



NESTLÉ USA

**COMMITMENT TO
CREATING SHARED VALUE**

Creating Shared Value
Nutrition | Water | Rural Development



Nestlé



Letter From Our Chairman & CEO

All of us at Nestlé USA are passionate about giving consumers great-tasting and nutritious food and beverages they can feel good about serving to their families. But this commitment to family doesn't end in the kitchen or at the dining-room table. It extends to the communities where we live and work.

We know that for our business to prosper in the long term, our company must create value for our employees, customers, consumers and their families, as well as society at large. Nestlé calls this *Creating Shared Value*, and we view it as a basic principle of our global business strategy – one that is fundamental to our continued success.

At Nestlé, *Creating Shared Value* focuses on nutrition, the responsible management of water resources and improving the lives of farmers and rural communities around the world. Here in the U.S., we are focusing our efforts on the areas where we can make the greatest positive impact – on issues relating to nutrition, health and wellness as well as sustainability.

Our company is dedicated to helping families achieve their wellness goals by providing convenient, nutritious and delicious foods. We know that maintaining a healthy lifestyle requires making smart decisions, which is why we make it a priority to provide consumers with better-for-you options as well as nutritional information.

At Nestlé USA, we also understand the role we must play in protecting the future of our environment. It is through mindful operations and manufacturing practices that we will have the greatest impact, which includes reducing waste and conserving natural resources.

I invite you to learn more about *Creating Shared Value*. We have much work ahead of us and will continue to commit time, energy and resources to create value for our stakeholders.

Sincerely,

Brad Alford

Chairman & CEO, Nestlé USA



ABOUT NESTLÉ USA

- Headquarters in Glendale, CA
- 21,000 employees
- \$10 billion in 2008 sales
- More than 50 brands
- 26 manufacturing facilities
- 22 distribution centers
- Named one of “America’s Most Admired Food Companies” for 12 consecutive years in *Fortune* magazine

NESTLÉ IN THE UNITED STATES

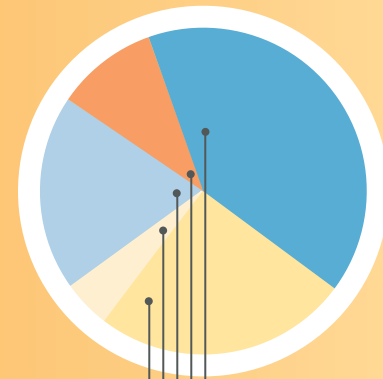
Nestlé USA is a part of Nestlé S.A. in Vevey, Switzerland – the world’s largest food and beverage company, with a focus on Nutrition, Health and Wellness. Whether it’s a family dinner, holiday baking or a lunch break, we’re committed to providing a variety of nutritious and delicious foods and beverages that enhance every experience in your life. That’s what “Nestlé. Good Food, Good Life” is all about.

You might be surprised to discover that the LEAN CUISINE® entrée you ate for lunch, the BUITONI® pasta dinner that impressed your grandmother or the HÄAGEN-DAZS® ice cream that cheered you up after a long day was provided by Nestlé USA. For well over a century, our commitment to producing foods that fulfill people’s needs has been the secret ingredient in everything we make.

In the United States, Nestlé is composed of five operating companies: Nestlé USA, Nestlé Waters North America, Nestlé Nutrition, Nestlé Purina PetCare Company and Nestlé Professional. Together, we offer Americans and their pets a wide variety of quality food and beverages, promote health and wellness and encourage physically active lifestyles. And we do so in a way that creates long-term value for our company and for the communities where we live and work.

NESTLÉ COMPANIES IN THE UNITED STATES

- Nestlé USA – Glendale, CA
- Nestlé Nutrition – Florham Park, NJ and Carlsbad, CA
- Nestlé Waters North America – Greenwich, CT
- Nestlé Purina PetCare Company – St. Louis, MO
- Nestlé Professional – Glendale, CA



Nestlé USA: \$10.0
(includes Dreyer’s)

Nestlé Nutrition: \$2.9

Nestlé Waters
North America: \$4.2

Nestlé Professional: \$1.0

Nestlé Purina PetCare
Company: \$6.5

Total: \$24.6
(2008 sales in billions)

“To be the very best Nutrition, Health and Wellness company in the U.S., we work very hard at delivering superior products and strong communications that resonate with consumers and help them to understand that all of our products can fit into a healthy lifestyle.”

- Chavanne B. Hanson, MPH, RD, LD, Wellness Champion, Nestlé USA

CREATING SHARED VALUE THROUGH NUTRITION

A balanced diet and physical activity are essential to a healthy lifestyle and overall personal wellness. As part of the world's largest food and beverage company, Nestlé USA plays an important part in helping families live healthier lives by offering food and beverages that meet everyday needs and sharing nutritional knowledge to help consumers make informed decisions about eating right.

CREATING SHARED VALUE THROUGH GOOD FOOD

Across our portfolio, we are continually achieving superior nutritional benefits and taste characteristics to meet consumer needs and enhance quality of life.

We are constantly challenging ourselves to improve the nutritional density of our products by adding whole grains, calcium, Omega-3s and antioxidants. For people trying to manage their weight, we offer portion- and calorie-controlled entrées along with lower-fat and reduced-sugar versions that share the original's same great taste. Here are examples of our better-for-you products.





MEALS & SNACKS

Our **LEAN CUISINE**[®] products, which are delicious, portion-controlled entrées, offer consumers six product lines containing everything from Asian-inspired meals to vegetarian dishes to classic comfort foods. The nine varieties in the Seafood Selections line contribute between 65mg and 220mg of heart-healthy Omega-3 fatty acids, and the majority of our **SPA CUISINE** dishes feature the delicious combination of 100% whole grains and vegetables.

LEAN POCKETS[®] brand Made with Whole Grain sandwiches are available in nine varieties and each serving is a good source of whole grain.

BUITONI[®] refrigerated pastas and sauces reflect the growing emphasis on the nutritional value of whole grains, with some pastas made from 100% whole durum wheat flour, which contain 4-8g of fiber per serving.



BEVERAGES

NESTLÉ[®] **NESQUIK**[®] products encourage children and adults alike to get the important nutrients they need from milk. **NESQUIK Powder** has 25% less sugar than other leading brands and is fortified with calcium, vitamin C and other essential nutrients. The **Ready-to-Drink** variety comes in nine delicious flavors and is easy to drink on the go. Nestlé's new **NESQUIK 100 Calorie Chocolate Milk** delivers a delicious portion-controlled option that has 40% fewer calories than other low-fat flavored milks.

NESTLÉ[®] **CARNATION**[®] Evaporated Milk starts with fresh milk that is carefully heated to remove half the water. As a result of the evaporation of water, the milk becomes richer and creamier – also increasing the amount of protein and calcium per serving. **CARNATION** Evaporated Milk also offers low-fat and fat-free versions for healthier baking opportunities.

Parents today are looking for more than just great-tasting products. They are searching for the elusive mix of “my kid really loves this” and “this is good for my child.” **NESTLÉ**[®] **JUICY JUICE**[®] fruit juice beverage with DHA contains an Omega-3 fatty acid that is a building block for brain development in children under two years of age. In addition, **JUICY JUICE Immunity** fruit juice beverage contains vitamin C and zinc, which are essential for a healthy immune system, and prebiotic fiber to help maintain a healthy digestive system.

TASTY TREATS

NESTLÉ[®] **CRANBERRY RAISINETS**[®] milk-chocolate-covered cranberries are a natural source of fruit antioxidants and are a delicious and fun way to add fruit to your day. A quarter-cup of Cranberry **RAISINETS** contains a half-cup serving of real fruit.

For a frozen treat, our new **HÄAGEN-DAZS Five**[™] series has seven pure, clean flavors that are each made with only five all-natural ingredients and 25% to 30% less fat than regular **HÄAGEN-DAZS**[®] ice cream.

THE SKINNY COW[™] line of low-fat ice cream snacks offers ice cream sandwiches, cones and bars including **THE SKINNY COW Truffle Bar**, which come in French Vanilla and Chocolate flavors and are drizzled with chocolatey ribbons for a rich taste, and are 100 portion-controlled calories per bar.

NESTLÉ NUTRITION AROUND THE WORLD

Nestlé operates 23 research centers across the globe and employs over 5,000 people in R&D.

In 2008, Nestlé renovated or innovated 6,254 products to address the need for high-quality food and beverage products that have health benefits and nutritional value.

Through the Nestlé Nutrition Institute (nestlenutrition-institute.org), an organization dedicated to the science of nutrition, we have contributed to the continuing nutrition education of health professionals.

More than 79,353 Nestlé employees have participated in our Nutrition Quotient (NQ) training program so that they are armed with basic nutrition knowledge.

Nestlé USA added 36 million servings of vegetables to U.S. diets through LEAN CUISINE®



NESTLÉ NUTRITIONAL COMPASS

Clear communication of nutritional information on packaging allows consumers to make healthy choices.

Nestlé USA features the Nestlé Nutritional Compass to help consumers make informed choices about their diets and enjoy more balanced lives.

The Nestlé Nutritional Compass is a recognizable icon on the back of all Nestlé packaging and features key product/nutritional benefits (Good to Know) along with additional tips and nutrition facts that are important to consumers (Good to Remember) and a way to contact Nestlé with any questions. It is our goal to provide consumers with transparent nutrition information on food and beverages so they can make informed choices.



CREATING SHARED VALUE BY IMPROVING NUTRITION KNOWLEDGE

Nestlé has a century-long, worldwide commitment to nutrition research, education and awareness. We recognize that maintaining a healthy lifestyle requires making smart decisions – both big and small. This is why we offer easy access to a wide range of nutrition information.

When it comes to making smart nutrition decisions, Nestlé USA offers many websites designed to provide consumers with the latest health and wellness information for all stages of life, including:

- NestléFamily.com and MiCocinaLatina.com for resources, recipes and activities to raise healthy and happy kids.
- From NESTLÉ® TOLL HOUSE® chocolate chip cookies to LIBBY'S® Pumpkin Pie, VeryBestBaking.com carries on the baking tradition by offering tips and recipes to make baking delicious as well as nutritious.
- LeanCuisine.com features a number of wellness tools, including a fitness and meal planner.
- For people who are managing diabetes, EverydayEating.com has tips for healthy eating, an Ask the Dietitian feature and healthy, easy-to-make recipes.
- Meals.com offers an extensive collection of recipes, including healthier living recipes.



CREATING SHARED VALUE BY PROMOTING HEALTH & WELLNESS

We support many great initiatives and organizations in their efforts to promote health and wellness, find cures for illnesses and diseases and encourage physically active lifestyles. Here are just a few examples of our efforts to help people lead healthy lives.

- LEAN CUISINE® became a proud partner of SUSAN G. KOMEN FOR THE CURE® in 2002 and since then has raised over \$3 million for breast cancer research, education, prevention and detection programs.
- Nestlé is on a global mission to teach children about nutrition, health and wellness – reaching more than 11 million school children to date. At Nestlé USA, we created Healthy Steps for Healthy Lives, a program that offers teachers innovative tools to educate students about good nutrition and physical activity. To date, more than 40,000 Healthy Steps kits have been distributed to teachers – reaching nearly 1 million children and their families.
- To help ensure that nutritious food is provided to those who can't afford it, we developed a long-term partnership – more than 15 years – with Feeding America®, the nation's leading domestic hunger-relief charity. Through its network of more than 200 member food banks, Feeding America annually provides assistance to more than 25 million people in need. Nestlé USA plants and distribution centers work with local Feeding America-affiliated food banks to supply products on an ongoing basis. In the past four years, we have donated more than 36 million pounds of food to 127 food banks in nearly every state in the country.

“It is clear through our 15 years of work together that Nestlé USA is committed to helping us end this fight against hunger. Nestlé USA has helped us feed millions of hungry people across America, and through this deep partnership this number continues to grow.”

Vicki Escarra, President and Chief Executive Officer,
Feeding America



“When designing the Anderson factory, we came to the drawing board with an open mind and a vision to create efficient and sustainable operations. We were able to incorporate many sustainable design elements such as methods to better conserve energy and water.”

Mike Desso, Environment and Safety Manager, Nestlé USA

CREATING SHARED VALUE THROUGH SUSTAINABLE PRACTICES

At Nestlé USA, sustainability means creating value by conserving our natural resources and preserving the environment for future generations. We look to reduce our environmental impact whenever we can – from how we design our factories and package our products to the trucks we use and the way we transport our goods.

A FEW EFFORTS FOR OUR SUSTAINABLE FUTURE

- Our NESQUIK® and COFFEE-MATE® beverage factory in Anderson, Indiana, was built using sustainable design concepts – including a planned wastewater recovery system and low-emission natural gas boilers. The way we package our products there also supports sustainability. We have redesigned the bottles to make them more widely accepted for recycling, created lightweight bottles and caps, and eliminated the need for foil seals. This will achieve a more than 2-million-pound reduction in plastic each year.
- The Anderson facility recently applied for LEED certification for sustainable building design, construction and operation issued by the U.S. Green Building Council.
- Our NESCAFÉ® instant coffee manufacturing facility in Freehold, New Jersey, employs a unique way to capture energy and avoid waste. Working with a producer of fireplace logs, our spent coffee grounds are turned into JAVA-LOG® firelogs, a product that produces significantly fewer emissions than wood.



NESTLÉ SUSTAINABLE PRACTICES AROUND THE WORLD

- Nestlé invests **\$36** million per year to reduce energy, water and resource use in our products through technical improvements, training and raising awareness.
- In the past 10 years, Nestlé businesses reduced their energy consumption by **42%** per ton of product.
- Through a continuous review of our packaging, Nestlé saved over **64,000** tons of packaging materials in 2008 alone.
- In the past 10 years, the CO2 emissions from our manufacturing have been reduced by **13.5%** while production grew by **68%**.
- Two-thirds of our supplies come from rural areas; in 2008, a total of over **\$12** billion in milk, coffee, grains and many other crops.
- Over **594,233** farmers have received free training and assistance from Nestlé.
- Nestlé extends over **\$27** million in small-credit loans to farmers around the world.

- In Solon, Ohio, our Nestlé Prepared Foods factory, which produces LEAN CUISINE® and STOUFFER'S® products, has been using a boiler system that operates on methane gas emissions from a landfill since 2001. Approximately 90% of the plant's energy needs are met with the methane, greatly reducing our greenhouse gas emissions.
- Recently, we redesigned the 64-fluid-ounce plastic bottles for NESTLÉ® JUICY JUICE® so that the bottles use less plastic. This has resulted in the reduction of nearly 725,000 pounds of plastic each year, the equivalent of more than 200,000 gallons of gasoline.
- Nestlé Transportation Company is a member of the U.S. Environmental Protection Agency SmartWay® program, which promotes environmentally cleaner, more fuel efficient transportation options.
- We incorporate sustainable measures into the way that we transport our goods, which has improved our fuel efficiency by 5%.
- Americans rely on honey bees for one-third of our food supply. Many people don't realize honey bees are responsible for \$15 billion in U.S. agricultural crops each year. Disturbingly, honey bees are dying off across North America. Through the HÄAGEN-DAZS Loves Honey Bees™ campaign, Nestlé USA has donated \$500,000 to researchers at Penn State and the University of California at Davis to find the root of this yet unexplained problem.



“My family has come full circle with the Nestlé Adopt-A-School program. Years ago, my mother was a guidance counselor in one of Nestlé’s partner schools, and she would tell me all the great things Nestlé did for her kids. So when I joined the company eight years ago, I knew I wanted to get involved. It’s been incredibly rewarding to enrich children’s lives just by being a good role model. My mom and I are so proud that even after all these years, Nestlé is still committed to being a positive force in our local school district.”

Lora Whitehead Smith, Demand Planning Analyst, Baking, Nestlé USA

CREATING SHARED VALUE THROUGH OUR PEOPLE

People are the heart of Nestlé USA. This is why we foster a positive working environment for our employees within Nestlé USA and encourage them to be active within their communities.

At Nestlé USA, we are committed to health and wellness in everything we do – beginning with our employees. To encourage a healthy workforce, we offer a number of unique employee health and wellness initiatives, such as HealthWorks, a health-management initiative that offers resources – such as weight-loss management, smoking-cessation programs, on-site health screenings – to help employees and their families make informed decisions about health and wellness.

We encourage our employees to be active in the community. Through the Nestlé Adopt-A-School program, employees donate thousands of hours each year teaching, being positive role models and reading to young children at local elementary schools. More than 1,800 Nestlé employees serve nearly 50 schools throughout the country. In addition, we have donated millions of books to elementary schools associated with the Nestlé Adopt-A-School program as part of our partnership with Reading Is Fundamental, the country’s leading literacy program.





For Nestlé USA's National Day of Volunteering, we set aside one day for employees across the country to participate in several volunteer activities. Last year alone, more than 1,000 employees sorted food at food banks, worked with our Nestlé Adopt-A-School students, cooked at women's shelters, participated in Meals on Wheels, built homes with Habitat for Humanity®, donated their time in soup kitchens and more.

In addition to their time, we encourage our employees to donate money to the causes they believe in. Our Community Care Campaign allows employees to donate a day of salary to the charities of their choice – and we match the donations. Through this program, we are proud to say our employees have donated to more than 1,000 charities, including United Way, Reading Is Fundamental, Nestlé's Adopt-A-School program, American Cancer Society® and American Diabetes Association®.

“The volunteers from Nestlé helped my students become more confident in their writing and reading skills. I can't thank them enough!”

Mrs. Jane Sierra, Eagle Rock Elementary School, Los Angeles, CA

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