



Good Food, Good Life

# Nestlé in the United States

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Creating Shared Value  
Report 2015



## Performance Summary

Nestlé's performance indicators provide a focus for measuring and reporting Creating Shared Value, sustainability and compliance. This performance summary forms part of our communication on progress for the United Nations Global Compact Principles. Unless otherwise stated, performance indicators are for the year ending December 31, 2015. The references in the GRI column relate to the applicable indicator from the Global Reporting Initiative (GRI) G4 guidelines. We report against GRI G4 guidelines and indicators, in line with the material issues we need to address. The issues are identified through our stakeholder engagement process and they also shape the public commitments we have made. To provide transparency for our stakeholders, we've included the GRI G4 Content Index located at the end of this report, where we have indicated the correlation between GRI indicators, our key performance indicators and our commitments.

This reporting year was important not just for Nestlé but for the United Nations, civil society and the private sector as a whole. In September 2015, 193 Member States of the UN adopted 17 new Sustainable Development Goals (SDGs) to define global priorities from now until 2030. We are reviewing our commitments against the SDGs and believe we should focus on specific goals where, by the nature of the business we are in, we feel we can maximize our impact on a global scale.



Nestlé has worked with dairy farmers throughout its 150-year history. In this photo, farmers deliver milk to the Anglo-Swiss Condensed Milk Company factory in Cham, Switzerland in 1899.

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## Companion Reports



Nestlé in society: Creating Shared Value and meeting our commitments 2015



Annual Review 2015



Corporate Governance Report 2015  
Compensation Report 2015  
Financial Statements 2015



Nestlé Purina  
Creating Shared Value Report 2014



In July 2015, Nestlé partnered with Boys & Girls Clubs of America to launch the National Fitness Competition in Cleveland, Ohio.

# A Message from the Chairman and CEO of Nestlé USA

Following the release of Nestlé S.A.'s 2015 report, Nestlé in the United States is pleased to share our 2015 Creating Shared Value Report focused on our core themes: Nutrition, Health and Wellness; Environmental Impact; Water; Responsible Sourcing; and Social Impact.

Since Nestlé's beginnings more than 150 years ago, Creating Shared Value has been at the heart of how we do business and approach the future. Our firm belief is that for a company to prosper over the long term and create value for shareholders, it must create value for society. We embed that philosophy in everything we do.

When it comes to setting strategy, we take a long-term view. Our investments in nutrition science, environmental performance, supply chains and our people are designed to deliver long-term results to our business and society as a whole. We embrace sustainability as our ultimate goal, and Creating Shared Value is how we plan to get there.

At Nestlé, we know that as the world's largest food and beverage company, we have an opportunity to create immense positive impact. Our products reach nearly every household in the United States, with 97% of homes purchasing Nestlé brands. For the past 10 years we have worked to reduce sugar, sodium and saturated fat and remove trans fat from our products without sacrificing taste, positively impacting millions of consumers striving for better health and balanced diets. We are working to address childhood obesity, promote healthy habits and physical activity among school-age kids, and lead our industry in nutrition and health research.

Environmental sustainability is an important part of Nestlé's commitment to Creating Shared Value in society. In 2015, alongside industry peers, we used our voice to call for decisive action on climate change, encouraging governments to set measurable, science-based targets for carbon emissions reductions.

Furthermore, we continued our ongoing efforts to conserve water across all of our business units through advanced technologies and water stewardship, such as at our Modesto factory, and achieved further innovations across business lines in optimizing product packaging.

In 2015, we also furthered our efforts and commitments in responsible sourcing, supplier diversity, addressing human rights and farm animal welfare issues in our supply chains, and supporting local communities through employee training, recruitment and career opportunities.

We are proud of our progress and welcome your feedback on our commitments and performance.



**Paul Grimwood**  
Chairman and CEO of Nestlé USA





# Nestlé in the U.S. 2015 Highlights



Good Food, Good Life

## 1,222

We reformulated 1,222 food products and pet products<sup>1</sup> to consider nutrition or consumer preference, including reduced sodium, sugar, trans fat and artificial colors and flavors, as well as increased essential nutrients.

## 89%

In 2015, we completed 522 supplier audits in the United States, 115% of our target. This resulted in a three-year total of 1,419 completed audits, of which 1,275 (89%) were compliant to the Nestlé Responsible Sourcing Program.

## 99%

By the end of 2015, 99% of our children's products<sup>2</sup> met all of the Nestlé Nutritional Foundation (NF)<sup>3</sup> criteria for children, which are based on nutrition science and dietary recommendations such as those published by the World Health Organization and the Health and Medicine Division (formerly Institute of Medicine).

## 35

In 2015, 35 Nestlé factories achieved zero waste to landfill status in the U.S., 40% of our 100% target by 2020.



## Global

### Leader

Nestlé ranked 2nd in the 2015 assessment of the Global Access to Nutrition Index (published in January 2016), which benchmarks the world's largest food and beverage manufacturers on their nutrition-related commitments, practices and performance. Nestlé ranked 1st in the subcategories of breast-milk marketing practices, general nutrition and under-nutrition.

### A-

The CDP Water Program promotes sustainable corporate water stewardship. Nestlé participated for the second year running and in October 2015 received a "Leadership" score of A-.

### 100

In November 2015, we received a CDP Award from the environmental sustainability ratings agency CDP for having achieved a score of 100 A.

### Top Performer

With a score of 89, Nestlé was once again a top performer in our industry in the 2015 Dow Jones Sustainability Index, which measures performance of the world's sustainability leaders. Our score ranked us in the 98th percentile. We also received an industry-leading score of 99 out of 100 in the "environmental dimension."

### FTSE4Good

Nestlé remains included in FTSE4Good, which measures the performance of companies that meet globally recognized responsibility standards, including clear criteria on the marketing of breast-milk substitutes. In 2015, our practices were audited in 42 countries.

### #2

Nestlé ranks second on Oxfam's 2015 "Behind the Brands" sustainability scorecard, where the NGO ranks the world's "Big 10" consumer food and beverage companies on policies and commitments to improve food security and sustainability.

<sup>1</sup> Based on number of SKUs manufactured in the U.S.

<sup>2</sup> Products for which 50% or more of consumers are under 12 years old, or are designed for or perceived as being designed for this age group.

<sup>3</sup> The Nestlé Nutritional Foundation criteria are based on nutrition science and public health dietary recommendations, such as those of the World Health Organization (WHO), the Health and Medicine Division and other global or U.S. authorities, such as the Food and Drug Administration and U.S. Dietary Guidelines Advisory Committee. 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 status.

# Creating Shared Value: A Long-Term Perspective

## Celebrating 150 Years

To celebrate our 150th anniversary, we're looking back to the brothers whose work would lead to the company we are today. George and Charles Page from Lee County, Illinois, built Europe's first condensed milk factory in 1866 when they founded the Anglo-Swiss Condensed Milk Company. It would be a merger with rival Henri Nestlé, who in 1867 began



Henri Nestlé

selling his life-saving infant cereal in Vevey, Switzerland, that would lead to the creation of the Nestlé and Anglo-Swiss Condensed Milk Company. It was this partnership that started Nestlé on the path to the Nutrition, Health and Wellness work we do today. We continue to enhance lives with science-based nutrition and health solutions for all stages of life, helping consumers care for themselves, their families and their pets. Looking back, we see the beginnings of our conviction that for a company to be successful in the long term and create value for shareholders, it must create value for society. We call this approach Creating Shared Value, and we embed it firmly into all parts of our business.

Our growth has enabled us to improve and positively impact the lives of millions of people through the products and services we provide, employment, our supplier networks and the contribution we make to economies around the world. With this privilege comes immense responsibility and opportunity.

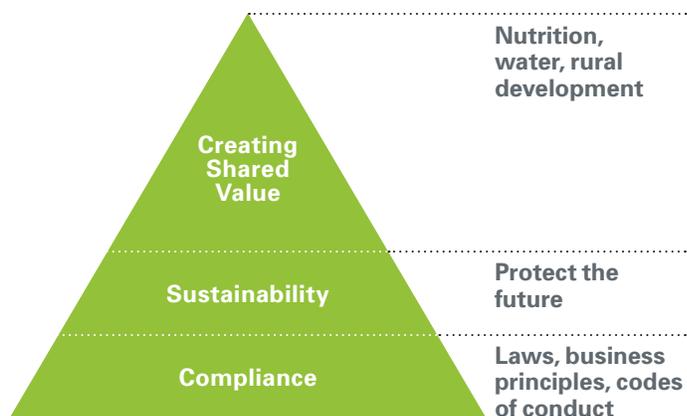
In addition to nutrition, we focus on water, an issue of critical societal concern and the linchpin of food security. We focus on rural and community development because the overall well-being of farmers, rural communities and suppliers is intrinsic to the success of our business. We continue to actively manage our commitments to environmental and social sustainability, necessary for operating our factories and facilities and for the sustainable growth and development of the communities where we operate.



Nestlé's 150th anniversary represents a significant milestone on our journey. For a company like ours to prosper, we must take a long-term view, framed in a robust set of principles and values developed over the last 150 years. These principles and values are based on respect for the people, communities, environment and future of the world we live in. Thus, our commitments go beyond compliance and are based on values that form the foundation upon which we build our actions in Creating Shared Value.

In 2012, Nestlé S.A. published a set of forward-looking commitments covering every part of our business, to provide a clear sense of our strategic direction and the standards to which we hold ourselves accountable. This year, 2016, marks Nestlé in the U.S.'s second year reporting in accordance with the GRI's G4 guidelines and Food Processing Sector Supplement. This report addresses material issues identified under the GRI framework and includes highlights on our progress.

## Creating Shared Value



# Nestlé in the United States

The United States is Nestlé’s largest market in the world. In 2015, our product sales totaled \$26 billion, and 97% of U.S. households purchased Nestlé products.

Nestlé in the U.S. consists of eight separate corporate entities: Nestlé USA, Nestlé Waters North America, Nestlé Purina, Gerber, Nestlé Health Science, Nestlé Professional,

Nestlé Skin Health and Nespresso. Together, our business units contribute to the financial strength of the communities in which we live and operate by creating jobs; generating tax revenues for the local, state and federal governments; and supporting numerous local community programs.

## Nestlé in the U.S. by the Numbers

**\$26 billion**

in sales

**87**

factories in 47 states

**51,000**

direct employees

**15**

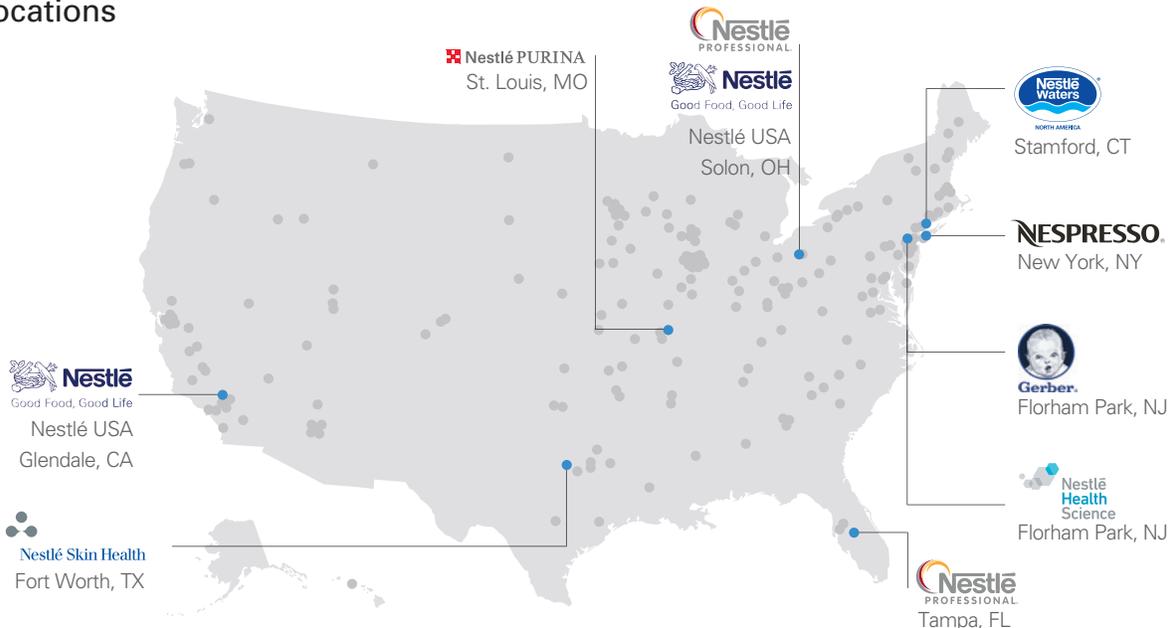
LEED-certified buildings

**6**

billion-dollar brands



## Key Locations



# Stakeholder Engagement and Material Issues

## 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 and to society.

### Key External Stakeholder Groups

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



## Material Issues

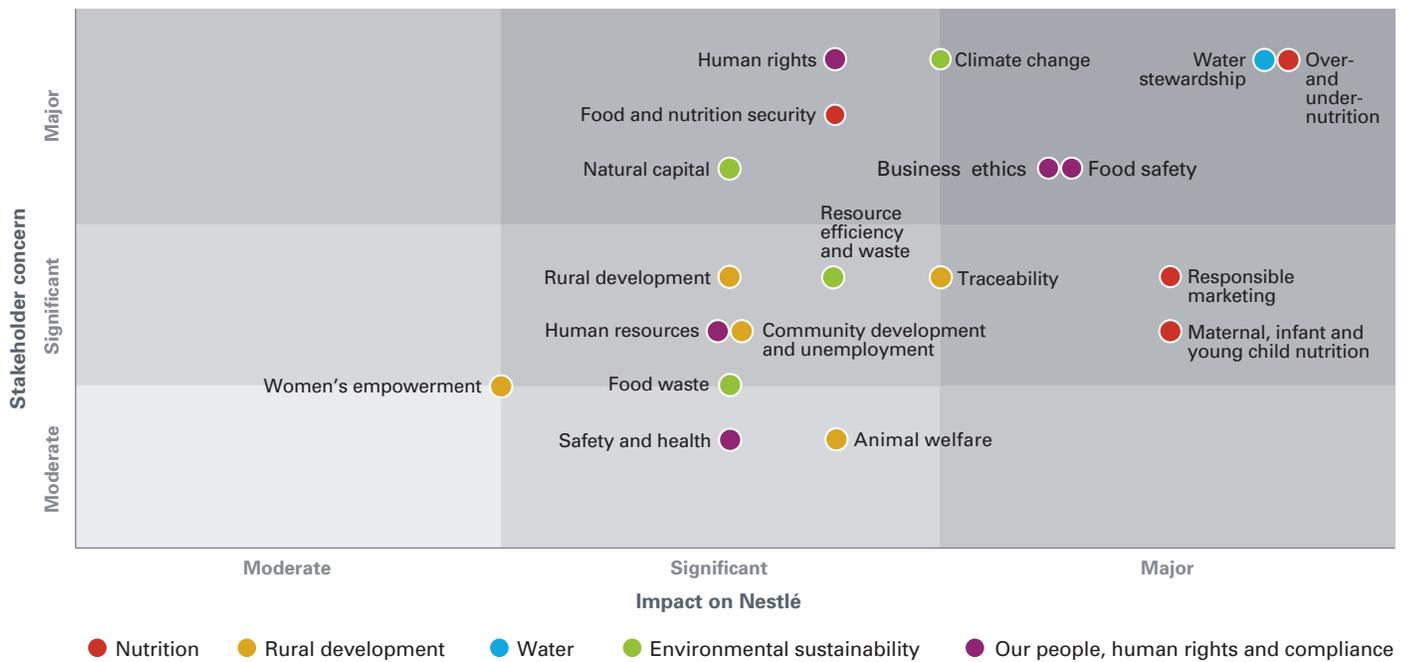
Materiality is about identifying the issues that matter most to our business and our stakeholders. We plot economic, social and environmental issues that are of most concern to our external stakeholders against those that pose risks or present opportunities to Nestlé in the U.S. In addition to identifying the risks and opportunities with the highest potential to impact our business, conducting a thorough materiality analysis helps us identify issues that stakeholders want to see us cover in our reporting.

In 2015, Nestlé held a stakeholder convening in Washington, D.C. for the first time since 2008 to determine which issues are most material to our external stakeholders here in the United States. The convening drew 61 external stakeholders representing organizations spanning academia, foundations, non-governmental organizations, international organizations, faith-based organizations, investors, government agencies and think tanks. The objective of the convening was to share Nestlé's progress against our Creating Shared Value commitments, hear and respond to what is most material to our internal and external stakeholders and build relationships to enable collaboration and collective action.

Our stakeholder engagement work determined that water stewardship, childhood obesity, and nutrition, health and wellness are the top three issues for our stakeholders in the U.S. Environmental stewardship also ranked high among our U.S. stakeholders. Rural development and food security ranked lower in importance, and although respondents considered these issues to be of lower priority, they continue to play a part in Nestlé's Creating Shared Value strategy globally and in the U.S., as they are very critical to our business.

Our goal is to continue to foster a transparent process to engage our stakeholders in discussing relevant environmental, social and community topics identified as unique 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, working continuously toward our stated commitments. We remain committed to all key topic areas for Nestlé and will continue to report and deliver against our stated objectives now and in the years to come.

## 2015 Nestlé Materiality Matrix



## 2015 Stakeholder Convening

Below is a list of organizations that participated in Nestlé's Stakeholder Convening in Washington, D.C. in December 2015.

- |  |   |   |   |
|--|---|---|---|
| Alliance for a Healthier Generation        | GreenBlue   | National Sustainable Agriculture Coalition          | UN Working Group on Business and Human Rights                   |
| American Heart Association                 | Heifer International                                | Oxfam America                                       | United States Council for International Business                |
| American Society for Nutrition             | Institute for Human Rights and Business USA         | Oxfam Novib   | University of Guelph  |
| Aspen Network of Development Entrepreneurs | Inter-American Development Bank                     | Pollution Probe                                     | University of Southern Carolina, Arnold School of Public Health |
| Business for Social Responsibility         | Interfaith Centre on Corporate Responsibility       | Robert Wood Johnson Foundation                      | University of Utah, College of Law                              |
| Closed Loop Fund                           | International Corporate Accountability Roundtable   | Solidaridad North America                           | U.S. Agency for International Development                       |
| Columbia Law School                        | International Finance Corporation, World Bank Group | STOP Obesity Alliance, George Washington University | U.S. Department of Agriculture                                  |
| Conservation International                 | International Life Sciences Institute               | Sustainable Food Laboratory                         | Verité  |
| American University                        | ITC Office to the United Nations                    | Sustainable Insight Capital Management              | World Animal Protection   |
| Dietitians of Canada                       | Landesa   | The Humane Society of the United States             | World Cocoa Foundation  |
| Environmental Defense Fund                 | Mercy For Animals                                   | The Obesity Society                                 | World Environment Center  |
| Fair Labor Association                     | National Research Council of Canada                 | The Pew Charitable Trusts                           | World Resources Institute                                       |
| Fair Trade USA                             |   | UN Global Compact                                   | WWF   |
| Foley Hoag LLP                             |   |   |   |
| Food, Nutrition & Policy Consultants, LLC  |   |   |   |
| Global Environment & Technology Foundation |   |   |   |



# Nutrition, Health and Wellness

## Topic Areas

- About Nestlé Nutritional Foundation
- Reducing Sugars, Sodium, Saturated Fats and Removal of Trans Fat
- Delivering Clear Nutrition and Ingredient Information
- Providing Choices
- Leading the Industry in Nutrition and Health Research
- Building Knowledge Leadership in Children's Nutrition
- Providing Nutritionally Sound Products Specifically Designed for Children

**Nestlé in the U.S. is committed to being a trusted leader in nutrition, health and wellness. Our diverse portfolio of products provides nutritious options and healthy choices for every member of the family at every stage of life.**

Creating opportunities for better health—through better diet and lifestyle—is one essential way we strive to create value for everyone in society. In the U.S., we are working diligently to address public health priorities and to meet people's changing preferences through research, education and partnerships. Our food and nutrition research and development network is rapidly innovating to continuously improve the nutritional quality of our foods and beverages. We are making progress toward our goals to gradually reduce sodium, sugar and fat in our foods and beverages. Meanwhile, we are implementing a strengthened policy on responsible marketing to children and providing clear nutrition information and portion guidance on our food and beverage labels. We are also engaged in multiple efforts and partnerships focused on promoting positive behavior changes that support a healthier diet and physical activity. Here are some examples of how we are leading the way in helping consumers embrace healthy lifestyles.



## About the Nestlé Nutritional Foundation

The Nestlé Nutritional Foundation (NF) criteria are based on nutrition science and public health dietary recommendations by international health authorities, including the World Health Organization (WHO), the Dietary Reference Intakes published by the Health and Medicine Division (formerly the Institute of Medicine) and other global and local authorities. We evaluate our foods and beverages against the Nestlé Nutrition Profiling System (NNPS) to determine their nutritional value and whether they achieve NF status. We have used this tool for more than 10 years to improve the nutritional profile of thousands of foods and beverages worldwide, and we will be setting new benchmarks in 2016.

### Principles of the Nestlé Nutritional Profiling System: How does a product achieve NF status?

1. Consider the product category and its role in the overall diet.
2. Consider specific nutritional factors relevant to public health (e.g. sodium and added sugars) and the contribution of essential nutrients (e.g. calcium).
3. Consider the likely portion size and use reference values specific to children and adults.

Our popular NESQUIK® brand has undergone continual sugar reduction for more than 15 years. Since 2000, we have achieved a 35% sugar reduction in NESQUIK's most popular chocolate powder. In 2015, we reduced added sugar in our NESQUIK powder formulas by 15% in the original chocolate powder and by 27% in the strawberry powder, compared to 2014 levels. Our reformulations and extensive consumer testing has ensured that the new, less-added-sugar recipes maintain the same great taste that consumers expect from the beloved and popular brand.



## Reducing Sugars



Nestlé is strongly committed to helping consumers meet the 2015–2020 Dietary Guidelines for Americans (DGA) recommendation to consume less than 10% of daily calories from added sugars, as illustrated by our recently updated Nestlé Policy on Sugars. We also support the FDA's proposal to require added sugars on the Nutrition Facts Label. We have committed to target further reduction of sugar content by an average of at least 10% from 2013 levels over a three year period (2014–2016) among food and beverages that do not already meet the NF criteria for sugar. We made progress in 2015 toward our objective of a 10% reduction. Our continual challenge is to develop solutions that allow us to provide more nutritious versions of our foods and beverages while meeting consumers' preferences for taste. We continue to identify projects to reduce sugar and this work will continue beyond 2016.



# Nutrition, Health and Wellness

## Reducing Sodium



Since 2013, we have accelerated salt reduction across our foods and beverages to help consumers reach recommended target levels established by WHO and other authorities. Our global Policy on Sodium targets further reductions by an average of at least 10% from 2012 levels over a four-year period (2013–2016) in foods and beverages that do not meet NF criteria for sodium. By the end of 2015, we achieved an overall sodium reduction of 7.4% toward our objective of a 10% reduction. In 2014, 100% of GERBER® products for infants, toddlers and preschoolers met NF criteria for sodium.

### Removing artificial flavors and cutting sodium in our pizza and snacks

We know that people want to feel good about the foods they eat, and they're seeking foods made with fewer ingredients and less sodium. In 2015, we improved more than 250 products across six brands in the United States, including DIGIORNO®, TOMBSTONE®, CALIFORNIA PIZZA KITCHEN®, JACKS®, HOT POCKETS® and LEAN POCKETS®. By the end of 2015 we had:

- Removed artificial flavors from every product within these brands
- Reduced sodium by an average of 10% across the entire portfolio compared with 2013 levels
- Incorporated packaging guidance to help educate consumers about appropriate portion sizes and the importance of eating fruits and vegetables to create a balanced plate

These changes build on our ongoing efforts to improve nutritional and ingredient profiles while maintaining the great taste consumers expect.



## Reducing Saturated Fats and Removal of Trans Fat



Dietary fats are an important part of a balanced diet. Consuming too much fat, especially partially hydrogenated fats, poses a significant increase in risk for the development of non-communicable diseases, such as heart disease. Most trans fatty acids are formed when vegetable oil undergoes a process known as partial hydrogenation, which makes it more solid at room temperature. In 2014, we strengthened our longstanding policy on trans fat reductions and committed to removing trans fat originating from partially hydrogenated oils (PHOs) used as functional ingredients from all our food products. By the end of 2016, Nestlé is targeting to have zero foods or beverages containing trans fat originating from PHOs in functional ingredients.

Saturated fats are found in animal fat products, such as cream, cheese, butter and fatty meats, and a few plant sources. We committed to reduce saturated fat content by an average of at least 10% from 2013 levels over a three year period (2014–2016) among food and beverages that do not already meet the NF criteria for saturated fat. Though we made progress in 2015, this is the most challenging part of our portfolio to reformulate. We have identified the foods and beverages that are not yet compliant and will continue renovating products to meet our commitment. However, this renovation work will go beyond 2016.

## Removing Trans Fat in COFFEE-MATE®



In the 2014 Nestlé in Society: Creating Shared Value report, we announced our work to reformulate liquid COFFEE-MATE® creamer, replacing 16,000 metric tons of PHO with a high oleic soybean oil called Plenish®, and removing 6,000 metric tons of trans fat. At the end of 2015, we transitioned 80% of the Coffee-mate portfolio to high oleic soybean oil. Altogether, 25,000 metric tons of oil have been replaced, resulting in the removal of 9,990 metric tons of trans fat from Coffee-mate creamer sold in the United States.

The increasing use of Plenish® high oleic soybean oil by Nestlé and other companies embodies Creating Shared Value. Our efforts to improve the nutritional value of our products by replacing PHO with Plenish oil are having a positive impact on farming communities in the U.S. In addition to having 0 grams of trans fat, high oleic soybean oil is more stable and is lower in saturated fat compared to commodity soybean oil. These attributes are expected to help soybean farmers recapture the vegetable oil market share they lost in recent years as food companies moved away from partially hydrogenated soybean oil. Farmers receive a price premium for the high oleic variety of 5% over the commodity market value, which translates to about \$25–\$30 more income per acre.

The soybean seed varieties that produce high oleic soybean oil are high yielding, and a life cycle analysis on its production and use demonstrated that the new variety has a lower negative impact on the environment compared to conventional soybean oil. In 2016, Nestlé expects to source an additional 32,000 metric tons of Plenish oil, enabling the full removal of PHO from Coffee-mate creamer.





# Nutrition, Health and Wellness



## Supporting Dietary Guidelines

At Nestlé, we take seriously our role in nutrition, health and wellness, and are working diligently to address public health priorities and meet consumers' changing preferences with more choices. We support the 2015–2020 Dietary Guidelines for Americans (DGA) released in early 2016, which provide science-based advice on health promotion and reducing the risk of major chronic disease through a healthful eating pattern and regular physical activity.

With 97% of U.S. households purchasing Nestlé products, we have a responsibility to provide nutritious foods and beverages that fit into a healthy diet, and to provide tools that make it easier for Americans to achieve the recommendations outlined in the DGA. Nestlé strongly agrees with the DGA recommended strategy to adapt portion sizes to help consumers get the nutrition they need within their calorie limits, which is the motivation behind our portion guidance efforts, including the Thoughtful Portion™ box of the Nutritional Compass. Nestlé particularly commends the DGA recommendation that the primary beverages consumed should be either calorie-free—especially water—or contribute beneficial nutrients, such as fat-free and low-fat milk and 100% juice.

## Dietary Guidelines for Americans

Since 1980, the DGA has helped inform the public as well as nutrition programs and policies of government agencies. The guidelines also influence product innovation, renovation and other nutrition-related initiatives of food manufacturers like Nestlé.

Together with prominent public health advocates, Nestlé Waters raised the importance of having water consumption be a fundamental part of the DGA. Similar to the guidelines in other countries, the DGA added the recommendation to drink water instead of sugary drinks.



## Delivering Clear Nutrition and Ingredient Information



We believe in empowering consumers to make informed choices and are committed to providing clear nutrition and ingredient information. We have continued to expand Facts Up Front across the U.S. portfolio.

We want to encourage consumers to adopt smaller portion sizes through Nestlé Portion Guidance™, our voluntary and proactive initiative. It helps redefine typical portion size considerations, particularly for energy-dense foods and beverages. We offer portion-controlled options across our U.S. portfolio and provide on-pack portion guidance to communicate moderate portions simply and clearly. We recently updated more than 400 labels in our confections portfolio alone to incorporate Thoughtful Portion™ advice. We are also promoting portion guidance through innovative packaging solutions and product design, along with tips on brand websites and on [www.nestleusa.com](http://www.nestleusa.com).



# Nutrition, Health and Wellness

## Providing Choices



More and more, our consumers' tastes and preferences are changing, as is what they define as relevant. We are on a journey to evolve with consumer preferences and offer greater choice, just as we have throughout our global company's 150-year history. We are developing new recipes and updating existing ones across our entire portfolio to simplify ingredient lists while maintaining the same great tastes consumers have grown to love. Innovations in 2015 brought to market products with a range of features our consumers are looking for, including gluten-free and made with organic ingredients, and the removal of artificial flavors. We have also removed artificial colors, adding colors from natural sources when coloring is needed. These renovations come from some of our most popular brands, including the removal of artificial flavors and colors from artificial sources from the entire chocolate confections portfolio and the majority of the NESTLÉ TOLL HOUSE® line. We also removed artificial flavors from our entire line of frozen pizza and snacks, which includes iconic brands like TOMBSTONE® pizza and DIGIORNO® pizza. The LEAN CUISINE® brand introduced various recipes that feature no GMO ingredients, no preservatives, organic ingredients, whole grains, vegetables, and high protein.

## Leading the Industry in Nutrition and Health Research



Nestlé has the world's largest private food and nutrition research and development network in the industry—rapidly innovating conventional and medical foods, beverages and services to meet nutrition, health and wellness needs. We have 39 Research and Development Centers, and Product Technology Centers, around the world. Nestlé Product Technology Centers develop innovative technologies and manufacturing processes that are the basis of new product development, and we apply these technologies in our operations. Our R&D centers have both a global role and local role. They meet regional needs and provide technical expertise in specific areas such as beverage system technology. In 2015, we invested \$1.7 billion globally in research and development, predominantly for food and beverage businesses, and filed 292 patents, 61 of which were filed here in the U.S. Our R&D centers across the United States are helping Nestlé respond to the growing diversity and nuances of food preferences, and guiding our progress toward delivering better nutrition for current and future generations.

## Our Commitment to Pet Nutrition

Nestlé Purina is dedicated to improving the lives of pets by providing healthy, 100% complete and balanced pet foods backed by our leading science and nutritional expertise and produced using the highest standards in safety and quality. We develop each of our products under the supervision of pet experts. More than 500 Nestlé Purina nutritionists, behaviorists, veterinarians, immunologists and other pet experts around the world use their expertise daily to enrich our knowledge about pet nutrition and care. Drawing on their collective knowledge, Nestlé Purina scientists share information and results that direct decisions in the development process from the research center to the food bowl. We also understand how nutrition affects a range of important health issues, so we work to help pets live longer, healthier lives by pushing nutrition forward in the areas of healthy aging, healthy metabolism, oral health and microbiome digestive health, healthy early development and well-being. A recent innovation in our work on healthy aging is Purina® Pro Plan® Bright Mind™ Adult 7+ formula, launched in 2015 in the U.S. and Canada. Around age 7, a dog's glucose metabolism in the brain begins to change, which can affect memory, learning, awareness or decision making. After years of research, our experts have created a way to promote alertness and mental sharpness in senior dogs (age 7 and up).

### More Choices with No GMO Ingredients

Nestlé has always been in favor of innovation and the responsible use of scientific and technological advances. We agree with numerous scientific bodies and regulatory agencies (National Academy of Sciences, World Health Organization and FDA to name a few) that foods made with ingredients from GMO crops are as safe as foods made from conventional crops. GMO crops are rigorously tested in consultation with the FDA and USDA before they reach the market.

At the same time, we recognize that some of our consumers prefer foods that do not contain GMO ingredients and want to be able to easily identify them. As a result, we are adding "No GMO Ingredients" choices to our Nestlé USA food and beverage portfolio. In 2015, we launched six LEAN CUISINE® products certified as made with organic ingredients that are labeled "No GMO Ingredients" with products from more of our brands planned for 2016. We are working with a third-party verifier, SGS, a global company headquartered in Geneva, Switzerland, to ensure our supply chain and manufacturing processes are consistent with the "No GMO Ingredients" claim. We take this extra step to provide our consumers with additional confidence.



# Nutrition, Health and Wellness

## Providing Continuing Education Programs



A key tenet of leading the industry in nutrition and health research is sharing this knowledge and information with others. In 2015, we held more than 125 events for health professionals in both the nutrition and pediatric fields spanning topics from pediatric obesity to pediatric allergies to neonatal and pediatric nutrition via webinars, speaker-related programs, and continuing education programs. Both in-person meetings and online events resulted in more than 28,000 participants.

Nestlé Purina offers programs and funding to provide shelter professionals access to information, experts and continuing education. Adoption Options is a free, multi-city pet welfare workshop tour across North America that features nationally recognized speakers in the field. The workshop is geographically customized for employees and volunteers of pet shelters and rescue organizations, and is focused around the placement, promotion and behavior of homeless pets. Approximately 2,000 pet welfare professionals and volunteers attend annually. We also offer grants for shelter professionals to attend single-day workshops on shelter medicine, pet behavior and creative adoption and fundraising programs.

## Nestlé Skin Health and SHIELD

In 2015, Nestlé Skin Health announced plans to open a global network of innovation and education hubs around the world that will develop ideas, solutions and techniques to promote healthy skin through convergences of medicine, education and technologies. The development of this network, called SHIELD, or Nestlé Skin Health Investigation, Education and Longevity Development is a response to the expected rise in skin health challenges associated with unprecedented human longevity expected in the 21st century and beyond. The SHIELD network will be comprised of centers for collaborating with visionary thinkers from dermatology, general medicine, aging, nursing, technology, patient advocacy, and the arts, providing an environment for active engagement with innovative ideas and cutting-edge technologies, with the goal of creating solutions for skin health needs. The first location is planned to open in New York, followed by Asia, Europe, and Latin America.



**Nestlé Skin Health  
Investigation, Education,  
Longevity Development  
SHIELD Centers**



## Promoting Healthy Hydration

Nestlé continues to raise awareness of the importance of healthy hydration in healthy lifestyles through communication, outreach and advocacy. We support the 2015-2020 Dietary Guidelines for Americans, which recommend limiting added sugars to less than 10% of total calories and to choose beverages with no added sugars, such as water, in place of sugar-sweetened beverages.

Nestlé Waters shares evidence-based scientific information through its Healthy Hydration Toolkit with partners like the Partnership for a Healthier America Drink Up initiative, health professionals, clients and communities to help consumers make informed decisions that can positively impact a healthy lifestyle.

By 2017, we will share research on the projected benefits of thoughtful beverage choices. We will also engage with health professionals and opinion leaders who can advocate for water consumption as one strategy to reduce added sugars and calories in the American diet.





# Nutrition, Health and Wellness

## Building Knowledge Leadership in Children's Nutrition

Through our large-scale research projects in the United States and around the world, we are developing a deeper understanding of the dietary intake and lifestyle behaviors of children from infancy through early adolescence that impact health. Our Feeding Infants and Toddlers Study (FITS) focuses on children from 0–4 years old and our Kids Nutrition and Health Study (KNHS) focuses on children from 4–12 years old. First launched in 2002 and repeated in 2008, FITS' third round of data collection was launched in 2015. We gathered dietary intake data and collected comprehensive information on feeding habits, physical activity, food security and participation in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Two scientific papers were published in peer-reviewed journals in 2015. FITS 2008 research showed that many parents do not recognize overweight/obesity in their children and may not be aware of eating behaviors and activities that are necessary for developing lifelong healthy habits (published in *Preventing Chronic Disease*).

KNHS research revealed key insights into the dietary patterns of kids 9–2 years old, most notably that 17% of kids in this age group are skipping lunch. This manuscript was accepted for publication by the *Journal of the Academy of Nutrition and Dietetics* and made available in February 2016. A review of parenting styles, feeding styles and feeding practices related to obesity risk in children was published in *Frontiers in Psychology*. Both FITS and KNHS are helping Nestlé better understand children's eating patterns and nutritional requirements, and helping define and improve our product formulations, consumer communications and educational programs.



### Our Commitment to Child Nutrition Research

Supporting sound nutrition from infancy





**FITS evaluates**  
birth to 4 years



**KNHS evaluates**  
4 to 12 years

**What information is gathered?**



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**What are the key findings and milestones in the US?**

**2004**  
FITS reveals snacks provide about 25% of daily energy intake for toddlers 12-23 months of age.

**2004**  
FITS reveals French fries and other fried potatoes are the #1 vegetable in the diet of toddlers 15-23 months of age.

**2006**  
FITS reveals infant cereal is the #1 food source of iron for infants 6-11 months of age.

**2010**  
FITS reveals fruit and vegetable consumption is below recommended levels for infants, toddlers and preschoolers.

**2014**  
KNHS reveals 62% of kids 8-12 years of age are falling short on calcium.

**2014**  
KNHS reveals milk (plain and flavored) is the leading source of vitamin D, calcium, and potassium in kids 2-8 years of age.

**2014**  
FITS reveals WIC toddlers 12-23 months of age are more likely to consume sweets like sugar-sweetened beverages, but less likely to consume fruit.

**2015**  
KNHS reveals 17% of kids 9-13 years of age are skipping lunch.





# Nutrition, Health and Wellness

## Providing Nutritionally Sound Products Specifically Designed for Children

By the end of 2015, nearly 100% of our children's (0–12 years old) products met the NF criteria for children. Gerber achieved this milestone for 100% of its infant, toddler and preschooler products in 2014. In addition to this milestone, Gerber invested more than \$100 million in technology and worked with more than 80 experts for more than 120,000 development hours to announce our breakthrough innovation in 2015 with GERBER 3RD FOODS® Lil' Bits™ recipes, a new line of baby foods with soft pieces of fruits or vegetables that help babies master essential chewing skills while providing essential nutrition.

## Continued Leadership on Childhood Obesity

Childhood obesity, ranking high on the list of issues material to our stakeholders in the United States, is an issue we have joined with many partners to address and are committed to being part of the solution. Nestlé is a founding member of the Healthy Weight Commitment Foundation (HWCF), a CEO-led coalition of more than 300 organizations helping families and schools fight childhood obesity since 2009. In 2015, Nestlé contributed program data to the HWCF's Commitment to Healthy Communities program, an academic research partnership with City University of New York that seeks to assess the impact of community programs sponsored by food and beverage companies designed to combat hunger and obesity. We are also part of the Roundtable on Obesity Solutions. Established in 2014 by the Health and Medicine Division (formerly the Institute of Medicine), the Roundtable on Obesity Solutions engages leadership from multiple sectors, including Nestlé, to help solve the obesity crisis. Our partnership with the Boys and Girls Clubs of America, also highlighted in this report, promotes physical activity and tangible fitness goals among youth, a key area where we can make a difference.



Additionally, as a founding sponsor, Nestlé partnered with the American Academy of Pediatrics to launch its new division, The Institute for Healthy Childhood Weight (IHCW), to focus on translating policies, best practices and emerging scientific evidence into practical solutions for health care providers, communities and individual families. Established in 2012, the IHCW has provided education and practical tools to pediatric healthcare professionals and consumers.

## GERBER® Start Healthy, Stay Healthy™



GERBER® developed its Start Healthy, Stay Healthy™ stage-based nutrition system of food and beverage educational materials and easy-to-use tools. This system, which is based on the latest peer-reviewed nutrition science, is designed to help guide healthy growth and development of children from ages 0–4 years old. It also helps promote the early establishment of healthy eating habits in the critical early years. Breastfeeding is at the heart of the Start Healthy, Stay Healthy™ Nutrition System, and Gerber recommends breastfeeding as the ideal nutrition for babies. To learn more about these resources, visit [www.gerber.com](http://www.gerber.com).

## Encouraging Healthy Eating for Infants and Toddlers

The Start Healthy, Stay Healthy™ Early Childhood Nutrition program continues to tackle childhood obesity rates in local communities by teaching parents and caregivers of children 0–3 years old simple ways of improving the diets of infants, toddlers and preschoolers. We're partnering with academic institutions and community organizations to deliver an unbranded, peer-reviewed curriculum and training for local residents who then act as advocates and peer educators in their communities. This program covers topics including the importance of breastfeeding, how to increase fruit and vegetable consumption, healthy snacking, dealing with fussy eaters and recognizing hunger and fullness cues. In 2015, we continued to build on our previous obesity prevention work started in 2014 in Newark, New Jersey, with Rutgers University-Newark and Program for Parents, Inc., and trained 57 people. Similarly, we continued work started in the Woodland neighborhood of Birmingham, Alabama, with the University of Alabama at Birmingham School of Health Professions and Woodlawn Foundation and trained more than 200 parents, caregivers and students about preventing obesity through early childhood nutrition.

<sup>1</sup> Products for which 50% or more of consumers are under 12 years old, or are designed for or perceived as being designed for this age group.



# Environmental Sustainability

## Topic Areas

- Our Environmental Performance
- Improving Resource Efficiency
- Improving Environmental Performance of Packaging
- Providing Climate Change Leadership
- Promoting Transparency and Proactive, Long-Term Engagement in Climate Policy

## Our Environmental Performance

Environmental sustainability means protecting the future by making the right choices for a world in which natural resources are constrained, biodiversity is declining and climate change may be exacerbating these challenges. It also means meeting our consumers' needs and living up to the expectations of employees and external stakeholders about our environmental responsibility and practices. Our goal at Nestlé is to make foods and beverages that deliver better nutrition and great taste while improving environmental sustainability across our entire value chain.

		Nestlé in the United States										
Indicator	Units	2010	2011	2012	2013	2014	2015	% Change 2010–2015	% Change 2011–2015	% Change 2012–2015	% Change 2013–2015	% Change 2014–2015
Production volume	10 <sup>6</sup> metric tons	17.3	17.5	18.1	18.3	19.2	19.5	12%	11%	7%	7%	2%
<b>Inputs</b>												
Total water withdrawal	10 <sup>6</sup> m <sup>3</sup> per year	35.0	36.3	36.0	34.6	35.5	35.4	1%	-2%	-2%	2%	0%
	m <sup>3</sup> per metric ton product	2.02	2.07	1.98	1.89	1.85	1.82	-10%	-12%	-8%	-4%	-2%
Total water discharged	10 <sup>6</sup> m <sup>3</sup> per year	19.71	20.66	18.01	17.50	17.94	19.43	-1%	-6%	8%	11%	8%
	m <sup>3</sup> per metric ton product	1.14	1.18	0.99	0.96	0.94	1.00	-12%	-16%	1%	4%	6%
Total on-site energy consumption	10 <sup>15</sup> Joules (PJ) per year	19.98	20.5	20.4	20.9	21.3	21.0	5%	2%	3%	1%	-1%
	10 <sup>9</sup> Joules (GJ) per metric ton product	1.15	1.17	1.12	1.14	1.11	1.08	-6%	-8%	-4%	-5%	-3%
Total on-site energy consumption from renewable sources	% total	4.89%	5.49%	5.34%	4.99%	6.06%	6.57%	34%	20%	23%	32%	8%
Total direct energy consumption	10 <sup>15</sup> Joules (PJ) per year	11.53	12.30	11.93	12.37	12.64	12.34	7%	0%	3%	0%	-2%
	10 <sup>9</sup> Joules (GJ) per metric ton product	0.67	0.70	0.66	0.68	0.66	0.63	-5%	-10%	-4%	-6%	-4%
Total direct energy consumption from renewable sources	% of direct	1.3%	2.3%	1.9%	1.4%	1.4%	1.8%	40%	-20%	-2%	30%	26%
Total indirect energy consumption	10 <sup>15</sup> Joules (PJ) per year	24.84	24.09	24.91	24.80	25.07	25.26	2%	5%	1%	2%	1%
	10 <sup>9</sup> Joules (GJ) per metric ton product	1.43	1.38	1.37	1.36	1.31	1.30	-10%	-6%	-5%	-4%	-1%
Raw materials used	million metric tons	6.87	7.07	6.85	6.72	7.15	7.11	4%	1%	4%	6%	-1%
Materials for packaging purposes	million metric tons	1.18	1.09	1.14	1.07	1.11	1.07	-9%	-1%	-6%	-1%	-2%
<b>Outputs</b>												
Greenhouse gas emissions (direct), scope 1	10 <sup>6</sup> metric tons CO <sub>2</sub> per year	0.66	0.68	0.67	0.69	0.71	0.69	5%	1%	4%	0%	-2%
	kg CO <sub>2</sub> per metric ton product	38.1	39.1	36.7	38.0	36.9	35.6	-7%	-9%	-3%	-6%	-4%
Greenhouse gas emissions (indirect), scope 2	10 <sup>6</sup> metric tons CO <sub>2</sub> per year	1.31	1.28	1.33	1.33	1.34	1.35	2%	5%	1%	1%	1%
	kg CO <sub>2</sub> per metric ton product	75.9	73.2	73.1	73.0	69.8	69.1	-9%	-6%	-5%	-5%	-1%
Total direct and indirect greenhouse gas emissions	10 <sup>6</sup> metric tons CO <sub>2</sub> eq	1.97	1.96	1.99	2.03	2.04	2.04	3%	4%	2%	1%	0%
Average quality of water discharge	mg COD/l	175	130	102	120	99	93	-47%	-28%	-9%	-23%	-6%
By-products (for recovery)	10 <sup>6</sup> metric tons per year	0.311	0.350	0.333	0.405	0.360	0.410	32%	17%	23%	1%	14%
	kg per metric ton product	18.0	20.0	18.4	22.2	18.8	21.0	17%	5%	15%	-5%	12%
Waste (for disposal)	10 <sup>6</sup> metric tons per year	0.153	0.120	0.113	0.091	0.083	0.061	-60%	-49%	-46%	-33%	-26%
	kg per metric ton product	8.82	6.86	6.25	4.98	4.33	3.14	-64%	-54%	-50%	-37%	-27%

# Environmental Sustainability

## Improving Resource Efficiency in Our Operations



## Zero Waste to Landfill

To do more with fewer resources and generate less waste, we are adopting more efficient technologies and processes. We are doing this in the United States, where we have made significant progress across our operations. Nestlé's overall ambition is to work toward zero waste for disposal, where no factory waste goes to landfill or is incinerated without energy being recovered, and to maximize the value of remaining by-products.

In April 2015, we announced that 23 Nestlé USA factories achieved landfill-free status. By the end of 2015, 35 of our U.S. factories achieved this milestone, including 10 Nestlé Waters bottling plants and two Nestlé Professional facilities. This important milestone supports Nestlé's commitment to environmentally sustainable business practices and helped Nestlé exceed its global commitment by more than double, with 22% of factories achieving zero waste worldwide. All of this work ladders up to our global commitment of zero waste to landfill at our manufacturing sites worldwide by 2020.

## Reducing Food Loss and Waste

In partnership with SAVE FOOD, a group that works closely with the Food and Agriculture Organizations and the United Nations Environment Programme to create awareness of and help prevent food loss, we have committed to halve our food waste globally by 2030. Our efforts include responsible sourcing and consumer education, as well as work with the World Resources Institute to develop a global standard to measure and evaluate food loss and waste in the food supply chain. Aside from the missed opportunity to improve food security, food loss and waste place a tremendous burden on the environment.



## Nespresso Capsule Recycling

Nespresso continues to expand its capacity to collect all used aluminum capsules wherever we do business and to give capsules a second life after consumer use. Aluminum, which is the best material available to protect the high quality and aromas of our coffees, also has the advantage of being infinitely recyclable. Our recycling program is tailored specifically to the United States market, where we have continued to invest to make it as easy as possible for our customers to recycle. In addition to 500 collection points, our capsule recycling program has grown to reach 100% of Nespresso Club customers through our expanded partnership with United Parcel Service (UPS). Once collected, capsules are sent to Nespresso partner, AgChoice, where the aluminum is separated out for recycling and used coffee grounds are turned into nutrient-rich compost and topsoil. Beyond recycling, Nespresso also looks at how it can make a difference in the overall aluminum supply chain, playing an active role in the Aluminum Stewardship Initiative.

## Nestlé Purina Carbon-Neutral Shipping Initiative

In 2015, we achieved a major milestone in our continued partnership with UPS by offsetting the carbon emissions associated with transportation for every order of PURINA® Pro Plan® Veterinary Diets and PURINA® Pro Plan® shipped by UPS to our veterinary customers and their clients. This includes small-pack orders delivered directly to clinics as well as e-commerce orders placed through PurinaForProfessionals.com. Through this carbon-neutral shipping program, UPS accurately measures the carbon emissions of each shipment, then offsets the emissions through carbon sequestration projects. We are now exploring whether we can scale this project more broadly with other online retailers.

In the 15 months since inception, Nestlé Purina's carbon-neutral shipping initiative offset 3,648 metric tons of carbon dioxide. This is equivalent to the greenhouse gas (GHG) emissions from 768 passenger vehicles driven for one year, 1,308 tons of waste sent to a landfill, or the CO<sub>2</sub> emissions from 410,487 gallons of gasoline consumed.<sup>1</sup> In other words, Nestlé Purina's carbon-neutral shipping initiative sequesters in one month the same amount of carbon as nearly 200 acres of U.S. forests sequester in one year.



<sup>1</sup> MtCO<sub>2</sub>e based on values from UPS Carbon Neutral Shipping Initiative invoices through November 2015 and US EPA Greenhouse Gas Equivalencies calculator, as of 1/7/2016 <http://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

# Environmental Sustainability

## Improving Environmental Performance of Packaging



Packaging provides a variety of functions, from preventing food waste and maintaining shelf life to providing convenience and information for consumers. We take a holistic approach to designing our packaging, assessing environmental impacts across our entire life cycle. We aim for performance and functionality while optimizing weight and volume. As a result, we have reduced our materials purchased for packaging in the U.S. by 9% since our 2010 baseline. Our approach to packaging is aligned with The Nestlé Policy on Environmental Sustainability, focusing on eco design, optimizing weight and volume, use of renewable and recycled materials, and recovery of used packaging. Improving the resource efficiency and environmental performance of our packaging is an ongoing priority across all of Nestlé's operations in the United States and around the globe.

Having committed to increasing PET beverage bottle recycling rates to 60% by 2018, Nestlé Waters North America launched its first 100% rPET bottle RESOURCE®, a natural spring water made entirely of recycled plastic, excluding the cap and label. Nestlé Waters has a strong history of sustainable innovation and product stewardship advocacy, and the 100% rPET bottle aims to continue that legacy by increasing awareness of closed-loop recycling. In 2015, Nestlé Waters also announced plans to significantly increase recycled content in the most popular

sizes of its ARROWHEAD® bottled water in California, in partnership with Los Angeles-based CarbonLITE Industries, one of the largest producers of post-consumer rPET in the world. The move will reuse about 18 million pounds of plastic a year.

Additionally, in 2015, Nestlé Purina and Nestlé USA joined a consortium of manufacturers and industry organizations to sponsor Materials Recovery for the Future, a first-of-its-kind study. This research evaluates how flexible plastics (for example, the plastic seal on a LEAN CUISINE® entrée), are handled at recycling facilities. Data from the study, which will begin to come out in 2016, will help community recyclers make changes to be able to recycle more flexible plastic packaging, like Nestlé Purina's pet food bags. Also in 2015, Nestlé joined AMERIPEN, the American Institute for Packaging and the Environment, and the Sustainable Packaging Coalition, advocating for packaging innovation and policy advancement in North America. As a new member of the How2Recycle Label program, Nestlé USA and Nestlé Purina will help keep recoverable materials out of landfill by providing clear information on the packages of selected brands. Nestlé joined more than 40 How2Recycle member companies using the label on their products.



## Providing Climate Change Leadership



With the world's atmosphere containing the highest level of carbon dioxide since the Industrial Revolution, the resulting changes in climate may threaten global food security in general and our business in particular. We know that we have to be innovative to adapt to the effects of climate change now and in the future. We also recognize our responsibility to mitigate its advance by reducing our own impact and raising our voice to advocate for broader change. In the United States, Nestlé has reduced direct GHG emissions per ton of product by 9% since 2011, with indirect emissions reduced by 6% per ton of product during the same timeframe. We have joined other leaders in acknowledging the risks of climate change and carbon pollution from power plants, as well as the economic benefits associated with improved energy efficiency and investments in renewable energy. And taking one step further, Nestlé S.A. has committed to promote transparency and long-term engagement in climate policy.

## Evaluating and Optimizing Our Gerber Packaging

In 2015, Gerber conducted a third-party life cycle assessment to evaluate the packaging of its pureed baby food lines. We analyzed the manufacturing process, different product sizes and materials used. As a result, increasing our use of plastic and paperboard and decreasing our use of glass and metal ultimately netted the best product with the least environmental impact. Consequently, Gerber made the decision to switch from its iconic glass infant puree jars to plastic containers. In making this switch, we were able to cut back by 7,500 tons of glass and 500 tons of metal in 2015. We are proud of this progress and continue to assess and innovate our products on an ongoing basis to refine and optimize our packaging commitments.



# Environmental Sustainability



## Promoting Transparency and Proactive, Long-Term Engagement in Climate Policy



In 2015, along with 80 other major companies, we signed the American Business Act on Climate Pledge, representing a commitment to reduce our emissions, increase low-carbon investments, use more clean energy and make sustainability an essential mission. Our advocacy for action on climate change also included a Congressional resolution recognizing civilizations' role in climate change and a joint letter calling on the United States and world leaders to act on climate change prior to the COP21 negotiations in Paris, initiatives coordinated by the sustainability advocacy organization CERES. In its annual industry ranking, the environmental sustainability ratings agency CDP awarded Nestlé a maximum score of 100, in recognition of our actions to tackle climate change.

In addition to being members of the Low Carbon Council and the Clean Power Plan, which Nestlé in the U.S. joined in 2014, Nestlé S.A. also joined RE100, a new initiative for companies committed to running on 100% renewable electricity. As a member, we committed to set targets to reduce direct greenhouse gas emissions per ton of product by 35% by 2015 from our 2005 baseline. Nestlé exceeded this goal in 2015, achieving a total reduction of 42%, and set a new global goal to reduce total GHG emissions (scope 1 and scope 2) per ton of product by 35% in our manufacturing operations by 2020 compared with 2010.

Nestlé's U.S. facilities are contributing to this commitment because we know we cannot get to renewable energy without supporting the market for renewables and policies that make it more available. For example, in Cabazon, California, Nestlé Waters introduced two wind turbines at its bottling plant in 2013. Today, these turbines provide wind power to generate up to 30% of the facility's electricity needs, avoiding emissions equivalent to 3.4 million kWh, or 2,000 barrels of oil. We continue to reduce our GHGs, provide climate change leadership and pursue renewable energy use to help achieve this 2020 goal. Nestlé Waters North America is also a founding member of Rocky Mountain Institute's Business Renewables Center, a collaborative organization helping corporations find ways to reach clean energy and climate targets by advancing a shift to renewable energy profiles.

“We are proud of the commitment Nestlé Waters North America has made to increasing its renewable energy. By collaborating with major corporations like Nestlé, we have been able to begin the conversation on the importance of renewable energy and ultimately help reduce overall reliance on non-renewable fossil fuels.”

— **Lily Donge**  
Principal, Rocky Mountain Institute



Another example is Nestlé Purina, which uses renewable energy at its manufacturing facilities to help improve performance. In the U.S., more than 20% of the total electricity used by our PetCare plants came from renewable sources, such as solar, wind and hydroelectricity, as part of a Nestlé S.A.'s global goal to procure at least 35% renewable electricity at all production plants by 2020.

## Cleaning Up the Santa Ana Watershed

Since 2014, Nestlé Waters North America has partnered with the Inland Empire Waterkeeper for a program called Crest to Coast, which supports the restoration of polluted watersheds in the Santa Ana River Watershed—one of Southern California's largest watersheds. At clean-up events sponsored by ARROWHEAD® Mountain Spring Water, employees join representatives from the Inland Empire Waterkeeper to remove litter and large debris from the local waterways. In 2015, Nestlé helped to implement the California Water Board's Rapid Trash Assessment protocol through the Crest to Coast program. Through this effort, they cleaned up litter and developed strategies to work with local companies, agencies and communities to reduce pollution and promote water stewardship in the communities where they operate.



# Water

## Topic Areas

- Working to Achieve Water Efficiency
- Advocating for Effective Water Policies
- Raising Awareness of Water Conservation
- Treating Discharged Water Effectively
- Engaging with Suppliers, Especially in Agriculture

## Working to Achieve Water Efficiency



Water is vital to our operations, used for washing and processing raw materials, cooling and cleaning equipment, hygiene and our bottled water business. We continue to reduce, reuse and recycle water across our business through water-saving innovations and technologies. Altogether, our U.S. factories are withdrawing 10% less water per ton of product than they did five years ago. Technologies we have already deployed successfully elsewhere to help address water scarcity are improving our water use efficiency in the United States, especially in California. Our “zero water” technology, pioneered at our dairy factory in Jalisco, Mexico, takes fresh cow’s milk, normally around 88% water, and heats it at low pressure to remove some of its water content. The resulting steam is then condensed, treated, purified and made available for a variety of uses.

Reusing water from the milk in this way reduces the need to extract groundwater for operations. Plans are underway at our facility in Modesto, California to transform this factory into a “zero water” factory. This transformation is projected to save nearly 63 million gallons of water annually. Nestlé has identified savings of more than 26 million gallons of water each year at our ice cream factories in Bakersfield and Tulare. At Nestlé Waters bottling plants in California, planned investments in conservation measures are projected to save 55 million gallons of water per year. Together, these initiatives will save 144 million gallons of water annually.



Inside the Nestlé USA milk factory in Modesto, California

## Advocating for Effective Water Policies



Nestlé is engaged in the United States and globally on development of water policies and stewardship initiatives, playing a part alongside public, private, community and civic organizations. Our global collaborations include CEO Water Mandate, the World Business Council for Sustainable Development’s WASH Pledge, water risk assessment and mitigation initiatives with the Sustainable Agriculture Platform and Sustainable Food Lab, and leadership of the 2030 Water Resources Group. In the United States, we supported the work of CEO Water Mandate to advance corporate water stewardship in California. Our water advocacy and stewardship initiatives—many focused on California—include collaboration with the World Resources Institute, the Alliance for Water Stewardship and local organizations supporting watershed projects for the Santa Ana, Hillsborough (Florida) and American Rivers.

We remain active in efforts to protect and ensure the long-term sustainability of high-quality water sources through community engagement, local partnerships and the work of our 11 on-staff natural resource managers.



# Water

## Raising Awareness of Water Conservation



Our Nestlé Global Creating Shared Value Report for 2015 highlighted our efforts across the globe to ensure access to clean drinking water and raise awareness of water conservation. Our work in the United States includes membership in the California Water Action Collaborative (CWAC), a forum for collaboration among those who depend directly on healthy watersheds, including a diverse group of food and beverage companies, their suppliers, conservation groups, and others. The group is focused on improving water security for people, business, agriculture and nature in the state. CWAC held a face-to-face meeting in March 2015 that resulted in the formation of working groups to address returning water to the system and social capital. The working groups are meeting regularly and have identified projects for joint action to support a sustainable California water supply.

## Treating Discharged Water Effectively

Nestlé maintains a comprehensive approach to water quality and effluents, including responsible water treatment, strict quality targets, monitoring and infrastructure investment. We have strengthened our Nestlé Environmental Requirements for water quality and effluent discharge, applied by our factories to meet rigorous standards that go beyond legal requirements. Our investment of \$19.9 million in 2015 went toward improved efficiency, water conservation measures, new and upgraded treatment facilities and technologies, and strengthened water quality requirements for effluent treatment. We monitor water quality and effluents on a monthly basis, analyzing long-term trends and identifying improvements and opportunities.



Since 2010, our water discharge per ton of product has fallen by 12%. In 2015, Nestlé S.A. received a leadership level CDP score of A- for our best-practice approach to managing water and mitigating risk.

## Engaging with Suppliers, Especially in Agriculture



We estimate that around 63.5 billion cubic meters of water is consumed by the agricultural goods we use in our global product portfolio (93.3% from rainwater and 6.7% from irrigation). And with more than 70% of the world's available freshwater supplies used to grow food, the food and beverage industry is in a strong position to influence improvements in global water stewardship. Nestlé's greatest challenge to reducing water consumption lies in addressing the impacts of our complex agricultural supply chains.

## Water Innovation in the California Dairy Industry

Our agricultural suppliers, particularly those in California, are acutely aware of the importance of sound water management and innovating in the face of water scarcity. When it comes to growing feed for his cows, dairy farmer Mike De Jager was an early adopter of technology that reduces water consumption. Six years ago, De Jager began experimenting with drip irrigation on his alfalfa and corn, crops that are traditionally watered using furrow or flood irrigation.

The switch to drip irrigation has yielded benefits for both De Jager and the environment. Since implementing drip irrigation on his crops, De Jager has seen a 25% reduction in water use with a 20%-25% increase in crop yield. The return on investment couldn't have come at a better time for De Jager, who is expected to receive a 0% water allocation from his local irrigation district due to California's exceptional four-year drought.

De Jager also utilizes conservation tillage, a method of low-impact farming that retains protective amounts of crop residue on the soil surface. The remaining crop residue protects the soil from erosion and improves soil health. As Nestlé identifies priority dairy suppliers to engage in discussions about water-saving production methods, we will look to early adopters like De Jager to serve as leading examples.



# Rural Development and Responsible Sourcing

## Topic Areas

- Implementing Responsible Sourcing
- Sourcing High-Risk Commodities
- Farm Animal Welfare
- Sustainable Fisheries
- Nestlé Cocoa Plan
- Continuously Improving Our Green Coffee Supply Chain

## Implementing Responsible Sourcing



### Supplier Audits

Consumers and other stakeholders increasingly want to know where their food comes from and how it was produced. Responsible sourcing is an important investment in Nestlé's future and that of our producers and suppliers. A cornerstone of our commitment to responsible sourcing is measuring our progress through our supplier audits. In 2015 in the United States, we exceeded our goals, having completed 522 audits, 115% of our target. This resulted in a three-year total of 1,419 completed audits, of which 1,275 (89%) were compliant to the Nestlé Responsible Sourcing Program. Working alongside NGO partners, we map our supply chains globally and in the United States to ensure that procurement of 12 priority ingredients complies with our Responsible Sourcing Guideline criteria, which focus on critical social, environmental and animal welfare issues.



### 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, cultural and ethnic diversity of the consumers we serve. Our sourcing environment includes small businesses that are women-, minority- and veteran-owned. Our strategy for engaging the best of these suppliers revolves around continual outreach and education, cultivating relationships and inclusion of in-country events. We partner with trade associations and nonprofits that provide solutions to traditional barriers to diverse suppliers' success, such as limited access to capital, information or infrastructure. To date, more than 6,000 diverse suppliers have posted profiles on Nestlé's online supplier portal.

In 2015, Nestlé paid more than \$1.9 billion to 7,214 small, minority-, women- and veteran-owned businesses and helped sustain jobs across the country. According to Bloomberg Business report standards, every \$35,239 corporations spend with diverse suppliers sustains a job. Using this metric, Nestlé payments to small suppliers helped employ more than 27,000 people. We are proud of our

diversity of suppliers, one of whom received The Women's Business Enterprise National Council's 2015 supplier of the year award.

## Sourcing High-Risk Commodities

### Palm Oil

As part of our commitment to protecting biodiversity and ecosystems, we have continued our efforts in tackling deforestation, particularly in the production of palm oil. Globally, we bought around 420,000 tons of palm oil in 2015—about 1% of global production—from a number of processing companies that source oil from Malaysia, Indonesia and other countries. Of that 420,000 tons, 42,000 tons were sourced for products made in the United States. By the end of 2015, 98% of our palm oil was traceable to the mill and 20% was traceable to the plantation for the U.S. supply. We continue to work with our suppliers and partners, The Forest Trust (TFT) and Conservation International, to source credible data and carry out field assessments to increase the traceability in our palm oil supply chain.



# Rural Development and Responsible Sourcing

## Pulp and Paper

Nestlé bought 1.58 million tons of pulp and paper in 2015, much of it from paper mills, converters and packaging manufacturers in the United States, Europe and Asia. It is used primarily for food packaging, wrapping and transportation. More than 35% of the pulp and paper we use involves recycled materials, but food safety, quality and physical properties prevent us from using 100% recycled material. In partnership with The Forest Trust, we map and assess supply chains of paper and paperboard suppliers across a number of high-priority countries, including the United States. Supplier scorecards are used for direct engagement, an approach that is drawing positive reaction from local markets. As well as focusing on deforestation and virgin fiber, our requirements for pulp and paper, developed in conjunction with TFT, require protection of high-carbon-stock forests and other critical criteria. To demonstrate compliance, we are using Forest Stewardship Council (FSC) accreditation. We aim to source only pulp and paper that meets our “no deforestation” requirements or, at the very least, that are from suppliers making measurable progress to meeting them. Now, 74% of our global pulp and paper supply is traceable, representing 70% of our target for 2015.



## Farm Animal Welfare

Beginning in 2012 and strengthened in 2014, Nestlé made a significant commitment on farm animal welfare, working with World Animal Protection, a global animal welfare organization and SGS, an independent auditor based in Switzerland, to assess our suppliers against specific commitments. In 2015 Nestlé continued its efforts toward improving farm animal welfare and pledged to use exclusively cage-free eggs in the United States in our human foods by 2020, establishing an accelerated timeline compared to industry peers. We use approximately 20 million pounds of eggs annually to create some of America’s most beloved food brands, including HAAGEN-DAZS®, DREYER’S® and EDY’S® ice creams, NESTLÉ® TOLL HOUSE® cookie dough and BUITONI® pasta. Eggs are also an important part of our popular LEAN CUISINE® and STOUFFER’S® breakfast items.

“We are proud to partner with Nestlé, which is listening to its customers’ concerns and putting animal welfare at the forefront of its purchasing power. It is taking a responsible approach to the sourcing of eggs, which will ultimately improve the lives of millions of hens. Major food companies like Nestlé have the power to bring about positive change at every level of the supply chain.”

— **Martin Cooke**  
World Animal Protection

## Improving Our Agricultural Supply Chain

In 2015, Nestlé Purina joined Field to Market®: The Alliance for Sustainable Agriculture, a group of grower organizations; agribusinesses; food, beverage, restaurant and retail companies; conservation groups; universities and public-sector partners to focus on defining, measuring and advancing the sustainability of food, fiber and fuel production. As an active member, Nestlé Purina will work together with other organizations, academia, conservation groups, public-sector partners and other leading companies to help deliver sustainable outcomes for U.S. agriculture, with particular emphasis on our grain supply chain to improve the impact these ingredients have on the environment.





# Rural Development and Responsible Sourcing

## Sustainable Fisheries

Fish and seafood are precious resources to our planet and all who live on it, particularly for the people in some of the poorest countries in the world who rely on healthy fisheries for their primary source of protein. At Nestlé, we understand the importance of having sustainable fisheries and healthy fish farms, as well as the immense challenges we must overcome to responsibly source fish and seafood. As the largest buyer of fish and seafood among our U.S. operations, Nestlé Purina works diligently with those in the industry to identify, to the extent it is possible, the sources of our fish and seafood ingredients.

We provide all of our global seafood purchasing information to our independent NGO partner—the Sustainable Fisheries Partnership (SFP)—to identify and assess the wild fisheries from which our seafood supply comes, including both whole fish and fish by-product.

We are pleased with our progress to date across the globe.

- In 2015, Nestlé Purina focused on ensuring that all of our whole fish can be traced back to the catch vessel.
- Across Nestlé Purina globally, we know 153 wild fisheries from which we source seafood globally. SFP continues to identify more source fisheries and assess their health.
- We require all of our suppliers to avoid fish and seafood ingredients that contain International Union for Conservation of Nature red-listed endangered species and to avoid any illegal, unregulated and unreported seafood.



## Nestlé Cocoa Plan



The Nestlé Cocoa Plan, active in six countries, aims to improve the lives of cocoa farming communities and the quality of their crops. This work is essential to our goal of securing a long-term supply of high-quality, sustainable cocoa. The Nestlé Cocoa Plan focuses on increasing farm profitability by implementing farmer field schools and donating high-yield plantlets; improving social conditions through access to education; and developing a sustainable supply chain through our third-party verification partners. Accelerated activities in 2016 will allow us to achieve 100% of our cocoa sourced under the plan and UTZ certification ahead of schedule for applicable and relevant beverage, baking and confections products.

## Continuously Improving Our Green Coffee Supply Chain

At Nestlé, improving the quality, quantity and sustainability of our coffee supply chain has been an ongoing initiative. Aging or diseased trees, declining yields, volatile prices and climate change threaten the livelihoods of small farmers and sustainability of the sector. Our response has been to provide farmers new routes to market, disease-resistant plants and technical assistance through the Nescafé Plan and Nespresso's AAA *Sustainable Quality™ Program*. Globally in 2015, Nescafé achieved its sourcing objective, buying 225,600 tons of green coffee through Farmer Connect, our community-based cooperative program, 191,700 tons of which complied with the 4C standard.<sup>1</sup> Nespresso sourced more than 80% of its coffee through its AAA Program. Nestlé S.A. distributed 26.8 million disease-resistant plantlets in 2015, taking our cumulative total to more than 100 million. In the United States market, we now source 100% of the regular green coffee from 4C-verified coffee farmers.



<sup>1</sup> The Common Code for the Coffee Community (4C) Association is a multi-stakeholder group with members across trade and industry, producers, civil society and companies active in the coffee supply chain.

# Social Impact

## Topic Areas

- Our People
- Rolling Out Project Opportunity Across All Our Operations
- Enabling All Employees to Report Compliance
- Putting Employee Safety and Wellness First
- Assessing and Addressing Human Rights Impacts in Our Supply Chain
- Promoting Healthy Lifestyles with Boys and Girls Clubs of America and Other Partnerships
- Charitable Giving in Support of People and Their Pets



## Our People



At Nestlé, we recognize that our employees are a key source of our company's competitive advantage, and our goal is to elevate Nestlé as the premier choice for top diverse talent in the United States. To do so, we foster an inclusive culture that enables all employees to bring their best to work, which drives creativity, innovation, and ultimately helps us win in the marketplace. Through Diversity & Inclusion initiatives related to our three areas of focus—workforce, culture and partnerships—Nestlé in the U.S. is better able to build more diverse and inclusive businesses and position ourselves as an organization committed to balance and fairness.

Our dedication to gender balance is expressed both globally and in the United States through our celebration of International Women's Day, providing support for dual-career spouses as part of our International Dual Career Network, and hosting networking events in conjunction with the Network of Executive Women Leadership Summit.

In addition, we are proud to promote our Parent Support Policy — one of the most progressive in the food and beverage industry.

These ongoing efforts help increase our percentage of women managers and senior leaders. As of 2015, 22% of our senior leaders and 33% of our managers in North and South America were women. We believe that diversity in our business is a real asset and something that should be encouraged and nurtured. What's more, the changing roles of women and men in society has emphasized the importance of improving gender balance at all levels of business. At Nestlé we are committed to having the right people in the right place at the right time for current and future business needs.

## Rolling Out Project Opportunity Across All Our Operations



Project Opportunity, launched in 2015, is a career-acceleration program to help people of all ages gain work experience and strengthen their skills in food and

beverage manufacturing. By 2017, Nestlé in the U.S. pledges to hire 1,000 paid interns and trainees, and significantly expand the number of apprentice positions offered across all United States operations. We also pledged to expand our Readiness to Work program, designed to facilitate the transition between school and employment to reach more than 300,000 each year. By the end of 2015, we had hired 632 individuals and reached more than 37,000 people in person through job fairs and similar events. We have developed new internships and trainee programs along with a significant increase in new apprenticeships across all Nestlé operating companies in the United States. In 2015 we also launched an initiative addressing military veteran employment, with a 2017 goal of establishing Nestlé as an Employer of Choice among veterans.

## Enabling All Employees to Report Compliance



The Nestlé Corporate Business Principles reflect our commitment to a strong compliance culture as a non-negotiable part of how we do business. Through our Code of Business Conduct and Supplier Code, we encourage employees, suppliers and stakeholders to report practices or actions believed to be inappropriate or illegal, and we assess and investigate the reports if warranted, responding appropriately. To promote transparency, more information on this type of activity is available the global [Nestlé in Society: Creating Shared Value Report](#).

# Social Impact

## Safety, Health and Wellness

We believe that safety and health are important for everyone at Nestlé, regardless of what they do or where they work. As stated by our Corporate Business Principles, we are committed to preventing accidents, injuries and illnesses related to work, and to protect employees, contractors and others involved along the value chain. We monitor key environmental performance indicators at a factory level using our Safety, Health and Environmental Sustainability—Performance Management system. We report on our progress in the table below.

	Jan to Dec 2010	Jan to Dec 2015	% Change	Jan to Dec 2014	Jan to Dec 2015	% Change
Total recordable injury and illness rate (Employees+Contractors+Public) per million hours worked	10.5	5.0	-52%	6.4	5.0	-21%
Total lost-time injury and illness rate (Employees+Contractors+Public) per million hours worked	2.6	1.4	-48%	1.4	1.1	-20%
Total number of fatalities (Employees+On-site Contractors+On-site Members of Public)	0	0	0%	0	0	0%

### Putting Employee Safety and Wellness First



Nestlé’s most important assets are our people, which is why the safety and health of our employees are our top priority. As stated in our Corporate Business Principles, we are committed to preventing accidents, injuries and illnesses related to work, and to protecting employees, contractors and others along the value chain. Our progress against key safety performance indicators is reported in the table above.

As we make progress on our nutrition, health and wellness journey with consumers and stakeholders, we are striving to foster a culture of wellness among our employees. Nestlé offers its employees best-in-class health plans with additional benefits including no-cost access to the Best Doctors second opinion and referral program, a Health Savings Plan, and a tobacco cessation program. In an effort to engage employees with the company’s health and wellness platform, Nestlé organized the Race for the Good Life, the first Nestlé-wide employee activity challenge. At the end of the challenge, 7,000 employees had finished the virtual race and taken 1.6 billion steps, or an average of 8,267 steps per participant per day. As a result of our wellness efforts, Nestlé’s

employee pulse survey showed a 10% increase in respondents who agreed with the statement, “My company provides a healthy work environment.”



### Expanding Paid Parental Leave

Announced in 2015, Nestlé’s new Parent Support Policy grants eligible employees up to 14 weeks paid parental leave, with the ability to extend their leave on an unpaid basis up to a total of six months. Effective January 1, 2016, the policy applies to all primary caregivers of newborns, including male employees and adoptive parents. The policy also includes flexible working arrangements and guaranteed access to breastfeeding rooms during working hours in sites with more than 50 female employees. Announced at the 11th Annual Clinton Global Initiative, Nestlé is also a founding member of the Working Parent Support Coalition, a group of leading businesses implementing progressive policies to improve workplace wellness for new parents and their children. Nestlé remains committed to conducting internal analyses to understand the impact of its policy on female employee retention.

### Assessing and Addressing Human Rights Impacts in Our Supply Chain

Nestlé operates with a fundamental respect for the rights of the people we employ, do business with or otherwise interact with. This respect is at the core of Nestlé’s Corporate Business Principles and aligned with the UN Guiding Principles Reporting Framework. We have identified 11 salient issues (those human rights at risk of the most severe impact) for us to address, including child labor, safety and health, living wage, workers’ accommodation and access to basic needs, water and sanitation and other important areas. Given increasing concern about labor and human rights abuses in the seafood supply chain, and our commitment to eliminate such practices, Nestlé published in 2015 a comprehensive Action Plan on seafood sourced from Thailand. It contains a series of actions designed to help protect workers from abuses, improve working conditions and tackle unacceptable practices including juvenile and teenage working. As part of our efforts, we joined the Shrimp Sustainable Supply Chain Task Force and partnered with Issara Institute to identify and implement solutions to address these issues.

## Social Impact

### Promoting Healthy Lifestyles with Boys and Girls Clubs of America and Other Partnerships

At Nestlé, promoting healthier lifestyles starts with leading by example. We have worked with many partners to promote healthy lifestyles and to address childhood obesity in the United States, and we are committed to being part of the solution. As part of our ongoing commitment to creating a healthier young generation, in 2015 we announced a three-year partnership with the Boys and Girls Clubs of America. Through the partnership, we are sponsoring a biannual National Fitness Competition to inspire kids to achieve tangible short-term fitness goals. The National Fitness Competition launched in spring 2015 with 20 pilot clubs and expanded to 100 clubs before the end of the year. By 2017, the competition is expected to reach 500 clubs, engaging a total of more than 50,000 young people. In keeping with Nestlé's emphasis on community volunteerism, the program also includes an emphasis on employee engagement.

We have continued our work in nutrition education at the community level, including a partnership with National Education Association (NEA) Healthy Futures to provide an unbranded nutrition curriculum to K–6 educators and students and the Start Healthy, Stay Healthy™ Early Childhood Nutrition programs in collaboration with the cities of Newark, New Jersey, and Birmingham, Alabama.

In 2015, our Healthy Steps for Healthy Lives program, created by Nestlé USA in partnership with the NEA, distributed more than 4,500 Teacher's Guides reaching nearly 150,000 students across the country and 6,700 Family Guides produced in both English and Spanish. Healthy Steps for Healthy Lives is part of the Nestlé Healthy Kids Global Program, a larger global commitment by Nestlé to create shared value by increasing Nutrition, Health and Wellness awareness among school-age children.

“We have been so lucky to partner over the years with Nestlé USA on the Healthy Steps for Healthy Lives program. Reaching families with key messages about healthy food choices, physical activity, outdoor play and more—really taking a holistic approach to children's health and making it fun for the whole family—I can't think of a better way for us to serve the public.”

— **Bethe Almeras, M.S.**  
Interim Executive Director  
NEA Healthy Futures

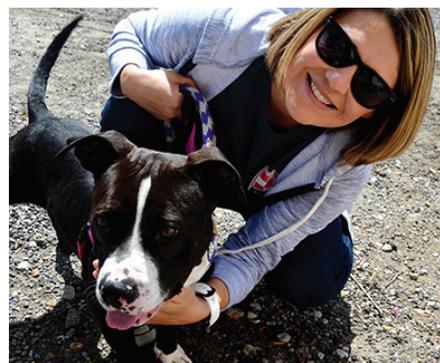


“Leader Dogs for the Blind is grateful to Nestlé Purina for the Purina Pro Plan and Veterinary Diets products that it has provided over the years. Great nutrition is important for all dogs, and we feel a high-quality food is especially important for our dogs, considering the life-saving service they perform for their visually impaired partners.”

— **Dr. David Smith, DVM**  
Director of Veterinary Services,  
Leader Dogs for the Blind

### Charitable Giving in Support of People and Their Pets

Nestlé Purina has long supported pet-related organizations in our hometown of St. Louis and in communities across the United States. We believe that when pets and people are together, life is truly better, and we are passionate about supporting charitable organizations that share our vision. In 2015, we donated \$31.5 million worth of pet food, pet supplies and monetary contributions to pet-related charities and other community organizations across the country. Our donations reached more than 120 pet welfare groups, as well as the Urban Resource Institute, which operates four domestic violence shelters in the New York City area. Donations and pet supplies to the institute helped build the first dog park at a Manhattan-based domestic violence shelter, opened in October 2015, where clients can seek healing and support with their beloved pets at their side. Pet welfare organizations used Nestlé Purina donations for a variety of needs in 2015, including construction and repairs to pet shelters in Hudson, Wisconsin, and in other communities.



# 2015 Commitments



# Our Commitments

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



## Nutrition, Health and Wellness

Commitments	Our Objectives
Build knowledge leadership in children's nutrition	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Field FITS and KNHS research on children's (ages 0–12) dietary intake and lifestyle habits in the United States.</li> <li>● <b>By 2016</b> – Share findings from FITS and KNHS research in key scientific forums.</li> <li>⊕ <b>By 2017</b> – Submit 10 manuscripts for peer-reviewed publications from the FITS and KNHS studies.</li> </ul>
Provide education programs to promote good nutrition and feeding practices	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Through the Start Healthy, Stay Healthy™ Early Childhood Nutrition program, educate caregivers based on research learnings to improve the diets and lifestyles of infants and toddlers.</li> <li>Ⓛ <b>By 2017</b> – Institute a structured internship program to provide mentorship to nutrition and dietetics students.</li> </ul>
Provide nutritionally sound products designed for children <sup>1</sup>	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – 100% of children's products will meet NF criteria<sup>2</sup> for sugar<sup>3</sup>.</li> <li>Ⓛ <b>By 2016</b> – Maintain 100% compliance by designing any new children's products with NF in mind.</li> </ul>
Ensure responsible marketing communication to children	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Implement a strengthened policy on marketing communication to children.</li> <li>⊕ <b>By 2017</b> – In support of the implementation of the Nestlé Marketing Communication to Children Policy, roll out targeted training for our marketing teams in the U.S.</li> </ul>
Reduce sugars in our products	<ul style="list-style-type: none"> <li>Ⓛ <b>By 2016</b> – Reduce sugar content by an average of 10% from 2013 levels in all relevant products that do not meet the NF criteria for sugar<sup>2</sup>.</li> </ul>
Reduce sodium in our products	<ul style="list-style-type: none"> <li>Ⓛ <b>By 2016</b> – Reduce salt content by an average of 10% from 2012 levels in all relevant products that do not meet the NF criteria for salt<sup>2</sup>.</li> </ul>
Reduce saturated fats and remove trans fat originating from partially hydrogenated oils used as functional ingredients in our products	<ul style="list-style-type: none"> <li>Ⓛ <b>By 2016</b> – Zero foods and beverages will have trans fat originating from PHOs used as functional ingredients.</li> <li>⊕ <b>By 2018</b> – Reduce saturated fat by an average of 10% from 2013 levels in all relevant products that do not meet NF criteria for saturated fat<sup>2</sup>.</li> </ul>
Provide choices to meet consumers' evolving expectations of foods and beverages	<ul style="list-style-type: none"> <li>Ⓛ <b>By 2016</b> – Expand the number of organic, non-GMO and gluten-free choices across our most popular product categories and brands.</li> </ul>
Promote healthy hydration as part of healthy lifestyles	<ul style="list-style-type: none"> <li>Ⓛ <b>By 2016</b> – Continue to raise awareness of the importance of healthy hydration through our participation in the Partnership for a Healthier America Drink Up initiative.</li> <li>Ⓛ <b>By 2016</b> – Continue to share the Healthy Hydration Toolkit, a compilation of scientific research, trends and tools developed by registered dietician (R.D.s) for R.D.s. Reach more than 25,000 R.D.s with the toolkit as a resource to help their clients and communities consider healthy hydration choices.</li> <li>⊕ <b>By 2017</b> – Continue to share research on the projected health benefits of thoughtful beverage choices and advocate for water consumption as an important part of a balanced diet.</li> </ul>
Provide portion guidance for consumers	<ul style="list-style-type: none"> <li>Ⓛ <b>By 2017</b> – Provide portion guidance on 100% of relevant food and beverage products<sup>4</sup>.</li> </ul>

<sup>1</sup> Products for which 50% or more of consumers are under 12 years old, or are designed for or perceived as being designed for this age group.

<sup>2</sup> The Nestlé Nutritional Foundation criteria are based on nutrition science and public health dietary recommendations, such as those of the World Health Organization (WHO), the Health and Medicine Division and other global or U.S. authorities, such as the Food and Drug Administration and U.S. Dietary Guidelines Advisory Committee. 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 status. Nestlé Purina products are not evaluated against this criteria.

<sup>3</sup> For more information about our progress on this objective, see page 14.

<sup>4</sup> Relevant products excludes exemptions (Gerber, Nestlé Health Science, Nestlé Professional, Nestlé Purina Petcare, plain water/coffee/tea, Confectionery gifting, Culinary free-dosing and table-top seasonings, and products designed for children under 4 years of age as other legal considerations are relevant) and where regulations are not allowed.

Commitments	Our Objectives
Deliver clear nutrition and ingredient information on all labels	<ul style="list-style-type: none"> <li>① <b>By 2017</b> – Expand Facts Up Front or Clear on Calories labeling to include all relevant products<sup>1</sup>.</li> <li>① <b>By 2017</b> – Enable consumers to make informed choices by implementing a digital disclosure platform in our food and beverage portfolio.</li> </ul>
Promote healthy diets and lifestyles, including physical activity	<ul style="list-style-type: none"> <li>① <b>By 2017</b> – Engage in Boys &amp; Girls Clubs of America programs to promote healthy diets and physical activity, reaching 50,000 kids in hundreds of clubs.</li> <li>① <b>By 2017</b> – Expand Healthy Steps for Healthy Lives to reach 200,000 students.</li> </ul>
Lead the industry in nutrition and health research, and apply findings to improve the lives of people of all ages and health conditions	<ul style="list-style-type: none"> <li>① <b>By 2016</b> – Expand the Start Healthy, Stay Healthy™ Early Childhood Nutrition program to other communities across the country.</li> <li>① <b>By 2016</b> – Develop and apply new technologies that support our work to reduce nutrients of public health concern such as sodium, sugar and saturated fat, in line with our policies on their reduction.</li> </ul>
Help reduce the risk of undernutrition through micronutrient fortification	<ul style="list-style-type: none"> <li>⊕ <b>By 2017</b> – Engage with academia, scientific societies and initiatives like the American Society for Nutrition's Food for Health coalition to begin the scientific process to establish individualized nutritional guidance for patients with certain medical conditions or who are undergoing surgery.</li> </ul>
Market breast-milk substitutes responsibly	<ul style="list-style-type: none"> <li>⊕ <b>By 2016</b> – Continue to strengthen our practices to ensure both Nestlé Infant Nutrition and Wyeth Infant Nutrition consistently meet the FTSE4Good Index BMS criteria.</li> </ul>
Encourage consumption of whole grains and vegetables	<ul style="list-style-type: none"> <li>⊕ <b>By 2016</b> – Reach 10,000 thought leaders with Balance Your Plate tools and resources through outreach and education. Directly engage with 45 thought leaders (including registered dietitians and fitness professionals) and provide consumer-facing materials to increase the program's impact.</li> </ul>

## Environmental Impact

Commitments	Our Objectives
Improve resource efficiency in our operations	<ul style="list-style-type: none"> <li>① <b>By 2016</b> – Develop a plan and methodology to contribute to our global resolution to halve food waste by 2025 compared to a 2016 baseline.</li> <li>① <b>By 2020</b> – Achieve zero waste to landfill status in 100% of our factories.</li> </ul>
Assess and optimize the environmental impact of our products	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Complete a corporate life cycle assessment of our U.S. pet food business to identify the largest contributors to our environmental footprint.</li> </ul>
Improve the environmental performance of packaging	<ul style="list-style-type: none"> <li>① <b>By 2020</b> – Develop the next generation of our recyclable water bottles, with a lighter environmental footprint, made from post-consumer recycled or renewable materials.</li> </ul>
Provide climate change leadership	<ul style="list-style-type: none"> <li>① <b>By 2016</b> – Develop an energy plan for each Nestlé operating facility in the United States that takes advantage of renewable energy where possible and encourages utilities where we operate to migrate to a low-carbon energy mix.</li> </ul>
Preserve natural capital, including forests	<ul style="list-style-type: none"> <li>⊕ <b>By 2016</b> – The U.S. raw material volume for the 12 priority categories is aligned to support the global goal of 40% to be assessed against the Nestlé Responsible Sourcing Guideline.</li> </ul>
Provide meaningful and accurate environmental information and dialogue	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Increase engagement with stakeholders in the environmental community to advance our U.S. commitment to environmental sustainability.</li> </ul>
Promote transparency and proactive, long-term engagement in climate policy	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Continue to advocate for sound climate policy as a food and beverage industry leader.</li> </ul>

<sup>1</sup> Relevant products excludes exemptions (Gerber, Nestlé Health Science, Nestlé Professional, Nestlé Purina Petcare, plain water/coffee/tea, Confectionery gifting, Culinary free-dosing and table-top seasonings, and products designed for children under 4 years of age as other legal considerations are relevant) and where regulations are not allowed.



Commitments	Our Objectives
Work to achieve water efficiency and sustainability across our operations	<ul style="list-style-type: none"> <li>● <b>By 2016</b> – Implement projects in our California facilities that will save 144 million gallons of water per year.</li> <li>● <b>By 2017</b> – Implement the Alliance for Water Stewardship International standard in our water bottling and food manufacturing factories in California.</li> <li>● <b>By 2018</b> – Commit to conducting a water resources review at six of our priority sites across the United States.</li> </ul>
Raise awareness of water access and conservation	<ul style="list-style-type: none"> <li>● <b>By 2017</b> – Continue to support two watershed improvement projects per year through 2017.</li> <li>● <b>By 2018</b> – Implement Healthy Waterways collective action to improve watersheds and mitigate water risks at our bottled-water facilities.</li> </ul>
Advocate for effective water policies and stewardship	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Better understand potential climate change scenarios in regions where we source water for our beverage products, based on research. Share findings with stakeholders.</li> <li>● <b>By 2016</b> – Implement water savings projects in 100% of high-priority manufacturing facilities.</li> </ul>
Engage with suppliers, especially those in agriculture	<ul style="list-style-type: none"> <li>⊕ <b>By 2017</b> – Identify priority suppliers in our dairy supply chain and engage in discussions about increasing the efficiency of water use in dairy production.</li> </ul>
Treat the water we discharge effectively	<ul style="list-style-type: none"> <li>⊕ <b>By 2016</b> – Implement the new Nestlé Environmental Requirements for water quality and effluent discharge in all factories.</li> </ul>

## Rural Development and Responsible Sourcing

Commitments	Our Objectives
Implement responsible sourcing in our supply chain	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Complete 1,350 responsible sourcing audits in North America, with 945 of all audits completed in compliance.</li> <li>⊕ <b>By 2016</b> – 50% of the quantity of material purchased or the amount spent with U.S. suppliers is represented by suppliers who comply with the Nestlé Supplier Code.</li> </ul>
Roll out Nestlé Cocoa Plan	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Expand sourcing through the Nestlé Cocoa Plan in the United States to supply UTZ-certified, sustainable cocoa equal to the amount needed to produce 100% of the 2015 Easter confections line of chocolates and 100% of NESQUIK® Ready-to-Drink.</li> <li>● <b>By 2016</b> – Expand the Nestlé Cocoa Plan to include the cocoa equal to the amount needed to produce 100% of NESQUIK® powder.</li> </ul>
Continuously improve our green coffee supply chain	<ul style="list-style-type: none"> <li>● <b>By 2015</b> – Source 100% 4C-verified coffee<sup>1</sup> beans for NESCAFÉ® products produced and sold in the United States.</li> <li>● <b>By 2020</b> – Nescafé will improve the quality, quantity and sustainability of its coffee supply chain by distributing 220 million coffee plantlets.</li> <li>● <b>By 2020</b> – Source 100% of the coffee for Nespresso's permanent range through its AAA Sustainable Quality™ Program on coffee sourcing and improve farmer social welfare.</li> </ul>
Roll out the Rural Development Framework to understand the needs of farmers	<ul style="list-style-type: none"> <li>● <b>By 2020</b> – Continue to support Nestlé S.A.'s efforts to roll out the Rural Development Framework through our purchasing for the Nestlé Cocoa Plan, the Nescafé Plan and AAA Sustainable Quality™ Program.</li> </ul>

<sup>1</sup> The Common Code for the Coffee Community (4C) Association is a multi-stakeholder group with members across trade and industry, producers, civil society and companies active in the coffee supply chain.



## Our People, Human Rights and Compliance

Commitments	Our Objectives
Ensure all Nestlé employees are covered by a certified Safety and Health Management system	<ul style="list-style-type: none"> <li>● <b>By 2016</b> – Ensure that robust safety and health management systems are in place and certified to OHSAS 18001: 2007, covering all Nestlé employee populations so there is a uniform level of safety and health protection across all businesses.</li> </ul>
Enhance gender balance in our workforce	<ul style="list-style-type: none"> <li>● <b>By 2016</b> – Implement the new Parent Support Policy in the U.S., effective January 1, 2016, offering up to 14 weeks of paid leave for primary caregivers of newborns with the option of extending unpaid leave up to six months.</li> </ul>
Roll out Project Opportunity across all operations	<ul style="list-style-type: none"> <li>⊕ <b>By 2017</b> – Establish Nestlé as an Employer of Choice for veterans.</li> <li>● <b>By 2017</b> – Increase the number of existing apprenticeships to 136 across 31 factories.</li> <li>● <b>By 2017</b> – Hire 1,000 paid interns and trainees in manufacturing, supply chain, sales, finance, marketing, audit, IT and human resources.</li> <li>● <b>By 2017</b> – Enhance “readiness for work” activities (e.g., participation in job fairs, information sessions, résumé workshops, etc.) to reach 300,000 people annually and continue our efforts to hire military veterans across all of our U.S. operations.</li> </ul>
Provide training on Corporate Business Principles, nutrition, and environmental sustainability	<ul style="list-style-type: none"> <li>● <b>By 2016</b> – All new employees will receive Nutrition Quotient training.</li> <li>● <b>By 2017</b> – Nestlé Corporate Business Principles are fully embedded in e-learning courses made available to all employees.</li> </ul>
Assess and address human rights impacts in our operations and supply chain	<ul style="list-style-type: none"> <li>⊕ <b>By 2016</b> – Continue to participate in multi-stakeholder efforts to identify further solutions and implement collaborative actions to address the issue of forced labor in Thailand’s seafood supply chain.</li> </ul>
Eliminate child labor in key categories	<ul style="list-style-type: none"> <li>⊕ <b>By 2018</b> – Increase engagement in dialogue with U.S. based stakeholders on our efforts to eliminate child labor, including reporting on progress against KPIs and challenges.</li> </ul>
Ensure that all employees can easily report possible compliance violations	<ul style="list-style-type: none"> <li>⊕ <b>By 2016</b> – Reinforce awareness of the existence of confidential reporting lines across the organization.</li> </ul>
Work against corruption and bribery	<ul style="list-style-type: none"> <li>⊕ <b>By 2017</b> – All employees with computers will complete the annual business ethics questionnaire.</li> </ul>

# GRI Content Index



GRI Indicator		2015 Performance or Reason for Omission	Page
<b>G4-1</b>	Message from CEO	A Message from Chairman and CEO of Nestlé USA	p. 3
<b>G4-4</b>	Primary Brands of the Organization	Billion-dollar brands: FRISKIES® COFFEE-MATE® STOUFFER'S® DIGIORNO® NESTLÉ® PURE LIFE® GERBER®	Nestlé in the United States, p. 7
<b>G4-5</b>	Organization Headquarters	Vevey, Switzerland	GRI Content Index, p. 34
<b>G4-6</b>	Number of countries where organization operates, and names of countries where organization has signature operations	This report covers operations in the United States, unless otherwise indicated	GRI Content Index, p. 34
<b>G4-7</b>	Nature of ownership and legal form	Nestlé	GRI Content Index, p. 34
<b>G4-8</b>	Report the markets served (including geographic breakdown, sectors served and types of customers and beneficiaries)	This report covers operations in the United States, unless otherwise indicated	GRI Content Index, p. 34
<b>G4-9</b>	Scale of organization: number of employees, number of operations, net sales, total capitalization (including debt and equity), quantity of products	Nestlé in the U.S.: 51,000 employees 8 operating companies \$26 billion in revenue in 2014 For more information, see: <a href="#">Nestlé Annual Review 2015</a>	Nestlé in the United States, p. 7
<b>G4-10</b>	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	Full-time male: 31,000 Full-time female: 14,500 Total part-time and contract: 5,500	GRI Content Index, p. 34
<b>G4-11</b>	Report the percentage of total employees covered by collective bargaining agreements	In 2015, around 51% of our employees worldwide were covered by collective bargaining agreements	GRI Content Index, p. 34
<b>G4-12</b>	Describe the organization's supply chain, discuss supplier code of conduct	<a href="#">Nestlé Supplier Code of Conduct</a>	GRI Content Index, p. 34
<b>G4-13</b>	Report any significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain	No significant changes	GRI Content Index, p. 34
<b>G4-14</b>	Report whether and how the precautionary approach or principle is addressed	The Nestlé Policy on Environmental Sustainability incorporates the United Nations Global Compact Principles, which state that businesses should: support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of technologies with a better environmental performance. The policy is complemented by more detailed commitments on key environmental issues, including: <ul style="list-style-type: none"> <li>• <a href="#">The Nestlé Commitment on Climate Change</a></li> <li>• <a href="#">The Nestlé Commitment on Biofuels</a></li> <li>• <a href="#">The Nestlé Commitment on Water Stewardship</a></li> <li>• <a href="#">The Nestlé Commitment on Deforestation and Forest Stewardship</a></li> </ul>	GRI Content Index, p. 34
<b>G4-15</b>	List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses		2015 Stakeholder Convening, p. 9
<b>G4-16</b>	List membership associations and advocacy organizations in which the organization holds a position on the governance body, participates in projects, provides substantive funding, views membership as strategic		2015 Stakeholder Convening, p. 9
<b>G4-17</b>	List all entities included in the organization's consolidated financial statements. Report if any entities are not included in this	For financial information, see: <a href="#">Nestlé Annual Review 2015</a>	Nestlé in the United States, p. 7, GRI Content Index, p. 34
<b>G4-18</b>	Explain process for defining the report content and Aspect Boundaries, explain how the organization has implemented the reporting principles for defining report content		Stakeholder Engagement and Material Issues, p. 8

GRI Indicator		2015 Performance or Reason for Omission	Page
<b>G4-19</b>	List all the material Aspects identified in the process for defining report content	We provide performance metrics for the issues in this report, aligning with the Global Reporting Initiative (GRI) G4 Reporting Guidelines	Stakeholder Engagement and Material Issues, <a href="#">p. 8</a>
<b>G4-20</b>	For each Aspect, report the Aspect Boundary within the organization		Stakeholder Engagement and Material Issues, <a href="#">p. 8</a>
<b>G4-21</b>	For each Aspect, report the Aspect Boundary outside the organization		Stakeholder Engagement and Material Issues, <a href="#">p. 8</a>
<b>G4-22</b>	Report the effect of any restatements of information provided in previous reports and the reasons for restatements	This report does not contain any restatements of information in previous reports	GRI Content Index, <a href="#">p. 35</a>
<b>G4-23</b>	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	No significant changes from previous reporting periods	GRI Content Index, <a href="#">p. 35</a>
<b>G4-24</b>	Provide a list of stakeholder groups engaged by the organization	Academia; communities; consumers; industry and trade associations; international organizations; non-governmental organizations; shareholders and the financial community; state, local and federal government; suppliers	Stakeholder Engagement and Material Issues, <a href="#">p. 8</a>
<b>G4-25</b>	Report the basis for identification and selection of stakeholders with whom to engage	We engage in collective activities with partners and like-minded stakeholders at global and local levels, which include multilateral agencies, international organizations, governments, academia and NGOs and industry. Our involvement helps us to listen and learn from different opinions, share experiences and contribute positively to the implementation of best practices.	Stakeholder Engagement and Material Issues, <a href="#">p. 8</a>
<b>G4-26</b>	Report the organization's approach to stakeholder engagement, including frequency, and whether this engagement was undertaken specifically for this report	Nestlé in the U.S. held its first Creating Shared Value Stakeholder Convening in December 2015 to gather feedback from internal and external stakeholders. This engagement was undertaken for broad CSV application across Nestlé brands and portfolios.	Stakeholder Engagement and Material Issues, <a href="#">p. 8</a>
<b>G4-27</b>	Report key topics and concerns found, how the organization is responding	Water stewardship, childhood obesity and nutrition, health and wellness were found to be the top three social issues to Nestlé in the U.S. stakeholders.	Stakeholder Engagement and Material Issues, <a href="#">p. 8</a>
<b>G4-28</b>	Reporting period	January 1, 2015–December 31, 2015, unless otherwise indicated	About the Report, <a href="#">Inside Cover</a>
<b>G4-29</b>	Date of most recent report (if any)	<a href="#">Nestlé in the United States, Creating Shared Value Report 2014</a>	About the Report, <a href="#">Inside Cover</a>
<b>G4-30</b>	Reporting cycle	This report covers Nestlé in the U.S. operations for the calendar year ending December 31, 2015.	About the Report, <a href="#">Inside Cover</a>
<b>G4-31</b>	Provide the point of contact for any questions	For any questions, please contact <a href="mailto:Corporate.Affairs@us.Nestle.com">Corporate.Affairs@us.Nestle.com</a> .	GRI Content Index, <a href="#">Back Cover</a>
<b>G4-32</b>	Report the "in accordance" option the organization has chosen, the content index number for each material aspect and if any external assurance has been provided	This report was prepared in accordance with the G4 Core option. No external assurance was provided for this report	GRI Content Index, <a href="#">p. 35</a>
<b>G4-33</b>	Report organization's policy and current external assurance practice for the report, report relationship between assurers and organization, report highest governing body or execs involved in seeking assurance for the organization	No external assurance was provided for this report	GRI Content Index, <a href="#">p. 35</a>
<b>G4-34</b>	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental or social impacts	For more information, please see p. 20 of <a href="#">Nestlé in Society, Creating Shared Value Report 2015</a>	Business Principles and Governance, <a href="#">p. 36</a>
<b>G4-56</b>	Describe organization's values, principles, standards and norms of behavior, i.e., codes of conduct, codes of ethics	<ul style="list-style-type: none"> <li>• <a href="#">Nestlé Corporate Business Principles</a></li> <li>• <a href="#">Nestlé Management and Leadership Principles</a></li> <li>• <a href="#">Nestlé Code of Business Conduct</a></li> <li>• <a href="#">Nestlé Policy on Safety and Health at Work</a></li> <li>• <a href="#">Nestlé Human Resources and Employee Relations Policy</a></li> <li>• <a href="#">Nestlé Supplier Code</a></li> <li>• <a href="#">Annual Report</a></li> </ul>	GRI Content Index, <a href="#">p. 35</a>

# Business Principles and Governance

It is essential that we build our business on clear principles and sound governance. It helps us to maintain trust in the Nestlé brand and reduces risk throughout our value chain. The Nestlé Corporate Business Principles regulate the way we do business, and they form the basis of our culture, our values and our Creating Shared Value strategy. They are regularly reviewed by our executive board and aligned with international best practices, incorporating global standards such as the United Nations (UN) Global Compact Principles.

## Nestlé Corporate Business Principles

All of our employees are required to comply with Nestlé's Corporate Business Principles, and we continuously monitor their application and effectiveness. Our principles are implemented every day, across the company, through relevant business codes, policies, processes and tools.

The Nestlé Corporate Business Principles		
<b>Consumers</b>	1. Nutrition, Health and Wellness	We aim to enhance the quality of consumers' lives by offering tastier, healthier food and drinks and encouraging a healthy lifestyle.
	2. Quality assurance and product safety	We want to ensure that, everywhere in the world, the Nestlé name represents the highest levels of product safety and quality.
	3. Consumer communication	We are committed to responsible, reliable communication that informs consumers and promotes healthier diets. We respect consumer privacy.
<b>Human rights and labor practices</b>	4. Human rights in our business activities	We fully support the United Nations Guiding Principles on Business and Human Rights, and aim to set an example of good human rights and labor practices throughout our business activities.
<b>Our people</b>	5. Leadership and personal responsibility	While fostering a culture of respect and dignity, we provide our people with equal opportunities for development, protect their privacy and do not tolerate any form of harassment or discrimination against them. At the same time, we expect our employees to be responsible, motivated and respect our values.
	6. Safety and health at work	We are committed to preventing work-related accidents, injuries and illnesses, and to protecting employees, contractors and others involved along the value chain.
	7. Supplier and customer relations	We require our suppliers, agents, subcontractors and their employees to demonstrate honesty, integrity and fairness, and to adhere to our non-negotiable standards.
<b>Suppliers and customers</b>	8. Agriculture and rural development	We aim to help rural communities become more environmentally sustainable by contributing to improvements in agricultural production and the social and economic status of farmers.
	9. Environmental sustainability	We are committed to environmentally sustainable business practices and strive to use natural resources efficiently, achieve zero waste and use sustainably managed renewable resources.
<b>The environment</b>	10. Water	The world faces a growing water challenge, and we are committed to using water sustainably and improving our water management.

# Resources

Websites:	Addresses:
Nestlé S.A. – <a href="http://Nestle.com">Nestle.com</a> Creating Shared Value (Global) – <a href="http://Nestle.com/CSV">Nestle.com/CSV</a>	Nestlé S.A. Avenue Nestlé 55, 1800 Vevey, Switzerland +41 21 924 1111
Gerber – <a href="http://Medical.Gerber.com">Medical.Gerber.com</a>	Gerber 12 Vreeland Road, Florham Park, NJ 07932 (973) 593-7500
Nespresso USA, Inc. – <a href="http://Nestle-Nespresso.com">Nestle-Nespresso.com</a>	Nespresso USA, Inc. 101 Park Avenue, 7th Floor, New York, NY 10017 (646) 658-3800
Nestlé Health Science – <a href="http://NestleHealthScience.us">NestleHealthScience.us</a>	Nestlé Health Science 12 Vreeland Road, Florham Park, NJ 07932 (973) 593-7500
Nestlé Professional – <a href="http://NestleProfessional.com">NestleProfessional.com</a>	Nestlé Professional 30000 Bainbridge Road, Solon, OH 44139 (440) 264-6600
Nestlé Purina PetCare Company – <a href="http://Purina.com">Purina.com</a>	Nestlé Purina PetCare Company Checkerboard Square, St. Louis, MO 63164 (314) 982-1000
Nestlé Skin Health S.A. – <a href="http://NestleSkinHealth.com">NestleSkinHealth.com</a>	Nestlé Skin Health S.A. Avenue Gratta-Paille 2, 1018 Lausanne, Switzerland +41 21 642 78 00
Nestlé USA – <a href="http://NestleUSA.com">NestleUSA.com</a> Creating Shared Value (U.S.) – <a href="http://NestleUSA.com/CSV">NestleUSA.com/CSV</a>	Nestlé USA 800 North Brand Boulevard, Glendale, CA 91203 (818) 549-6000
Nestlé Waters North America – <a href="http://Nestle-WatersNA.com">Nestle-WatersNA.com</a>	Nestlé Waters North America 900 Long Ridge Road, Building 2, Stamford, CT 06902-1138 (203) 531-4100



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