Nestlé at a glance 2013

Sales in CHF million

- 1 512 in Switzerland
- 92 158 in the world

Capital expenditure in CHF million

- 419 in Switzerland
- 4 928 in the world

Employees

- 10 175 in Switzerland
- 333 000 in the world

R&D in CHF million

- 971 in Switzerland
- 1 503 in the world

Nestlé in Switzerland

Nestlé is the world’s leading Nutrition, Health and Wellness company offering consumers tastier and healthier food and beverage choices. Throughout its history, Nestlé has always created strong, iconic brands. Some, like Cailler and Thomy, are part of our national culinary heritage, others, such as Nescafé, Maggi and Nespresso, are known the world over. They were all invented in Switzerland.

Founded in Switzerland in 1866, Nestlé now has operations in 196 countries around the world, employing some 333 000 people. While our companies have become firmly embedded in the social and economic fabric of the countries in which we operate, as a Group we remain firmly Swiss. Switzerland remains host to the Nestlé Group’s international head-quarters and its main decision-making and administrative units.

This brochure offers a concise summary of Nestlé as a whole and our commitment to Switzerland in particular.
Our ambition

Nestlé’s ambition is to enhance the quality of people’s lives through nutrition, health and wellness. We offer healthier and tastier choices throughout all stages of a consumer’s life and at any time of the day. Based on science and Research and Development, we permanently innovate our portfolio of food and beverages.

We have reinforced this strategy by extending the boundaries of nutrition with Nestlé Health Science, enabling us to develop nutritional solutions based on science to help prevent and treat various health conditions. With the recent setting up of Nestlé Skin Health, we are extending the boundaries of health and wellness further into the field of specialised medical skin treatment.

Our mission

It is our firm belief that, for a company to be successful over time and create value for its shareholders, it must also create value for society. We call this “Creating Shared Value”. Built on the strong foundations of compliance and sustainable business practices, this is our way to do business and to be the trusted leader in Nutrition, Health and Wellness.
An engaged member of the community

In Switzerland, as in all countries where Nestlé is based, Nestlé supports a wide range of both local and regional activities in the fields of health, nutrition, children and youth, wellness and development, sports and culture.

Initiatives in Switzerland include:
• Supporting the Nutrikid platform for nutritional education and promoting physical activity and relaxation to children and teenagers.
• Supporting the Independent Living Unit project of Pro Infirmis which offers over-18s with mild to moderate learning difficulties a three-year training course to help them develop their ability to approach everyday life as independent, self-determined adults.
• Collaborating with the Théodora Foundation by financing educational entertainment for hospitalised children.
• Donating surplus products to the charity organisation Caritas Suisse.
• Supporting Swiss Sports Aid, the Tour of Switzerland, the 20 km Lausanne run and many other sporting events.
• Sponsoring major international cultural events such as the Montreux-Vevey Classical Music Festival, the Montreux Jazz Festival, the Lucerne Festival, the Lucerne Festival Orchestra, the Verbier Festival and the Paléo Festival Nyon.
Our commitment to the environment

As a major manufacturing company, Nestlé is keenly aware of its responsibility for environmental protection and ensuring environmental sustainability. In 2013, Nestlé units in Switzerland spent more than CHF 1.2 million on environmental sustainability projects and activities.

In particular:
- Energy saving projects 2013 contributed to a combined saving of 4%, which were neutralized by a shift of production to more energy-intensive products.
- In Konolfingen, the optimisation of the heat pump saves 320 t/y of fuel and several optimisation projects (cleaning efficiency, burner optimisation) contribute to a saving of 150 t/y of fuel.
- In Orbe, the introduction of a heat recovery system in the coffee grounds boiler saves 320 t/y of fuel and the introduction of an evaporator improvement (thermo compressor) saves 250 t/y of fuel.
- Water saving projects 2013 contributed to a combined saving of 8.2%, which were also partially neutralized by the shift of production to more water-intense products.
- In Orbe, we further improved the cooling circuits and saved 280,000 m³/y water. The shift closed loop cooling in one of our evaporators saved 127,000 m³/y water.
- In Konolfingen, the optimisation of the cleaning contributed with 6000 m³/y.
- Nespresso Switzerland increased its recycling capacity thanks to “Recycling at Home”, an innovative free pick-up service for used aluminium capsules. After separating the coffee and aluminium, the coffee grounds serve as an energy source or are treated in a compost facility and used as fertiliser, for example in the Lavaux vineyards surrounding Vevey.
Contributing to the prosperity of the national economy

With a turnover of CHF 92.2 billion in 2013, Nestlé is one of the largest companies in the world. In Switzerland, the company recorded sales of CHF 1.5 billion. The Nestlé Group has throughout the world, but with 447 factories in 86 countries throughout the world, but with 10 production sites on Swiss soil, Switzerland remains an important export platform.

Producing in Switzerland for the world
• In terms of value, 81% of Nestlé’s Swiss made products were exported globally in 2013, which amounts to CHF 4.23 billion.

Investing in Switzerland
• Between 2004 and 2013, the company made capital investments in Switzerland of CHF 3.4 billion.
• In 2013 alone, the company invested CHF 419 million in its production and distribution infrastructures in Switzerland.
• Most recently, Nestlé committed CHF 300 million for a new Nespresso factory in Romont, due to open in 2015 with the creation of 400 jobs.

Purchasing raw materials and services
• In 2013, the value of raw and packaging materials sourced by Nestlé for production in Switzerland was CHF 995 million.
• The value for services used by Nestlé in Switzerland was CHF 975 million in 2013.

Tax contributor
• Nestlé is a major tax contributor in Switzerland, both directly through the corporate income taxes paid by the Group and indirectly, through the income taxes and social contributions paid by its 10,175 employees in Switzerland.
Jobs in Switzerland – for Switzerland

In Switzerland, more than 10,000 people, of more than 90 nationalities, work directly for the Group. In 2013, the salary bill for Nestlé employees in Switzerland was around CHF 1.7 billion.

**Top employer in Switzerland**
- Between 2004 and 2013, Nestlé created more than 3800 new jobs in Switzerland, an increase of 59.1%, over 300 new jobs in 2013 alone.
- Each job at Nestlé in Switzerland generates approximately three and a half other jobs in areas directly or indirectly related to the company’s activities.

**A preferred employer**
- According to several independent studies, business students and professionals perceive Nestlé to be one of the most attractive employers in Switzerland.

**Training employees in Switzerland**
- In 2013, a total of 2682 employees from around the world attended management training sessions at Nestlé’s international training centre, Rive-Reine, in La Tour-de-Peilz.
- In 2013, Nestlé invested CHF 17 million in internal and external training for Nestlé employees working in Switzerland.

**Supporting a young generation in Switzerland**
- In 2013, Nestlé trained 182 Swiss apprentices, mainly in the commercial, technical, research and development and supply-chain streams.

*Universum Study, December 2012–March 2013*
R&D and innovation central to our ongoing success

Unrivalled R&D capabilities are at the heart of our Nutrition, Health and Wellness strategy. Our science, research and technology expertise helps us to anticipate and respond to ever-changing consumer and business needs.

A large proportion of research is conducted in Switzerland where Nestlé spends more than 60% of its international research budget.

Switzerland at the heart of our research

- Behind every Nestlé product is a team of scientists dedicated to earning consumers’ trust with safe products. Among our 34 R&D Centres worldwide, 8 are located in Switzerland. In 2013, to stay at the forefront in food safety, we opened the most advanced laboratories of their kind in the industry to study food-borne pathogens. The research carried out in these labs, based in the Nestlé Research Center, will be of great benefit for Nestlé, the wider scientific community and, ultimately, for our consumers.
- Basic research is carried out in Lausanne where the Nestlé Research Center, Nestlé Institute of Health Sciences and the Clinical Development Unit are located.
- Development that is more specific to particular areas is carried out in our Product Technology Centres. In Switzerland Nestlé operates Product Technology Centres in Orbe and Konolfingen. Orbe is Nestlé’s reference centre for products and technologies in coffee, powdered beverages and cereals consumed in and out of the home. Konolfingen is our centre of excellence focusing on the development of infant formula, dairy products and medical nutrition.
- Dedicated development of chocolate is done at the Broc Chocolate Centre of Excellence. Broc brings together both internal and external chocolate expertise such as top chocolatiers, sensory experts and packaging designers to develop luxury and premium chocolate products.

External collaborations in Switzerland

- Nestlé collaborates with the majority of universities and university hospitals in Switzerland and has close ties with the University of Lausanne (UNIL), ETH Zurich and the Ecole Polytechnique Fédérale de Lausanne (EPFL), among others.
- The company has established an alliance with the Brain Mind Institute (BMI) at the EPFL.
- Through different venture capital funds, Nestlé is also investing in several Swiss life science companies.
Administration
1 Vevey: HQ Nestlé Group, HQ Nestlé Nutrition, HQ Nestlé Health Science S.A. and HQ Nestlé Super Premium/Mövenpick of Switzerland
2 La Tour-de-Peilz: HQ Nestlé Switzerland and HQ Nestrade S.A. and Nestlé Capital Advisers S.A.
3 Lausanne: HQ Cereal Partners Worldwide (CPW), HQ Nestlé Purina Petcare Europe and HQ Nestlé Nespresso S.A.
4 Paudex: HQ Nestlé Nespresso Switzerland
5 Lutry: HQ Nestlé Professional
6 Bussigny-près-Lausanne: Nestlé Operational Services Worldwide S.A.
7 Henniez: HQ Nestlé Waters Switzerland
8 Urdorf: Beverage Partners Worldwide S.A.
9 Cham: Nestlé S.A., Share Transfer Office

Research and Development
1 Lausanne: Vers-chez-les-Blanc – Nestlé Research Center and Clinical Development Unit; EPFL – Nestlé Institute of Health Sciences
2 Broc: Chocolate Centre of Excellence
3 Konolfingen: Product Technology Centre – Dairy, Infant Nutrition and Healthcare Nutrition
4 Orbe: Product Technology Centre – Coffee and Beverages, Nestlé Professional Beverage Centre, Nestlé System Technology Centre and CPW Innovation Centre

Production
1 Avenches: Coffee – Nespresso
2 Basel: Culinary – Thomy, Le Parfait, Incarom
3 Broc: Chocolate – Cailler, Nestlé, Nespresso Chocolate
5 Orbe: Coffee and Cereal – Nescafé, Nespresso, CPW Cereal
6 Rorschach: Ice Cream and Frozen Food – Frisco, Mövenpick of Switzerland, Findus, Buitoni
7 Wangen bei Olten: Fresh Ready Made Dough – Leisi, Buitoni
8 Saxon: Waters – Cristalp
9 Manno: Specialty Oils – Sofinol SA
10 Henniez: Waters – Henniez

Distribution Centres
1 Aclens
2 Conthey
3 Lausen
4 Rümlang
5 Dagmersellen
6 Landquart
7 Samedan
8 San Antonio
9 Bern/Bümpliz
10 Rorschach – Main distribution centre

Present in 13 Cantons
# A brief history of Nestlé

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<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>1866</td>
<td>Foundation of Anglo-Swiss Condensed Milk Co.</td>
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<td>1867</td>
<td>Henri Nestlé’s Infant cereal developed</td>
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<td>1905</td>
<td>Nestlé and Anglo-Swiss Condensed Milk Co. (new name after merger)</td>
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<td>1929</td>
<td>Merger with Peter, Cailler, Kohler Chocolats Suisses S.A.</td>
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<td>1938</td>
<td>Launch of Nescafé</td>
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<td>1947</td>
<td>Nestlé Alimentana S.A. (new name after merger with Maggi)</td>
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<td>1948</td>
<td>Launch of Nestea and Nesquik</td>
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<td>1969</td>
<td>Vittel (initially equity interest only)</td>
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<td>1974</td>
<td>L’Oréal (associate)</td>
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<td>1977</td>
<td>Nestlé S.A. (new name)</td>
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<td>1981</td>
<td>Galderma (joint venture with L’Oréal – full acquisition announced for 2014)</td>
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<td>1985</td>
<td>Carnation (with Coffee-mate and Friskies)</td>
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<td>1986</td>
<td>Creation of Nestlé Nespresso S.A. and Herta</td>
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<td>1988</td>
<td>Buitoni-Perugina and Rowntree (with KitKat)</td>
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<td>1990</td>
<td>Cereal Partners Worldwide (joint venture with General Mills)</td>
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<td>1991</td>
<td>Beverage Partners Worldwide (joint venture with Coca-Cola)</td>
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<td>1992</td>
<td>Perrier (with Poland Spring)</td>
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<td>1993</td>
<td>Creation of Nestlé Sources Internationales (2002: Nestlé Waters)</td>
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<td>1998</td>
<td>Sanpellegrino and Spillers Petfoods, Launch of Nestlé Pure Life</td>
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<td>2001</td>
<td>Ralston Purina</td>
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<td>2003</td>
<td>Mövenpick and Dreyer’s</td>
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<td>2006</td>
<td>Creation of FoodServices Strategic Business Division (2009: Nestlé Professional) Lactalis Nestlé Produits Frais (associate)</td>
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<td>2007</td>
<td>Novartis Medical Nutrition, Gerber, Henniez</td>
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<td>2011</td>
<td>Creation of Nestlé Health Science and Nestlé Institute of Health Sciences, Yinlu, Hsu Fu Chi (partnerships)</td>
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<td>2012</td>
<td>Wyeth Nutrition</td>
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<td>2013</td>
<td>Pamlab</td>
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<td>2014</td>
<td>Creation of Nestlé Skin Health</td>
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