

# Nestlé in the United States

Meeting society's needs by Creating Shared Value



# Letter From the CEOs

**At Nestlé,** we are committed to becoming the very best Nutrition, Health and Wellness company. Achieving this means doing more than just providing consumers and their pets with great-tasting, nutritious food and beverages. It means creating value for our employees, customers, consumers and their families, as well as society at large. We call this approach *Creating Shared Value*.

*Creating Shared Value* is a way of doing business that goes beyond philanthropy. It is a basic principle of our business strategy and fundamental to our overall success as a company. For our business to prosper in the long term, we must create value for shareholders and society in a manner that is integrally linked to our core business strategies and operations.

Globally, Nestlé's *Creating Shared Value* focuses on the areas of nutrition, water and rural development.

- Since its founding in Switzerland more than 140 years ago, Nestlé has achieved long-term profitable growth by providing **nutritious products** that improve the health of its consumers. As a result, Nestlé today is the world's largest Nutrition, Health and Wellness company.
- A business must operate in an environmentally sustainable manner, in a way that provides for current needs without compromising the Earth's resources for use and enjoyment by future generations. Nestlé works diligently in this area, with a special focus on **water resources**.
- Economic development, particularly **rural development**, is key to improving the lives of farmers and rural communities. Nestlé has been contributing to economic development over many decades, primarily through our work with farmers and through our 456 factories, half of which are in the developing world, and most of which are in rural areas.

In the United States, we carry out our commitment to *Creating Shared Value* in many ways. We contribute to the strength of local economies by creating productive jobs with comprehensive benefits.

We also create shared value by:

- Providing consumers and their pets with **nutritious and enjoyable food and beverages** that play an important part in every aspect of their lives.
- Conducting business in a way that is **environmentally responsible and mindful of water and the other natural resources** we all depend on.
- **Investing in rural and other communities where we do business** by working closely with organizations that provide health, nutrition and water education, as well as organizations committed to hunger relief, improving the environment and many other causes.

While many people think of Nestlé as just a chocolate company, we believe the stories shared here will show we are a whole lot more.

As we look to the future, we remain dedicated to these efforts: building on our strengths, laying the groundwork for long-term growth and doing so by *Creating Shared Value*.

**Sincerely,**



Kim Jeffery, President & CEO,  
Nestlé Waters North America

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

Brad Alford, Chairman & CEO,  
Nestlé USA

Kurt Schmidt, President & CEO,  
Nestlé Nutrition

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

Nestlé USA



Nestlé Purina PetCare Company



## Did You Know... Nestlé Is More Than Chocolate?

Many people are surprised to learn that Nestlé makes more than chocolate. The fact is we sell some of the world's best-known brands and products you see every day, and that you and your family have come to enjoy and rely on for years. The LEAN CUISINE® entrée you eat at lunch, the NESTLÉ® COFFEE-MATE® you add to your coffee, the POWERBAR® energy bar you snack on after working out, the NESTLÉ® PURE LIFE® or POLAND SPRING® water you drink to stay hydrated, the GERBER® foods you feed your infant, toddler and preschooler or the PURINA ONE® pet food you feed your pet. This is who we are...





Nestlé Professional



Nestlé Nutrition



Nestlé Waters North America





## Generating Economic Vitality

*Creating Shared Value* means contributing to the financial strength of communities throughout the United States. At Nestlé, we do this by creating productive jobs with benefits, generating tax revenues for local, state and federal governments, and supporting numerous local community programs.

### **CREATING JOBS AND OTHER ECONOMIC BENEFITS**

The United States is Nestlé's largest market. In 2009, our product sales in the United States totaled more than \$28 billion.

Nestlé in the United States consists of five main businesses: Nestlé USA, Nestlé Waters North America, Nestlé Purina PetCare Company, Nestlé Nutrition and Nestlé Professional.

Together, these companies operate in more than 120 locations in 47 states and employ over 44,000 people.

Our commitment in the United States continues. We have opened six new facilities since 2008: Allentown, PA; Anderson, IN; Fremont, MI; Greenwood, IN; Kingfield, ME; and Solon, OH. Two more facilities will be completed in 2010: Gray Summit, MO, and Sacramento, CA.

### **ENCOURAGING A HEALTHY WORKFORCE**

People are the heart of Nestlé. Throughout the United States, Nestlé companies offer competitive pay and comprehensive benefits programs that reflect the changing needs of today's employees, such as health and wellness initiatives to encourage a healthy workforce and world-class learning and professional-development opportunities.

**“Through Nestlé’s \$14 million investment in the Nestlé Professional Customer Innovation Campus, we built a 67,000-square-foot state-of-the-art foodservice culinary facility in Solon, OH, which will employ 125 world-class chefs, product-development technologists and foodservice executives.”**

– Neil Dorfman, Vice President, Manufacturing and Technical Services, Nestlé Professional



Nestlé USA has been named one of “America’s Most Admired Food Companies” by *Fortune* magazine for 13 consecutive years.

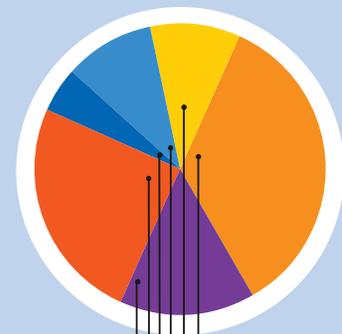
In 2008, Nestlé Purina PetCare Company was honored by both the *St. Louis Business Journal* and *St. Louis Magazine* as one of St. Louis’ Best Places to Work.

### Nestlé Companies in the United States:

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

## Helping Communities Grow...

- Nestlé Waters North America has invested \$440 million in Maine since 1992, creating nearly 800 jobs.
- More than \$360 million has been invested in Indiana by Nestlé USA through the Anderson Beverage Facility, creating approximately 500 jobs.
- In 2009, Nestlé Nutrition made a commitment to invest \$75 million over the next 10 years in our Fremont, MI, facility. Part of this investment includes the Start Healthy, Stay Healthy™ Consumer Call Center.
- Nestlé Purina PetCare Company is currently building a \$10 million Purina Event Center in Gray Summit, MO, to be completed in 2010.
- In 2008, Nestlé Professional opened its Customer Innovation Campus in Solon, OH, a facility dedicated to the “away from home” food industry, creating more than 70 new jobs.



Nestlé USA 35%  
 Nestlé Nutrition 10%  
 Nestlé Waters North America 10%  
 Nestlé Professional 5%  
 Nestlé Purina PetCare Company 25%  
 Other 15%

**Total: \$28.3**  
 (2009 sales in billions)



**“At Nestlé, food safety is a priority. We back this commitment with attention to ingredient specifications, product testing and quality programs to ensure safety.”**

**– Wally Huber, Head of Operations,  
Nestlé Nutrition, North America**



## Providing You With Nutritious, Great-Tasting Food and Beverages

A balanced diet and physical activity are essential to a healthy lifestyle and overall personal wellness. We are committed to nutrition research, education and awareness by offering a variety of nutritious, delicious food and beverages for all stages of life, along with product information that enables consumers to make informed decisions.

# 29

**We test for 29 essential nutrients in every batch of GERBER GOOD START infant formula.**



### **QUALITY IS OUR HIGHEST PRIORITY**

The quality of our products and the integrity of the ingredients from which they are manufactured are paramount to Nestlé. We work hard to meet all of the latest safety, quality and regulatory standards for our products, ingredients and packaging. For example, we test for 29 essential nutrients in every batch of GERBER® GOOD START® infant formula. Every day, every line that produces Nestlé Waters North America's bottled waters is tested 200 times. And the majority of ingredients used in Nestlé Nutrition's products and Nestlé Purina's pet-food products are sourced from the United States and made in Nestlé-owned United States manufacturing facilities.

### **HOW WE MAKE OUR PRODUCTS “BETTER-FOR-YOU”**

Nestlé is constantly striving to improve the nutritional profile of our products – from the reduction or removal of salt, sugar and trans fat to the inclusion of nutritious ingredients like vegetables and whole grains.



## PURE LIFE®

# Gerber®

### Reducing sodium, fat and sugar

DREYER'S/EDY'S® SLOW CHURNED® ice cream  
 MINOR'S® All Natural Bases  
 NESTLÉ® NESQUIK® 25% Less Sugar flavored powder  
 NESTLÉ® NESQUIK® 100 Calorie flavored milk  
 STOUFFER'S® frozen entrées  
 TRIO® Low Sodium Poultry Gravy and Brown Gravy mixes

### Supporting performance nutrition

POWERBAR® Fruit Smoothie energy bar  
 POWERBAR® Performance energy bar  
 POWERBAR® Gel Blasts™ energy chews  
 POWERBAR® Endurance  
 RE-SOURCE® liquid formula

### Adding benefits

GERBER® GOOD START® Protect PLUS®  
 Formula with probiotics  
 GERBER® cereals and purees with DHA  
 GERBER® GRADUATES® LIL' ENTRÉES® selections  
 GERBER® GRADUATES® For Preschoolers Healthy  
 Meals with a serving of vegetables  
 GERBER® GRADUATES® FRUIT STRIPS™ real Fruit Bars  
 GERBER® GRADUATES® FRUIT TWISTS with  
 at least ½ serving of fruit per serving  
 GERBER® GRADUATES® YOGURT MELTS® Snacks  
 made with 99% real yogurt and fruit  
 PRO PLAN® brand pet foods  
 PURINA VETERINARY DIETS® FortiFlora®  
 feline nutritional supplement

### Offering healthy beverages

BOOST® GLUCOSE CONTROL® nutritional drinks  
 GERBER® GRADUATES® SMART SIPS™ nutritious beverage  
 GERBER® Pure Purified Water Made for Mixing  
 NESTLÉ® JUICY JUICE® 100% juice  
 NESTLÉ® NESQUIK® flavored milk  
 NESTLÉ® PURE LIFE® purified water  
 POLAND SPRING® natural spring water  
 S. PELLEGRINO® sparkling natural mineral water

### Providing weight-management options

HÄAGEN-DAZS® Fat Free Sorbets  
 HÄAGEN-DAZS® Low Fat Frozen Yogurts  
 JENNY CRAIG® foods  
 OPTIFAST® weight-loss products  
 PURINA® FIT & TRIM® dog food

### Providing portion-control solutions

DIBS® bite-size snack bags  
 DREYER'S/EDY'S® SLOW CHURNED® snack-size cups  
 HÄAGEN-DAZS® single-serve cups  
 LEAN CUISINE® frozen entrées  
 LEAN POCKETS® sandwiches  
 NESTLÉ® NESQUIK® 8-oz. chocolate milk  
 THE SKINNY COW™ low fat ice cream cones and cups  
 THE SKINNY COW™ low fat ice cream bars and sandwiches

### Adding whole grains

BELGIAN CHEF® whole grain waffle stix  
 BUITONI® whole wheat pastas  
 GERBER® GRADUATES® LIL' CRUNCHIES® snacks  
 LEAN CUISINE® frozen entrées  
 LEAN POCKETS® sandwiches  
 STOUFFER'S® frozen entrées





# Providing You With Nutrition Information and More

Nestlé recognizes that maintaining a healthy lifestyle requires making smart decisions – both big and small. That’s why we make a wide range of nutrition and health information easy to access through our nutrition labels, tools, websites and more.

**NESTLÉ NUTRITIONAL LABELING**  
Nestlé offers on-package information that provides consumers with relevant, easy-to-understand nutrition information.



## GERBER'S Developmental Stage-Based Milestone Symbols™

These are proprietary color-coded icons for identifying GERBER products by developmental stage for children aged 0 to 48 months. These icons are designed to create easier navigation and selection of developmentally appropriate GERBER products and information.



## Nestlé Nutritional Compass™

This proprietary icon on the back of many Nestlé packages features key product nutritional benefits along with additional tips and nutrition facts, to enable consumers to make informed choices.



**“To be the very best Nutrition, Health and Wellness company in the U.S., we work hard at delivering superior products and nutrition information that allow consumers to make healthy choices and encourage healthy lifestyles.”**

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

#### **OTHER NUTRITION RESOURCES**

- **Start Healthy, Stay Healthy™:** Nestlé Nutrition’s integrated nutrition system that combines products, education and services – designed to foster healthy growth and development and the early establishment of healthy eating habits in children from birth to preschool.
- **“Better-for-You” Menu Options:** Nestlé Professional provides “Better-for-You” menu options and nutritional information on products to help restaurant operators meet menu-labeling requirements.

#### **NESTLÉ’S GROUNDBREAKING RESEARCH IN THE UNITED STATES**

We are committed to delivering science-based solutions to help meet our consumers’ nutritional needs. For example, Nestlé Nutrition sponsored the groundbreaking Nestlé Feeding Infants and Toddlers Study (FITS), surveying the dietary intakes of more than 3,000 infants, toddlers and preschoolers:

- FITS 2002: The first study of its kind revealed poor eating habits at early ages, including the identification of French fries as the most commonly consumed vegetable for toddlers.
- FITS 2008: Six years after the original study, the data found fewer infants and toddlers were consuming sweets and sweetened beverages. However, it also revealed many toddlers and preschoolers were not eating a single serving of vegetables or fruit on a given day.

#### **Nestlé Globally: Creating Shared Value Through Nutrition Around the World**

- **Nestlé has the world’s largest private nutrition research-and-development organization composed of approximately 5,000 employees and more than 20 research centers.**
- **In 2008, Nestlé spent more than \$1.8 billion on research and development globally.**
- **In 2008, Nestlé improved the nutrition profile of over 6,000 products.**
- **From 2003 to 2007, Nestlé removed 34,000+ tons of trans fat from its products.**
- **More than 79,000 employees have participated in our Nutrition Quotient (NQ) training program so they are armed with nutrition knowledge.**
- **The Nestlé Healthy Kids Global Programme, which seeks to improve the nutrition, health and wellness of children through better eating and greater physical activity, has reached more than 10 million children.**



**“At Nestlé, we take our responsibility to reduce our environmental footprint very seriously. That’s why we are always looking for new ways to minimize our impact, from how we conserve water and energy, to how we design our packaging, transport goods and build our factories.”**

**– Mark Brodeur, Director, Environmental Sustainability, Nestlé Purina PetCare Company**



# Our Commitment to Water and Sustainable Business Practices



We are committed to protecting the natural environment through our efforts to reduce water usage, meet LEED and other energy standards, and minimize landfill waste. We have employees dedicated to investigating new and innovative approaches to sustainability at each stage of a product’s life cycle. Nestlé Continuous Excellence, our global, companywide initiative, is expected to be a large contributor to improving our sustainability performance indicators, which are aligned with the principles of the United Nations Global Compact.

## HOW WE ARE REDUCING OUR ENVIRONMENTAL IMPACT

### Water Management

- Over the past five years, Nestlé Waters North America reduced water consumption in its factories by **2.2 percent** while product volume increased by **27 percent**.
- Nestlé Waters North America participates in the **Beverage Industry Environmental Roundtable** and leads their Water Committee in establishing a scientific basis for water-footprint accounting.

### Energy

- In the United States, Nestlé has **10 factories designed for LEED certification** for sustainable construction issued by the U.S. Green Building Council, and two have achieved gold ratings.
- Nestlé Purina PetCare Company is the **first U.S. manufacturer to use renewable solar energy** at one of its factories for the production of pet food.
- Over the last 10 years, Nestlé Purina PetCare Company has lowered the cost of lighting companywide by **50 percent** while improving the quality of that light.
- In Solon, OH, approximately **80 percent** of Nestlé USA’s Prepared Foods factory’s energy needs are met with methane gas emissions from a landfill, greatly reducing its greenhouse gas emissions.

### Packaging

- Nestlé USA redesigned its NESTLÉ® JUICY JUICE® 64-fluid-ounce plastic bottles, resulting in the reduction of nearly **725,000 pounds** of plastic each year. This is equivalent to saving more than **200,000 gallons** of gasoline.
- Nestlé Waters North America produces **98 percent** of its bottles on-site, saving **6.6 million** gallons of fuel and preventing **6,200 tons** of CO2 emissions.



# 35%

Latest Eco-Shape® .5-liter bottle will contain **35 percent** less plastic than the same size bottle produced four years ago.



- Nestlé Waters North America's recyclable Eco-Shape® .5-liter bottle is one of the **lightest on the market**. The latest bottle will contain **35 percent** less plastic than the same size bottle produced four years ago. The smaller labels also save about **10 million pounds** of paper per year – the equivalent of **30,000 trees**.

#### Recycling and Waste

- Nestlé Professional's manufacturing facility in Cleveland, OH, is **partnering with local composters** to divert food waste from landfills.
- Over the past five years, Nestlé Waters North America's in-plant recycling has increased **14.2 percent**, which has allowed us to divert over **12 million** pounds of waste from entering landfills. And in 2009, Nestlé Waters North America recycled **94 percent** of its solid waste.

#### Transportation

- Nestlé Transportation Company is a member of the **U.S. Environmental Protection Agency SmartWay®** program, which promotes environmentally cleaner, more fuel-efficient transportation options.
- Nestlé Waters North America has started ordering hybrid delivery trucks that are expected to deliver a **25 percent** improvement in fuel economy.

#### Agriculture

- Through the HÄAGEN-DAZS Loves Honey Bees™ campaign, Nestlé USA has **donated \$500,000** to researchers at Penn State and the University of California, Davis to find out why honey bees are dying across North America.

## Nestlé Globally: Creating Shared Value Through Sustainable Practices Around the World

- Nestlé invests **\$36 million** a year to reduce energy and resource use in our products through technical improvements, training and raising awareness.
- In the past **10 years**, Nestlé businesses reduced energy consumption by **42 percent** per ton of product.
- Through a continuous review of packaging, Nestlé saved over **64,000 tons** of packaging materials in 2008 alone.
- In the past **10 years**, the CO2 emissions from manufacturing were reduced by **13.5 percent** on a normalized basis, while production grew by **68 percent**.
- Nestlé accounts for less than **0.005 percent** of fresh-water use globally.



## Creating Shared Value in Our Communities

Nestlé focuses on three key strategic areas for *Creating Shared Value*: nutrition, water and rural development. These areas are both basic to our business success and where we can have the maximum benefit to society.



**“Feeding America can’t work alone. Through our long-term partnership with Nestlé, we have been able to provide hungry people across America with everything from baby food to bottled water to nutritious food.”**

**– Vicki Escarra, President and Chief Executive, Feeding America**

# \$10m

**Nestlé Purina PetCare Company contributes to animal welfare with over \$10 million in food and support.**

### **NUTRITION**

At Nestlé, we create shared value for families and their pets by helping reduce hunger and educating about the importance of nutrition.

### **Feeding America®**

- Nestlé USA, Nestlé Waters North America and Nestlé Nutrition have developed a long-term relationship with Feeding America. Together, we have delivered more than **123 million** pounds of food and beverages to **162 local food banks** over the past 20 years.

### **Purina® Pets for People™**

- Each year, Nestlé Purina PetCare Company supports animal welfare efforts with more than **\$10 million** in food and other support, such as offering senior citizens reduced-cost pet adoptions and providing pet food in the aftermath of natural disasters like Hurricane Katrina.

**“From Project WET to the American Red Cross, our company has a long history of developing deep ties with local communities. We are proud to donate both time and money to causes our employees are passionate about.”**

**– Heather McBean, Environmental Education & Outreach Coordinator, Nestlé Waters North America**



**“We are grateful for the generous contributions that Nestlé has provided. Whether it’s financial support or quickly delivering donated essentials, such as food and water in response to disasters, Nestlé supports people in need when they need it most.”**

**– Jeffrey T. Towers, Chief Development Officer, American Red Cross**

### **WATER RESOURCES AND SUSTAINABILITY**

Nestlé’s operations strive to provide for current needs without compromising the Earth’s resources for future use and enjoyment.

#### **Project WET**

- For over 15 years, Nestlé Waters North America’s sponsorship with Project WET has provided teacher, student and community training workshops on water-resource topics. Active in every state, this water-education program has reached more than **23 million students** and **150,000 teachers**.

#### **Keep America Beautiful®**

- Both Nestlé Waters North America and Nestlé Purina PetCare Company have teamed up with Keep America Beautiful to encourage recycling to make America’s communities **cleaner, greener, safer** and more livable.

### **RURAL COMMUNITIES**

Nestlé is committed to having a positive economic and social impact in the communities where we have operations.

#### **Creating Jobs**

- More than **\$360 million** has been invested in Indiana by Nestlé USA creating approximately 500 jobs. Additionally, Nestlé Purina PetCare Company is currently building a **\$10 million** Purina Event Center in Gray Summit, MO.

#### **American Red Cross**

- In the United States, Nestlé has supported **disaster-relief efforts** through the American Red Cross for many years, an extension of Nestlé’s global partnership with the International Federation of Red Cross and Red Crescent Societies.

## RESOURCES

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

### **Nestlé SA:** [Nestle.com](http://Nestle.com)

- [CreatingSharedValue.org](http://CreatingSharedValue.org), [Nestle.com/CSV](http://Nestle.com/CSV): Nestlé is driving a global dialogue on nutrition, water and rural development.
- [Babymilk.Nestle.com](http://Babymilk.Nestle.com): Learn how Nestlé is supporting the best start in life for babies, recognizing that the WHO code is an important instrument for the protection of infant health.
- [Ecolaboration.com](http://Ecolaboration.com): Brings stakeholders and Nespresso partners together to help Nestlé continuously improve the sustainability performance of the Nespresso business model.
- [Nescafe.com/sustainability](http://Nescafe.com/sustainability): Discover how NESCAFÉ® is working to ensure it has a positive effect on communities and the environment.
- [TheCocoaPlan.com](http://TheCocoaPlan.com): Brings together a number of initiatives in cocoa-growing communities to ensure cocoa-farming families continue to thrive.

### **Nestlé Nutrition:** [NestleNutrition.com](http://NestleNutrition.com) and [Nestle-Nutrition.com](http://Nestle-Nutrition.com)

- [StartHealthyStayHealthy.com](http://StartHealthyStayHealthy.com): Provides parents and caregivers with advice and resources to make the best nutrition and feeding choices for children from birth to age 4. The website offers information from prenatal advice and breastfeeding how-to's to starting solid food, and features an interactive Menu Planner.
- [StartHealthyStayHealthy.com/medical](http://StartHealthyStayHealthy.com/medical): Health professionals can find resources and information related to infant feeding.
- [PowerBar.com](http://PowerBar.com): Athletes of all ages have access to nutrition planning, training resources, advice from sports dietitians, and tips from professional athletes.

### **Nestlé USA:** [NestleUSA.com](http://NestleUSA.com)

- [NestleFamily.com](http://NestleFamily.com) and [Meals.com](http://Meals.com): Provides resources and recipes for healthier lifestyles.
- [LeanCuisine.com](http://LeanCuisine.com): Offers a number of weight-management tools including a Meal Planner, Fitness Planner and Ask the Nutritionist.

### **Nestlé Waters North America:** [NestleWatersNorthAmerica.com](http://NestleWatersNorthAmerica.com)

- [NestleWatersCorporate.com](http://NestleWatersCorporate.com): Educational video series on bottled water.

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

- [Petcentric.com](http://Petcentric.com): Pet lovers can post and share their photos and stories with us online.
- [PetsforPeople.com](http://PetsforPeople.com): Join Purina in its mission to provide food and shelter to homeless animals across the country.
- [RallytoRescue.org](http://RallytoRescue.org): Helps rescue organizations give pets the nutrition and care they need and deserve.

### **Nestlé Professional:** [NestleProfessional.com](http://NestleProfessional.com)

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



Jenny Craig®

