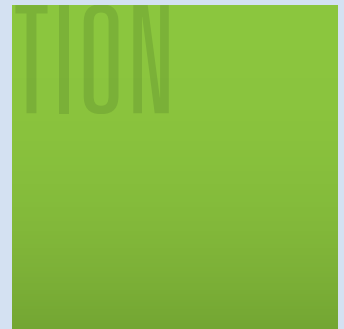
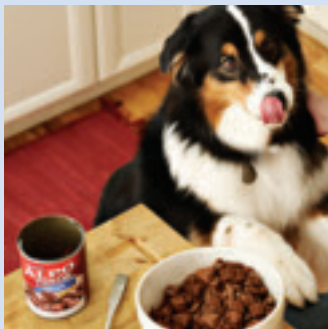
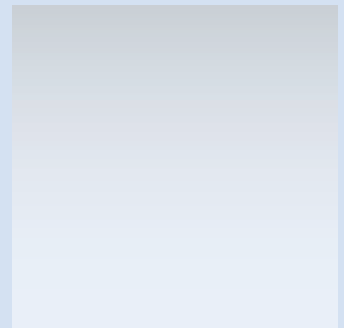
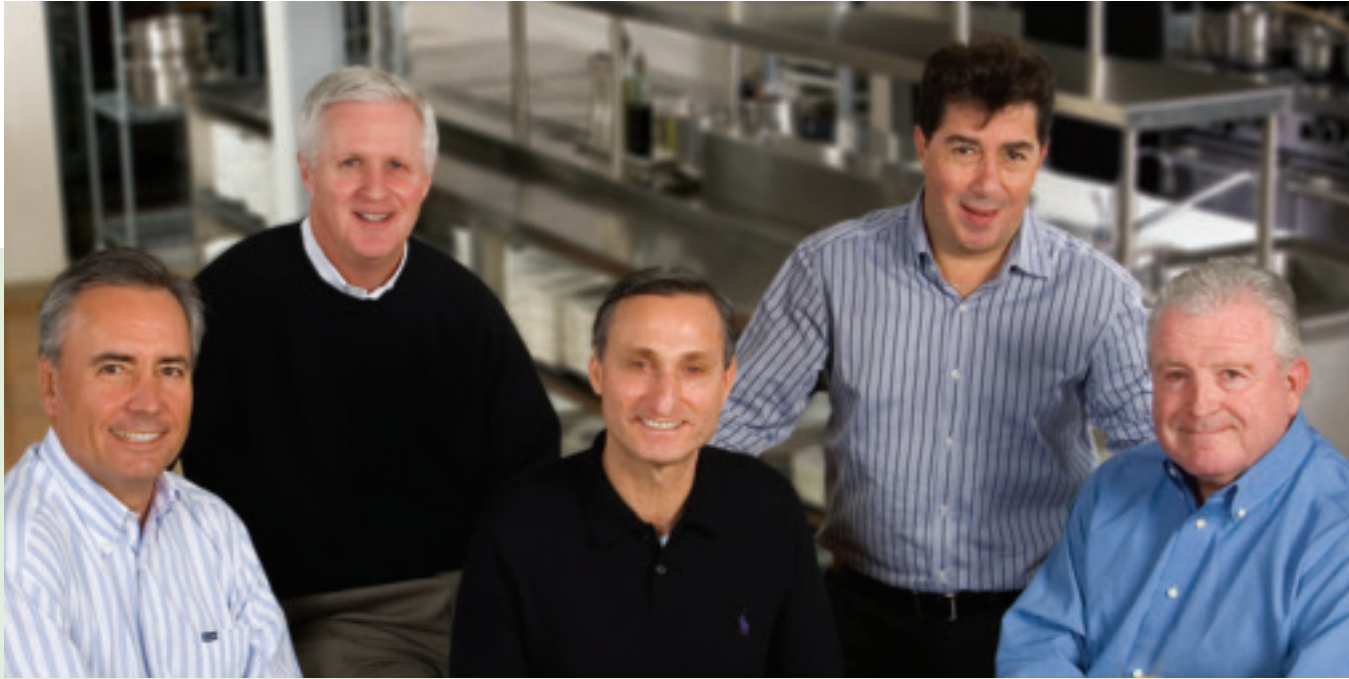


NESTLÉ IN THE UNITED STATES

MEETING SOCIETY'S NEEDS BY CREATING SHARED VALUE

Creating Shared Value
Nutrition | Water | Rural Development





Nestlé's long-term commitment to *Creating Shared Value* works in good times and perhaps, more importantly, in challenging times. Clearly, the last few years have been challenging in the United States—and around the globe.

At Nestlé, *Creating Shared Value* means for our business to prosper in the long term we must create value for our employees, customers, shareholders, consumers and their pets, and society as a whole. This is the essence of operating a sustainable business.

Best known for chocolate, Nestlé is far more than that. Nestlé is the world's largest food and beverage company with a history of providing quality products supported by an expertise in nutrition, health and wellness. In fact, it is the largest private funder of health and nutrition research globally.

Not only are we proud of our brands and products, but we are also proud of our employees and our culture. We invest in our employees, providing productive jobs with comprehensive benefits. We conduct business in a way that is mindful of water and other natural resources. We support the communities where we do business. This is what we are all about: *Creating Shared Value*.

In the pages that follow, some of our accomplishments are highlighted. While we are proud of our achievements, we know there is still a lot of work ahead. Our commitment to offering great-tasting food and beverages that help make good, healthy living possible is as strong as ever, as is our commitment to focus on the communities where we live and work.

Sincerely,

Kim Jeffery, President & CEO,
Nestlé Waters North America

Jorge Sadurni, President & CEO,
Nestlé Professional, North America

Brad Alford, Chairman & CEO,
Nestlé USA

Kurt Schmidt, President & CEO,
Nestlé Nutrition

W. P. McGinnis, President & CEO,
Nestlé Purina PetCare Company

NESTLÉ IS SO MUCH MORE THAN CHOCOLATE

When most people think of Nestlé, they think of chocolate. We're so much more than a chocolate company. Above all, Nestlé is dedicated to *Creating Shared Value* and making a positive impact on society through every product we sell and everything we do.

6
BILLION-DOLLAR
BRANDS¹

Stouffer's[®], Lean Cuisine[®], DiGiorno[®],
Nestlé[®] Pure Life[®], Gerber[®] and Friskies[®].



NUMBER ONE BRANDS

Nestlé USA has 15 brands that are number one in market share in the U.S.



branded SOLUTIONS

Nestlé Professional delivers creative, branded food and beverage solutions for foodservice operators.



NUMBER 1 AND 2

Nestlé Nutrition is the #1 infant nutrition company, #2 weight management company⁴, and a leading performance nutrition company in the U.S.

NUMBER one

Nestlé Purina PetCare Company is the number one U.S. pet care company.²



#1

Nestlé Waters North America is the #1 bottled water company in the U.S.³



1. Each with annual sales of more than \$1 billion.
2. By sales, volume, and market share.
3. By volume, market share and sales.
4. Second largest weight management company in the United States.



Good Food, Good Life is all about tasty, healthy products that can be enjoyed by **every member of the family** at every stage of life and for **every way of life.**

NESTLÉ'S PLEDGE TO YOUR HEALTH

We deliver on our promise to create shared value by supporting healthy living. Striving to be the very best Nutrition, Health and Wellness company, we provide a variety of portion- and calorie-controlled meals, low-fat offerings and whole-grain products that taste good. We are committed to reducing sugar and sodium in many of our products and we provide easy-to-understand nutritional information to help our consumers make smart choices.

A WORLDWIDE LEADER IN HEALTH SCIENCE NUTRITION

Nestlé is strongly committed to innovation through product development. We have the world's largest privately funded nutrition research and development organization, consisting of 28 research, technology and product-development centers that employ more than 5,200 people.

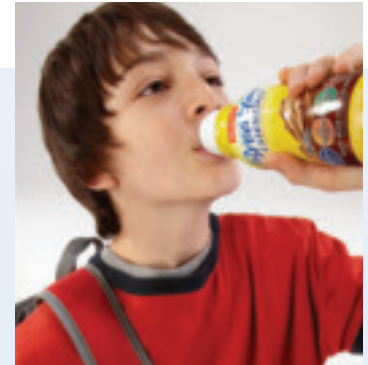
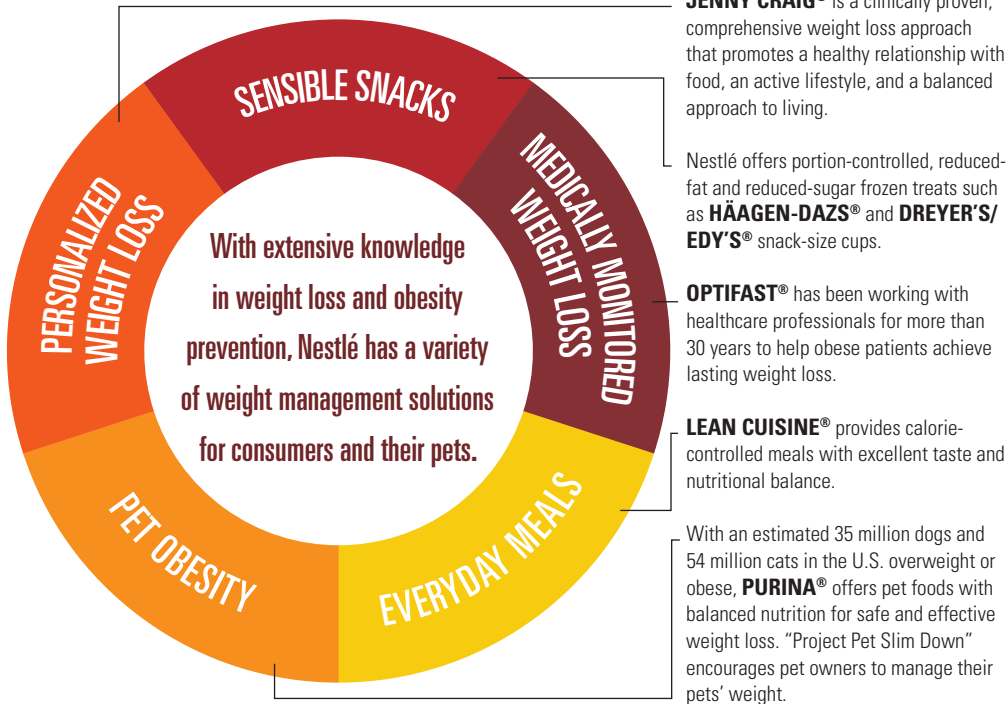
In 2011, we created Nestlé Health Science SA and the Nestlé Institute of Health Sciences. Established to pioneer science-based nutritional solutions, these two separate organizations will focus on personalized healthcare to address medical conditions such as diabetes, obesity and cardiovascular disease. Nestlé is committed to investing heavily over the next 10 years.

WE MAKE PRODUCTS BETTER FOR YOU

Nestlé is continually working to make our products tastier and more nutritious. Here are just a few examples of how we're leading the way in helping consumers and their pets embrace healthy lifestyles:

NESTLÉ IS A GOOD FOOD, GOOD LIFE COMPANY

Weight management options for different goals



Beverages that go with a healthy lifestyle

From crisp, refreshing water brands to flavorful juices to nutritional supplement drinks, Nestlé offers an array of nutritious, great-tasting beverages for healthy hydration at all stages of life.



NESTLÉ® NESQUIK® products encourage children and adults to drink milk and get the important nutrients they need. These products include reduced fat and sugar options that maintain flavor and creamy texture.

Water is widely considered the first source of hydration. Nestlé offers **WATER OPTIONS** — natural mineral, natural spring and purified water.

Made from 100% fruit juice with no added sugar, **NESTLÉ® JUICY JUICE®** is a delicious, easy way to ensure kids get at least one daily recommended serving of fruit.⁵

For a nutritious start to the day, **CARNATION® BREAKFAST ESSENTIALS™** Complete Nutritional Drink provides 21 essential vitamins and minerals, 25% of daily value of protein, and 50% daily value of calcium per serving.

We provide nutritious, healthy food for every member of the family at every stage of life.

INFANTS & TODDLERS

Gerber has become a leader in early childhood nutrition. The Gerber Start Healthy, Stay Healthy™ Nutrition System combines products, resources and services to encourage healthy eating habits from pregnancy to preschool.

FAMILY

To promote the power of the dinner table, **STOUFFER'S® LET'S FIX DINNER™** campaign challenges families to eat together. **STOUFFER'S®** frozen entrées are undergoing gradual recipe changes to

decrease sodium by another 10% from reductions made earlier this decade without impacting taste.

ATHLETES

PowerBar® helps athletes perform better. PowerBar's Energy line contains C2MAX dual source energy blend, which delivers up to 50% more energy to muscles to improve endurance performance. PowerBar ProteinPlus® products made with high-quality TriSource® protein help build a lean body.

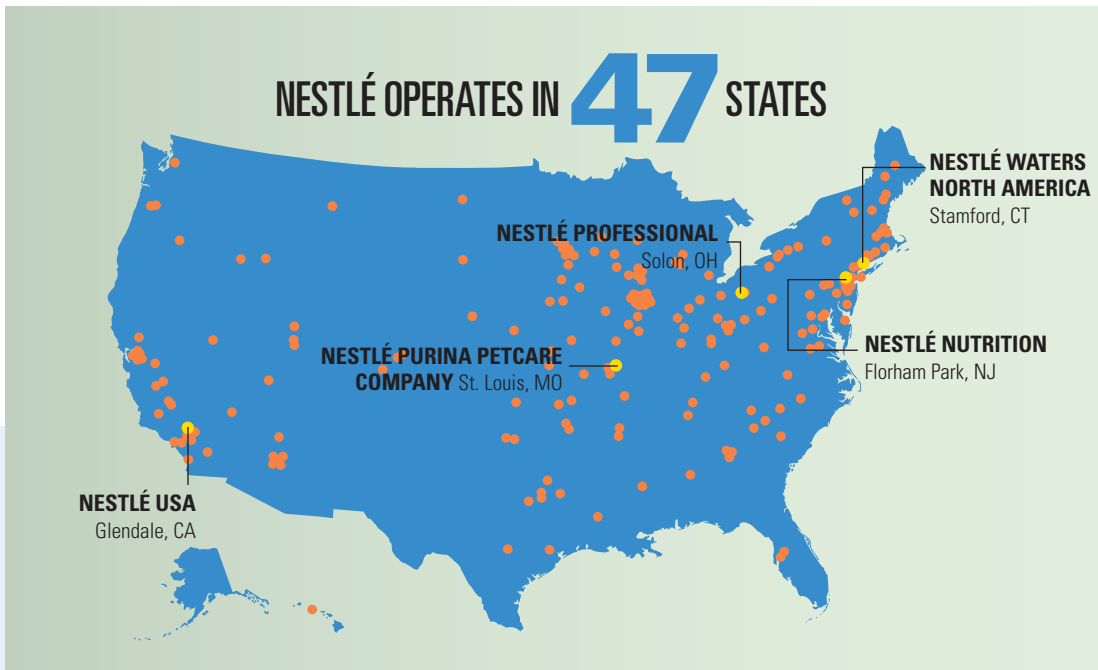
MATURE ADULTS/ GRANDPARENTS

For those seniors who are not consuming adequate nutrition to stay strong and active, **BOOST® Complete Nutritional Drinks** are an excellent source of many key nutrients needed for a healthy diet.

PETS

Purina® PRO PLAN® brand pet food contains guaranteed levels of "nutritional extras," like DHA for puppies and kittens, and a special nutrient blend to help promote digestion in senior cats.

5. Majority of daily fruit intake should come from whole fruit.



For 14 consecutive years, Nestlé has been named **one of the world's most admired food companies** by *Fortune* magazine.

NESTLÉ'S COMMITMENT IN THE UNITED STATES

The United States is the largest market of the world's largest food and beverage company. In 2010, Nestlé in the United States product sales totaled more than \$27 billion.

Nestlé in the United States consists of five businesses: Nestlé USA, Nestlé Waters North America, Nestlé Purina PetCare Company, Nestlé Nutrition and Nestlé Professional. Together, Nestlé businesses contribute to the financial strength of the communities where they operate by creating jobs, generating tax revenues for local, state and federal governments and supporting numerous local community programs.

Nestlé is strongly committed to health and wellness in everything we do, beginning with our employees. We offer competitive pay and comprehensive benefits programs that include health and wellness initiatives and world-class educational and professional-development opportunities.

Nestlé in the United States by the Numbers

\$27
BILLION SALES

10 new
FACILITIES SINCE 2008

120
LOCATIONS IN
47
STATES

Allentown, PA
Anderson, IN
Denver, CO
Fremont, MI
Gray Summit, MO
Greenwood, IN
Kingfield, ME
Sacramento, CA
Solon, OH
Stamford, CT

51,000
EMPLOYEES

NESTLÉ IS CREATING QUALITY JOBS AND ECONOMIC VITALITY

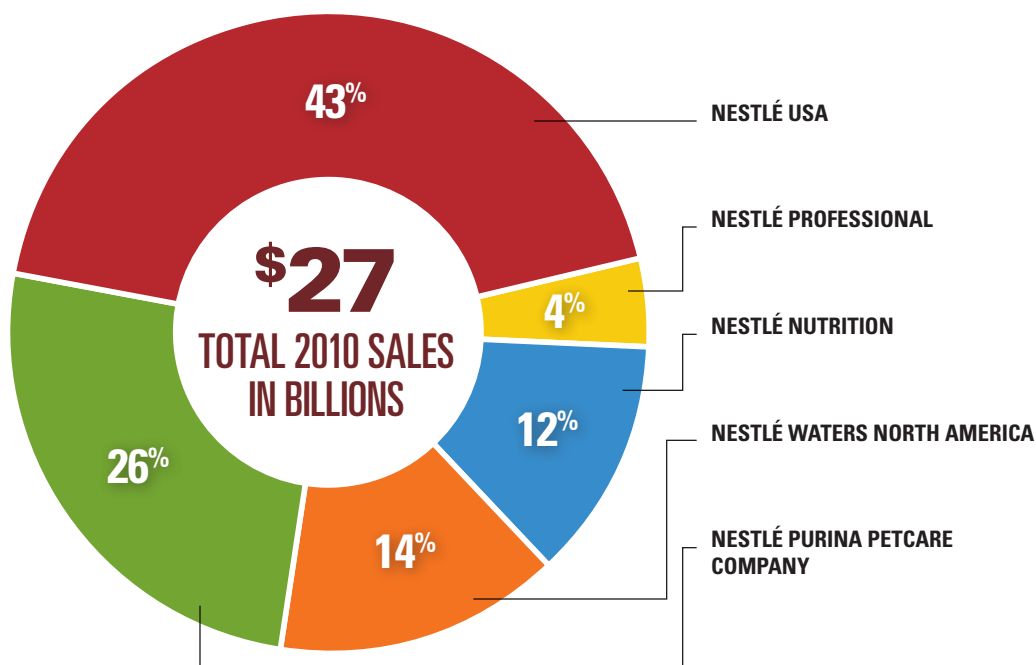
Creating Shared Value is not a catch phrase—it's a fundamental part of our business. We are committed to creating value for everyone we touch: our consumers, the communities where we operate, the farmers who produce our ingredients and, of course, our employees. Creating quality jobs and contributing to the economic vitality of the United States is one of our top priorities.

Nestlé Waters North America recently received a platinum award from the Business Council of Fairfield County, CT, for its commitment to healthy workplace environments.

HELPING COMMUNITIES GROW

- More than **\$500 million** has been invested in Indiana by Nestlé USA through the Anderson Beverage Facility, creating approximately **500 jobs**.
- Nestlé Waters North America has invested **\$440 million** in Maine since 1992, creating nearly **800 jobs**.
- Nestlé Purina PetCare Company is currently constructing a **\$15 million, 56,000-square-foot** employee education and training facility at its St. Louis headquarters campus.
- In 2010, Nestlé Purina PetCare Company unveiled its state-of-the-art **84,000-square-foot** Purina Event Center in Gray Summit, MO, which can accommodate the largest of dog and cat events.
- Nestlé Nutrition will **invest approximately \$500 million** in its manufacturing facilities during the next five years.
- In 2008, Nestlé Professional opened its Customer Innovation Campus in Solon, OH, a facility dedicated to the "away from home" food industry, creating more than **70 new jobs**.

Nestlé in the United States



In 2010, Nestlé Purina PetCare Company became the first consumer packaged-goods company ever to **receive a Malcolm Baldrige National Quality Award**.

Nestlé Waters North America plans to acquire 23 additional diesel-electric hybrid trucks—37 will be in operation by the end of 2011.



In 2010, Nestlé Purina PetCare Company **completed the installation of a solar panel array** at our Flagstaff, AZ, factory. A similar, smaller system is in place at our Denver facility.

Measuring Our Performance

Nestlé uses a number of key performance indicators (KPIs) to measure our environmental impact. As our product portfolio expands and changes, our environmental impact also changes. While we always strive for improvement, this does mean that our performance may not be directly comparable year to year. In the long term, Nestlé's facilities in the United States aim to produce a variable selection of food, bottled water, and pet food using less water, less energy and creating fewer greenhouse gas emissions per ton of product.

NESTLÉ IN THE UNITED STATES KEY PERFORMANCE INDICATORS

INDICATOR	UNITS	2009	2010	% CHANGE
Production Volume	Million tons	16.7	17.4	4.2%
INPUTS				
Water Withdrawal Rate	Million cubic meters per year	34.7	35.5	2.1%
	Cubic meters per ton of product	2.1	2.0	-2.0%
Total On-site Energy Consumption	Quadrillion joules* per year	18.7	19.4	4.0%
	Billion joules per ton of product	1.1	1.1	0.0%
OUTPUTS				
Total Water Discharge	Million cubic meters per year	16.2	17.1	5.5%
	Cubic meters per ton of product	1.0	1.0	0.0%
Greenhouse Gas Emissions	Million tons CO ₂ per year	0.6	0.6	0.0%
	Kilograms CO ₂ per ton of product	37.7	35.4	-6.0%

*A joule is a standard unit of energy; one joule is approximately the amount of energy required to lift a small apple one meter.

NESTLÉ IS CREATING SHARED VALUE FOR SUSTAINABLE BUSINESS PRACTICES

Nestlé is committed to producing tasty and nutritious food and beverages that also have a lower environmental impact. To do this, we continually strive to improve our operational efficiency and environmental performance. By applying new and innovative approaches at each stage of a product's life cycle, and by assessing the impact of our operations, we are contributing to a better future and *Creating Shared Value* for both Nestlé and society.

IMPROVING THE INPUTS OF OUR OPERATIONS

Between 2009 and 2010, the water withdrawal rate per ton of product decreased by 2%. The energy consumption rate per ton of product manufactured over the same period had no change. Reduction efforts include:

- Over the past five years, Nestlé Waters North America **reduced water consumption in its factories by 2.2%** while product volume increased by 27%.
- In Solon, OH, approximately 80% of Nestlé USA's Prepared Foods factory's energy needs are met with methane gas emissions from a landfill, **greatly reducing its greenhouse gas emissions.**

REDUCING THE ENVIRONMENTAL OUTPUTS OF OUR OPERATIONS

Between 2009 and 2010, water discharged from and the amount of greenhouse gases generated by Nestlé's facilities remained level; however, since production increased during that time, the amount of greenhouse gases generated actually decreased by 6% per ton of product manufactured. Other efforts include:

- In the U.S., Nestlé has selected a Certified e-Stewards® Recycler for computer-equipment disposal, which **assures it is reused or disposed of in an environmentally sustainable manner.**
- Nestlé Professional's manufacturing facility in Cleveland, OH, **partnered with local composters to divert food waste from landfills.**

DESIGNING AND BUILDING A SUSTAINABLE FUTURE

At Nestlé, we will continue to look for ways to improve efficiency and reduce the impact of our operations. This commitment applies to our facilities as well as the products we make.



Nestlé has **14 buildings designed for LEED certification** for sustainable construction issued by the U.S. Green Building Council, and two have achieved gold ratings.



NESTLÉ® JUICY JUICE®'s 64 fluid-ounce plastic bottle was redesigned, resulting in the reduction of nearly 725,000 pounds of plastic each year—**equivalent to saving more than 200,000 gallons of gasoline.**



Nestlé Nutrition reduced plastic in Infant Nutrition Meals and Drinks products by 588,000 pounds last year. This is **equivalent to saving more than 162,000 gallons of gasoline.**



Nestlé Waters North America's recyclable Eco-Shape® .5L bottle is one of the **lightest .5L bottles, containing 35% less plastic** than the same size bottle four years ago. Smaller labels save about 10 million pounds of paper a year—**equivalent to 30,000 trees.**



We carry out our *Creating Shared Value* commitment through numerous efforts focused on **nutrition, water and sustainability, and community development.**

Nutrition

Healthy Steps for Healthy Lives is part of  **Nestlé Healthy Kids** Global Programme

HEALTHY STEPS FOR HEALTHY LIVES

Launched in 2005, this groundbreaking program supports teachers' ongoing efforts to educate students about being healthy. **More than 40,000 Healthy Steps for Healthy Lives kits have been distributed to teachers reaching nearly 1 million children and their families.** In 2011, we updated this nutrition-education program in partnership with the National Education Association Health Information Network (NEA HIN) to reflect the latest nutritional guidelines.

FEEDING AMERICA

FEEDING AMERICA®

More than 154 million pounds of food and beverages have been distributed to 175 food banks over the past 20 years as part of a long-term relationship between Feeding America and Nestlé USA, Nestlé Waters North America and Nestlé Nutrition.

"The NEA HIN is completing a wonderful project, with Nestlé in the U.S. Through this joint project, we are creating teaching materials for primary grades that promote healthy living through good nutrition and physical activity. NEA HIN values both this partnership as well as the resources that Nestlé is contributing to help keep young people healthy."

Jerald Newberry,
Executive Director, NEA HIN

NESTLÉ IS CREATING SHARED VALUE IN OUR COMMUNITIES

Nestlé's good-life philosophy extends deep into the community. As the largest market of the world's largest food and beverage company, Nestlé in the United States has the opportunity and the responsibility to engage our consumers and the communities where we do business.

Water and Sustainability

KEEP AMERICA BEAUTIFUL®

Both Nestlé Waters North America and Nestlé Purina PetCare Company work closely with the organization to **encourage recycling to make America's communities cleaner, greener, safer and more livable**. In 2010, Nestlé Waters North America was awarded Keep America Beautiful's Vision for America Award for significantly enhancing civic, environmental and social stewardship throughout the United States.



PROJECT WET

Project WET has reached more than 145 million students and 300,000 teachers in every state through a 15-year sponsorship by Nestlé Waters North America to provide teacher, student and community training workshops on water-resource topics.



Community Development

DISASTER RELIEF

Committed to supporting people in need when they need it most, in 2010 Nestlé in the United States donated more than **\$1 million worth of bottled water and food products to help Haiti** in the earthquake aftermath.



ANIMAL WELFARE

Through programs such as Pets for People™, Purina Pro Plan Rally to Rescue and the One Hope Network by Purina ONE, Nestlé Purina PetCare Company promoted pet adoptions and supported animal welfare at animal shelters across America with more than \$20 million in funds and food. In 2010, the company also **helped 24 animal organizations affected by the Gulf oil spill feed nearly 4,000 dogs and cats in their care**.

Resources

Nestlé is connecting with communities and consumers around the globe with a variety of online resources.

NESTLÉ SA: Nestle.com **CreatingSharedValue.org and** **Nestle.com/CSV**

Nestlé is driving a global dialogue on nutrition and water and rural development.

www.Babymilk.Nestle.com

Learn how Nestlé is supporting the best start in life for babies, recognizing that the WHO code is an important instrument for the protection of infant health.

Ecolaboration.com

Brings stakeholders and Nespresso partners together to help Nestlé continuously improve the sustainability performance of the Nespresso business model.

Nescafe.com/sustainability-uk

Discover how NESCAFE® is working to ensure it has a positive effect on communities and the environment.

TheCocoaPlan.com

Brings together a number of initiatives in cocoa-growing communities to ensure cocoa-farming families continue to thrive.

NESTLÉ NUTRITION: **NestleNutrition.com**

Gerber.com

A tool for parents and caregivers designed to foster healthy growth and development and the early establishment of healthy eating habits from pregnancy to preschool. The website features everything from breastfeeding how-tos, to expert nutrition and feeding advice to an interactive menu planner.

Medical.Gerber.com

Health professionals can find resources and information related to infant feeding.

PowerBar.com

Athletes of all ages have access to nutrition planning, training resources, advice from sports dietitians, and tips from professional athletes.

JennyCraig.com

Consumers can find information about the Jenny Craig Program, follow their favorite celebrity spokesperson's journey, find healthy recipes, read success stories, and use Jenny Craig's eTools, which offer a menu planner, progress tracker and online journal.

NESTLÉ USA: NestleUSA.com

NestleFamily.com and Meals.com

Provides resources and recipes for healthier lifestyles.

LeanCuisine.com

Offers a number of weight-management tools including a Meal Planner, Fitness Planner and Ask the Nutritionist.

NESTLÉ WATERS **NORTH AMERICA:** **NestleWatersNorthAmerica.com** **NestleWatersCorporate.com**

Educational video series on bottled water. Resources for healthy hydration. Interactive water education module for children together with Project WET launching in 2011.

NESTLÉ PURINA PETCARE **COMPANY: Purina.com**

Petcentric.com

Pet lovers can post and share their photos and stories online.

PetsforPeople.com

Join Purina in its mission to provide food and shelter to homeless animals across the country.

RallytoRescue.org

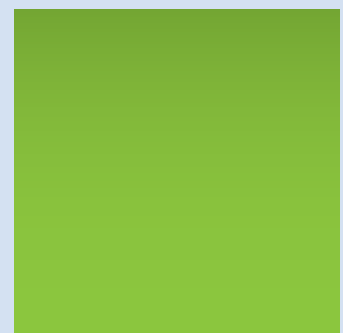
Helps rescue organizations give pets the nutrition and care they need and deserve.

NESTLÉ PROFESSIONAL: **NestleProfessional.com**

Provides foodservice operators with creative food and beverage resources and operational solutions.

NESTLÉ HEALTH SCIENCE: **NestleHealthScience.com**

Focused on pioneering science-based nutritional solutions to deliver improved personalized health care for medical conditions.



Nestlé Nutrition, 12 Vreeland Road, Florham Park, NJ 07932, (973) 593-7500

Nestlé Purina PetCare Company, Checkerboard Square, St. Louis, MO 63164, (314) 982-1000

Nestlé USA, 800 North Brand Boulevard, Glendale, CA 91203, (818) 549-6000

Nestlé Professional, 30000 Bainbridge Road, Solon, OH 44139, (440) 264-6600

Nestlé Waters North America, 900 Long Ridge Road, Building 2, Stamford, CT 06902-1138, (203) 531-4100

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