



Nestlé

Good Food, Good Life



Nestlé in the United States

Creating Shared Value
Report 2013



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Companion reports



Global CSV Report 2013



Nestlé Waters CSV Report 2012



Nestlé Purina CSV Report 2013

A Message from Nestlé USA Chairman and CEO



Following the release of the global 2013 Creating Shared Value report, this report covers our operations in the United States and represents our continued commitment to transparent communication with shareholders and stakeholders about progress in all areas where we engage society.

At Nestlé, Creating Shared Value means that for our business to prosper in the long term we must create value for our employees, customers, stakeholders, consumers and the communities where we live and work. We call this approach Creating Shared Value, and it is a fundamental part of our business strategy and key to our overall success.

In the United States, we sell a wide range of leading brands managed by Nestlé USA, Nestlé Waters North America, Nestlé Purina PetCare, Nestlé Nutrition U.S., Nestlé Professional, Nespresso, and Nestlé Health Science.

In the following pages, you will learn how Nestlé in the U.S.A. is Creating Shared Value in every aspect of business: by offering the finest products developed by experts in nutrition, health and wellness; by providing quality jobs, investing in our employees and contributing to the nation's economic vitality; by continually working to improve our environmental efficiency and performance; through our passion for pet nutrition and welfare; and by making a positive impact in the communities where we do business.

Earlier this year, we published a set of forward-looking global commitments, covering every part of our business, from nutrition and wellness to environmental sustainability to responsible sourcing. These commitments are real, they are credible, and we will do everything in our power to make sure they are delivered. We know that there will be challenges along the way, and these too we will share transparently.

We are passionately committed to continually improving the way we create shared value, and we welcome your feedback on our performance.

This report underlines our fundamental belief that for a company to be successful over the long term and create value for shareholders, it must also create value for society. At Nestlé, this begins with the creation of superior long-term value for shareholders by offering foods, beverages, products and services that help people and their pets improve their nutrition, health and wellness."



Sincerely,

Paul Grimwood
Chairman and CEO, Nestlé USA

Our Approach: Meeting Society's Needs by Creating Shared Value

We believe that for a company to be successful over the long term and create value for shareholders, it must create value for society. At Nestlé, this means creating superior, long-term value by offering the finest products for our consumers, their families and pets to improve their nutrition, health and wellness. Henri Nestlé founded the Company in 1866 on the success of a life-saving infant cereal. Today, we aim to enhance the lives of people and pets by offering healthier and tastier food and beverage choices for all stages of life and to focus on ways we can develop our business while at the same time improving environmental conservation and social stewardship.

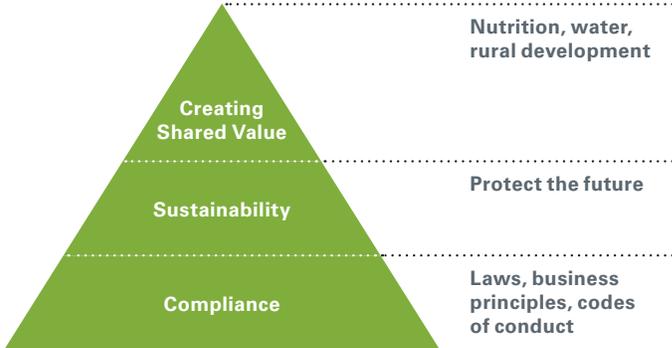
Creating Shared Value is the approach we take for our business to achieve superior shareholder value while helping people improve their nutrition, health and wellness. Besides nutrition, we focus on water resource efficiency and conservation, and rural and community development, given their critical importance to our business as well as to our employees, farmers, suppliers, distributors and regions where we operate.

We actively manage our commitments to environmental, social and economic sustainability needed for our own operations and for the sustainable growth and development of the communities and countries we serve. We offer extensive training and education for people inside and outside of Nestlé, as well as large investments in scientific research, technologies and practices with lower environmental impact.

As the world's largest food and beverage company, we recognize that our position in society brings both opportunities and responsibilities: to do business in compliance with all applicable laws, regulations, international standards and our own values and principles, as expressed in our own Code of Business Conduct, Corporate Business Principles, and Management and Leadership Principles.

For a company like ours to prosper, we take a long view, framed in a robust set of principles and values developed throughout nearly 150 years: respect for people, respect for cultures, respect for the environment and respect for the future of the world we live in. Thus, our commitments go far beyond simple compliance with governing laws and regulations. These commitments are based on common-sense values forming the foundation of our efforts to create shared value throughout our business and in the ways we connect with society at large.

Creating Shared Value



Highlights 2013

Global

Number 1

We achieved leadership status for our industry group in the Dow Jones Sustainability Index 2013, which measures performance of global sustainability leaders, and achieved the maximum score in the Carbon Disclosure Project Climate Performance Leadership Index.

Top 3

We ranked among one of the top 3 global food and beverage manufacturers in the Access to Nutrition Index, a global initiative that evaluates food and beverage manufacturers on their policies, practices, and performance related to obesity and undernutrition.

FTSE4Good

We remain the only infant-formula manufacturer included in FTSE's responsible investment index, based on our performance in human rights, labor rights, responsible marketing of breast milk substitutes and more.

Leader

We retained our #1 position in Oxfam's 2013 "Behind the Brands" sustainability scorecard, with improved ratings on the issues of land, workers and climate. "Behind the Brands" ranks 10 food and beverage companies on their policies and commitments to improve food security and sustainability, focusing on transparency, farmers, women, agricultural workers, climate change and access to land and water.

7,789

We renovated 7,789 products for nutrition or health considerations.

300,000

We trained 300,000 farmers through capacity-building programs.

-7.4%

We've achieved an absolute reduction in direct greenhouse gas emissions of 7.4% since 2005.

U.S.A.

96%

At the end of 2013, 96% of our children's products met the Nestlé Nutritional Foundation criteria for sugar, and by 2014, 100% of our children's products will meet this criteria.

\$5.2 million

Nestlé Purina donated more than \$5.2 million to U.S. pet-related charities and other community organizations and civic groups.

93%

More than 93% of our Purina domestic products are shipped by truck and rail companies that are members of EPA's Smart Way® energy-efficient transportation program.

685,000

We donated over 685,000 bottles of water to disaster-relief organizations across the United States.

Cocoa Plan

We launched Nestlé's global sustainable cocoa initiative in the U.S. market by procuring enough 100% certified, sustainable cocoa beans from the Nestlé Cocoa Plan to produce the entire line of NESTLÉ CRUNCH® everyday bars.

26%

We sourced 26% of our NESCAFÉ® coffee produced in the United States from 4C-verified coffee beans, with aggressive goals to expand in the coming years.



Nestlé in the United States

The United States is the largest market of the world's largest food and beverage company. In 2013, Nestlé product sales in the U.S. totaled \$25 billion, and 97% of U.S. households consumed Nestlé products.

Nestlé in the U.S. consists of seven business units: Nestlé USA, Nestlé Waters North America, Nestlé Purina PetCare,

Nespresso, Nestlé Health Science, Nestlé Nutrition U.S. and Nestlé Professional. Together, our businesses contribute to the financial strength of the communities where they operate by creating jobs; generating tax revenues for local, state and the federal government; and supporting numerous local community programs.

Nestlé in the U.S. by the Numbers

\$25 billion

\$25 billion in sales

47

Nestlé presence in 47 states

51,000

51,000 employees

15 & 2

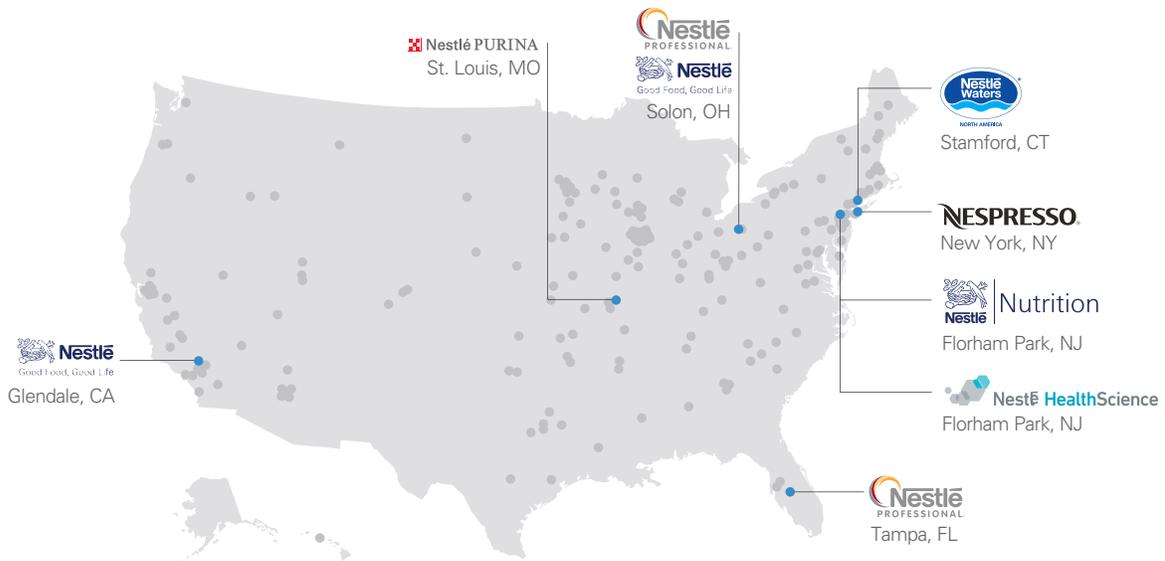
15 LEED buildings and two Energy Star®-certified buildings

6

Six billion dollar brands



Key Locations



Stakeholder Engagement and Materiality Aspects Defined

Stakeholder Engagement

A fundamental aspect of Creating Shared Value within the communities where we work is effective communication and dialogue with our stakeholders. Here in the United States, we have a vast network of people, organizations, communities and influencers whose input helps us better understand the issues that are important to our business. We identify the following groups as important to our continuing business success (in alphabetical order):

Key External Stakeholder Groups

- Academia
- Communities
- Consumers
- Industry and trade associations
- International organizations
- Non-governmental organizations
- Shareholders and the financial community
- State, local and federal government
- Suppliers

Modeling after the Nestlé Global Creating Shared Value Forum series and regular convenings, we hope to create a more formalized and transparent process in engaging our identified stakeholders to discuss relevant environmental, social and community topics specific to the United States. As we continue to grow and develop as a business, it is vital that we keep open lines of communication with our stakeholders.

Materiality

Materiality is about identifying the issues that matter most to our business and our stakeholders. We plot economic, social and environmental issues that are of most concern to our external stakeholders against those that pose risks or present opportunities to Nestlé in the U.S. Conducting a thorough materiality analysis not only helps us to identify issues that stakeholders want to see us cover in our reporting, it also helps us to decide where to focus our internal resources.



Stakeholder engagement in focus
Effective dialogue with our stakeholders is central to Creating Shared Value.

2013 Nestlé Global Materiality Matrix



Future directionality:

- Increasing stakeholder concern and business impact
- Steady stakeholder concern and business impact
- Increase in stakeholder concern



Nutrition, Health and Wellness

Topic Areas

- Balance Your Plate
- Early Childhood Nutrition
- Reducing Sugar, Sodium and Fat
- Nutrition in Healthcare
- Healthy Hydration
- Pet Nutrition and Care
- Nestlé Research
- Fighting Childhood Obesity
- Children’s Marketing Pledge and Facts Up Front
- Continuing Education for Healthcare Professionals
- Healthy Weight Commitment Foundation

We are committed.

Nestlé’s mission is to lead the industry in nutrition, health and wellness. Although we are known in the United States for our chocolate, Nestlé is so much more. Our mission of “Good Food, Good Life” demonstrates our commitment to supporting healthy living and enhancing quality of life every day and at every stage of life for our consumers, their families and their pets.

In the United States, we are working diligently to address childhood obesity through research, education and creative partnerships. We are helping parents make informed nutrition decisions, from pregnancy to preschool. Our healthcare nutrition business is pioneering innovations in nutritional support for patients of all ages. We support healthy hydration-education efforts, another important tool against childhood obesity. In our work, we continually strive to improve the nutritional profiles of our food and beverages, and to reduce added sugars, sodium and fat. And we work to provide easy to understand nutritional information to help everyone make smart choices. Here are just a few examples of how we are leading the way in helping consumers embrace healthy, high-quality lifestyles.

Balance Your Plate

It is our philosophy that pleasure, balance and moderation are essential for a nutritious and balanced diet. In addition to making wise portion choices, we encourage consumers to enjoy more fruits and vegetables at meal and snack times. In April 2013, Nestlé USA launched a new educational campaign, Balance Your Plate, to help consumers build nutritious, delicious and convenient meals that meet the Dietary Guidelines for Americans, with recommendations using frozen prepared entrées along with fruits, vegetables, whole grains and low-fat dairy. Balance Your Plate with Nestlé helps consumers find unique ways to integrate more nutrition throughout the day, while managing portions and calorie intake. Health professional and consumer tools include



Leaders in infant nutrition

The first 1,000 days of life are the most critical to a child’s health. Our research shows that dietary habits formed early can carry through a child’s entire lifetime.

14-day meal plans using frozen entrées to achieve U.S. Dietary Guidelines and a Nestlé Pizza Portion Guide promoting a thoughtful approach to enjoying pizza.

Early Childhood Nutrition

Nutrition plays a critical role in a child’s healthy growth and development, especially in the first 1,000 days of life, a period critical to metabolic programming and to setting a child’s health trajectory. Dietary habits formed during this stage will likely carry on throughout the child’s life. As a leading baby-food maker, we have a unique opportunity to help parents give their child the best start.

From Nestlé’s groundbreaking Feeding Infants and Toddlers Study (FITS), Gerber developed an innovative program called Start Healthy, Stay Healthy™. Only Gerber offers this unique, stage-based system with specific products, feeding and nutrition guidance, tools and services to support healthy growth and development and to encourage healthy eating habits for children from birth to 4 years.

FITS is the largest dietary intake survey of parents and caregivers of young children. Conducted twice in the United States and implemented in five other countries, the studies continue to yield important insights into factors that may be contributing to later health problems and obesity by

identifying nutritional gaps and poor dietary patterns starting from infancy. In the 10 years since we embarked on FITS, we have actively shared our research findings with healthcare providers, government agencies, NGOs, community groups and foundations, including the American Academy of Pediatrics and the U.S. Department of Agriculture’s Special Supplemental Nutrition Program for Women, Infants and Children, to help inform dietary guidance and health strategies. We use the findings from FITS to inform our product development process. For example, as a result of FITS, we have increased the amount of vegetables in many of our products while maintaining the overall quality of the product. Recent U.S. studies reveal that obesity rates are on the decline among children aged 2–5.

We are building on our experience with FITS to launch new research to include children up to the age of 12, since these years are also critical to forming dietary and activity habits that define health throughout life.

Breastfeeding

At Nestlé we believe that breast milk provides the best nutrition for babies. Nestlé fully supports the World Health recommendation that babies should be exclusively breastfed for six months followed by continued breastfeeding and the introduction of complementary foods.

Nestlé employs certified lactation educators that families (internal and external to Nestlé) can access 24/7 through our Parent Resource Center for Breastfeeding. Nestlé also employs an International Board Certified Lactation Consultant that is available for families with additional breastfeeding needs. For mothers who choose not to or cannot breastfeed, we offer the same level of support through our 24/7 Parent Resource Center.

Nestlé employees who choose to breastfeed receive paid expression breaks, breast pump support, access to lactation facilities and are eligible for flexible work arrangements.



Nutrition, Health and Wellness

Reducing Sugar, Sodium and Fat

Nestlé works continually to improve the nutritional profile of our food and beverages by featuring positive nutrients and ingredients such as whole grains, calcium, omega-3 fatty acids and antioxidants. Our gradual approach to reducing sugar and sodium is helping consumers adapt their taste preferences, making them more likely to adopt a healthier diet in the long term. In recent years, we have significantly reduced saturated fat levels in many products, especially children's products. At the end of 2013, 96% of our children's products met the Nestlé Nutritional Foundation¹ criteria for sugar, and by the end of 2014, 100% of our children's products will meet this criteria. We are steadily reducing sodium per serving in our most popular brands, such as STOUFFER'S® and DIGIORNO®, and have committed to further reductions in 2014 and 2015. We have committed to removing all trans fat originating from partially hydrogenated oils used as functional ingredients from all of our food and beverage recipes, with a goal of zero active SKUs by 2016.

Nutrition in Healthcare

Nestlé Health Science is on a mission to forge a major role for nutrition in healthcare, changing the way patients and healthcare professionals approach the management of health. With a combination of health and nutritional science capabilities, our innovative portfolio of nutritional therapies is supported by proprietary diagnostics and devices and related services (including patient and healthcare professional education and training). We are targeting five health areas: Vital Support, Gastrointestinal Health, Brain Health, Metabolic Health, and Consumer Health. Our pipeline is advancing via proprietary access to research of the Nestlé Institute of Health Sciences and the Nestlé R&D network. The Institute enables a deeper understanding of the interplay of genotype, lifestyle and dietary factors, which enable Nestlé Health Science to develop new concepts and products.

Healthy Hydration

Drinking enough and drinking well are important components of a healthy lifestyle that are often overlooked. A study in the U.S. showed that almost two-thirds of children in Los Angeles and New York City were mildly dehydrated when they arrived at school in the morning.

When people are thirsty, many of the beverages they have to choose from can be a source of empty calories. Calories consumed in the U.S. from sugared drinks almost



Groundbreaking in Ohio

Left to right: Sean Westcott, director of the Nestlé Solon R&D facilities, Ohio Governor John R. Kasich, Johannes Baensch, Global Head of Research & Development for Nestlé.

doubled from 1965 to 2005 and are considered a factor in childhood obesity rates.

We were one of the first companies to put great-tasting water in single serve packages on the shelf next to sugared beverages, and people responded by choosing water. Between 1998 and 2011, about 70% of the growth of bottled water in the United States came from people switching to bottled water from caloric beverages, including carbonated soft drinks. We estimate our bottled water brands have helped reduce the annual calorie intake from beverages in the United States by billions of calories each year.

Nestlé Waters North America proudly communicates the benefits of water as healthy hydration through product labeling, advertising and social media.

Pet Nutrition and Care

Nestlé Purina PetCare is dedicated to improving the lives of cats and dogs through quality nutrition and care. We manufacture some of the most popular and trusted brands in the United States, including Purina Dog Chow®, Purina Cat Chow®, Friskies® and Fancy Feast® cat food. With more than 50 million overweight cats in the United States — that's more than 58% of all owned cats² — cat obesity is a big problem. In addition, less than 12% of cat owners realize their cat may have a weight issue. It's important for cat owners to be aware of this issue that affects so many cats. Purina Cat Chow is asking cat people to take the "Why Weight?" pledge and commit to making simple changes that can help improve cats' lives. A leader in research, our team of more than 500 scientists and nutritionists works hard to advance pet nutrition forward, alongside research partners including the Canine Health Foundation; Cornell University; University of California, Davis and WebMD.

Nestlé Research

An important aspect of Creating Shared Value is our responsibility to use our knowledge and R&D capability to make a positive difference to society. We currently have nine R&D centers in the United States and are building a new \$53 million Product Technology Center in Solon, Ohio, that is expected to be open and operational by early 2015.

The Nestlé Research Centre (NRC) is at the heart of fundamental scientific research and innovation within Nestlé. Its role is to drive science and technology, from basic nutrition and health research, to applied research for product development and application. The NRC supports all Nestlé product categories with scientific and technological expertise. The newly formed R&D Nutrition Translation Network helps bring these innovative technologies to life in the form of new product introductions that meet consumer and patient needs and desires in the marketplace. The Clinical Development Unit coordinates all of the clinical research activities across the globe. Nestlé Institute of Health Science is the newest member of the research group, focusing on biomarkers, analytical platforms, and advanced diagnostics to build the scientific support to lead to truly personalized nutrition that takes into account genetic, environmental, and lifestyle factors.

The Nestlé Nutrition Institute (NNI), headquartered in Switzerland, is an independent, not-for-profit organization and the world's largest private publisher of nutritional information. Active in nearly 200 countries including the United States, NNI engages with healthcare professionals, scientists and nutrition communities to share leading science-based nutritional education, resources and research. NNI has published more than 3,000 papers, and organizes conferences and symposia covering key topics including maternal and infant nutrition, geriatrics and obesity management.



Pioneering research

A scientist prepares samples for analysis at the Nestlé Institute of Health Sciences.

¹ Source: The Nestlé Nutritional Foundation criteria are based on nutrition science and public health dietary recommendations, such as those of the World Health Organization and other global or local authorities. Our products are evaluated against these criteria, using the Nestlé Nutritional Profiling System, which determines their nutritional value and whether they achieve the Nestlé Nutritional Foundation criteria.

² Ernie Ward, DVM, CVFT Founder, Association for Pet Obesity Prevention (APOP), Annual Pet Obesity Prevalence Study, 2014, www.petobesityprevention.com.



Nutrition, Health and Wellness

Fighting Childhood Obesity

Obese children are at risk for more than 20 major diseases, including Type 2 diabetes and heart disease. The majority of obese 16- and 17-year-olds will become obese adults. At the current rate, the epidemic will cost the United States more than \$344 billion in medical-related expenses and account for more than 21% of healthcare spending by 2018.

Nestlé believes that all sectors of society have a responsibility to become engaged in helping consumers and communities adopt healthier lifestyle behaviors. That is why Nestlé is involved with a wide range of public-private sponsorships in the United States and around the world to fight childhood obesity.

American Academy of Pediatrics

Nestlé is the founding sponsor of the American Academy of Pediatrics (AAP) Institute for Healthy Childhood Weight, working to translate emerging science and best practices into practical solutions for healthcare providers, communities and individual families.

Nestlé and the City of Newark

Taking our research and nutrition expertise into the field, we are supporting model initiatives aimed at improving health and wellness in local communities. In Newark, New Jersey, where obesity levels for young children are more than twice the national average, Nestlé partnered with former Mayor Cory A. Booker to form Nestlé/ Newark Now!. The program tackles high childhood obesity rates through community education supported by a \$200,000 contribution from Nestlé. Fifty-five families participated in the pilot phase of the program in 2012, doubling in 2013 to 110 graduating families. The program is governed by the Newark–Nestlé Nutrition community advisory board that includes local residents and experts in nutrition and public health. We believe this program is a model for other public-private partnerships across America.

Healthy Steps for Healthy Lives®

Nestlé has partnered with the National Education Association Health Information Network to develop a K–6 curriculum for teachers, parents and caregivers, called Healthy Steps for Healthy Lives, which touched the lives of 125,000 students in classrooms across the United States in 2013. The program is part of the Nestlé Healthy Kids Global Program, our larger global commitment to Creating Shared Value through nutrition, health and wellness awareness among school-age children.

Children’s Marketing Pledge and Facts Up Front

Nestlé is a member of the Children’s Food and Beverage Advertising Initiative (CFBAI), whose goal is to shift the mix of child-directed advertising to encourage healthier dietary choices and lifestyles. CFBAI adopted new uniform nutrition criteria that went into effect at the end of 2013.

Nestlé USA also partners with Facts Up Front, an organization advocating voluntary package nutrition labeling, which launched digitally in 2013 with further execution coming in 2014.

Continuing Education for Healthcare Professionals

Nestlé Health Science delivers science-based nutrition education to expand healthcare professional nutrition knowledge, with the shared goal of driving quality practice improvement and improved patient outcomes. Offerings include programs delivered by nationally recognized nutrition experts from outside of Nestlé, as well as accredited nutrition experts from within the company. In 2013, the core Nestlé Health Science business:

- Conducted seven national webinar educational programs (attended by a total of 4,700 clinicians)
- Facilitated 67 speaker-related programs
- Generated a total of 8,700 continuing education certifications through our accredited programs
- Graduated 46 registered dietitians from our advanced RD professional development programs
- Graduated six physicians from the Nestlé Nutrition Institute Clinical Nutrition Fellowship for Physicians.



Providing support to health professionals

The independent Nestlé Nutrition Institute (NNI) provides scientific workshops and continued professional education. As the world’s largest private publisher of nutrition information, it is also a widely recognized source of some of the most up-to-date findings about breastfeeding and nutrition for mothers, infants and young children.



In the kitchen

Chef Vid Lutz cooking in the presentation kitchen at the Nestlé Professional Customer Innovation Campus, Cleveland, Ohio.



Continuing education

Nestlé Health Science focuses on science-based nutrition education programming to drive quality and improve patient outcomes.

Healthy Weight Commitment Foundation

Nestlé USA is a member of the Healthy Weight Commitment Foundation (HWCF), a national, multiyear effort designed to help reduce obesity — especially childhood obesity — by 2015. The coalition brings together more than 255 retailers, food and beverage manufacturers, restaurants, sporting goods and insurance companies, trade associations and non-governmental organizations and professional sports organizations. The HWCF promotes ways to help people achieve a healthy weight through energy balance — calories in and calories out. It focuses its efforts on two critical areas: families and schools.



Environmental Impact

66,594

Metric tons of packaging material saved in 2013 globally.

Topic Areas:

- Waste and Recycling
- Responsible Packaging
- Responsible Sourcing: Cocoa, Coffee, Palm Oil and Seafood
- Water Resource Efficiency and Water Stewardship
- Transport and Distribution
- Energy Efficiency
- Climate Change

We are committed.

Our goal is that Nestlé products will not only be tastier and healthier, but also better for the environment. In the United States, Nestlé has made significant progress in the areas of water efficiency, waste reduction and reducing the environmental impact of our operations. In 2013, while our production volume increased slightly over 2012, significant efforts were made to reduce water use and waste.

Waste and Recycling

As part of our commitment to zero waste to landfill in our operations, our efforts to reduce waste have shown marked improvement year over year. We have reduced our waste per metric ton of product by 44% since 2010, including a 21% reduction from last year alone. In the United States, a total of five facilities had landfill diversion rates greater than 95% by the end of 2013.

Nestlé Nutrition U.S., the manufacturer of Gerber brand products, is 85% landfill free,

with all waste generated from normal operations reused, recycled or converted to energy. Our Eau Claire, Wisconsin, facilities are recycling 92% of waste through green initiatives. Our Modesto, California, CARNATION® Milk factory has been recognized for sustainability leadership around recycling, solid waste and other key metrics. Furthermore, our Nestlé Waters plants are 97% landfill free.

Nespresso is committed to increasing the reach of its recycling systems to cover more than 75% of online customers in the United States by year-end, and plans to cover 95% of Club Members by the end of 2015. Nespresso surpassed its target to put collection systems in place to increase capacity to recycle used capsules to 75% by 2013, reaching 80%. Twenty-six countries have dedicated systems in place to collect used capsules, representing more than 14,000 dedicated collection points. Additionally, in three countries, used capsules are accepted within the national packaging recovery systems.



Wind power, California

Nestlé Waters has introduced two wind turbines at its bottling plant in Cabazon, California. The turbines will provide wind power to generate almost one-third of the facility's electricity needs, offsetting carbon emissions equivalent to more than 20,000 barrels of oil.

Nestlé Waters has also set a goal of increasing U.S. recycling rates for PET beverage bottles to 60% by 2018, and was the first to lightweight PET bottles.

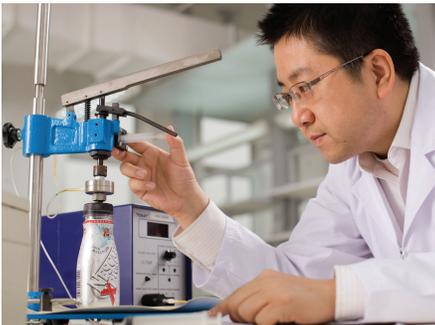
Environmental Metrics

Nestlé uses a number of key performance indicators (KPIs) to measure our environmental footprint. Nestlé's facilities in the United States aim to produce varying food, bottled water and pet food using less water and less energy, and creating less solid waste and fewer greenhouse gas emissions per metric ton of product.

| Indicator | Units | Nestlé in the U.S. | | | | | | |
|--|--|--------------------|-------|-------|-------|--------------------|--------------------|--------------------|
| | | 2010 | 2011 | 2012 | 2013 | % Change 2010–2013 | % Change 2011–2013 | % Change 2012–2013 |
| Production Volume | 10 ⁶ metric tons | 17.3 | 17.5 | 18.1 | 18.3 | 5% | 4% | 1% |
| Inputs | | | | | | | | |
| Total Water Withdrawal | 10 ⁶ m ³ per year | 35.0 | 33.3 | 35.9 | 34.4 | -2% | 3% | -4% |
| | m ³ per metric ton product | 2.02 | 1.90 | 1.98 | 1.88 | -7% | -1% | -5% |
| Total On-site Energy Consumption | 10 ¹⁵ Joules (PJ) per year | 20.0 | 19.7 | 20.4 | 20.9 | 4% | 6% | 2% |
| | 10 ⁹ Joules (GJ) per metric ton product | 1.15 | 1.13 | 1.13 | 1.14 | -1% | 1% | 2% |
| Outputs | | | | | | | | |
| Greenhouse Gas Emissions (direct), scope 1 | 10 ⁶ metric tons CO ₂ per year | 0.660 | 0.676 | 0.664 | 0.689 | 4% | 2% | 4% |
| | kg CO ₂ per metric ton product | 38.1 | 38.6 | 38.0 | 38.0 | 0% | -2% | 0% |
| By-products (for recovery) | 10 ⁶ metric tons per year | 0.311 | 0.343 | 0.329 | 0.403 | 29% | 17% | 22% |
| | kg per metric ton product | 18.0 | 19.6 | 18.2 | 22.1 | 23% | 12% | 21% |
| Waste (for disposal) | 10 ⁶ metric tons per year | 0.153 | 0.120 | 0.113 | 0.090 | -41% | -25% | -20% |
| | kg per metric ton product | 8.82 | 6.85 | 6.24 | 4.95 | -44% | -28% | -21% |

Responsible Packaging

Improving the resource efficiency and environmental performance of our packaging is an ongoing commitment across all business units. As a leader in the development and use of materials from sustainably managed renewable resources, we support initiatives to recycle or recover energy from used packaging and use recycled materials. In 2013, Nestlé USA updated packaging for COFFEE-MATE®, eliminating 460,000 pounds of corrugated cardboard annually, while developing a lighter-weight bottle. We developed lighter distribution packaging for ice creams, lowering their carbon footprint. We reduced the packaging footprint for our popular pizza brands: CALIFORNIA PIZZA KITCHEN® and DIGIORNO®. We also refined our packaging for STOUFFER'S® and LEAN CUISINE®, eliminating further waste from production. Nestlé Purina PetCare continues to optimize packaging, maintaining the highest standards for safety, quality, shelf life and consumer education. Nestlé Waters has led the industry in lightweighting packaging. We have reduced the plastic content of our PET half-liter bottles by 60% since 1994. Since 2003 alone, more than 3.3 billion pounds of plastic have been saved. We have incorporated recycled content into our bottles and corrugated cardboard.



Optimal packaging

Product packaging is essential to preventing food waste along the value chain. We work continually to optimize the weight and volume of our packaging, lead development and use of sustainably managed renewable resource materials, support initiatives to recycle or recover energy from used packaging and use recycled materials wherever feasible.



Sustainable cocoa

The Nestlé Cocoa Plan is focused on improving farmers' lives, their communities and their crops, and the sourcing of good quality, sustainable cocoa.

Photo courtesy of UTZ

Responsible Sourcing

Our Responsible Sourcing Guidelines³ focus on critical social, environmental and animal welfare challenges, with specific requirements for supply chains of our highest-priority ingredients, including cocoa, coffee, palm oil and seafood, in addition to milk, sugar and paper. The Guidelines follow four general principles:

- Suppliers are expected to engage in a process of continual improvement
- Suppliers should conduct their business with us openly and transparently
- We will support suppliers not yet able to comply with all aspects of the Guidelines, but who are committed to compliance and progress over time
- Suppliers must continually monitor and verify performance and progress

Nestlé Cocoa Plan

More than 4.5 million farmers in remote rural regions grow cocoa beans, the most important ingredient of chocolate. Worldwide chocolate consumption has doubled during the past 20 years, yet global cocoa supplies face a range of economic, environmental and social challenges.

The Nestlé Cocoa Plan, active in six countries, is focused on improving the lives of farmers and the quality of their crops, a holistic solution emphasizing farm profitability and productivity, farming improvements in social conditions in cocoa farming communities, and sourcing high-quality, sustainable cocoa. We were the first to partner with the Fair Labor Association to help eradicate child labor.

By the end of 2013, we sourced enough UTZ certified cocoa beans to produce our entire line of NESTLÉ CRUNCH® everyday bars, making the United States among the first and largest country to launch our global Nestlé Cocoa Plan. In 2014, we are expanding our commitment to sustainable cocoa by sourcing enough certified cocoa beans to supply the entire line of the following U.S. Nestlé brands: NESTLÉ TOLL HOUSE® Milk Chocolate and Dark Chocolate Morsels, NESTLÉ BUNCHA CRUNCH™, NESTLÉ CRUNCH® everyday bars, NESTLÉ CRUNCH® Girl Scouts Candy Bars, NESTLÉ BUTTERFINGER® Peanut Butter Cups, NESTLÉ Hot Cocoa and NESQUIK® Ready-to-Drink.



Supporting farmers

Picking coffee cherries as part of the Nescafé Plan.

³ Source: Nestlé Responsible Sourcing Guideline

109

Countries where fact-based environmental information is accessible to consumers, including the United States



Forest stewardship

We are partnering with The Forest Trust (TFT) to eliminate deforestation from our supply chain. TFT's Bobby Bayu Prakoso (left) carries out a Nestlé Responsible Sourcing Guidelines audit with a manager from our supplier PT SMART on a palm oil estate in Central Kalimantan, Indonesia.

Palm Oil

Nestlé is committed to developing our business in a way that safeguards natural capital and, in particular, biodiversity and ecosystems. We have taken a proactive role in tackling deforestation, particularly important in the production of palm oil. By the end of 2013, 51% of our palm oil was traceable, 19% was responsibly sourced, towards our Responsible Sourcing Guidelines and specific requirements. In September 2013, we met our ambition to source 100% Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil, two years ahead of our public commitment. We continue to work with our suppliers and partners, The Forest Trust and Conservation International, to source credible data, build traceability and carry out field assessments against our Responsible Sourcing Guideline.

Seafood

At Nestlé Purina, we know that pets love fish. Because overfishing is a serious issue, we are working closely with our suppliers and outside seafood sustainability experts to better understand our supply chain and identify where improvement opportunities exist. As part of this global effort, we are exploring new, responsibly sourced species of fish for use in future products. We also ensure that all of our seafood products from suppliers fall in line with Nestlé's Responsible Sourcing Guidelines for use in our products.

Nescafé Plan

Like cocoa, the coffee sector faces many challenges, including price volatility, declining yields from aging trees and/or plant diseases and strong competition for raw materials. Worldwide demand is increasing, with the United States a top consumer. Nestlé is committed to responsibly sourcing supplies for coffee lovers everywhere.

In 2013, we launched the Nescafé Plan in Central America, extending its scope beyond the current 10 countries. We are helping farmers build a robust business through training, plant propagation and distribution and technical assistance. We visited more than 30,000 farms, trained more than 300,000 farmers and distributed more than 21 million coffee plantlets, nearly doubling our distribution amount from 2012. We sourced 148,198 metric tons, or 26%, of coffee from 176,040 4C-verified⁴/Farmer Connect farmers. In 2014, we have committed to sourcing 70% from 4C-verified coffee beans and plan to source 100% in 2015.

Water Resource Efficiency and Water Stewardship

We have realized significant reductions in water withdrawal from 2011 to the present, due to vigorous efforts to reduce unnecessary consumption and maximize water usage within our plants. In 2013, Nestlé reduced direct water withdrawals in every product category globally, achieving an overall reduction per metric ton of product of 33% since 2005.

Nestlé Waters North America, the largest bottled-water company in the United States, is one of the most efficient producers in the beverage industry. While production volume continues to rise due to high demand, optimization efforts have led to a 3.2% reduction of water per unit produced over the last five years. We are committed to protecting and maintaining sustainable and high-quality sources of water, community engagement at the source and partnering with other organizations on watershed improvement. Project WET, the award-winning water education program sponsored by Nestlé, reached 10,500 teachers and 630,000 students in 2013.

Nestlé Purina has decreased water usage by more than 31% from 2004 through 2013 at its five wet-food manufacturing facilities.



Nestlé Waters North America Headquarters

Nestlé Waters headquarters in Stamford, Connecticut is LEED Gold certified.

⁴ Source: 4C Organization

Environmental Impact

-7.4%

We achieved an absolute reduction in direct greenhouse gas emissions globally of 7.4% since 2005

Transport and Distribution

Traveling the equivalent of 260 times around the world every day, transporting more than 135,000 metric tons of products to customers from 1,600 warehouses, we work continuously to improve the efficiency and performance of our distribution networks in the United States and around the globe. Nestlé Purina, Nestlé Nutrition and Nestlé USA Private Fleet are corporate members of EPA's SmartWay transportation program, which reduces fuel consumption, greenhouse gas emissions and air pollution.



Recycling in action

Students from Randolph High School in New Jersey take part in the Recycle Bowl Competition, organized by Keep America Beautiful and sponsored by Nestlé Waters.



Leading the way

Nestlé Waters is one of the most efficient producers in the beverage industry.

Energy Efficiency

Our company's goal is to become the most efficient energy user among food manufacturers. We are making steady progress towards our target of reducing energy consumption in every product category, to achieve an overall reduction of 25% per metric ton of product by 2015, compared with a 2005 baseline. Globally, we've reduced energy consumption by 22.6% since 2005, per metric ton of product. Our approach includes using energy more efficiently, switching to cleaner fuels and investing in renewable sources.

Globally, renewable energy currently accounts for 13.3% of total on-site energy consumption of our factories in 2013. Twenty-two Nescafé factories use coffee grounds from the manufacturing process as a renewable energy source. We purchase an estimated 20.9% of our electricity from renewable sources. In the United States, Nestlé Purina operates solar arrays at four manufacturing plants, including a 100kw array in Denver, Colorado, a 427kw facility in Flagstaff, Arizona, a 450kw solar array in Atlanta, Georgia and the newest facility, 50kw array in St. Joseph, Missouri. In 2013, Nestlé Waters began to use wind energy from two turbines that produced 25% of the electricity for our Cabazon, California bottling plant.

Climate Change

Nestlé is committed to providing leadership on climate change by reducing air emissions, including greenhouse gas emissions, associated with our production and distribution, by improving energy efficiency, switching to cleaner fuels, using sustainably managed renewable energy sources and optimizing our distribution networks. Globally, we have reduced direct greenhouse gas emissions per metric ton of product by 35.4% since 2005, resulting in an absolute reduction of 7.4%. In 2013, we topped a list of global companies in efforts to disclose and cut our carbon emissions, and we achieved the maximum score for the second year in a row in the Carbon Disclosure Project Climate Disclosure Leadership Index and Climate Performance Leadership Index. Here in the United States, Nestlé signed the Ceres Climate declaration in 2013, publicly committing to tackling climate change through coordinated efforts of business, government and society at large.



Our largest solar project yet

Purina now generates 1 megawatt of solar power each year with the help of our solar arrays, including our headquarters in St. Louis, of which some of the energy is returned to the local utility.



Social Impact: Creating Shared Value in Our Communities

Topic Areas:

- Supplier Diversity
- Volunteer Efforts and Outreach
- Employee and Charitable Giving
- Advancing Patient Care
- Our People

We are committed.

Across the United States, we are carrying out our Creating Shared Value commitment through efforts and activities focused on nutrition, health and wellness, water, sustainability and community development.

Supplier Diversity

Nestlé in the U.S. is committed to establishing and growing successful business relationships with qualified and certified diverse suppliers that reflect the gender, culture and ethnicity of the consumers we serve. Nestlé U.S.'s growth, profitability, and corporate citizenship is improved by fostering a competitive sourcing environment, which includes women-, minority- and veteran-owned businesses, plus other small businesses in our supply chain. Our strategy for engaging the best of these suppliers revolves around continual outreach and education, cultivating relationships and inclusion in sourcing events. In 2013, we paid 4,160 small, minority-, women- and veteran-owned businesses more than \$1 billion. By contracting with diverse businesses, Nestlé helps sustain jobs across the nation. The Department of Labor states that one job is sustained for every \$35,000 spent, which means that our business with diverse suppliers in 2013 enabled these small businesses to employ more than 28,000 people.

Volunteer Efforts and Outreach

Each year thousands of Nestlé employees are making life better in the communities where they live and work by offering support to adopted schools, food banks, pet shelters, and local outreach organizations. Here is a small sample of how we commit to community stewardship in cities and towns across the United States.

Feeding America

For more than 20 years, Nestlé has partnered with Feeding America, the nation's leading hunger-relief organization, in the fight against hunger. As a Mission Level partner, we have donated more than 84 million pounds of food in the last 5 years to support the nutrition of the 37 million people Feeding America serves annually.

GirlSports and the Girl Scouts of the U.S.A.

As the lead sponsor of GirlSports, we are helping more than 2.3 million girls learn about leadership skills and the power of physical activity. The GirlSports program has been adopted by the network of Girl Scouts of the U.S.A. with a new platform aimed at encouraging girls to participate in sports, lead healthy lifestyles and promote balanced leadership.

Adopt-A-School Program

Nestlé's Adopt-A-School program has been the cornerstone of our volunteer outreach for the past 19 years. In 2013, our program grew to 54 adopted schools across the country. We continue to provide our employees with paid time off to spend with students in the classroom, acting as positive role models.

Nestlé Purina PetCare Pride Day

Nestlé Purina always seeks new avenues to make a contribution not only at our St. Louis headquarters, but in every community where we do business. As part of our annual PetCare Pride Day, Nestlé Purina devotes a day of community service across the country. In St. Louis, associates built dog houses, pet beds and scratching posts, and delivered blankets and new owner kits to local animal shelters. We also prepared meals for the homeless and made

fleece blankets for local-area children's hospitals. In 2013, employees donated 3,000 volunteer hours at this event. Factories across the United States also participated.

Employee and Charitable Giving

Giving back to the community is deeply rooted in Nestlé culture, and our 51,000 U.S. employees continually demonstrate their generosity and support of community through gifts of time and financial contributions. Last year, Nestlé employees gave \$2.3 million to support local United Way organizations and causes that matter most to them or that impact their family.

Disaster Relief

In times of need, Nestlé Nutrition and Nestlé Waters provide support through partnerships with AmeriCares, the American Red Cross and other organizations. In 2013, we donated more than \$4.6 million in infant food and nutritional beverages, and 685,000 bottles of water to disaster-relief organizations across the United States. Nestlé Purina donated more than 60,000 pounds of pet food and 41,000 pounds of cat litter towards relief aid in 2013.

Pet Welfare

As a company guided by a passion for pets, we're committed to using our scale to do more than just donate. We are working shoulder to shoulder with pet-welfare experts, inspiring pet lovers to get more involved, changing perceptions of shelter pets and creating more powerful bonds between pets and people. In 2013, we donated more than \$5.2 million to United States pet-related charities and other community organizations and civic groups, as well as 5 million pounds of pet food and litter to more than 600 pet shelter and rescue organizations in the U.S. In 2013, Nestlé Purina acquired Petfinder, the largest pet-adoption website, which has facilitated more than 24 million adoptions since its founding in 1996. Our shelter partners are creating revolutionary, innovative programs around pet adoption, training, spaying/neutering, outreach to schools and pet welfare. In the United States, we touched the lives of more than 25,000 homeless pets and brought to life our true belief that pets and people are better together.



Supporting enthusiasts

Nestlé Purina in the United States supports enthusiasts at hundreds of dog shows and field trials each year. Our state-of-the-art indoor event center in St. Louis, Missouri, draws dog lovers near and far each year.



Social Impact: Creating Shared Value in Our Communities

51,000

Number of people who work for Nestlé across 47 states

Advancing Patient Care

Nestlé Health Science is committed to advancing patient care and offers financial support in four areas: clinical nutrition education for healthcare practitioners, independent clinical nutrition research, sponsorship of quality improvement initiatives, and patient assistance. In 2013, Nestlé Health Science contributed \$460,000 in education and research grants to qualifying hospitals, healthcare institutions and professional organizations to help expand the body of clinical nutritional knowledge designed to improve patient care. Nestlé Health Science is also a financial supporter of Strong for Surgery, a healthcare-quality-improvement initiative led by CERTAIN, a learning healthcare system developed in Washington State. Strong for Surgery works with stakeholders to raise awareness of key factors in pre-surgical care — including pre-operative nutrition — that can improve clinical outcomes. Through evidence-based checklists, Strong for Surgery helps hospitals, clinicians, and patients implement best practices that better prepare patients for surgery and provide the best outcomes possible. Additionally, through our Patient Assistance Program, Nestlé Health Science donated \$200,000 in products to qualifying individuals who needed one of our products as their sole or primary source of nutrition but were unable to pay for it themselves or receive reimbursement from insurance or a third-party payer.



Quality control

At Nestlé Purina, our top priority is to ensure the quality of the pet food we produce, because pet care isn't just our business, it's our passion. Not only do all of our products meet FDA, USDA or AAFCO standards, but we go beyond the requirements to provide optimal nourishment for pets.



Our differences make us stronger

We believe that creating and maintaining a diverse workforce is a business imperative.

Our People

We believe that our diverse employee workforce is a key source of our Company's competitive advantage. Each year, our Diversity Leadership Symposium recruits talented undergraduates from around the United States for one-of-a-kind training focused on business leadership, professional development and internship opportunities. Our employee affinity groups, including the Nestlé Black and Nestlé Hispanic Employees Associations, offer networking, mentorship, career training and community outreach opportunities. Our commitment to gender balance is expressed both globally and in the United States through our Women's Network, Women's Leadership Network, International Dual Career Network, Women in Business Network, Diversity and Inclusion Council and ongoing efforts to increase our percentage of women managers and senior leaders. Globally, in 2013, 31% of our managers were women, 19% of whom were in senior leadership positions. We actively meet with our diverse employees to identify ways in which we can make our organization an even better place to work.

Nestlé Health Science CONNECTIONS

Nestlé Health Science employees share a passion for the patients who use our products and are inspired by the insights gained from real patient stories. Through the employee-driven CONNECTIONS program, patient and caregiver stories are shared in internal communication vehicles and on-site meetings with all employees. Since inception of the program in 2013, four patient and caregiver visits have been held at employee meetings and via videos shared with employees across the globe.



Clinical trial coordination

The Nestlé Clinical Development Unit was established in 2012 to bring together management of all our clinical trials, providing medical expertise supporting all aspects of R&D. In 2013, the Unit was running 129 clinical trials.

Our Commitments

At Nestlé, we aim to provide transparency in our commitments and progress towards reaching our goals so that we remain accountable and work with our stakeholders to achieve continual improvements. All forward-looking dates should assume that the objective will be completed by December 31 of the corresponding year.



| Commitments | 2013 U.S. Progress | Forward-Looking U.S. Objectives |
|---|---|--|
| Build knowledge leadership in children's nutrition through a deep understanding of their dietary intakes and lifestyle habits | Since 2002, two Feeding Infant and Toddler Studies (FITS; 2002, 2008) have been conducted in the United States and implemented in five other countries. | 2014 – Expand research beyond infants and toddlers to children ages 4 to 12 years-old. 2015 – Field another FITS study in the United States. |
| Lead the industry in nutrition and health research through internal programs and external collaborations with top institutions | Nestlé/Newark Now! Early Childhood Nutrition Program tackles Newark's childhood obesity rates supported by a \$200,000 total contribution from Nestlé. Gerber leveraged its expertise to develop an unbranded peer-reviewed curriculum. | 2015 – Expand and enhance the Nestlé/Newark partnership model to other communities across the country. |
| Provide nutritionally sound products designed for children | Nestlé products for infants, toddlers and preschoolers are artificial color-free and meet the Nestlé Nutritional Foundation for sugar. | 2014 – 100% of children's products compliant with Nestlé Nutritional Foundation for sugar. |
| Reduce sodium in our products | Reduced Lean Cuisine brand averages to less than 600 mg of sodium per serving and reduced sodium in 12 oz. STOUFFER'S® Macaroni & Cheese. | 2014 – 100% of children's products will meet the Nestlé Nutritional Foundation sodium criteria. 2016 – We will further reduce salt content by 10% in products that do not meet the Nestlé Nutritional Foundation criteria. |
| Reduce sugar in products | NESQUIK® Powder reduced sugar by 25% and reduced calories by 33% since 2000. | 2014 – 100% of children's products compliant with Nestlé Nutritional Foundation for sugar. |
| Reduce saturated fat and remove trans fat originating from partially hydrogenated oils used as functional ingredients in our products | We are working to reduce trans-fat from pizza brands; we have already reduced the amount of added trans fats in other products. The majority of pizzas meet the labeling criteria for 0g trans fat per serving. | 2014 – Nestlé products for infants, toddlers, and preschoolers will have zero active SKUs with trans fat originating from partially hydrogenated oils (PHOs) used as functional ingredients. 2016 – Zero active SKUs with trans fat originating from PHOs used as functional ingredients. |
| Deliver nutrition information and advice on all our labels | Nestlé joined the Facts Up Front labeling system that takes key nutrition information from the Nutrition Facts Panel (typically calories, sugar, sodium and saturated fat) and displays it in standardized format on the front of the package. | 2014 – We will continue to add more of these labels in the months to come. |
| Provide portion guidance | Nestlé developed a Pizza Portion Guide in 2013, and launched a new educational campaign, Balance Your Plate. | 2015 – Provide portion guidance on 100% of children's and family products, and for other key brands. |
| Promote healthy diets and lifestyle/physical activity | Healthy Steps for Healthy Lives supports educators' efforts to teach students in grades K–6 about being healthy; the program was developed by Nestlé in the U.S. in partnership with the National Education Association Health Information Network and supports Nestlé Healthy Kids Global Program. Healthy Steps for Healthy Lives reached 125,000 students in classrooms across the country. | 2015 – Nestlé Healthy Kids Global Program will be ongoing in 80 countries, with the activation of the International Association of Athletics Federations (IAAF) Kids' Athletics Programs. |
| Promote healthy hydration as part of healthy lifestyles | In September 2013, First Lady Michelle Obama announced that Nestlé Waters is a supporter of the Partnership for a Healthier America (PHA) <i>Drink Up!</i> initiative designed to encourage people to drink more water more often and help prevent childhood obesity. | 2014 – Further implement fact-based healthy hydration awareness program for healthcare professionals, caregivers and parents worldwide. Project WET has added a component to its curriculum guide called "On Track with Hydration" that helps students learn the importance of healthy hydration. |
| Implement nutrition education programs for healthcare professionals | Nestlé Nutrition Institute led programs and services for healthcare professionals focused on the first 1,000 days of life, from conception to the second birthday. | Maintain continual nutrition education and intervention programs for healthcare professionals addressing under- and over-nutrition problems. |

| Commitments | 2013 U.S. Progress | Forward-Looking U.S. Objectives |
|--|--|---|
| Improve resource efficiency | Nestlé in the U.S. has reduced waste for disposal by 44% since 2010. | Continue to lower waste reduction for disposal in an effort to eliminate all forms of waste. |
| Improve the environmental performance of packaging | Nestlé dramatically lightweighted PET ½-liter plastic water bottles, using 60% less plastic content, toward 2020 goal. | 2020 – Develop the next generation of our recyclable bottles, with a lighter environmental footprint, made from post-consumer recycled or renewable materials. |
| Assess and optimize the environmental impact of our products | Added full-time role at Nestlé USA to examine packaging optimization and create Life Cycle Analysis (LCA) for all packaging. | 2014 – Review the industrial footprint in light of current and future business needs. |
| Provide climate change leadership | Nestlé Waters developed a renewable energy road map with the Rocky Mountain Institute to identify opportunities for wind, solar and biomass at its manufacturing facilities across the United States. In 2013, Nestlé Waters began to use wind energy from two turbines that produce up to 3.2 mW for our Cabazon, California bottling plant. Nestlé Waters is currently producing 25% of the energy needed to power the Cabazon bottling plant and will continue to source wind energy for this site. | Implement aspects of our Nestlé Waters Renewable Energy Roadmap and aim for 100% renewable energy, as feasible. |
| Preserve natural capital, including forests | By September 2013, 100% of palm oil was Roundtable on Sustainable Palm Oil (RSPO) certified (this includes RSPO segregated and GreenPalm Certificates). Nestlé Waters manages 40 natural-spring sites and employs 13 natural resource professionals to monitor and manage these sites for high-quality water. We maintain 14,000 acres of watershed land. | Continue to assess and procure products based on Nestlé Global’s Responsible Sourcing Guidelines across all lines of Nestlé business. |
| Provide meaningful and accurate environmental information and dialogue | Used relevant contact points to inform consumers of environmental improvements and challenges and, in 2013, fact-based environmental information was accessible to consumers in 109 countries, including the United States. | 2015 – Increase engagement with stakeholders in the environmental community to advance our U.S. commitment to environmental sustainability. |



Our People, Human Rights and Compliance

| Commitments | 2013 U.S. Progress | Forward-Looking U.S. Objectives |
|---|---|--|
| Ensure all Nestlé units have the necessary systems in place to deliver the same level of basic safety and health protection for all employees | In 2013, Nestlé USA: <ul style="list-style-type: none"> • Reduced recordable injury and illness rates by 29% • Conducted leadership safety training with 45% of managers • Trained 98% of workforce through online education courses • Increased behavioral safety observations to 600,000, an average of 26 per employee | Continue to manage and monitor employee safety through e-learning tools, safety observations, and trainings with the objective of “No Harm to Our People.” |
| Provide training and education for employees on CSV, Nutrition Quotient (NQ) and environmental sustainability | In 2013, Nestlé founded an internal Sustainability Council so that departments could cross-functionally address common questions and opportunities available to improve resource efficiency and sustainability across product lines. | Drive employee CSV, NQ and environmental sustainability knowledge and access to resources across all Nestlé locations. |



Rural Development and Responsible Sourcing

| Commitments | 2013 U.S. Progress | Forward-Looking U.S. Objectives |
|-----------------------------------|---|--|
| Roll out <i>Nestlé Cocoa Plan</i> | In 2013, Nestlé USA sourced enough UTZ-certified cocoa beans to produce our entire line of Nestlé Crunch® everyday bars. | 2014 – Expand the Nestlé Cocoa Plan to the following U.S. Nestlé brands: NESTLÉ® TOLL HOUSE® Milk Chocolate and Dark Chocolate Morsels, NESTLÉ® BUNCHA CRUNCH™, NESTLÉ® CRUNCH® everyday bars, NESTLÉ® CRUNCH® Girl Scouts Candy Bars, NESTLÉ® BUTTERFINGER® Peanut Putter Cups, NESTLÉ® Hot Cocoa and NESQUIK® Ready-to-Drink. |
| Roll out <i>Nescafé Plan</i> | In 2013, Nescafé sourced 26% of its coffee produced in the United States from 4C-verified coffee beans. | 2014 – Commit to 70% 4C-verified coffee beans in U.S. Nescafé products. 2015 – Commit to 100% 4C-verified coffee beans in U.S. Nescafé products and create a fully recyclable canister for its line of coffee products. |
| Implement responsible sourcing | Nestlé in the U.S. is supporting Nestlé Global’s commitment to complete 10,000 responsible sourcing audits, and in 2013, Nestlé USA exceeded the goal of 175 Tier 1 Supplier Audits by completing close to 300 audits in the United States. Nestlé Purina PetCare is implementing Responsible Sourcing Guidelines for soy and seafood. We are working with not-for-profit experts to track our suppliers and contribute to healthier ecosystems. | 2015 – Globally, complete 10,000 responsible sourcing audits, with 70% full compliance achieved. 2015 – Globally, 40% of the volumes of 12 key commodities to be traceable (palm oil, sugar, paper, coffee, cocoa, dairy, seafood, shea, vanilla, hazelnut, meat, poultry and eggs). |

| Commitments | 2013 U.S. Progress | Forward-Looking U.S. Objectives |
|--|---|---|
| Work to achieve water efficiency across our operations | In 2013, Nestlé in the U.S. achieved a 7% water withdrawal reduction from 2010. | Continue to engage our people with a national and local water stewardship agenda, to prioritize opportunities for shared value with suppliers, partners and stakeholders. |
| Advocate for effective water policies and stewardship | We support long-term, sustainable investments in public water infrastructure improvements here in the United States through mechanisms such as those envisioned in the Water Infrastructure Finance and Innovation Act. The program — modeled after the successful Transportation Infrastructure Finance and Innovation Act — provides low-cost financing assistance for large water infrastructure projects through secured loans and loan guarantees to help rebuild the nation’s tap water backbone with minimum impact on the federal budget. | <p>Continue to communicate, advocate and lead water stewardship practices in the United States .</p> <p>Continue to advocate for federal standards on public disclosure of bottled water product quality information.</p> <p>Compile, review and share water availability research at potential new spring sources with stakeholders.</p> <p>2015 – Better understand potential climate change scenarios in source regions based on reputable research and share findings with stakeholders.</p> |
| Treat discharged water effectively | Every Nestlé Waters factory is equipped with a wastewater treatment facility or is connected to a municipal treatment facility; any wastewater discharged back into the environment is guaranteed to meet water quality standards. | Continue to reduce the amount of water we discharge, and reuse it when possible. |
| Engage with suppliers, especially in agriculture | Nestlé builds stakeholder awareness and provides quarterly updates on progress against targets and developments. Nestlé also provides farmers regular one-on-one and group trainings informed by research with our partnering universities. | Continue supplier audits against North American Responsible Sourcing targets, and facilitate trainings and engage farmers in up-to-date research and best practices. |
| Raise awareness of water access and conservation | <p>In 2013, Nestlé supported two watershed projects:</p> <ul style="list-style-type: none"> • Ice Mountain Environmental Stewardship Fund, Muskegon River Watershed, Michigan • Wekepeke River Restoration Initiative, Wekepeke River, Massachusetts | 2015 – Nestlé is committed to supporting two watershed improvement projects per year through 2015. |

Resources

American Academy of Pediatrics Institute for Healthy Childhood Weight - ihcw.aap.org

Balance Your Plate Toolkit - nestleusa.com/nutrition/balance

Creating Shared Value - Nestle.com/CSV

Healthy Steps for Healthy Lives - nestleusa.com/healthysteps

Nescafé - Nescafe.com/sustainability

Nespresso Ecolaboration - Ecolaboration.com

Nespresso U.S.A., Inc. - Nestle-Nespresso.com

Nestlé Cocoa Plan - NestleCocoaPlan.com

Nestlé Health Science - NestleHealthScience.com

Nestlé Institute of Health Sciences - NestleInstituteHealthSciences.com

Nestlé Nutrition - Medical.Gerber.com

Nestlé Nutrition Institute - NestleNutrition-Institute.org

Nestlé Professional - NestleProfessional.com

Nestlé Purina PetCare Company - Purina.com; Petcentric.com; PetsforPeople.com; proplan.com/rallytorescue

Nestlé Research Centre - Research.Nestle.com

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Nestlé

Good Food, Good Life

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