Nestlé Marks Progress toward U.S. Commitments in 2014 Creating Shared Value Report; Announces New U.S. Zero Waste to Landfill Commitment

Report tracks momentum against more than 30 nutrition, health and wellness, sustainability and social impact commitments, and highlights more than 1,000 product reformulations

WASHINGTON, D.C., October 7, 2015 – Nestlé in the United States today released its <u>second Creating Shared Value (CSV) report</u> outlining the company's accomplishments in nutrition, health and wellness; environmental sustainability; and social impact in 2014, as well as its forward-looking commitments. The company celebrates key achievements such as more than 1,000 product reformulations for consumer health and preference considerations, as well as a new commitment to achieve zero waste to landfill status in all U.S. factories by 2020.

As Nestlé approaches its 150th anniversary, it continues to make strides to become the world's leading nutrition, health and wellness company and to create a more sustainable future while adapting to shifting consumer preferences. Nestlé recognizes its opportunity – and responsibility – as the world's largest food and beverage company to improve more than just the way we eat.

"In our second year of the Nestlé in the U.S. CSV report, we've made significant progress against 27 commitments originally outlined in 2013 and added even more objectives as we continue to raise the standard for a leading nutrition, health and wellness company," said Paul Grimwood, Chairman and CEO of Nestlé USA.

This year's CSV report is a culmination of the company's achievements in protecting scarce resources and improving lives, while at the same time continuing its journey to make good food even better. Progress in 2014 included more than 1,000 product reformulations signifying major steps toward long-term nutrition, health and wellness goals, as well as significant momentum in sustainability initiatives like water and energy conservation, and social impact programs, including community engagement and workplace practices.

"In our second year of the Nestlé in the U.S. CSV report, we've made significant progress against 27 commitments originally outlined in 2013 and added even more objectives as we continue to raise the standard for a leading nutrition, health and wellness company," said Paul Grimwood, Chairman and CEO of Nestlé USA. "Creating shared value has been at the heart of Nestlé's journey for the past 150 years, and we're bringing that sentiment to life here in the United States as we continue to make great food even better while improving the lives of those we reach."

The 2014 report shares specific commitments and progress in the categories of nutrition, health and wellness; environmental impact and water use; social impact and responsible sourcing. The cycle of improvement continues even beyond the publication of this latest report. Nestlé Waters North America (NWNA) announced today that **Arrowhead® Brand 100% Mountain Spring Water** will increase the amount of recycled content used by the brand by nearly 40 percent in California. Arrowhead already uses recycled material in its half liter bottle, but today's announcement will expand the use of recycled polyethylene terephthalate (rPET) to additional bottle sizes by the end of 2016. This builds on NWNA's commitment to reuse more plastic.

Highlights from the 2014 report include:

Nutrition, Health and Wellness

Critical to Nestlé's vision as a nutrition, health and wellness leader is to go beyond the reduction of salt, sugar and fat. Nestlé aims to reinvent its products with added nutrition and increased variety to satisfy diverse consumer preferences. Nestlé has reformulated 1,058 food products and pet products to consider nutrition or consumer preferences, including reduced sodium, sugar, trans fat and artificial colors and flavors, as well as increased essential nutrients. Highlights include:

- Sodium: In 2014, 100 percent of Nestlé's children's products met the Nestlé Nutritional Foundation (NNF) criteria for sodium, as committed to in 2013. Nestlé evaluates its products using the NNF criteria, which are based on nutrition science and public health dietary recommendations. Additionally, Nestlé has committed to reducing the salt content by an average of 10 percent from 2012 levels in all relevant products that don't meet the NNF criteria for salt.
- Sugar Reduction: In 2014, 96 percent of children's products were compliant with the Nestlé Nutrition Foundation guidelines for sugar. Nestlé identified the SKUs that still need reformulation to meet the 100 percent compliance goal by 2015 and is on target to meet it. Additionally, Nestlé committed to reducing the sugar in its relevant products that don't meet the NNF criteria by an average of 10 percent between 2014 and 2016.
- **Portion Guidance:** In 2013, Nestlé made the commitment to provide portion guidance on 100 percent of its children and family products by 2015. During 2014, Nestlé continued working toward this goal by introducing more portion guidance messaging across the portfolio. Additionally, Nestlé committed to providing portion guidance on all relevant products by 2017.

Environmental Sustainability

Nestlé is putting as much care into preserving natural resources as it puts into improving its products, focusing on responsible sourcing and environmental stewardship.

- Resource Efficiency: In 2014, 12 facilities in the United States achieved zero waste to landfill status, and, in 2015, 25 facilities—including all Nestlé USA factories—accomplished this feat. Nestlé has committed to achieve zero waste to landfill status in 100 percent of its U.S. factories by 2020.
- Climate Change: In the 2014 report, Nestlé highlighted an increase in onsite energy consumption from renewable resources of 24 percent compared to 2010. We also committed to develop a low-carbon energy plan for each Nestlé operating facility in the U.S. to use renewable energy where possible by 2016 and encourage utilities where we operate to shift to a low-carbon energy mix.

• Water: In 2014, Nestlé reduced water withdrawals per metric ton of product by nine percent compared to 2010 and, in this report, added three objectives to address heightened concerns around water conservation: By 2016, implement projects in California facilities that will save 144 million gallons of water annually; by 2017, implement the Alliance for Water Stewardship (AWS) international standard in its water bottling and food manufacturing factories in California; and by 2018, commit to conducting a water resources review at six of its priority sites across the U.S.

Social Impact

With 97 percent of households in the U.S. purchasing our brands, Nestlé impacts many millions of lives every day – from farmers who produce our ingredients to consumers who enjoy our products, with partners and employees connecting these groups. We're committed to creating a positive impact in the communities where we live and work.

- **Gender Balance:** In the 2014 report, for the first time, Nestlé defined its commitment to gender balance in the workplace and began work to implement the new Parental Support Policy in the U.S. By 2016, Nestlé in the U.S. is committed to fully implementing this policy that grants eligible employees up to 14 weeks partially paid leave for primary caregivers.
- Career Opportunities: In 2014, Nestlé began the process and strategy for the 2015 launch of our Project Opportunity workforce development initiative, which expands apprenticeship opportunities in 31 Nestlé factories and commits to reaching 300,000 people with "readiness for work" activities by 2017.
- Social Impact: In 2014, Nestlé furthered its relationship with Boys & Girls Clubs of America to promote physical activity and established a new initiative to reach 50,000 kids in hundreds of clubs by 2017.

To learn more about the Nestlé in the U.S. 2014 Creating Shared Value report, clickhere.

About Nestlé in the United States

Nestlé in the United States is committed to being a trusted leader in nutrition, health and wellness. Our diverse portfolio of food and beverage products provide nutritious options for every member of the family, including infants, toddlers, teens and adults, mature adults, and dogs and cats. Nestlé in the U.S. consists of eight main businesses: Nestlé USA, Nestlé Purina PetCare Company, Nestlé Waters North America, Nestlé Nutrition, Nestlé Professional, Nespresso, Nestlé Skin Health and Nestlé Health Science. Together, these companies operate in more than 120 locations in 47 states and employ over 51,000 people. The United States is Nestlé S.A.'s largest market with combined product sales in the United States totaling more than \$26 billion in 2014.

At Nestlé, we believe that for our business to prosper in the long term, we must create value for our employees, customers, stakeholders, consumers and the communities where we live and work. Nestlé

nability and responsible sourcing. For more information, visit: http://www.Nestleusa.com/csv .			

embeds Creating Snared value into every part of its business, from nutrition and wellness to environmental