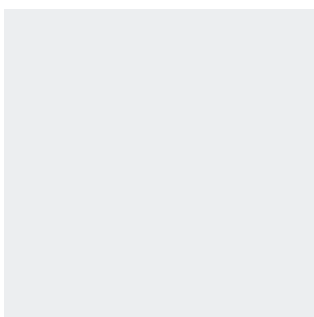


Nestlé in the United States

Meeting Society's Needs by Creating Shared Value





Letter from the CEOs

We are proud to be part of the largest food and beverage company in the world. In the United States, we sell a wide range of leading brands managed by our five businesses: Nestlé USA, Nestlé Waters North America, Nestlé Purina PetCare Company, Nestlé Nutrition and Nestlé Professional. Individually, each business focuses on its expertise to provide nutritious and great tasting choices in its category. Together, as one company, we share a commitment to quality and a mission of Good Food, Good Life.

Above all, at Nestlé we believe that for a company to remain successful in the long term, we must create value for our consumers and their pets, employees, shareholders, the communities where we operate and society as a whole. We call this *Creating Shared Value*.

We create shared value in a number of ways: 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; and by remaining actively engaged in our communities, supporting programs focused on nutrition, water and sustainability.

On the following pages, you will learn about some of our accomplishments, both individually and collectively. We are proud of these achievements, but know there is still more to do. We look forward to building on our strengths and *Creating Shared Value* for generations to come.

Sincerely,

Kim Jeffery, President & CEO,
Nestlé Waters North America

Perry Miele, President
Nestlé Professional North America

Paul Grimwood, Chairman & CEO,
Nestlé USA

Marilyn Knox, President & CEO, Gerber Products Company
Regional Business Head, Nestlé Infant Nutrition, NA

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

Nestlé: The World's Largest Food and Beverage Company

3

Nestlé may be best known for chocolate, but we also sell many of the best-known brands you've seen and enjoyed for years. With every brand, Nestlé is committed to providing the finest products to our consumers, their families and pets. We are equally committed to our employees, the communities where we do business, and the environment. That's what *Creating Shared Value* is all about.

7 billion-dollar BRANDS¹

**Stouffer's[®], Lean Cuisine[®],
DiGiorno[®], Nestlé[®] PureLife[®],
Gerber[®], Friskies[®] and Coffee-mate[®]**



Nestlé USA has 12 brands that are number one in market share in the U.S.

number one BRANDS



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

branded SOLUTIONS

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



number ONE



Nestlé Waters North America is the number one bottled water company in the U.S.³

NUMBER ONE company



Nestlé Nutrition is the number one infant nutrition company, number two weight management company⁴, and a leading performance nutrition company in the U.S.

number ONE & TWO

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.

Nestlé: A Good Food, Good Life Company

Our mission of Good Food, Good Life is focused on enhancing your quality of life, every day and at every stage, by providing high quality, great tasting and nutritious food and beverages for you, your family and pets.



We are committed to:

Supporting Healthy Living

As the world's leading Nutrition, Health and Wellness company, we provide a wide variety of portion- and calorie-controlled meals, low-fat offerings, whole-grain products and healthy hydration beverages that are not only nutritious, but also taste good. We are reducing sugar and sodium in many of our products and we provide easy-to-understand nutritional information to help you make smart choices.



Leading the Way In Innovation and Health Science Nutrition

Behind every Nestlé product is a team of scientists, product developers, designers, nutritionists, consumer service representatives and regulatory affairs specialists. 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 S.A. and the Nestlé Institute of Health Sciences. Established to pioneer science-based nutritional solutions, these two separate organizations focus on personalized healthcare. Nestlé Health Science aims to support society by delivering a positive impact on people's lives.

Making Products Better For You

Nestlé is continually striving to make our products even tastier and more nutritious. We are also working to help you reach your goals, from weight loss and athletic endurance to improved nutrition for babies, seniors and pets. On the next page are just a few examples of how we're leading the way in helping consumers embrace healthy, high quality lifestyles.

Weight management options for different goals

With a proven track record in weight management, Nestlé offers a variety of solutions for consumers and their pets.

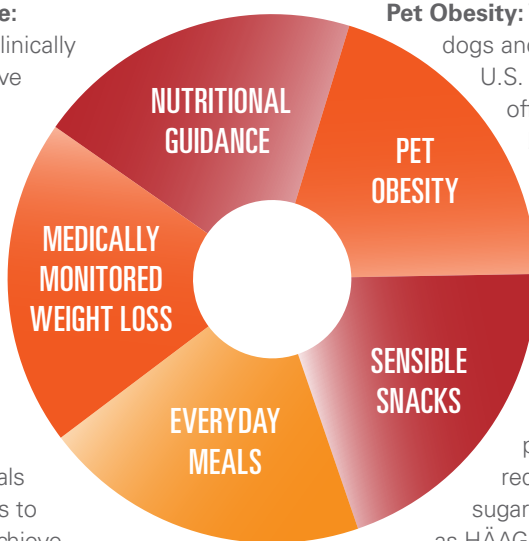
Nutritional Guidance:

JENNY CRAIG® is a clinically proven, comprehensive weight loss approach that promotes a healthy relationship with food, an active lifestyle and a balanced approach to living.

Medically Monitored Weight Loss:

OPTIFAST® has been working with healthcare professionals for more than 30 years to help obese patients achieve lasting weight loss.

Everyday Meals: LEAN CUISINE® provides calorie-controlled meals with excellent taste and nutritional balance.



Pet Obesity: With about 35 million dogs and 54 million cats in the U.S. overweight, PURINA® offers pet foods with balanced nutrition for safe, effective weight loss. "Project Pet Slim Down" encourages pet owners to manage their pets' weight.

Sensible Snacks:

Nestlé offers portion-controlled, reduced-fat and reduced-sugar frozen treats such as HÄAGEN-DAZS® and DREYER'S/EDY'S® snack-size cups and fruit bars.

We provide tasty, healthy food to enhance the lives of every member of the family.

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

Stouffer's mission is to help Americans enjoy a real dinner every night by offering a variety of meals, made just like you'd make them, freshly prepared with quality ingredients. 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 and achieve their athletic goals. The 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.

Pets

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

Mature Adults/Grandparents

For seniors who want to consume adequate nutrition to stay strong and active, BOOST® Complete Nutritional Drinks are a tasty, excellent source of many key nutrients needed for a healthy diet.

Turn Your Beverage Habit Upside Down

Being properly hydrated is one of the healthiest things you can do for your body. To help consumers make smart, healthy choices, a panel of national health experts developed the beverage pyramid which recommends that **no more than 20 ounces of a person's daily beverage intake should come from sugared beverages.**

1 WATER

Up to 6 cups, 0 cal/cups

2 UNSWEETENED COFFEE/TEA

Coffee: up to 4 cups, 0 cal/cup

Tea: up to 8 cups, 0 cal/cup

3 LOWFAT MILK/SOY

Up to 2 cups, 100* cal/cup

4 DIET DRINKS

Up to 4 cups, 0 cal/cup

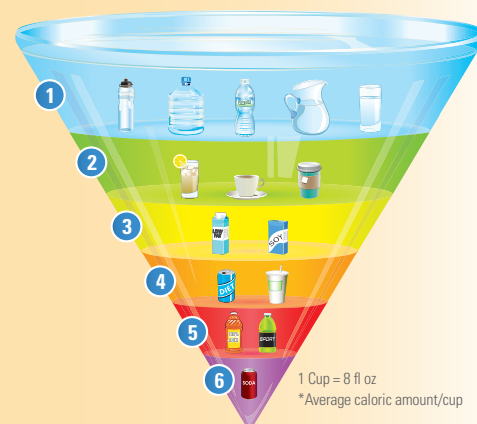
5 100% JUICE/SPORT

Juices: up to 1 cup, 115* cal/cup

Sport: based on duration and intensity of exercise

6 SODA/JUICE DRINKS

Up to 1 cup, 110* cal/cup



Nestlé Offers Nutritious, Great-Tasting Beverages For Healthy Hydration, Including:

- A wide range of **water options**, such as Nestlé® PureLife® Purified Water, Poland Spring® Brand Natural Spring Water, Arrowhead® Brand Mountain Spring Water and Perrier® and S. Pellegrino® Sparkling Natural Mineral Water Brands.
- Tradewinds® and Sweet Leaf® Tea, which contain **lower calories and natural tea antioxidants** in a variety of sweetened, unsweetened and diet flavors.
- NESTLÉ® NESQUIK® products with **reduced fat and sugar** options and a creamy texture that encourages children and adults to drink milk.
- NESTLÉ® JUICY JUICE® and GERBER® Juices available in a variety of delicious, nutritious flavors made from **100% fruit juice with no added sugar.**

Nestlé: Creating Quality Jobs and Economic Vitality

Creating Shared Value is 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.

For 15 consecutive years, Nestlé has been named one of the world's most admired food companies by *Fortune* magazine.

\$24
billion
SALES

120
LOCATIONS
IN 47
STATES



Nestlé in the
United States
by the Numbers

51,000
EMPLOYEES

14 NEW OR EXPANDED
FACILITIES SINCE 2008

Allentown, PA
Anderson, IN
Denver, CO
Eau Claire, WI*

Fort Smith, AR
Fremont, MI
Gray Summit, MO
Greenwood, IN
Kingfield, ME

Pasadena, TX
Sacramento, CA
Solon, OH
Stamford, CT

* Two facilities in Eau Claire, WI

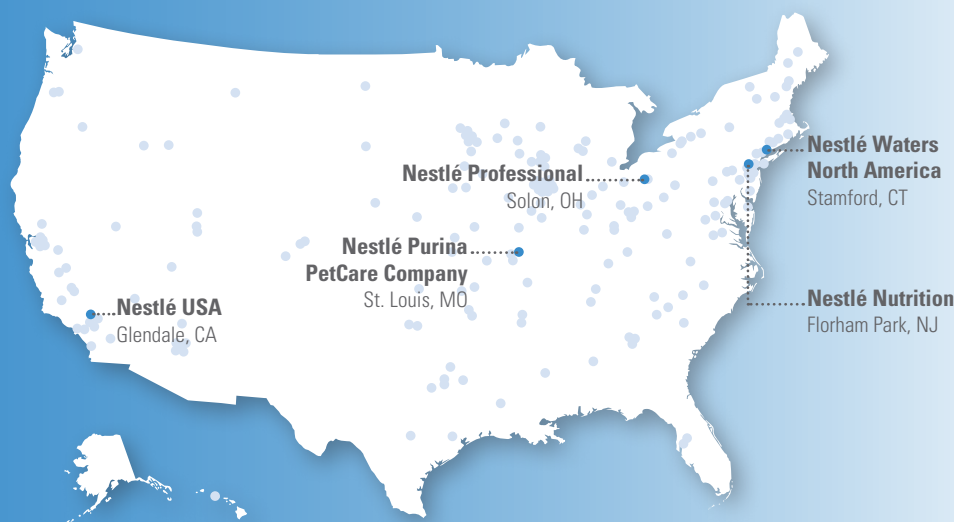
Nestlé's Commitment in the United States

The United States is the largest market of the world's largest food and beverage company. In 2011, Nestlé in the United States product sales totaled \$24 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.

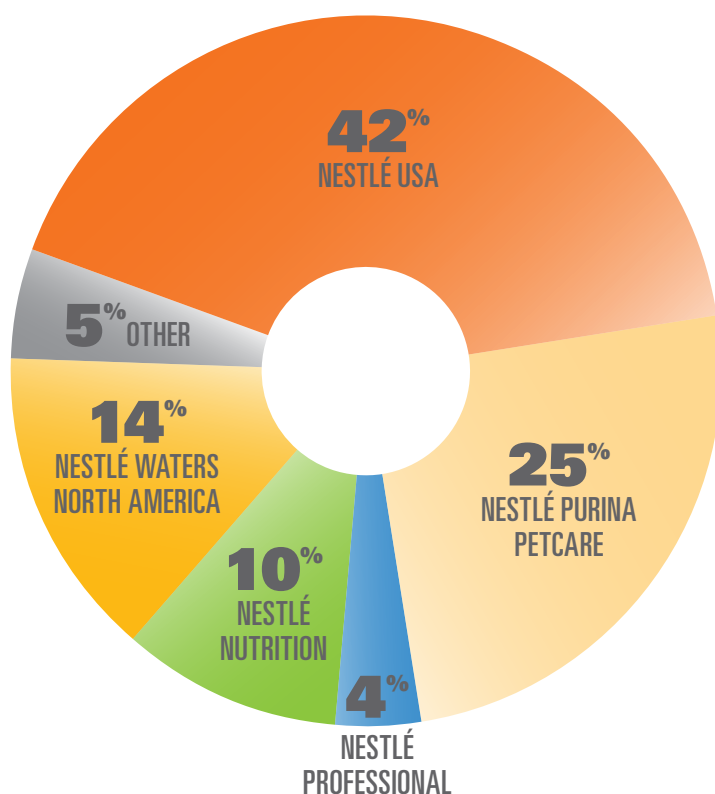
Nestlé is strongly committed to health and wellness in everything we do, beginning with our employees. We offer competitive pay and comprehensive benefits programs that include health and wellness initiatives and world-class educational and professional-development opportunities.

Nestlé
Operates in
47
STATES



Nestlé in the United States

Total 2011 sales: \$24 billion



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.
- Nestlé Nutrition will invest approximately **\$500 million** in its manufacturing facilities during the next five years.
- Nestlé Waters North America has invested **\$1.8 million** in Poland Spring/LabVenture, a cutting-edge science education program at the Gulf of Maine Research Institute that has benefited **over 58,000 5th and 6th graders**.

Awards

We are proud to be recognized for our achievements, which recently include:

- AmeriCares recognized the employees of Nestlé Waters North America for donating over 1 million bottles of water to disaster survivors across the U.S. in 2011.
- The Connecticut Quality Improvement Award Partnership named Nestlé Waters North America as a gold innovation prize winner for the Next-Generation Eco-Shape™ Bottle.



AmeriCares Honors Nestlé Employees for Disaster Response Work. Award accepted by Kim Jeffery, Nestlé Waters North America CEO.

Nestlé: 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 impacts of our operations, we are contributing to a better future and *Creating Shared Value* for both Nestlé and society.

Performance and Responsible Sourcing

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, less energy and creating less solid waste and fewer greenhouse gas emissions per ton of product. We are also working on establishing **responsible sourcing guidelines for key ingredients** that are used in many of our brands.

Indicator	Units	2010	2011	% Change
Production Volume	Million tons	17.4	19.3	11%
Inputs				
Total Water Withdrawal	Million cubic meters per year	35.6	38.7	8.5%
	Cubic meters per ton product	2.04	2.01	-1.8%
Total On-site Energy Consumption	Quadrillion joules* per year	20.1	21.0	4.6%
	Billion joules per ton product	1.15	1.09	-5.4%
Outputs				
Total Water Discharge	Million cubic meters per year	17.3	18.1	4.9%
	Cubic meters per ton product	0.990	0.940	-5.1%
Greenhouse Gas Emissions	Million tons CO2 per year	0.671	0.692	3.1%
	Kilograms CO2 per ton product	38.5	35.9	-6.7%
By-Products (for recovery)	Million tons per year	0.256	0.254	-0.71%
	Kilograms per ton product	14.7	13.2	-10%
Waste (for disposal)	Million tons per year	0.147	0.117	-21%
	Kilograms per ton product	8.45	6.05	-28%

Note: Some 2010 figures have been restated to reflect improved accuracy.

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

Improving the Inputs & Outputs of Our Operations

Nestlé in the United States has made significant progress in improving water efficiencies and reducing the environmental impact of our operations. Recent efforts include:

- Nestlé USA's Beverage facility in Anderson, Ind. **uses a water recovery system to reuse water** from its manufacturing processes in its cooling towers.
- The Laurel, Md. Ice Cream facility has met the "ENERGY STAR Challenge for Industry" and **received recognition for achieving an 11.3% reduction in energy intensity**. The team implemented projects to improve efficiency of lighting and refrigeration to reach this goal in just one year.
- Nestlé Purina's wet pet food plants have reduced gallons per ton of water used by an average of 4.3 percent every year since 2007. **In 2011, the company reduced water use by more than 46 million gallons over 2010** with almost similar production volumes.
- Nestlé Purina PetCare dedicated **the region's largest private solar array at its Flagstaff, Ariz. pet food manufacturing facility** in October 2011. The 427-kilowatt solar array represents the latest step in Nestlé Purina's commitment to being a leader in environmental performance and sustainability. Nearly 1,900 solar panels span over 70,000 square feet on the rooftop.
- 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 pollutants**. Over 70% of Nestlé Purina PetCare's products are shipped by participating truck and rail companies.
- Nestlé USA **launched a Zero Waste to Landfill initiative in 2011**. Total waste diverted from landfill to other beneficial uses like animal feeding, composting and recycling improved from 74% in 2010 to 80% in 2011. A total of 6 facilities now have diversion rates greater than 95%.
- Nestlé Waters North America is making good progress toward its goal of reducing carbon intensity across the company's value chain. **Between 2008 and 2011, greenhouse gas emissions (kg/liter) were decreased by 38%.**



Nestlé has developed the Nestlé Occupational Safety and Health Management System, which is based on the internationally recognized OHSAS 18001 standard. All Nestlé factories in the U.S. are either certified to this standard or are newly acquired and working toward certification. There are approximately 150 full-time equivalent Safety, Health and Environment positions across the various Nestlé operating companies in the U.S.



Nestlé Waters North America (NWNA) has set a goal of working with others to increase recycling rates for PET beverage bottles in the U.S. to 60% by 2018. This includes reducing our use of material and repurposing recycled materials by making new bottles from recycled plastic or rPET. Last year, NWNA collected 20mm pounds of our own plastic from deposit and curbside recycling systems, which was reprocessed to manufacture new bottles made from 50% rPET material.



Designing and Building a Sustainable Future

At Nestlé, we continually look for ways to improve efficiency and reduce the impact of our operations.



A In 2011, Nestlé received LEED certification for several facilities: Nestlé Waters North America received LEED Gold for its headquarters in Stamford, Conn., the company's 10th LEED-certified building; Nestlé USA received certification for operations in Schaumburg and Tinley Park, Ill., and achieved LEED Silver in its previously certified Anderson, Ind. factory following an expansion there; Nestlé Purina PetCare received LEED Silver for the Purina Farms Event Center Project in Gray Summit, Mo.



B Recovered wastewater from the Madison, Fla., Nestlé Pure Life factory is used to spray irrigate neighboring farm agricultural fields, creating potential water savings of 55 million gallons* from being withdrawn from local aquifer.
*Maximum annual recovery



C Nestlé Purina's employee volunteer sustainability team at its St. Louis headquarters, together with Site Services, introduced single stream recycling in August 2011, doubling monthly recycling rates in the last quarter of 2011 over the same quarter, 2010.

D To reduce environmental impact, Nestlé USA redesigned packaging for our Nestlé® Coffee-mate® and Nestlé® Nesquik® bottles. This resulted in reductions of 255 metric tons of corrugate and 363 metric tons of plastic packaging materials per year.

Nestlé Recognized as a Sustainability Leader

- The 2012 GlobeScan/ SustainAbility Survey of global industry experts and professionals named Nestlé in the top tier of corporate sustainability leaders.
- The 2011 Stockholm Industry Water Award was given to Nestlé for leadership and performance to improve water management in our internal operations and throughout our supply chain.



The Purina plant in St. Joseph, Mo., reduced water use per ton of product by 19% in 2011 over 2010 in its retort cooling process.

Nestlé: Creating Shared Value In Our Communities

In 2011 Nestlé Waters North America donated over one million bottles of water to disaster survivors across the United States.



Nestlé has a longstanding reputation for extending our good-life philosophy deep into the community. As the largest market of the world's largest food and beverage company, Nestlé in the United States recognizes that we have the opportunity and the responsibility to support our consumers and the communities where we do business.

We carry out our *Creating Shared Value* commitment through numerous efforts focused on nutrition, water and sustainability, and community development. Our employees are making a difference every day.



Find a bin.
Make an impact.
Take the title.
Learn more at www.recycle-bowl.org



Keep America Beautiful Presents



Sponsored by



Recycle-Bowl K-12 School Recycling Competition

Both Nestlé Waters North America and Nestlé Purina PetCare Company work closely with Keep America Beautiful® to encourage recycling to make America's communities cleaner, greener, safer and more livable. **In 2011, NWNA and Keep America Beautiful® launched Recycle-Bowl, the first nationwide recycling competition for elementary, middle and high school students.** Schools in 47 states competed and the program reached more than 500,000 students across America. The total amount of recyclables recovered during the competition added up to over 3 million pounds.



**FEEDING
AMERICA®**

Feeding America®

More than 168 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.



Watershed

Nestlé Waters North America (NWNNA) is committed to keeping watersheds healthy and clean and supports two watershed projects a year. These have included:

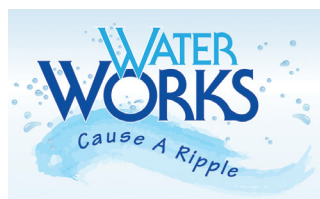
- **Ducks Unlimited**, the world's largest non-profit dedicated to the conservation of wetlands, where NWNNA's contribution will fund science-based programs and support wetland conservation programs in high priority areas.
- **Nature Conservancy, California**, where NWNNA's contribution supported an important research project to demonstrate how improving in-stream habitat can increase salmon populations.

Work was started on the Mill River Collaborative (Connecticut) and Ruby Mountain Springs (Colorado) watershed projects in 2011.



Project WET

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



Water Works Volunteer Program

Launched in June 2011, the Nestlé Waters Water Works program is already making an impact. **In its first six months, NWNNA employees volunteered more than 1,750 hours** doing everything from planting trees, to clearing invasive species along riverbanks, to working in soup kitchens to supporting Project WET festivals. A team of local volunteer coordinators plan and implement events in local communities.

Healthy Steps for Healthy Lives

is part of  **Nestlé Healthy Kids** Global Programme  **NEA Health Information Network**
Safe and Healthy Schools... A Basic Right for All



Healthy Steps For Healthy Lives

Nestlé in the United States has partnered with the National Education Association Health Information Network (NEA HIN) to provide nutrition and physical activity resources for teachers. Healthy Steps for Healthy Lives provides a variety of fun, easy-to-use instructional activities that teach K-3 students about being healthy. The program is part of the Nestlé Healthy Kids Global Program, a larger global commitment by Nestlé to create shared value through nutrition, health and wellness awareness among school age children.



"The NEA HIN has launched a wonderful project with Nestlé in the U.S. Through this joint project we have created 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



Resources

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

Nestlé SA: [Nestle.com](#)

[CreatingSharedValue.org](#) & [Nestle.com/CSV](#)

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

[Babymilk.com](#) & [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 NESCAFÉ® 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](#)

[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™.

Nestlé Purina PetCare Company: [Purina.com](#)

[Petcentric.com](#)

Pet lovers can post and share their photos and stories with us 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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