returns, local farmers have little incentive to improve their management of animal waste. This condition provides the opportunity to convert waste to biogas and can help reduce environmental issues related to the cow waste.

Learning from previous experiences in other countries, expert team in Nestlé has observed the opportunity to manage cow waste as renewable energy and also organic fertilizer. The methane from cow waste of five cows can produce biogas sufficient for one household's requirement. Nestlé, through this program took action by financing the distribution of biogas digesters to help farmers store their waste in secure, cover containers and collect the waste's methane gas as energy for home cooking, lighting, and heating. Nestlé has tried to integrate livestock into the farming system and promoted the production of biogas for energy. This program has provided new income-earning opportunities for local milk farmers and has identified environmental problems to address. Nestlé, in this case, can also increase participation in the propagation of capacity additions in renewable energy power. This approach would not only be positive for the environment, but also for the welfare of dairy farmers' families.

2. The Definition of Biogas

Biogas" is a gas that produced from cow waste fermentation. Biogas is related to biomethane typically comprises of 50%-75% methane and carbon dioxide along with other minor gases. Biomethane is a naturally occurring gas produced by the anaerobic digestion of wet biomass feedstock from cow in digesters where complex carbon molecules in organic material are broken down into simpler structures.¹³ Biogas is one of many biomass energy sources, which includes anything that was once alive and that can produce energy. Biogas technology which converts biological waste into energy, is determined to be an excellent way to have a lot of benefits for life, livelihoods, and health in the developing world.¹⁴ Biogas is produced from anaerobic digestion. Anaerobic Digestion (AD) is the conversion of organic non-woody material in the absence of oxygen into stable and commercially useful compounds. In the other world, anaerobic digestion is a mature energy technology for converting biomass to biogas, which is a renewable primary energy source.¹⁵ A biogas plant using livestock waste in which a methane fermentation process is an important facility for producing energy.¹⁶

The following figures show the biogas digester. Each farmer has biogas digester that processes the cow waste. The biogas is produced in the form of fluid. The fluid is streamed through pipe and can be used as the energy for cooking. This tool is also equipped with manometer that shows the supply of gas.



Photo 4 The Biogas Usage, Pak Paryono, dairy farmer, is the 5000th biogas user with support from HIVOS and Nestlé. He and his family can have the benefit of using biogas for cooking and electricity. by Paramadina & Nestlé, 2013

3. The Implementation of Biogas Program

In addition to partnership with dairy farmers, Nestlé Indonesia and the Humanist Institute for Development Cooperation (HIVOS), a Dutch non-governmental organization (NGO), have partnered since May 2009 to implement the domestic biogas program known as “BIRU” that distributes biogas units to households as a sustainable energy source through the use of micro financing. The program aims to improve living conditions of households using biogas. Both organizations agreed to collaborate together based on the following objectives: (1) increased access to affordable energy by using biogas, and; (2) reduced the environmental and health impacts due to dairy farming activities.

The partnership operates in East Java and is mutually beneficial. Each biogas unit costs the equivalent of USD 765. HIVOS with funds from its donor provides cash subsidies of USD 235 for each biogas unit, train dairy cooperatives on how to build biogas unit, conduct quality control and monitoring. Nestlé provides in average USD 530 as a zero-interest loan for every biogas unit successfully completed. Funds are provided by its Milk Procurement and Dairy Development Division. By providing zero interest loans, farmers will have a greater sense of ownership and responsibility in maintaining the biogas units. Nestlé also identifies cooperatives and encourages board members of the cooperatives to build pilot units in the areas.

Up to April of 2013, 5000 biogas units had been installed at the houses of dairy farmers who supplied fresh milk to Kejayan Factory.¹⁷ Nestlé Indonesia is committed to continue the construction of biogas digesters to cover all 33,000 dairy farmers, members of cooperatives in East Java until the end of 2015.

With the investment and cow waste of at least 5 cows for each farmer, then the biogas requirement for cooking for one household can be fulfilled all years without incurring other cost except for biogas digester maintenance. This represents a major saving for a family bearing in mind that the cost for kerosene used for cooking for a family will at least cost IDR 300,000 per month.¹⁸

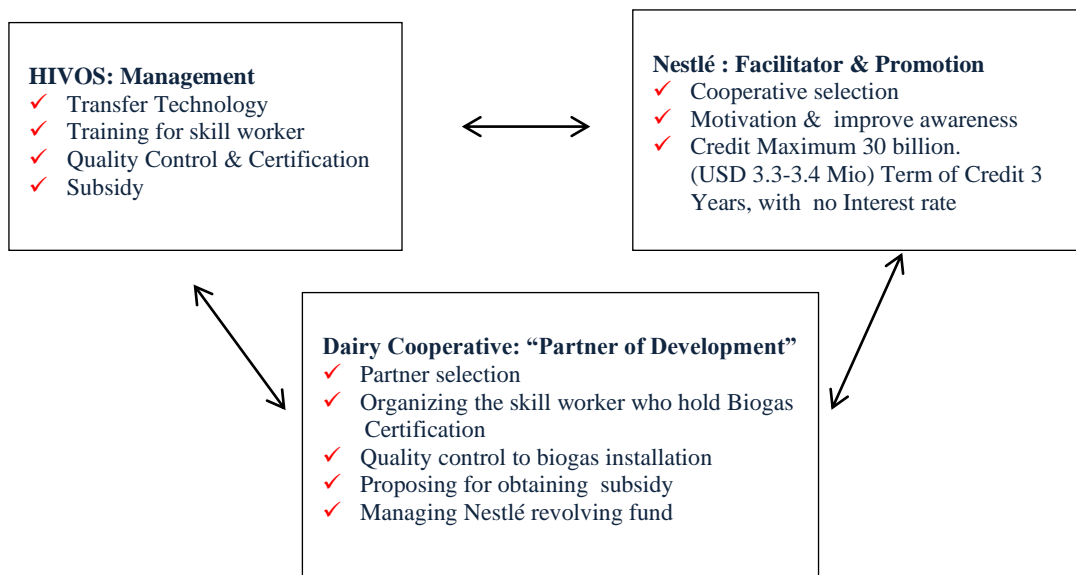
4. The Mutual Benefits among Partners of Biogas Program

Nestlé aims to establish sustainable partnerships among partners (NGOs and cooperative of dairy farmers). One of the key success factors in building successful and sustainable partnerships is through a clear division of roles and responsibilities among partners. Each partner contributes and benefits equally based on its competencies as described in the graph below.

In implementing Biogas program, Nestlé involves:

- a. Milk Procurement and Dairy Development – MPDD Department as responsible division for technical implementation.
- b. Finance department to control financial issues.
- c. Legal & Corporate Affairs Division is responsible for lobbying, managing relationship, communicating, and promoting the biogas program to wider public.
- d. Nestlé Factory manager in Kejayan to monitor technical and operational aspects of the program.

Roles and responsibilities of each partner:



5. The Benefit of Biogas Program Based On Economic, Social, and Environment

The benefit of this program has improved traceability and accountability across the supply chain. Through the program, Nestlé annually provides more than 300 free training sessions for dairy farmers in the region. Led by agricultural extension experts, the sessions introduce farmers to best practices and new tools, and offer continuous skills development. Farmers are also given access to new technologies to improve cow selection and to ensure feed quality, as well as biogas digesters to reduce affluent contaminating local water resources. The simple technology helps farmers reduce their wood and charcoal consumption, save rural families money whilst reduce household carbon emissions that contribute to air pollution and global warming. More importantly, biogas production provides farmers with an economic incentive to manage their waste supplies more effectively, and reduce water contamination in the process.¹⁹

“Cooking with wood is expensive. We save money using biogas. It also keeps the kitchen cleaner.”
Drika Asiah, Purwodadi,
Biogas user



Photo 5: Ibu Drika Asiah uses biogas for cooking by Nestlé Indonesia, 2011

Nestlé has disbursed about IDR 9 billion or one million USD of a total of IDR 30 billion or 3.3 million USD set aside for the loans. The program has created 250 jobs. More than 50% of households that have built biogas units now use biogas waste as organic fertilizer to replace chemical fertilizer. According to research conducted by the University of Indonesia, each household with a biogas unit can save up to IDR 2,000,000, or USD 235 in expenses for wood fuel and IDR 1,000,000, or USD 118 for gas fuel every year.

According to Nestlé press released on 6th February 2013, the implementation of biogas technology in the dairy farming community area in East Java has been successful to increase access to renewable energies at affordable cost for dairy farmers and has helped to reduce the environmental impact and to improve health of dairy farmers and their families.²⁰ Moreover, this implementation has helped dairy farmers save their money and reduce the usage of firewood or kerosene and LPG in the kitchen. Research also suggests a significant decline in tree cutting. According to Robert de Groot (HIVOS), the added benefits of biogas in increasing farming crops using organic fertilizer from biogas waste are additional productive time to 1.5 to 3 hours per day per family and decline number of glass house gas emission to 5 tons per year.

6. The Success Story of Dairy Farmer Using Biogas

Pak Paryono has started dairy farming since 36 years ago. In 1984, Pak Paryono joined the cooperative of Pujon, Batu, Malang as a member. After having cooperation with Nestlé, he also received loan for managing his farm including the qualified cows. Every day, Pak Paryono sends milk to the cooperative. The initiation of joining biogas program is driven by the accumulation of cow waste in his surrounding house. The total production cost of biogas digester is IDR 6,000,000. However, the farmer has support from HIVOS, IDR 2,000,000. Meanwhile, Nestlé also supports by giving loans IDR 4,000,000 for three years without interest rate. The cow waste spread bed smell and it was just thrown away. In 2010, the cow waste were utilized as the biogas. The biogas can function as the electric energy which is equivalent to 20 watt. The capacity 20 watt is generated from 80 kilograms of cow waste. Each cow can produce 20 kilograms per day. The number of cows in Pak Paryono's farm is 4.

According to Pak Paryono, biogas can provide four main benefits. First, biogas can reduce his monthly expenses on gas of 4 containers or IDR 60,000. Second, biogas can reduce the bed smell of cow waste. Third, biogas can increase the health because cooking activity does not use wood anymore. Fourth, biogas is much safer than gas because the explosion energy is lower than gas. Fifth, from his dairy farm, he can send his children to high school. He owns a nice house, 5000m² grass lands and some agriculture land. Cost production of milk is IDR 1,632/liter and net monthly income is IDR 1,552,000.

Pak Paryono is grateful to God because there is a good cooperation with Nestlé. The government has not given direct support for farmers. The cooperation with Nestlé is considered as the mutually beneficial because each partner has benefits. Nestlé has regular supply from dairy farmers, at the same time; farmers also have advantage by having support and sewage process. This is the good example of creating shared value implementation.²¹



Photo 6: Pak Paryono
The 5000th Farmer Joining Biogas Program
Photo by Paramadina & Nestle, 2013

7. The Biogas Program Constraints

The major challenge of the partnership is how to increase the number of biogas units without compromising the quality of units' construction. Other challenges include: the consideration of how to help farmers who produce fewer than 25 liters of milk per day afford biogas units; how to further extend usage of biogas not only for cooking, electricity, but also for other activities; how to educate farmers to make use of the biogas waste i.e. convert bio-slurry into organic fertilizer; how to convince farmers that using bio-slurry, if applied properly, will create higher yields/crops and improve farmers' incomes; how to convince farmers that investing in biogas is an investment for a healthier and better life in the future.²²

There are also difficulties in finding animal food supplies during the dry season. Also, fresh milk supplies from farmers decline during the fasting month, which can also make it difficult for them to pay off their loans. A lack of cow waste to power biogas units is also the problem during dry and fasting months. Furthermore, the current challenge of milk production is the probability of dairy farmers selling their cows due to promising prices of cow meat. The cooperative has the commitment to educate dairy farmers to produce milk regularly.²³

The Biogas Program and Millennium Development Goals

This report deals with the requirements for the Millennium Development Goals (MDGs) up to the year 2015. The report briefly analyzes biogas program and its relevance to achievement of two goals of MDGs namely eradicate extreme poverty and hunger and ensure environmental sustainability. The MDGs cannot be achieved without provision of sustainable, affordable and appropriate action including the implementation of biogas digester as one of the creating value chains at all the times. Biogas can also provide energy, while at the same time, provision of adequate, appropriate and affordable energy, and protect the environment are central theme of supporting the MDGs.

MDG 1: Eradicate Extreme Poverty and Hunger

This biogas program can support the Millennium Development Goal (MDG) 1 that is to eradicate extreme poverty and hunger. Through this program, the farmer that usually cost to buy kerosene fuel for cooking equivalent of IDR. 300,000 per month, can shift those costs to the cooperative for the construction of biogas digesters. In the following , they do not longer need to pay for it (IDR.300,000). The biogas can be used not only for cooking but also as the source of electrical power and lighting their homes. Thus, the biogas program achieves MDG1 target by helping farmers. They just need to repay the cost of procurement biogas digester plant to their homes and the cost of digester maintenance that is certainly much cheaper than their previous cost for kerosene and electricity. Besides, the biogas program also conserves the environment from potential outbreaks of disease caused by cow waste.

The saving cost contributes to the growth of financial expectations of the dairy farmers. The saved money can be allocated to buy food consumption with better nutrition than ever before they could not afford. The implementation of biogas program makes it possible for the farmers to save their non-food expenditure to improve the nutrition patterns of consumption in their food that has not been accessible due to the economically feasible limitations. The biogas program also prevents the farmers from malnutrition or starvation potential. Nestlé also has focused on providing comprehensive education on nutrition, personal hygiene and environment, and physical activity for elementary school students that is in line with MDG1 goal. Furthermore, the biogas program does not only reduce poverty and hunger affects physically, but also able increase positively psychological impact, because they have better quality. To promote biogas program, Nestlé then carries out counseling and coaching for farmers. As such, this program will be able to increase the productivity and capacity of household income, which can boost prosperity for the future generations.

MDG 7 Ensure Environmental Sustainability

Biogas program also creates shared values that stress on the social. This program integrates the principles of sustainable development into country policies and programs and reverses the loss of environmental resources. Particularly, biogas programs have a considerable governance component. Nestlé and HIVOS create biogas program to reduce water pollution as a result improved management of waste. At the UN World Summit on Sustainable Development held in Johannesburg in 2002, it was concluded that access to reliable and affordable modern energy services was a prerequisite for achieving the MDG. From this point of view, Nestlé supports renewable energy programs into the realm of domestic biogas with its Biogas program. Study showed there was a significant decline in tree cutting because of the biogas program. Firewood collected from states forests is decreased from 12% to 3% and firewood collected from yards and farms is decreased from 78% to 55%.²⁴

Biogas program is also considered as water protection. Biogas program can protect environment and conservation. Biogas can be responsible for water management. It is in line with the commitment of Nestlé on water recycling. Nestlé has commitment to conserve and to protect water sources. Nestlé uses water for producing steam including cooling towers and for cleaning. Biogas can save water in the long run. The cutting wood is getting reduced, because many farmers do not use the wood for cooking. More importantly, cow waste can also be converted into biogas and fertilizer. Furthermore, fertilizer can be utilized for planting, so it can conserve water.

Conclusion

Nestlé believes that a company can be strong and successful over time must be based on stakeholder perspectives including employee, customers, government, business partners, communities, and raw materials suppliers. This stakeholder perspective supports Nestlé's daily business operation. Creating Shared Values is the result of the perspective. Biogas program is

one of the initiatives of Creating Shared Values that focuses on environment sustainability. Nestlé endeavors to sustain growing inclusive of raw material suppliers and contributes to long term social and economic development and conserves the environment for future generations.

The partnership of Nestlé, HIVOS, and dairy farmer can be categorized as social economy partnership. The partnership has a characteristic that they have a social purpose rather than seeking to maximize profits. The partnership between Nestlé and dairy farmer typically is naturally oriented to help one another develop and hold their mandate on “win-win” proposition.²⁵ The basics of the partnership are to provide support for new and fledgling social economy enterprises, to help such enterprises scale up and to improve their competitiveness. It also aims to support the foundation of growing inclusive in each partner that is mutually beneficial. Nestlé and the partnership with HIVOS, dairy farmer and cooperatives enterprise together in mutually support networks and promote conserving environment and sustain farmers.

Nestlé also keeps on using its entire value chain to benefit the company and its stakeholders. Nestlé value chain involves three major components; agriculture and sourcing, manufacturing and distribution, product and consumers. Nestlé keeps on finding ways to increase these components’ contributions to realizing Creating Shared Values, through the impact of the value of its business chain, the context for growth and the benefits and value to Nestlé and society. Nestlé tries to show support towards community problems involving nutrition, water and rural development. Nestlé’s commitment to the Indonesia people involves continuing to play a role in the community by working with stakeholders for improved public welfare and creating shared benefits in the areas of nutrition, water and rural development.

More important, the implementation of Creating Shared Value through biogas program can also support the achievement of Millennium Development Goals. Through Creating Shared Value, not only on biogas program, Nestlé is expected to support Millennium Development Goals achievement by providing sustainable quality for community empowerment including stakeholders for development; utilize social resources as tool to accelerate economic empowerment for urban and rural development; improve access to affordable products; provide an enable environment for promoting development of indigenous energy resources.

¹ <http://www.nestle.co.id/eng/aboutus>

²² <http://www.nestle.co.id/eng/aboutus/halal>

³ Nestle Indonesia, Creating Shared Value 2011.

⁴ The message from the President Director Arshad Chaudry in Nestle Indonesia, Creating Shared Value 2011.

⁵ Ibid.

⁶ Michael Porter and Mark Kramer, "Creating Shared Value: How to Fix Capitalism and Unleash a New Wave of Growth," Harvard Business Review, January 2011

⁷ Ibid

⁸ Nestle Indonesia, Creating Shared Value 2011.

⁹ Ibid

¹⁰ <http://www.nestle.co.id/eng/csv/ruraldevelopment/longroad>

¹¹ Based on the interview with the coordinator of cooperative, May 4-14, Pujon, Malang, East Java.

¹² Press Release - 6 February 2013, 5000th. Biogas Digester Inauguration For Dairy Farmers In East Java

¹³ IEA (2007) Good practice guidelines: Bioenergy project development and biomass supply, available from: <http://www.iea.org/publications/freepublications/publication/biomass-1.pdf> (accessed 03 July 2012).

¹⁴ Brown, J. V. (2006). Biogas a Bright Idea for Africa. *Environmental Health Perspectives.*, 114 (5), 300-303.

¹⁵ Jingura, R. M., Matengaifa, R. (2009). Optimization of biogas production by anaerobic digestion for sustainable energy development in Zimbabwe. *Renewable and Sustainable Energy Reviews.*, 13 (5),

¹⁶ Suzuki, Y., Kubota, A., Furukawa, T., Sugamoto, K., Asano, Y., Takahashi, H., Sekito, T., Dote, Y., Sugimoto, Y. (2009). Residual of 17 β -estradiol in digestion liquid generated from a biogas plant using livestock waste. *Journal of Hazardous Materials.*, 165 (1-3), 677-682.

¹⁷ Press Release - 6 February 2013, 5000th. Biogas Digester Inauguration For Dairy Farmers In East Java

¹⁸ Nestlé Indonesia Creating Shared Value 2011

¹⁹ Companion source: Nestle and the United Nations Millenium Development Goals 2010)

²⁰ Case Study, Company-Community Partnerships for Health in Indonesia. Turn Waste into Benefit: Credit Access for Dairy Farm. A Partnership of Nestlé Indonesia and HIVOS

²¹ Based on the interview with Pak Paryono, May 4-14, Pujon, Malang, East Java.

²² Case Study, Company-Community Partnerships for Health in Indonesia. Turn Waste into Benefit: Credit Access for Dairy Farm. A Partnership of Nestlé Indonesia and HIVOS

²³ Based on the interview with the coordinator of cooperative, May 4-14, Pujon, Malang, East Java.

²⁴ Company Community Partnership for Health in Indonesia, 2012.

²⁵ Reed, A.M. & Reed, D. 2009. Partnership for development: Four Models of Business Involvement. *Journal of Business Ethics*, 90: 3-37.

Ref. No: 005/IGCN/II/2013

**PERJANJIAN KERJASAMA
ANTARA
INDONESIA GLOBAL COMPACT NETWORK
DAN
UNIVERSITAS PARAMADINA
DAN
PT NESTLÉ INDONESIA
TENTANG
PENULISAN STUDI KASUS
"GROWING INCLUSIVE MARKETS: INDONESIA CASES VOLUME 2"**

Perjanjian Kerjasama Penulisan Studi Kasus "Growing Inclusive Markets: Indonesia Cases Volume 2" ini (selanjutnya disebut "Perjanjian Kerjasama") dibuat dan ditandatangani pada tanggal 19 Maret 2013 di Jakarta oleh dan antara:

1. **Y.W. Junardy, Presiden Indonesia Global Compact Network ("IGCN")**, berkedudukan di Menara Rajawali Lt.27, Jln. DR. Ide Anak Agung Gde Agung Lot #5.1, Kawasan Mega Kuningan, Jakarta 12950 sebagai inisiator penulisan studi kasus "GROWING INCLUSIVE MARKETS: INDONESIA CASES volume 2 selanjutnya disebut "Pihak Pertama".
2. **Bima Priya Santosa Ak, BAP, MFM. Dekan Fakultas Ekonomi dan Bisnis**, yang dalam hal ini bertindak atas nama Universitas Paramadina, berkedudukan di Jl. Gatot Subroto Kav 97 Mampang, Jakarta 12790 yang dalam hal ini bertindak atas nama institusi, sebagai pelaksana penulisan studi kasus, selanjutnya disebut sebagai "Pihak Kedua".
3. **Debora R. Tjandrakusuma, Legal & Corporate Affairs Director PT Nestlé Indonesia**, dalam hal ini bertindak atas nama PT Nestlé Indonesia, berkedudukan dan berkantor pusat di Jakarta, Perkantoran Hijau Arkadia wisma Nestlé lantai 5, Jl. Letjen. TB. Simatupang Kav. 88 Jakarta Selatan 12520, untuk selanjutnya disebut sebagai "Pihak Ketiga".

Pihak Pertama, Pihak Kedua dan Pihak Ketiga (selanjutnya secara bersama-sama disebut "Para Pihak")

Para Pihak dengan ini menyatakan terlebih dahulu hal-hal sebagai berikut :

1. **Pihak Pertama** adalah organisasi nirlaba yang merupakan jaringan dari United Nations Global Compact di Indonesia yang bertujuan untuk mempromosikan, memfasilitasi dan mendorong implementasi 10 prinsip Global Compact di kalangan dunia usaha dan institusi Indonesia. Untuk itu Pihak Pertama telah melakukan kerjasama dengan United Nations Development Program (UNDP) dalam peluncuran buku "GROWING INCLUSIVE MARKETS: CREATING VALUE FOR ALL" yang berisikan 50 kasus pilihan dari berbagai negara, pada tanggal 11 Agustus 2008 di Jakarta, Indonesia. Selanjutnya Pihak Pertama berniat untuk melakukan riset dan studi serta penulisan kasus-kasus Indonesia (selanjutnya disebut **Kasus**). Kumpulan Kasus tersebut akan diterbitkan dalam bentuk buku "GROWING INCLUSIVE MARKETS: INDONESIA CASES VOLUME 2". Penulisan ini mendapat dukungan dari United Nations Global Compact Pusat.
2. **Pihak Kedua**, adalah Universitas yang dianggap mempunyai kompetensi untuk melakukan kegiatan riset dan studi serta penulisan Kasus tentang kegiatan Pihak Ketiga sesuai dengan spesifikasi dan petunjuk serta syarat dan ketentuan yang diatur di dalam Perjanjian Kerjasama ini. Pihak kedua akan dibantu oleh Company-Community



Partnerships for Health in Indonesia dalam melakukan kegiatan riset dan studi serta penulisan Kasus tentang kegiatan Pihak Ketiga.

3. Pihak Ketiga, adalah perusahaan atau korporasi yang merupakan narasumber dari penulisan Kasus tersebut.

Berdasarkan hal-hal yang telah diuraikan di atas, Para Pihak dengan ini sepakat untuk saling mengikatkan diri ke dalam Perjanjian Kerjasama dengan syarat-syarat dan ketentuan sebagaimana diatur di dalam Perjanjian Kerjasama ini.

PASAL 1 RUANG LINGKUP PEKERJAAN

- 1.1. Pihak Pertama dengan ini menunjuk Pihak Kedua dan Pihak Kedua dengan ini menerima penunjukan Pihak Pertama untuk melakukan riset, studi dan penulisan Kasus yang akan diterbitkan dalam bentuk laporan berjudul "GROWING INCLUSIVE MARKETS: INDONESIA CASES VOLUME 2". Untuk itu Pihak Kedua telah menunjuk tim penulis dengan data terlampir sebagai pelaksana studi dan penulis (*Case writer*) dari Kasus tersebut.
- 1.2. Pihak Ketiga setuju untuk bekerja sama dengan Pihak Pertama dan Pihak Kedua dan bersedia memfasilitasi dan memberikan informasi yang diperlukan untuk penulisan tersebut, baik dalam bentuk data dan laporan, interview dengan pemangku kepentingan serta kunjungan lapangan (*site visit*) maupun upaya lainnya sehingga diperoleh penulisan yang akurat dan obyektif.
- 1.3. Para Pihak sepakat bahwa dalam proses studi dan riset serta penulisan studi kasus perlu melibatkan Company-Community Partnerships for Health in Indonesia dalam rangka menambah pasokan analisa data dan meningkatkan komprehensif hasil penulisan studi kasus.
- 1.4. Para Pihak sepakat bahwa ruang lingkup pekerjaan untuk penulisan Kasus tersebut, Pihak Kedua berkewajiban, termasuk dan tidak terbatas, untuk:
 - a. Mengumpulkan materi penulisan Kasus mengikuti *guideline* yang ditentukan berdasarkan hasil workshop, melakukan kajian terhadap informasi yang diperoleh, *in-depth* interview terhadap Pihak Ketiga dan/atau narasumber-narasumber lainnya yang relevan dan cukup kompetensinya, serta kunjungan lapangan (*site visit*) ke lokasi kegiatan dari Pihak Ketiga;
 - b. Melakukan pertemuan untuk membahas isi studi kasus dan format dengan Pihak Pertama dan Pihak Ketiga;
 - c. Melakukan penyusunan dan penulisan studi kasus berdasarkan outline dengan menggunakan metodologi yang telah disepakati Pihak Pertama;
 - d. Membuat layout design penulisan studi kasus untuk disetujui oleh Para Pihak.

PASAL 2 MASA BERLAKU DAN PENGAKHIRAN PERJANJIAN KERJASAMA

- 2.1. Perjanjian Kerjasama ini berlaku sejak tanggal Perjanjian Kerjasama ini ditandatangani untuk jangka waktu 1 (satu) tahun, dan akan berakhir dengan sendirinya setelah lewatnya jangka waktu tersebut kecuali disepakati lain oleh Para Pihak dengan tidak mengurangi hak masing-masing pihak untuk mengakhiri Perjanjian Kerjasama ini lebih awal dengan pemberitahuan secara tertulis 1 (satu) bulan sebelum efektifnya pengakhiran kepada pihak lainnya.

-
- 2.2. Dalam hal Para Pihak memandang perlu adanya kelanjutan kerjasama berupa proses cetak ulang laporan yang ditujukan untuk konsumsi jual, dengan terlebih dulu dibutuhkan penyesuaian tertentu terhadap kondisi isi tulisan yang dilakukan oleh Pihak Kedua, maka Para Pihak akan memberikan kesepakatan tertulis baru mengenai proses pengerjaan dimaksud beserta perihal pembayaran royalti atas penjualan buku.
 - 2.3. Para Pihak sepakat untuk mengesampingkan ketentuan Pasal 1266 ayat (2) dan (3) kitab Undang Undang Hukum Perdata Indonesia, sehubungan dengan diperlukannya putusan pengadilan untuk pengakhiran tersebut dan Pasal 1267 Kitab Undang Undang Hukum Perdata Indonesia.
 - 2.4. Pengakhiran Perjanjian Kerjasama ini bagaimanapun tidak melepaskan Para Pihak dari segala hak-hak dan kewajiban-kewajiban yang timbul berdasarkan Perjanjian Kerjasama ini sebelum pengakhirannya.
 - 2.5. Masing-masing pihak dengan ini menyetujui bahwa pengakhiran Perjanjian Kerjasama ini tidak memberi hak kepada masing-masing pihak untuk mengadakan tuntutan pemberian ganti rugi berupa apapun kepada pihak lainnya.

**PASAL 3
BIAAYA**

- 3.1. Pihak Kedua akan membiayai pelaksanaan riset, studi dan penulisan Kasus sebagai bentuk kontribusi yang bersangkutan sebagai *signatory* maupun pendukung dari kegiatan *Indonesia Global Compact Network*.
- 3.2. Pihak Pertama akan mengupayakan penggalangan pendanaan yang diperlukan untuk menyelesaikan penyusunan Laporan dan/atau pembuatan dan pencetakan buku "GROWING INCLUSIVE MARKETS: INDONESIA CASES VOLUME 2" yang merupakan kumpulan dari Kasus tersebut.
- 3.3. Pengaturan lebih lanjut mengenai pendanaan untuk menyelesaikan penyusunan laporan dan/atau pembuatan Buku akan diatur secara terpisah oleh Para Pihak.

**PASAL 4
PAJAK**

Pajak, bea dan pungutan lain yang menurut ketentuan hukum yang berlaku harus dibayarkan sehubungan dengan pelaksanaan Perjanjian Kerjasama ini harus dibayar oleh masing-masing Pihak yang berkewajiban untuk melakukan pembayaran pajak, bea, pungutan dan beban berdasarkan ketentuan hukum dan kebijakan pihak yang berwenang.

**PASAL 5
HAK DAN KEWAJIBAN PARA PIHAK**

- 5.1 Para Pihak mempunyai Hak Cipta (*copy rights*) bersama atas hasil penulisan studi kasus tersebut dengan judul yang telah disepakati Para Pihak.
- 5.2 Hak dan Kewajiban Pihak Pertama.
 - a. Pihak Pertama berhak atas Hak Cipta termasuk Hak menerbitkan, memperbanyak, dan menggunakan dari setiap studi kasus untuk kepentingan the United Nations Global Compact (UNGC);



-
- b. Pihak Pertama memiliki Hak-Cipta atas penerbitan dalam bentuk media cetak maupun elektronik buku "GROWING INCLUSIVE MARKETS: INDONESIA CASES VOLUME 2" yang merupakan kompilasi dari Kasus-kasus tersebut;
 - c. Pihak Pertama berkewajiban untuk mendukung penyediaan materi, informasi, atau data-data mengenai UNGC, yang mungkin dibutuhkan Pihak Kedua;
 - d. Pihak Pertama membantu memfasilitasi komunikasi awal antara Pihak Kedua dan Pihak Ketiga berhubungan dengan penulisan Kasus tersebut;
 - e. Pihak Pertama mengupayakan dana yang dibutuhkan untuk penerbitan (termasuk editing, book design, dan sebagainya) dan peluncuran buku tersebut;
 - f. Pihak Pertama bersama dengan Pihak Kedua dan Pihak Ketiga melakukan final review atas hasil penulisan yang dibuat oleh Pihak Kedua untuk kemudian dilakukan pembetulan, perubahan dan atau penambahan atas naskah tersebut oleh Pihak Kedua.
- 5.3 Hak dan Kewajiban Pihak Kedua.
- a. Pihak Kedua berhak atas Hak Cipta termasuk Hak menerbitkan, memperbanyak, dan menggunakan Laporan studi kasus yang ditulisnya untuk kepentingan kegiatan akademis yang diselenggarakan Pihak Kedua;
 - b. Pihak Kedua menunjuk tim penulis dalam penulisan studi kasus dari Pihak Ketiga dengan persetujuan Pihak Pertama;
 - c. Pihak Kedua berhak mendapat dukungan atas segala data, materi, informasi, dan dokumentasi relevan yang dibutuhkan dalam proses penyusunan buku "GROWING INCLUSIVE MARKETS: INDONESIA CASES VOLUME 2";
 - d. Pihak Kedua berhak atas logo institusi dan nama penulisnya dicantumkan di dalam laporan selaku penulis dengan ulasan singkat biodata yang bersangkutan;
 - e. Pihak Kedua wajib dan bertanggung jawab untuk menyelesaikan penulisan studi kasus dan menyampaikan hasil penulisan ke Pihak Pertama sesuai jadwal kerja yang sudah dibuat;
 - f. Pihak Kedua wajib memberikan laporan kemajuan (*progress report*) penyusunan Kasus setiap 2 (dua) minggu kepada Pihak Pertama dan Pihak Ketiga;
 - g. Pihak Kedua wajib mengikuti semua pertemuan dengan Pihak Ketiga dan/atau atas undangan Pihak Pertama, sebagai proses konsultasi penyusunan laporan ini;
 - h. Pihak Kedua wajib menyerahkan semua data, materi, dan dokumentasi yang berkaitan dengan penulisan Kasus tersebut.
- 5.4 Hak dan Kewajiban Pihak Ketiga.
- a. Pihak Ketiga berhak atas Hak Cipta termasuk Hak menerbitkan, memperbanyak, dan menggunakan Laporan studi kasus yang telah disetujui untuk kepentingan perusahaan yang diselenggarakan Pihak Ketiga;
 - b. Pihak Ketiga berhak namanya dicantumkan di dalam laporan dan/atau Buku selaku narasumber dengan ulasan singkat mengenai profil perusahaan/institusi;
 - c. Pihak Ketiga berkewajiban memfasilitasi dan memberikan informasi yang diperlukan untuk penulisan tersebut, baik dalam bentuk data dan laporan, interview dengan pemangku kepentingan serta kunjungan lapangan (*site visit*) maupun upaya lainnya sehingga diperoleh penulisan yang akurat dan obyektif;
 - d. Pihak Ketiga bertanggung jawab atas akurasi dan kebenaran data/informasi yang diberikan kepada Pihak Pertama dan/atau Pihak Kedua.

**PASAL 6
PERNYATAAN DAN JAMINAN PARA PIHAK**

Selama berlangsungnya Perjanjian Kerjasama ini, Para Pihak dengan ini memberikan pernyataan dan jaminan kepada pihak lainnya bahwa :



- 6.1. Masing-masing pihak adalah suatu perseroan dan/atau badan yang didirikan dan tunduk berdasarkan hukum dan peraturan perundang-undangan di Republik Indonesia dan akan senantiasa mematuhi dan memenuhi ketentuan dan peraturan perundang-undangan yang berlaku sehubungan dengan pelaksanaan fungsi dan kewajiban masing-masing pihak berdasarkan Perjanjian Kerjasama ini.
- 6.2. Masing-masing pihak dengan ini menyatakan dan menjamin kepada pihak lainnya bahwa dirinya telah memperoleh dan mempunyai dan akan senantiasa mematuhi semua persetujuan, lisensi dan ijin-ijin Pemerintah atau lembaga yang berwenang lainnya yang dipersyaratkan bagi masing-masing pihak untuk melaksanakan semua fungsi dan kewajiban yang disepakati di dalam Perjanjian Kerjasama ini.
- 6.3. Masing-masing pihak akan melaksanakan semua fungsi dan kewajiban masing-masing pihak sebagaimana disepakati di dalam Perjanjian Kerjasama ini dengan sebaik-baiknya sesuai dengan standar profesionalisme yang tinggi serta syarat dan ketentuan yang diatur di dalam Perjanjian Kerjasama ini.
- 6.4. Masing-masing pihak menjamin kepada pihak lainnya bahwa dalam melaksanakan fungsi dan kewajiban masing-masing pihak tidak akan melanggar hak kepemilikan atas kekayaan intelektual milik pihak ketiga lainnya, dan akan membebaskan pihak lainnya dalam hal dapat dibuktikan bahwa terjadi pelanggaran hak kepemilikan atas kekayaan intelektual pihak ketiga yang dilakukan oleh salah satu pihak.
- 6.5. Masing-masing pihak adalah pihak yang berdiri sendiri di dalam Perjanjian Kerjasama ini sehingga tidak dapat diartikan bahwa salah satu pihak (atau karyawan salah satu pihak) merupakan karyawan, rekan/teman usaha atau kongsi, agen atau wakil pihak yang lainnya. Selanjutnya, masing-masing pihak akan membebaskan pihak yang lainnya dari setiap tuntutan, kewajiban hukum dan setiap biaya serta ongkos yang diajukan oleh pihak ketiga manapun dalam hubungannya dengan pelaksanaan fungsi dan kewajiban masing-masing pihak berdasarkan Perjanjian Kerjasama ini.
- 6.6. Pemberian data/informasi oleh Pihak Ketiga dalam rangka penulisan Buku tidak dapat diartikan sebagai pemberian hak atas kekayaan intelektual dalam bentuk apapun kepada Pihak Pertama dan/atau Pihak Kedua.

PASAL 7 KERAHASIAAN

Para Pihak sepakat bahwa seluruh isi Perjanjian Kerjasama ini berikut penambahan dan/atau perubahan-perubahannya harus diperlakukan secara rahasia (*confidential*) oleh masing-masing pihak, termasuk karyawan masing-masing pihak, oleh karena itu tidak ada satu pun data atau informasi lainnya sehubungan dengan Perjanjian Kerjasama ini akan diberitahukan kepada pihak ketiga manapun tanpa terlebih dahulu mendapat persetujuan tertulis dari pihak lainnya, kecuali jika informasi rahasia tersebut :

- a. semata-mata digunakan untuk keperluan penulisan Buku;
- b. diperlukan oleh peraturan perundang-undangan yang berlaku atau oleh keputusan pemerintah;
- c. merupakan sesuatu yang telah menjadi milik umum atau menjadi milik umum tanpa adanya tindakan kesengajaan ataupun kesalahan yang dilakukan oleh pihak penerima atau pegawainya;
- d. telah diketahui oleh pihak penerima sewaktu informasi rahasia tersebut diberikan oleh pihak pemberi informasi; atau
- e. diperoleh oleh pihak penerima dari pihak ketiga yang mendapatkannya dari pihak pemberi informasi dan informasi tersebut tidaklah termasuk informasi yang harus dijaga kerahasiannya oleh pihak ketiga tersebut.

**PASAL 8
KESANGGUPAN**

Pihak Pertama dan Pihak Kedua menjamin Pihak Ketiga dari segala bentuk kerugian yang timbul sebagai akibat pelanggaran Perjanjian Kerjasama ini terutama pelanggaran atas ketentuan Pasal 6.6 dan 7 Perjanjian Kerjasama ini dan akan melindungi serta membantu Pihak Ketiga menangani publisitas negatif yang disebabkan karenanya.

**PASAL 9
KOMUNIKASI**

Setiap pemberitahuan atau komunikasi yang diperlukan atau diijinkan untuk diberikan berdasarkan Perjanjian Kerjasama ini oleh salah satu pihak kepada pihak lain akan dianggap telah diberikan secara memadai untuk semua tujuan jika (i) diserahkan melalui kurir dengan tanda terima sebagaimana mestinya, atau (ii) dikirimkan melalui pos udara tercatat, dengan porto dibayar di muka, yang dialamatkan kepada pihak tersebut di alamat berikut atau alamat lainnya sebagaimana diberitahukan secara tertulis oleh penerima kepada pengirim :

- Pihak Pertama : Sekretariat Indonesia Global Compact Network
Rajawali Foundation, Lt.6, Menara Rajawali
Jln. DR. Ide Anak Agung Gde Agung Lot #5.1,
Kawasan Mega Kuningan, Jakarta 12950
U.P. Hilda Rafika W.
Telp: +62 21 576 1828
Email: igcn@indonesiagcn.org
- Pihak Kedua : Fakultas Ekonomi dan Bisnis
Universitas Paramadina Jakarta
U.P. lin Mayasari
Telp + 62 21 79181188 ext 140
Email lin.mayasari@paramadina.ac.id
- Pihak Ketiga : PT Nestlé Indonesia
Perkantoran Hijau Arkadia Wisma Nestlé Lt. 5
Jl. TB. Simatupang Kav 88 Jakarta Selatan 12520
U.P. Debora R. Tjandrakusuma/ Ita S. Mucharam
Telp. + 62 21 78836000
Email: DeboraR.Tjandrakusuma@id.nestle.com
ItaS.Mucharam@id.nestle.com

**PASAL 10
KEADAAN MEMAKSA (FORCE MAJEURE)**

10.1. Jika terjadi kegagalan atau penundaan pelaksanaan oleh salah satu pihak atas kewajibannya sesuai Perjanjian Kerjasama ini yang disebabkan oleh kejadian di luar kemampuan pihak itu, Para Pihak akan bekerjasama untuk mencari cara-cara dalam menghindari kegagalan atau penundaan sehingga dapat memperkecil kerugian dan mencapai sejauh mungkin tujuan yang dimaksud. Keadaan-keadaan memaksa tersebut terbatas pada bencana alam, kerusuhan massa, perang, gangguan keamanan yang melumpuhkan aktivitas perekonomian lainnya.

10.2. Pihak yang mengalami keadaan memaksa harus memberitahukan pihak lainnya secara

lisan dalam waktu 24 (dua puluh empat) jam dan diikuti secara tertulis selambat-lambatnya dalam waktu 3 (tiga) hari setelah terjadinya keadaan memaksa tersebut, disertai dengan bukti atau keterangan resmi instansi yang berwenang dan perkiraan atau upaya-upaya yang akan atau telah dilakukan dalam rangka mengatasi keadaan kahar tersebut.

- 10.3. Apabila keadaan memaksa berlangsung lebih dari 30 (tiga puluh) hari berturut-turut, Para Pihak dapat bersepakat untuk mengakhiri/meneruskan Perjanjian Kerjasama sesuai ketentuan Perjanjian Kerjasama. Dalam hal pemutusan Perjanjian Kerjasama maka masing-masing pihak tetap harus memenuhi kewajibannya yang belum dilaksanakan sebelum terjadinya keadaan memaksa tersebut.

**PASAL 11
PENYELESAIAN SENGKETA DAN PILIHAN HUKUM**

- 11.1. Perjanjian Kerjasama ini dibuat dan dilaksanakan berdasarkan hukum yang berlaku di negara Republik Indonesia.
- 11.2. Setiap perselisihan yang timbul dari Perjanjian Kerjasama ini akan diselesaikan secara musyawarah oleh Para Pihak. Jika penyelesaian secara musyawarah tidak mencapai kesepakatan dalam waktu 30 (tiga puluh) hari kalender sejak timbulnya perselisihan tersebut, Para Pihak setuju untuk menyelesaikan sengketa dan memilih domisili hukum yang tetap dan tidak berubah di kantor kepaniteraan Pengadilan Negeri Jakarta Selatan.

**PASAL 12
KETENTUAN LAIN-LAIN**

- 12.1. Hal-hal yang tidak atau belum cukup diatur di dalam Perjanjian Kerjasama ini akan diatur kemudian atas dasar kesepakatan bersama antara Para Pihak dan akan dituangkan dalam suatu Addendum yang merupakan bagian yang melekat dan tidak terpisahkan dari Perjanjian Kerjasama ini.
- 12.2. Apabila sebagian dari Perjanjian Kerjasama ini akan dinyatakan tidak berlaku karena sebab apapun, bagian lain dari Perjanjian Kerjasama ini akan tetap berlaku.
- 12.3. Tak satu pihakpun dapat memindahkan/menyerahkan hak-hak dan kewajiban-kewajibannya menurut Perjanjian Kerjasama ini tanpa persetujuan tertulis lebih dahulu dari pihak lainnya.
- 12.4. Perjanjian Kerjasama ini mengikat Para Pihak atau wakil-wakil mereka yang sah, para pengganti atau pihak-pihak yang menerima hak dari masing-masing Para Pihak.
- 12.5. Judul dari pasal-pasal dalam Perjanjian Kerjasama ini hanyalah untuk tujuan kemudahan atau referensi saja, dan karenanya judul tersebut tidak menentukan isi ketentuan pasal tersebut atau membatasi hak-hak Para Pihak.
- 12.6. Perjanjian Kerjasama ini memuat, dan karenanya menggantikan semua pengertian, dan kesepakatan yang telah dicapai oleh Para Pihak sebelum ditandatangani Perjanjian Kerjasama ini, baik tertulis maupun lisan, mengenai hal yang sama.
- 12.7. Lampiran pada Perjanjian Kerjasama ini merupakan bagian yang tidak terpisahkan dari kesepakatan yang ditandatangani.

DEMIKIANLAH, Perjanjian Kerjasama ini ditandatangani oleh perwakilan yang berwenang dalam bertindak untuk dan atas nama masing-masing pihak dan dibuat dalam rangkap 3 (tiga) bermaterai cukup yang masing-masing mempunyai kekuatan hukum yang sama, pada tanggal sebagaimana tersebut di bagian awal Perjanjian Kerjasama ini.

PIHAK PERTAMA  Y.W. Junardy Presiden Indonesia Global Compact Network	PIHAK KEDUA  Bima Priya Santosa, Ak, BAP.MFM Dekan Fakultas Ekonomi dan Bisnis Universitas Paramadina	PIHAK KETIGA  Debora R. Tjandrakusuma <i>Legal & Corporate Affairs Director</i> PT Nestlé Indonesia
---	---	---

Handwritten mark