

# Nestlé Purina in the Americas

Creating Shared Value Report 2016



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2016 OUR YEAR IN REVIEW

► Introduced new products targeting specific pet nutrition benefits for dogs and cats



► 26% of our factories in the Americas achieved zero waste to landfill status



► 100 percent score on Human Rights Campaign Corporate Equality Index in the U.S.



► 1.7 million pet adoptions enabled through Petfinder



**OUR APPROACH: PURPOSE INSPIRING ACTION**

Every day at Nestlé Purina we touch the lives of many - from the farmers who grow our ingredients, to the consumers, pets, professionals who love and take care of pets, our associates and the communities where we operate.

**OUR PURPOSE:**

Enriching the lives of pets and the people who love them

**OUR AMBITIONS:**

- ✓ Develop nutritious foods for pets
- ✓ Create a lasting positive impact on communities and the people and professionals who love and take care of pets
- ✓ Sustain a healthy planet

We are guided in our actions by our five values, which are rooted in integrity, expertise, passion, performance and innovation, and driven by our three pursuits:



**Pets Are Our Passion**  
*Making our world and communities better for pets and people*



**Safety Is Our Promise**  
*Delivering the highest quality and safety standards in the industry*



**Innovation Is Our Pledge**  
*Relentlessly pursuing breakthrough innovations and nutrition that advance the lives of pets*



**Creating Shared Value** is how we deliver a long-term positive impact for shareholders and society, through everything that we do as a company.

At the global level, Nestlé has made [42 commitments](#) to support our long-term goal of Creating Shared Value. As part of the Nestlé family, Nestlé Purina in the Americas embraces these global commitments, and this report is organized to share progress in four key areas:



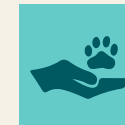
**Pet Nutrition, Health & Wellness**  
 Improving the lives of pets by providing healthy foods backed by our leading science and nutritional expertise and produced using the highest standards in safety and quality



**Environmental Sustainability**  
 Creating a better world by using natural resources efficiently and responsibly to preserve our environment and create positive impacts to society



**Our People**  
 Investing in people through our dedication to associate safety, health and wellbeing; recruitment of people who share our values; and commitment to diversity and inclusion



**Pets and the Community**  
 Leveraging our expertise, scale and passion for pets to improve the quality of life for pets and their owners

**ABOUT THE REPORT**

Unless otherwise stated, “Nestlé Purina” refers to Nestlé Purina in the Americas. All data in this report pertains to Nestlé Purina in the United States, Canada and/or Latin America between Jan. 1, 2016 through Dec. 31, 2016, unless otherwise noted. The digital version of this report can be accessed at [www.Purina.com/CSV](http://www.Purina.com/CSV).

**ACCOMPANYING REPORTS:**



**[Nestlé in Society: Creating Shared Value and meeting our commitments 2016](#)**  
 Includes materiality matrix and Global Reporting Initiative (GRI) indicators for the global Nestlé business



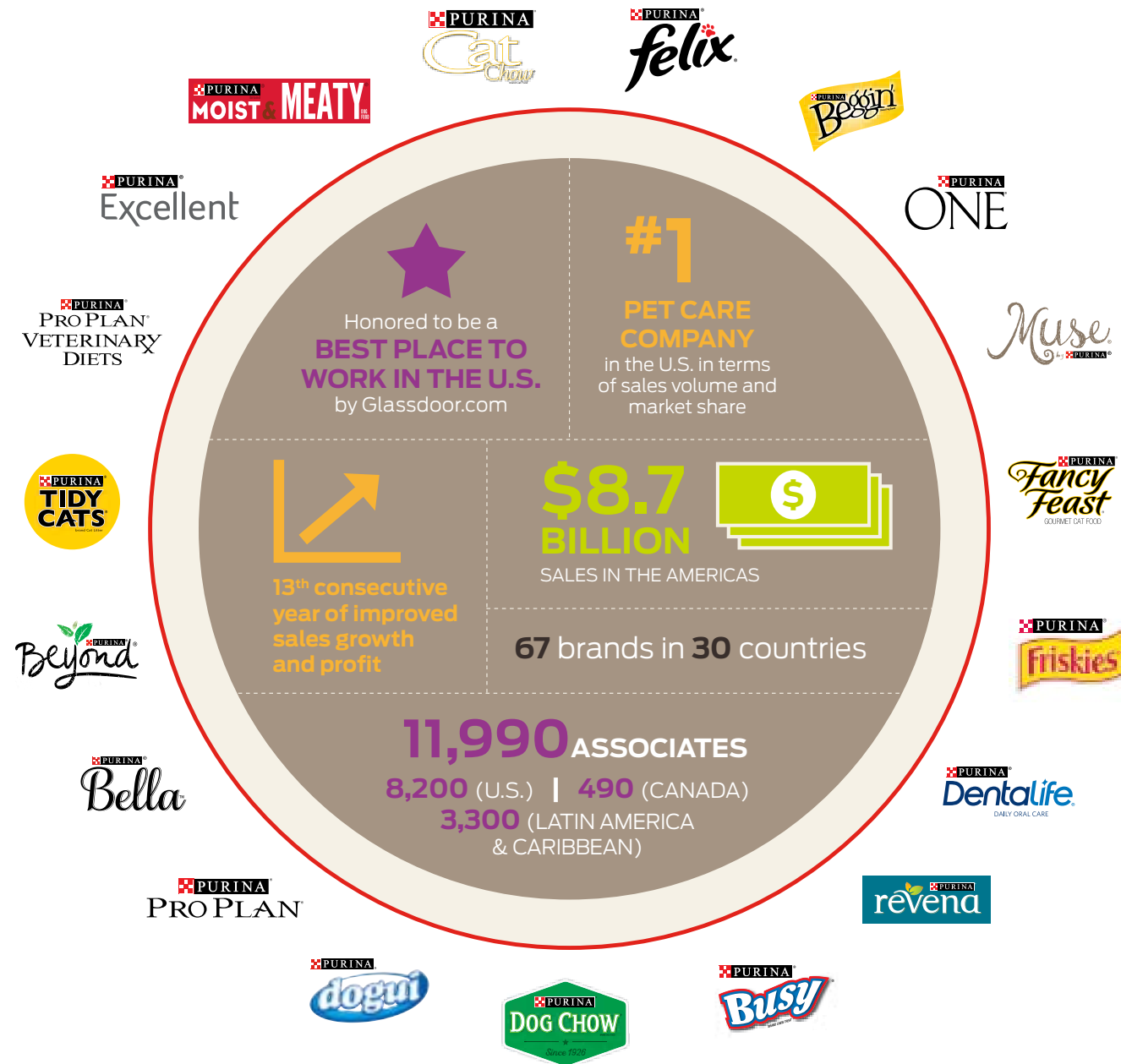
**[Nestlé in the United States 2016 Creating Shared Value Report](#)**  
 Includes materiality matrix and Global Reporting Initiative (GRI) indicators for Nestlé in the U.S.

Nestlé has begun integrating the United Nations Sustainable Development Goals (SDGs) into the global Creating Shared Value approach. To mirror the SDG timescale, Nestlé has introduced a set of overarching ambitions for 2030. Visit [www.nestle.com/csv](http://www.nestle.com/csv) to learn more and to view the global commitments and ambitions.



## About Nestlé Purina in the Americas

Nestlé Purina was founded in 1894 in St. Louis and is a premiere global manufacturer of high-quality pet products. Part of Swiss-based Nestlé S.A., the world's largest food company, Nestlé Purina makes some of the most popular and trusted pet care brands, spanning dog and cat food, snacks and litter. Our nearly 12,000 associates in the Americas are passionate about our mission to enrich the lives of pets and the people who love them.



## OUR KEY LOCATIONS



**27** MANUFACTURING PLANTS

### NORTH AMERICA

**2** HEADQUARTERS

St. Louis, Missouri  
U.S. and Latin America & Caribbean region Headquarters operations

Mississauga, Ontario  
Canadian Headquarters operations

**20** UNITED STATES FACTORIES

**PURINA FARMS (GRAY SUMMIT, MISSOURI)**  
A family-friendly attraction for pet lovers of all ages

**1** CANADIAN FACTORY

### LATIN AMERICA & CARIBBEAN

**6** FACTORIES

## OUR VALUE CHAIN

Nestlé Purina's range of activities that generate value:





## PET NUTRITION, HEALTH & WELLNESS

Improving the lives of pets by providing healthy foods backed by our leading science and nutritional expertise and produced using the highest standards in safety and quality.

### HIGHLIGHTS:

**NEW**

products targeting specific pet nutrition benefits

**10**

patents granted in the area of pet nutrition, supporting our aim to discover and develop innovative solutions

**100  
PERCENT**

compliant with new Food Safety Modernization Act standards

**100  
PERCENT**

of factories certified by FSSC 22000, the global, gold-standard framework for food quality

### TOPIC AREAS:

- Advancing Pet Nutrition
- Building and Sharing our Knowledge in Pet Nutrition
- Promoting Healthy Diets and Lifestyles for Pets
- Ensuring a High-Quality Product

Nestlé Purina is committed to being a trusted leader in pet nutrition and health. Imagining the impossible and unleashing the power of nutrition to help pets live better, longer lives are a few of the ways we strive to Create Shared Value.

We imagine a world where pets live longer, better lives and even the most challenging health issues can be effectively managed through nutrition. Driven by this vision and an unwavering passion for pets, we apply our deep scientific expertise in pet nutrition, physiology and behavior to make new discoveries and push boundaries, creating nutritional solutions that make a profound difference.

This philosophy impacts the decisions we make and the beliefs that guide us each and every day:

- Excellent nutrition should be available to all dogs and cats.
- Nutrition starts with understanding nutrients, not just ingredients.
- Innovation should be pursued relentlessly, always focusing on the pet's nutritional needs, safety and wellbeing.
- Feeding experiences should be enjoyable, all the while delivering optimal nutrition.
- Nutritional needs of pets are unique (e.g. dogs are different from cats, today's pets are different from their ancestors and pets are different from humans).

## Advancing Pet Nutrition

Pet food plays an essential role in the health of dogs and cats. As the sole source of nutrition for pets, we know how important it is for consumers to provide their dogs and cats with a healthy, high quality and complete diet. All of our pet food products are 100 percent complete and balanced, and we carefully select high quality ingredients to ensure each one plays a purposeful role.

### Our Nutritional Platforms

Good nutrition can play a role in helping to nutritionally manage pets' health and wellbeing, and our team of scientists is always looking to find more ways to achieve this. Our five established nutritional platforms, combined with our knowledge on pet life stages, inspire product innovations that can address many concerns for pet owners and improve quality of life for pets.

-  Healthy Aging
-  Digestive Health & Microbiome
-  Oral Health
-  Healthy Metabolism
-  Healthy Early Development



### Recent Product Innovations

The results of our nutritional breakthroughs over the years can be found throughout our portfolio of products, including the following, introduced in 2016 and early 2017.



#### Purina® Pro Plan® Prime Plus

Purina Pro Plan PRIME PLUS Adult 7+ for cats ages seven and older was brought to market in the U.S. and Canada in early 2017. This builds on healthy aging work with the 2015 launch of Purina Pro Plan BRIGHT MIND Adult 7+ for dogs ages seven and older and Purina Pro Plan BRIGHT MIND Adult in 2016. The new cat food formula contains a proprietary blend proven to improve and extend the life of cats seven and older. The findings are based on a nine-year study on cats exclusively fed a complete diet with the proprietary blend vs. cats fed a complete and balanced diet alone. A range of health measures associated with aging and general overall health in cats were measured in 90 healthy, mixed breed cats between the ages of seven and 17. Cats exclusively fed a daily diet containing the proprietary blend found in PRIME PLUS from age seven on lived longer than cats fed the control diet. These cats also demonstrated less of a decline in body weight and lean muscle mass as well as increased skin thickness – all contributing factors to improved quality of life.<sup>1</sup>



#### Purina Dentalife®

Periodontal disease is the most common disorder affecting cats and dogs worldwide. We know it can be a challenge for pet owners to brush their pets' teeth regularly. That's why in 2016 Purina Dentalife was introduced globally as a daily chew to help clean dog and cats' teeth and reduce tartar buildup in a way that fits in the owner's lifestyle.



<sup>1</sup> Cupp CJ, Jean-Philippe C, Kerr WW, Patil AR, Perez-Camargo G (2006) Effect of nutritional interventions on longevity of senior cats. *Intern J Appl Res Vet Med*;4(1):34-50  
Cupp C, Kerr WW, Jean-Philippe C, Patil AR, Perez-Camargo G (2008) The Role of Nutritional Interventions in the Longevity and Maintenance of Long-Term Health in Aging Cats. *Intern J Appl Res Vet Med*. 6(2): 69-81

### Purina Pro Plan Veterinary Diets®

Available as prescribed by a veterinarian, Purina Pro Plan Veterinary Diets is a line of dog and cat food designed to deliver nutritional solutions to dogs and cats with specific health issues. Already popular in the U.S. and Canada, the Latin America & Caribbean market launched the brand in 2016 with seven products, targeting common canine and feline health conditions.



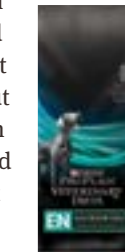
#### Purina Pro Plan Veterinary Diets UR Urinary® Ox/St®

Urinary issues are one of the top 10 reasons dog owners visit a veterinarian<sup>2</sup>. The new dry dog food formula from Purina Pro Plan Veterinary Diets has been shown to help reduce the risk of urinary stone formation in dogs.



#### Purina Pro Plan Veterinary Diets EN Gastroenteric® Low Fat™

A number of health conditions can interfere with a dog's ability to absorb fat and other nutrients. For some dogs, it is important to feed a diet low in fat to promote optimal gut health. Introduced in 2016 by Purina Pro Plan Veterinary Diets, this new formula is designed for dogs with gastrointestinal conditions that have difficulty digesting fat. The product has a low fat content, yet it maintains a moderate caloric density and high digestibility to promote nutrient absorption and support a healthy immune system.



### Beneful®

Guided by consumer feedback, Beneful brand dog food has evolved over the years to include new wet food recipes, snacks and dry food ingredients. In 2016, we introduced new recipes with real meat as the number one ingredient in beef and chicken dry dog food recipes.



### Dog Chow® Naturals

To provide a high quality, affordable natural dog food, in 2016 we introduced Purina Dog Chow Naturals, which is made with real chicken and no artificial flavors, colors or preservatives.

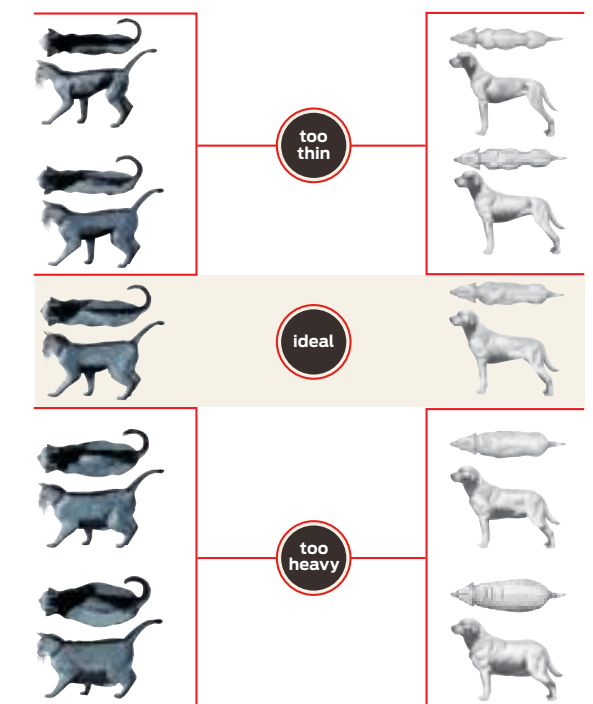


## Promoting Healthy Diets and Lifestyles for Pets

Studies suggest that an estimated 54 percent of dogs and 59 percent of cats in the U.S. are overweight or obese.<sup>3</sup> At Purina we have a long history of promoting a healthy diet and lifestyle for our pets, and bringing breakthrough innovations for weight management to the pet food industry – many of which have redefined industry standards. These include our diets specially formulated to help with weight loss and the maintenance of a healthy weight.

Following a landmark 14-year study,<sup>4</sup> Purina discovered the significant positive impact on health and age-related conditions when dogs are kept in lean body condition, most notably an increase in longevity and quality of life. This led to the World Small Animal Veterinary Association adopting the Purina 9-point body condition scoring system as part of their global nutrition toolkit, which is widely accepted and used not only in scientific studies, but also used by veterinarians and pet shelters worldwide.

We continue to help pet owners better understand how they can take responsibility for their pets' weight by including feeding guidelines on all of our pet food labels, sharing weight reduction suggestions on our product websites, advocating for responsible treating and promoting exercise and healthy lifestyles.



<sup>2</sup> Veterinary Pet Insurance Co.

<sup>3</sup> Association for Pet Obesity Prevention, 2016

<sup>4</sup> Kealy et al. "Effects of diet restriction on life span and age-related changes in dogs". *J Am Vet Med Assoc*. 2002 May 1;220(9):1315-20

## Building and Sharing our Knowledge in Pet Nutrition

Our large network of more than 500 global pet experts, which includes nutritionists, veterinarians, behaviorists and immunologists, are continuously studying nutrition's impact on pet health and wellness and developing pet food that is on the cutting edge. As a part of Nestlé's leading worldwide research and development network, we've made significant investments in science, innovation and pet understanding. As such, we have a responsibility to pets and their owners to build, apply and share our nutritional knowledge.

### Multi-Stakeholder Engagement and Leadership

Advancing pet nutrition and health requires the collaboration of many stakeholders. We believe that participating in, and leading, industry collective efforts can help make the pet food industry more successful in its effort to support pet health.

In addition to sponsoring and presenting at a variety of nutrition and veterinary conferences globally, we also work with academic and industry professionals and organizations to build and share our knowledge, as well as fund research related to the pet-human bond.

#### Veterinarians

Veterinarians play a pivotal role in the health and wellbeing of pets. Scientific advances in medical therapy and innovations in nutrition have allowed the veterinary community to offer unparalleled preventive and therapeutic options to help pets live longer, healthier lives. In addition to having our own veterinarians on staff at Purina, we also form partnerships that support the field of veterinary medicine. This includes collaborating with veterinary medical schools in the U.S., Canada and Latin America & Caribbean to help advance our knowledge of companion animal health.

Through the Purina Advisory Council we collaborate with 17 world-renowned veterinarians in medical specialties relevant to nutrition and overall pet health, ranging from nutrition to internal medicine to dermatology to a host of other areas. This Council works actively with Nestlé Purina to help formulate our diets, perform clinical efficacy studies and speak at national and international conferences on innovative nutritional solutions.



*As part of the Purina Institutional Development program, we provide funding for Purina Nutrition Centers and other key programs across veterinary schools in the U.S. In 2016, we celebrated the grand opening of the Purina Gait Analysis Laboratory at the Colorado State University College of Veterinary Medicine. This state-of-the-art facility complements the school's expertise in orthopedic, sports medicine and rehabilitation specialties to help improve pet mobility and quality of life. Combined with previous funding for programs in sports medicine and rehabilitation at other institutions, this partnership highlights Purina's significant leadership in helping to advance this emerging field of veterinary medicine.*

#### Canine Health Foundation

Nestlé Purina U.S. has a long history of supporting the American Kennel Club Canine Health Foundation (CHF) and sharing its mission to help dogs live long, healthy lives. The Foundation funds scientific health and genetic research grants and helps educate dog breeders and enthusiasts by communicating discoveries and information to prevent, treat and cure canine disease. Nestlé Purina U.S. contributed \$450,000 to CHF in 2016, and more than \$13 million over the past 20 years. This partnership contributed to the Foundation's capacity to award over \$200,000 in [canine epilepsy research grants](#) in 2016, and results from CHF-funded research were published in scientific journals that included the identification of a gene for [juvenile generalized myoclonic epilepsy](#) in dogs and the evaluation of a [new treatment for canine epilepsy](#).

#### World Small Animal Veterinary Association

Nestlé Purina partners with the World Small Animal Veterinary Association (WSAVA), an organization representing veterinary general practitioners globally, on a number of global projects to support the veterinary

profession. As part of a corporate alliance with WSAVA, Nestlé Purina has provided funding for the development of the Continuing Education (CE) Committee, which aims to raise standards of animal welfare through enhancing veterinary care around the world by bringing education to veterinary associations in developing countries.

Nestlé Purina also sponsors the One Health Committee. A major activity in 2016 was a conference focused on obesity, which brought together global experts from both human and veterinary medicine to discuss how best to promote a world in which regular activity, a balanced diet and healthy weight are part of every family's life.

### Better with Pets Summit

Nestlé Purina hosted its fourth annual Better with Pets Summit in Brooklyn in October 2016, bringing together pet community experts and leaders across the nation to explore how pets and people are living bigger and better lives, thanks to new research and innovation that will help shape the future of pet care. A particular area of focus was on quality and safety, where panelists discussed the effort, rigor and transparency that goes into the creation and distribution of pet food.



*Better with Pets panelists included, from left, Steve Dale, Certified Animal Behavior Consultant and Journalist; Shaun Kennedy, a University of Minnesota professor who has served as director of the National Center for Food Protection and Defense; and John Bear, head of manufacturing for Nestlé Purina North America.*

**"Nothing is more important to pet owners than quality and safety – it's what we depend on. When it comes to nutritional quality, Purina's platoon of scientists are at the forefront of innovation, and Purina's obligation to safety is unwavering. 'Good enough' are two words you will never hear at Purina, which always strives for each product, each brand to excel beyond expectations."**

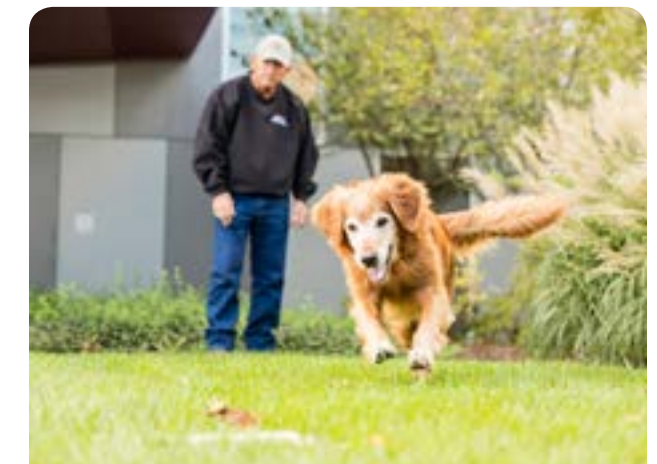
*– Steve Dale, Certified Animal Behavior Consultant and Journalist*

### Companion Animal Nutrition Summit

Dedicated to promoting veterinary nutrition education and nutrition research, the annual global Companion Animal Nutrition Summit provides a platform for leading academics, veterinarians, nutritionists and scientists to exchange thinking and spark innovation to advance the health and wellbeing of pets. The 2016 summit gathered 94 scientific experts from around the world to explore the topic of "Pet Nutrition: Beyond Essential," diving into areas such as functional foods and the impact of diet on immunology and behavior. In 2017, the summit focused on emerging science in cognition and microbiome to explore parallels in these fields between human and companion animal research.

### Purina Canine Sports Medicine Symposium

In support of the emerging field of veterinary sports medicine and rehabilitation specialty, Purina invited 30 top veterinary sports medicine and rehabilitation specialists from across the U.S. to share their knowledge and cutting-edge research, as well as novel approaches to injury management, at the Purina Canine Sports Medicine Symposium in October 2016. The discussions held at the Symposium, which covered canine sports safety, injury prevention and treatment and targeted nutrition, trigger new preventive strategies and research ideas that help improve the health of dogs who participate in athletic events.



*Owner-handler Jim Dobbs and his 10-year-old Golden Retriever "Copper" were among those who benefited from the knowledge and research about canine sports medicine and rehabilitation presented at the Purina Canine Sports Medicine Symposium held this past fall at the Purina Event Center in Gray Summit, Missouri. Dobbs and Copper were competitors in the American Kennel Club Master National Retriever event, which coincided with the Symposium.*

**Meet Purina's Dr. Zara Boland**

**What is your role at Nestlé Purina?**

I'm a veterinarian and research scientist in Nestlé Purina's global research and development team. My role is to help translate the innovative science behind Purina's pet food products through communication with pet owners, veterinarians, academics and other influential opinion leaders to help them understand how we can improve the lives of pets through advanced nutrition and care. My work is very diverse, and that's part of what keeps it so interesting.

**Why does science matter when it comes to pet food?**

For more than 90 years Purina has been making top quality, nutritious pet foods, and everything we do is studied, validated and supported by over 500 nutritionists, veterinarians, animal behaviorists and food scientists specifically focused on companion animal nutrition and pet care. This is important because dogs and cats have different nutritional requirements compared to humans. The needs of our pets vary depending on their age, gender, body condition, size, neuter status, activity level, environment and other factors such as health status. In the pet food world we refer to these collectively as life-stage and life-style factors.

Ultimately, in R&D our mission is to discover and develop innovative solutions leading to products that enrich the lives of pets, delight pet owners and strengthen the unique bond between people and their pets. All of this helps promote a long, healthy life together. Our latest innovations range from enhancing cognitive function in aging dogs and healthy lifespan in aging cats, to being able to look at ways nutrition can make a real difference in veterinary clinical conditions such as epilepsy when provided in conjunction with medical therapy. I'm proud to work for a company full of pet lovers who are collectively using our scientific expertise about pets to drive innovation.

**How is Purina's work in pet nutrition research inspiring innovation for Nestlé and vice versa?**

Nestlé is unmatched in the depth and breadth of its research and development capability. At

*Dr. Zara Boland says one of the perks about working at Purina is being able to bring her dog, Rhumba, to the office every day.*



a global level there are more than 5,000 scientists working in areas as diverse as metabolomics and flavor chemistry, who are able to collaborate and share ideas that have benefits to either people or pets or both. In addition, collaboration with third parties, universities and academia helps keep us on the cutting edge of nutrition. One recent example is the science behind our Purina Pro Plan BRIGHT MIND product for senior dogs. Purina proved that the inclusion of Medium Chain Triglyceride oils has a remarkable cognitive enhancing effect on aging dogs. Nestlé is using similar brain supporting nutrients as a basis to move forward for human application.

**The bond people and pets share is undeniable – how do people and pets benefit from the relationship?**

The human-companion animal bond is immensely strong, and we're still learning much about it. We do know that pets provide a significant source of support for us both emotionally and physically, and they also contribute to our wellbeing in social circumstances, too. The well-documented benefits of pet interaction with people range from decreased blood pressure and improved cardiovascular health to decreases in anxiety levels, stress and symptoms of depression. They also contribute to us having a stronger immune system, increased physical activity, social and coping skills and even increased levels of serotonin, dopamine and oxytocin, the "feel good" hormones. What is less well known are the benefits that we may have on our pets, but Purina has recently started to focus on this area. We now know that stroking and interacting with dogs not only has beneficial effects on us, but it also appears to have a relaxing effect on them.<sup>5</sup> Similarly we're now looking at new innovative and non-invasive ways to quantitatively measure this effect in our pets through thermal imaging and heart rate monitors.

<sup>5</sup>McGowan & Bolte. *Impact of a 15-Minute Petting Session on Shelter Dogs Wellbeing*. 2014. *Journal of Vet Int Med*. 28(3):1093

**Ensuring a High-Quality Product**

Pet lovers are increasingly curious about what pet food companies do and how their food is made. We have a responsibility to hold all of our products to the highest safety and quality standards, and we believe our consumers deserve to have confidence in the foods they feed their pets.

The pet food industry as a whole has a very strong safety record. According to the Pet Food Institute, in the U.S. pet foods are among the most highly regulated products on the market and are subject to federal and state laws including most of the laws that regulate the distribution of human food.

At Purina, we always put the pet first, and we ensure the safety and quality of our food through our people, technology, scale and rigorous internal and external standards.

**Quality by Design**

Our work to ensure food safety and quality is guided by the Nestlé [Quality Policy](#), which seeks to further enhance consumer trust and satisfaction with all of our brands, products and services. Every Nestlé Purina factory associate is involved in and dedicated to achieving high quality standards through the application of the Nestlé Quality Management System (NQMS), which covers all of our pet food and litter factories.

The NQMS encompasses essential elements such as good manufacturing practices (GMPs), hazard analysis and critical control points (HACCP) and traceability. It lays out the basic principles for the management of quality through: allocating clear responsibilities to process owners of the value chain; aligning our Food Safety Management System with the global, gold-standard framework for food quality, FSSC (Food Safety System Certification) 22000; and driving continuous improvement through the elimination of waste and defects as well as addressing and reducing consumer complaints. The implementation of NQMS is formally certified by independent third-party certification bodies, and employees in manufacturing receive training to ensure everyone at all levels is committed to and understands our standards and expectations when it comes to quality.

**99 PERCENT** of Purina pet food products sold in the U.S. are made in our own factories in the U.S., allowing us to monitor every step in the preparation of our dog and cat food.



**Quality Audit Stream**

- Annual **Internal** compliance assessments
- Annual **Third-party** audits for certification to our quality management system
- Third-Party **FSSC** 22000 audits every three years, with one certification audit and two annual surveillance audits on a three year cycle
- **FDA** audits every 1-2 years
- Annual **USDA**-APHIS (Animal and Plant Health Inspection Service) inspections for U.S. factories that export product
- Routine **State Department of Agriculture** audits

✓ **35,000** quality checks across our factories in the Americas in a typical 24-hour production



**Downstream Quality: Protecting Our Products by Engaging the Retailer**

Challenges involving downstream quality are ongoing battles for every business that completes sales in a retail market. Once product leaves a manufacturer's control, how does the company protect it? Nestlé Purina has taken a proactive approach to quality management across the supply chain in the Americas. We do this by understanding the retailers' needs, spreading the knowledge base and understanding for food safety, and protecting the Purina brand to ensure safe, quality food for the pet owners we serve. We not only have food safety teams at our headquarters and factories, but we also have a team in St. Louis focused solely on helping retailers protect the products they sell.

In August 2016, 120 people from 36 retailers gathered in St. Louis for Purina's annual Food Safety Symposium to enhance the protection of downstream quality with a key focus on pest infestation – which is aimed at not only protecting Purina products, but all the brands carried in their stores. The symposium, which has occurred annually since the 1990s and stands as the only conference of its type, provides retailers with training from an array of internal and external food safety experts on storage and handling practices for maintaining a quality product. In addition to the annual symposium, our Retail Food Safety Team provides services to retailers, ranging from onsite training to consulting, at no charge to the customer.

Each attendee brought back knowledge and has created a new language, understanding, and standard practices for their company focused on next-generation pest management. The program has led to transformative changes, such as helping to build and implement comprehensive in-store pest management programs with retailers from the ground up in some cases.

**“The effort Purina puts into this program protects not only Purina, but all other brands. Purina is in a league all of their own.”**

*- Dave Brennan, Tractor Supply*

**Implementation of the Food Safety Modernization Act**

The U.S. Food Safety Modernization Act (FSMA) was signed into law in 2011, and the new Preventive Controls for Animal Food rule became final in 2016. The act has established stringent food safety management requirements for the large majority of FDA-regulated human and animal food products and includes a shift in focus from detecting potential food safety concerns to preventing them. The preventive controls rules, the fundamental core of FSMA, took effect in September. Nestlé and Purina were early supporters of FSMA and welcome the regulations because they strengthen the focus on prevention across the industry to further help ensure the safety of the U.S. food and pet food industries. Our company already had in place many of the food safety management requirements set out in the Act and was implementing regulations prior to them being enacted. We have taken the necessary steps to ensure full compliance with FSMA requirements and will continue to closely monitor and respond to any additional guidance issued by the FDA.

Our retail food safety team also interacted with key retailers to help them understand the FSMA requirements for their business. Together, we conducted 35 mock FDA audits at customer distribution centers.



**Quality & Safety in Every Step: From Source to Bowl**

**1 Sourcing Quality Ingredients**

- ✓ Audits are conducted at our suppliers' facilities.
- ✓ The integrity of our ingredients is studied through regulatory, food safety and toxicology reviews.
- ✓ Ingredient specialists at each facility are trained to sample and analyze incoming ingredients, which includes a visual examination as well as laboratory tests.
- ✓ We use advanced molecular spectroscopy techniques including near-infrared reflectance to “fingerprint” select ingredients, facilitating confirmation of purity and nutritional composition when they arrive at our facility.
- ✓ All raw ingredients are tracked from the time of receipt at our plants through their inclusion in finished products and on to retail shelves.

**2 Processing**

- ✓ Critical quality check points are in place throughout our entire manufacturing process to verify that each batch is compliant with product specifications, Good Manufacturing Practices, HACCP (Hazard Analysis and Critical Control Points), laws, regulations and internal standards.
- ✓ As part of our overall quality assurance and food safety processes, we require a formal release program. This means that all quality and food safety checks must be completed and verified by a qualified formal release authority from our quality assurance team before each product batch is introduced into commerce.
- ✓ All of our pet food factories have implemented Food Safety Management systems, which have been certified by independent auditors to meet the internationally recognized FSSC 22002.
- ✓ Operators pull sample product every hour to ensure consistency in sensory characteristics.
- ✓ We use hygienic and sanitary zoning and design in all our facilities to eliminate cross contamination between raw ingredients and cooked product.

**3 Finished Product**

- ✓ We test finished product for salmonella and other pathogens.
- ✓ All finished Purina products meet or exceed the pet food standards by the U.S. Food and Drug Administration, U.S. Department of Agriculture or Association of American Feed Control officials standards. Nestlé Purina Canada and Latin America & Caribbean also comply with all relevant regulations pertaining to pet food in those regions.

**4 Packaging**

- ✓ Operators verify compliance with product specifications on every batch and check for net weight, batch code, labeling and seal integrity.

**5 Warehousing & Distribution**

- ✓ Before finished product leaves our facilities, a final check is performed to ensure the integrity of the transportation vessel.
- ✓ Once the product leaves our facility, we work with our retailers to ensure best practices for proper storage.

# ENVIRONMENTAL SUSTAINABILITY

Creating a better world by using natural resources efficiently and responsibly to preserve our environment and create positive impacts to society

## HIGHLIGHTS:

**150** acres of watershed restored in the U.S. through a project with The Nature Conservancy along the Wabash River

**100** Purina SKUs in the U.S. have How2Recycle tiles

**24 PERCENT** of electricity used in our facilities comes from renewable energy

**26 PERCENT** of factories have achieved zero waste to landfill status ahead of 2020 commitment

## TOPIC AREAS:

- Assessing and Optimizing the Environmental Impact of our Products
- Ensuring Responsible Sourcing
- Improving Environmental Performance of our Operations, Packaging and Transportation

The basic ingredients in our pet food products come from plants and animals, from forests, farms and oceans. Protecting the natural environment where those ingredients grow and live is essential. For Nestlé Purina, environmental sustainability means protecting the future by making the right choices in a world where water is increasingly scarce, natural resources are constrained and biodiversity is declining, and where climate change may exacerbate these challenges. Our goal is that Purina's products not only be healthy and high quality, but also better for the environment along their value chain.

Our belief that a healthy environment and society contribute to the health and wellbeing of pets and people inspires us to carefully consider sustainability in our product development. We are investing in ways to reduce our impacts and help optimize productivity and resource use efficiency, protect the environment and feed the growing human population.



## Assessing and Optimizing the Environmental Impact of Our Products

To help us assess and optimize the environmental performance of our products and their packaging, we apply a product life-cycle approach, involving our partners, from farm to consumer and beyond.

We use the scientific method known as life-cycle assessment (LCA) to help us understand the performance of our pet food and litter products along the value chain. The LCA focuses on preserving water, using natural resources efficiently, conserving biodiversity, reducing air emissions, adapting to climate change and reducing waste. This approach informs our decision-making, helping us take actions to continuously improve our environmental performance. It also enables us to respond to stakeholders' interests in the environmental performance of pet food and litter.

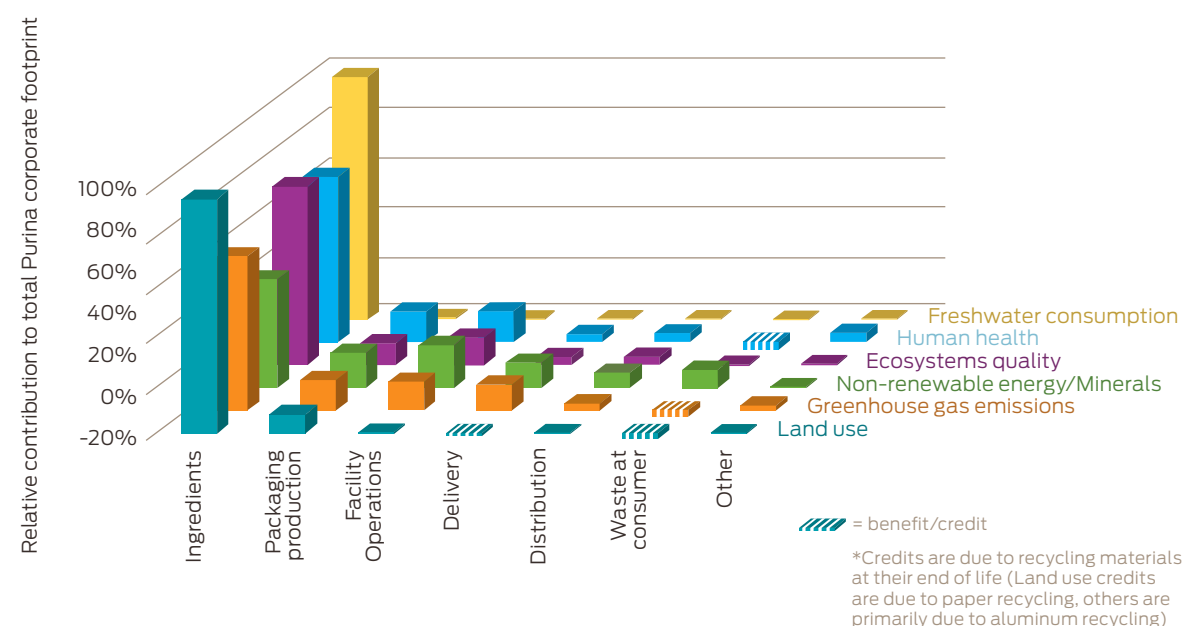
We completed our first full LCA of the U.S. business in 2015. As is the case for most food and beverage companies that source from the farm, feedlot or ocean, the ingredient supply resulted in our largest impact, by far. Although we don't own the farms, we explored ways to partner with others, including farmers, to see how we could help increase efficiency while protecting the environment.



## Ensuring Responsible Sourcing

Responsible Sourcing is an essential part of ensuring a sustainable future for our business. To make our pet foods we rely on secure, long-term, high-quality supplies of raw materials from farmers and suppliers. By understanding and managing where and how our ingredients are produced, we can promote better agricultural practices and address supply chain issues.

### VALUE CHAIN IMPACT



## Our Priority Ingredients:

### Fish & Seafood

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 source of protein.

The fish and seafood Nestlé Purina uses in our products come from a variety of sources. We are continuing to assess our supply chain against our requirements and evaluate the sustainability of seafood sources (wild and farmed) by working closely with our suppliers to trace seafood back to the aquaculture zones and wild caught fisheries, where we identify fish species, country of origin and catch zone. The fisheries from which we source are assessed against the Sustainable Fisheries Partnership's Fish Source ratings. We also specify in our contracts with suppliers that seafood ingredients cannot contain International Union for the Conservation of Nature (IUCN) red-listed (endangered) species or fish caught with IUU (Illegal, Unregulated and Unreported) sourced seafood.

Nestlé and Purina operate with a fundamental respect for the rights of humans. Our Nestlé Supplier Code and Responsible Sourcing Guideline on Fish and Seafood requires all of our suppliers to respect human rights and

- ◆ 91% of whole fish sourced for Nestlé Purina can be traced back to the catch vessel.
- ◆ Across Nestlé Purina globally, we know 223 wild fisheries from which we source seafood globally. SFP continues to identify more source fisheries and assess their health.

comply with all applicable labor laws. To reinforce this, Nestlé took action to eliminate labor and human rights abuses in the seafood supply chain.

In 2016, we built on the [action plan](#) released in 2015 by Nestlé through the following steps. One year into the program, over 99 percent of the seafood ingredients that Nestlé sources from its seafood supply chain in Thailand are now traceable back to farms and catch vessels. Steps include:

- Continue to work in partnership with the Royal Thai Government, Thailand's Department of Fisheries the Southeast Asian Fishers Development Center (SEAFDEC), Purina's seafood supplier and Verité, an NGO whose mission is to enhance human rights on a global scale, to develop a practical training program to educate vessel owners, boat captains and crew members on living and working conditions aboard a fishing vessel and on worker's rights in Thailand. We met with all partners involved in this initiative to discuss renovations of the living and sleeping quarters of a model vessel.
- Began partnering with the [Issara Institute](#), a U.S. registered and Thailand-based non-profit that specializes in worker voice and grievance mechanisms. The partnership will help drive improvements in conditions by providing workers with a hotline to voice their concerns.
- Joined the [Seafood Task Force](#) as part of our commitment to engage with industry stakeholders and in support of the notion that collaborative actions can lead to broader and more impactful solutions to address human rights and labor abuses.
- Banning all transshipments at sea to eliminate IUU fishing and preventing human rights abuses at sea.

### OUR RESPONSIBLE SOURCING MODEL

#### SUPPLIER CODE

Our mandatory Supplier Code is shared with every vendor and details the minimum requirements that suppliers must meet to supply Nestlé Purina. The code reflects our commitment to conducting our business activities in full compliance with applicable laws and to being guided by integrity and honesty.

Access our Supplier Code at [Nestlé.com](#).

#### TRACEABILITY

We work with our direct suppliers to map the upstream supply chain as far back as possible. This helps us understand the extended supply chain and the suppliers that contribute at each stage.

#### RESPONSIBLE SOURCING GUIDELINES

As each supply chain has its own characteristics and issues, we also comply with the Nestlé Responsible Sourcing Guidelines (RSG). Nestlé Purina helped develop category-specific requirements for priority ingredients sourced by Purina and materials used as ingredients in our products. We then assess those suppliers against RSG criteria. In areas where assessments showed low risk, we are moving to add value to the supply chain.

Read more about Responsible Sourcing at [Nestlé.com](#).

**Meat, Poultry & Eggs**

Harvesting facilities from which Nestlé Purina sources meat are under USDA inspection to ensure that all animals entering and harvested in every facility are healthy and fit for consumption.

We along with all of Nestlé’s operating companies are committed to ensuring the highest levels of farm animal welfare across our global supply chain. Purina and all of Nestlé are working with outside experts for farm animal welfare to better understand the landscape of issues and opportunities and to assess where we, by working with our suppliers, can add value to the process. We believe robust farm animal health and welfare standards can have both a direct and an indirect impact on food quality and safety.



**Cereals, Grains and Soy**

The pet food industry is one of many industries that utilize cereals, grains and soy. Our Purina factories source much of these ingredients directly from farmers local to the region of our manufacturing plants via truck and rail.

To demonstrate the soy we procure is sourced responsibly, our partner Proforest undertakes site assessments using our requirements. In the U.S. in 2016 we began to move beyond assessments to projects that add value to the agricultural eco-system where the crops are grown. For our South American business, part of our responsible sourcing of soy is our commitment to ensure that our products are not associated with deforestation. With Proforest, we track our soy supply back to the crushing plants and even further back to the farms that sell their soybeans to that soybean processor. We also visit a sample of farms to check that our Responsible Sourcing Guidelines and commitment against deforestation are being met.

To add value to our agricultural supply chain related to cereals, grains and soy, we are engaging with stakeholder groups and NGOs to facilitate progress and foster a collaborative environment.

**NUTRITIONAL AND ENVIRONMENTAL BENEFITS OF BY-PRODUCTS**

We advocate for whole animal utilization as a means of meeting pet protein and nutrition needs without needing to raise additional farm animals. The use of meat and poultry by-product ingredients play a critical role in avoiding food waste, in addition to being a safe and valuable source of nutrition for pets.

In pet foods, by-products are sourced during human food production and are parts of the chicken, pig or cow not commonly consumed by humans. At Purina, we use only high-quality by-products – like hearts, livers, kidneys, lungs and spleen – that provide valuable nutrients for pets and are an excellent source of protein, vitamins and minerals. All of the meat and poultry by-products used in Purina pet foods originates at facilities certified by the USDA or equivalent governmental authority and meet or exceed guidelines established by the Association of American Feed Control Officials (AAFCO) and the United States Food and Drug Administration (FDA).

The use of these ingredients can help support common sustainability goals by keeping food that would otherwise go to waste and by helping to ensure that pet food ingredients do not compete with human food ingredients or result in additional land being placed under agricultural production. Additionally, animal environmental impacts are compounded by the length of time to raise an animal as well as the large quantities of grains needed to feed an animal over the course of its life. According to the [National Renderers Association](#), protein meals are about 25% carbon. Each pound of carbon can result in an environmental release of 3.7 lbs CO2. If not rendered, these materials would be a potential source of greenhouse gases such as CO2 and methane, a potent greenhouse gas. The World Wildlife Fund gave a similar account of the [nutritional and environmental impact of using by-product](#).

It is our obligation as a society and as stewards of our own environment that we respect the lives of animals and what they provide us to utilize the whole animal when harvested, all while providing safe and beneficial nutrition for our pets.

**Restoring the Wabash River**

Nestlé Purina sources a percentage of the corn in our pet food from the lower Wabash River region. The River is a critical tributary to the entire Mississippi River Basin. The Nature Conservancy, a leading conservation organization, and its partners have been working to restore the Wabash River and its water quality for years. Runoff from the Wabash River floodplain causes eventual dead zones, which make it difficult for marine life to survive and consequently affects other wildlife.

In 2016 we continued a project with The Nature Conservancy to reduce the flow of nutrients and soil sediment along the Wabash River in Indiana and Illinois. Nestlé Purina has contributed \$100,000 to bolster the Conservancy’s efforts to restore the wetlands and woodlands to improve water quality. The design for the wetlands and woodlands was undertaken in 2016 and in early 2017, the Conservancy planted trees along the edges of the river on marginal farmland to mitigate erosion and reduce nutrient runoff from entering the waterway. To date, 150 acres of critical floodplain has been restored. Planting these trees reduces nutrient runoff into the river, which supports better viability for marine and other wildlife.

Additionally, with Nestlé Purina’s support, the Conservancy was able to help landowners from the area enroll their croplands in Field to Market’s Fieldprint® Calculator, an online tool that helps farmers visualize and assess how various management decisions impact natural resources and operational efficiency. An additional contribution of \$20,000 from Purina went toward the Conservancy’s Mississippi River basin-wide nutrient management strategy development, which is helping them prioritize and partner in the most important areas.

A recent Notre Dame study shows that, in the floodplains protected so far along the Wabash, each acre captured on average 576 pounds of nitrogen, 14 pounds of phosphorus and 10,909 pounds of sediment each year.



A video detailing how the Nature Conservancy is working with agriculture and industry to improve water quality can be found at [www.Nature.org/wabash](http://www.Nature.org/wabash). Image provided by Big Foot Media.

**“We’re grateful for the opportunity to work with conservation allies like Nestlé Purina. We look forward to making progress toward our common goals – healthy land and waters that can meet our growing needs for generations to come.”**

– Mark Tercek, President and CEO of The Nature Conservancy

**Delivering Sustainable Outcomes**

2016 marked Nestlé Purina’s second year as a member of Field to Market: the Alliance for Sustainable Agriculture. The cooperative effort of organizations across the agricultural supply chain works to define, measure and advance sustainable food, fiber and fuel in the U.S. In 2016 the organization released its third National Indicators Report, which shows improved environmental outcomes of crop production on an efficiency basis over the past 36 years. The organization also formed the Alliance’s Science Advisory Council with 12 scientific experts who will continue to inform a science-based approach to delivering sustainable outcomes at the field and landscape level.

**Moving the Industry Forward**

Nestlé Purina has joined the Pet Food Sustainability Working Group, a consortium of pet food makers and associated companies and organizations that are committed to moving the industry in more sustainable directions. The group is part of the Pet Food Institute, and the World Wildlife Fund is a supporter.

**Conserving Wetlands**

Nestlé Purina continues to support conservation organizations like Ducks Unlimited and Pheasants Forever in their respective missions to conserve thousands of acres of wetlands and upland habitat each year.

**A SALUTE TO THE AMERICAN FARMER**

Nestlé Purina recognizes that healthy pet food starts with healthy ingredients. Most of Nestlé Purina's U.S. meat, soy and grain ingredients are sourced from U.S. farms. More than 97 percent of U.S. farms are family-owned operations, according to the U.S. Department of Agriculture. These farmers each feed the equivalent of around 155 people per year. They use technology, advanced agronomic training, and modern agricultural tools to maximize their yields with the least amount

of inputs. They also practice land management techniques such as the use of conservation tillage and buffer strips along waterways to steward their farms for the benefit of nature and future generations. Nestlé Purina is proud to source from these growers. We work collaboratively with our supply chain, starting with growers, to enhance the value they already bring to the landscape. We also look for opportunities for growers to tell their stories, because their passion and dedication shines through. We are proud to source healthy ingredients from America's farmers.



**Improving Environmental Performance of our Operations**

Our operations involve the processes that are necessary to transform raw ingredients into cat litter and pet food. We are investing in ways to reduce our footprint by improving our efficiency, reducing greenhouse gas emissions, striving to achieve zero waste to landfills, investing in renewable energy and being good stewards of the water we use. This translates into doing more with fewer resources and less waste to help preserve natural resources.

**Zero Waste to Landfill**

Our goal is to no longer send waste to landfills by 2020. We're making progress against this target by preventing and minimizing the waste we generate in the first place and improving resource efficiency along the value chain. Where possible, we also look to reuse materials and create value from them.

To achieve zero waste to landfill status at Nestlé Purina, a facility's discarded materials are directed to destinations that specialize in recovering the ecological and/or economic value of the material. We call these "beneficial

use" destinations, which commonly include recycling, composting, and facilities that convert waste to energy.

By the end of 2016, Nestlé Purina in the Americas has reduced waste to landfill by 16% vs. 2015, and seven sites have achieved zero waste to landfill status. Waste has been reduced by 31.7% since 2010.



**STEPS TO ACHIEVE ZERO WASTE TO LANDFILL:**



**OUR 2020 OBJECTIVES:**



**PROGRESS:**



### Water Stewardship

Our factories rely on water to operate – to use in our pet food- and litter-making processes, for cooling and cleaning equipment and to provide sanitation. Water is critical to our business and our value chain. We work to use this life-giving resource efficiently and facilitate responsible water stewardships where we source ingredients and in our facilities. Guided by the [Nestlé Commitment on Water Stewardship](#), we promote efficient water use in all of our operations, do not compromise the right to water within our communities and effectively treat the water we discharge.

We aim to deliver a 35 percent water usage reduction by 2020. Water use at Nestlé Purina factories in the Americas has decreased by 11.6% since 2010. We regularly implement water-saving projects in our facilities and have made good progress. For example, one of our Tidy Cats litter factories has reduced its groundwater withdrawals by retrofitting existing tanks to store and supply reclaimed water for the production of cat litter.

### Climate Change Adaption

Identifying alternate, renewable sources of power has become an important aspect of our strategy to reduce GHG emissions. We aim to reduce GHG emissions by 35 percent by 2020. To help us achieve this goal, we have committed to purchasing 100 percent of our electricity from renewable sources across our operations in the shortest practical timeframe.

Although on-site energy consumption has increased due to product renovations and our rigorous quality standards, our engineers and sustainability experts work together to identify ways to recover energy used in manufacturing and reduce its usage along the product life cycle. These efforts coupled with substantial increases in the use of renewable electricity have helped us move toward our 2020 goal to reduce GHG emissions. In addition, many of our factories have transitioned to LED lighting for energy savings, and in Mexico, our factory is using 100 percent renewable electricity.



### Driving Results

The passion of our associates is often what drives significant results – they see and realize that the benefits from improving our environmental performance impacts more than just the factory – it benefits society at large.



One associate at our Fort Dodge, Iowa, facility in 2016 discovered a way to decrease water usage annually at our wet manufacturing facilities by approximately 20 million gallons – enough to fill 30 Olympic-sized swimming pools. Steve Eastwood, a 25-year associate, discovered that a seal on a machine part was allowing water to escape and was inspired to improve it by working diligently with vendors and experts at our Headquarters in St. Louis. A new mechanical seal developed by Steve is being replicated at other wet manufacturing plants in the U.S. and has also been successfully used in Brazil and is being tested in Europe, contributing to additional water usage savings for Nestlé across the globe.

“I have always been passionate about energy and water savings and conserving our natural resources, and that is what drove me to make this project successful,” Steve says.

### How we are incorporating renewable electricity into our energy mix:

- Using hydro, wind and solar power at several factories in the U.S. and Latin America
- Purchasing “green blocks,” a set quantity of renewable electricity purchased from the utility provider each month, and connecting our facilities to renewable energy sources where possible
- Obtaining LEED certifications where possible and improving current buildings to become more efficient
- Investing in Purchased Power Agreements to fund renewable energy endeavors

### Employee Engagement

We engage and empower our associates to support a culture of sustainability and ensure compliance to our environmental standards through environmental awareness training and recognition of their achievements toward environmental improvement. Highlights from 2016 include:

- **Scores of employees** completed an online Environmental Sustainability course to enhance their knowledge and learn how to apply environmentally sustainable business practices.
- **Workshops** focused on energy and water target setting were delivered at some of our largest factories in the Americas.
- **100%** of factories conduct environmental awareness training to review Purina’s commitment to the environment, environmental objectives and best practices in areas like waste management, recycling, air quality, wastewater management and zero waste to landfill.
- **2,000** U.S. employees completed an online course promoting Water Stewardship at Nestlé and then made personal commitments to conserve water at home and at work.
- **100%** of factories in the Americas began utilizing our DIY self-assessment knowledge tool in 2016 to help identify best practices that help drive progress toward our commitments.
- **350** associates are members of Green Paws at our St. Louis Headquarters, where they help lead sustainability initiatives such as single-stream recycling and zero waste to landfill, as well as organize lunch and learns on a variety of educational sustainability topics.

### Improving Environmental Performance of our Packaging

Packaging performs a variety of functions, from preventing waste and maintaining product quality during shelf life, to providing convenience and information to consumers. When designing our packaging, we take a holistic approach to assessing environmental impacts across its entire life cycle, aiming for performance and functionality while seeking to optimize weight and volume.

Our vision is to minimize the amount of packaging we use, and to help all packages find their way to a second life through a three-pronged approach:

### Continuous Improvement

We adjust our own packaging to help it break down or to increase its recyclability. Our research organization is studying new packaging materials, like biopolymers made from plants that can degrade in industrial compost facilities. They are also experimenting with using single plastic resins to aid plastic recyclability, and testing the use of recycled materials in our packaging for performance and cost efficiency. In addition, we are looking at ways to reduce the amount of material by optimizing the amount of packaging used while still protecting our products.

### Consumer Education

We are partnering with consumers to help them recycle more effectively. Nestlé Purina, along with our sister companies Nestlé USA, Nestlé Waters and Nestlé Nutrition, are members of How2Recycle, which allows us to provide clear, on-pack recyclability information. We began the program in 2015 and are continuing to include this information in most packaging artwork as new or refreshed packages are printed. As of the end of 2016, more than 100 Purina product SKUs have the How2Recycle tiles. The full transition continues as packaging printing is refreshed or new products are introduced. We also have a consumer recycling guide at [Purina.com/sustainability](#) to assist consumers in knowing what materials are in our packaging so they can check out recycling capabilities of each material in their communities.



### Technology Advancements

We realize that effective recycling requires systems beyond what we and consumers can provide. It also requires a recycling infrastructure that works most efficiently. Aluminum and steel cans, and paper, corrugated and paperboard packaging are recycled today. However, currently, most Material Recovery Facilities (community recyclers) do not have the capability to recycle flexible plastic packaging, like Purina’s pet food bags and pouches. Therefore, these materials are often sent to the landfill. But the resin in those bags and pouches holds value and can be used again to make new products like plastic lumber, paint cans and automotive parts.

Nestlé Purina joined with other like-minded companies, equipment makers, plastic manufacturers, chemistry associations and packaging producers to launch a research collaborative called Materials Recovery for the Future

(MRFF). Member companies will work with community recyclers to find a way, through separation technologies and process reconfigurations, to cost-effectively separate and make a market out of recycling flexible plastic resin.

In 2016, findings from the Phase I study were released and demonstrated that automated sorting technologies in use today can be optimized to capture flexible plastic packaging – potentially creating a new stream of recovered materials to create next life products while improving the quality of other recycling streams. There is more work to be done to define the best way to separate flexibles from single-stream recyclables, and this research moves us closer to solutions. Phase II, underway now, will research sorting technologies and modifications that can be made at existing community recycler facilities to be able to sort flexibles in their waste streams in a cost-efficient way.



During Phase I of the MRFF project, research team members, including Purina’s Larry Baner, center, sorted through Material Recovery Facility outputs for seeded flexible plastic packaging as part of the study. Larry is pictured with Michael Timpone of Resource Recycling Systems, left, and Steve Sikra of Proctor & Gamble in San Diego. Photo provided by the Materials Recovery for the Future project.

### Improving the Efficiency of Transportation

Annually we transport millions of tons of products from our warehouses to our retailers and e-commerce consumers. Much of this distribution relies on partnerships with third-party logistics providers. They help us monitor our environmental performance and improve the efficiency of our network by reducing mileage, fuel consumption and greenhouse gas emissions. We work to continuously improve our general environmental performance related to transportation, in particular, our GHG emissions, by ensuring full trucks and more efficient routing, for example. In addition, we use slip sheets in place of wood pallets, which allowed us to avoid shipping nearly 6,000 trucks in the U.S. 2016. And our newest factory in Mexico was built to be strategically located in close proximity to our distribution center for that region so we can transport the product more efficiently.






#### Carbon Neutral Shipping Achieving Reduction in GHG



We achieved further progress in our continued collaboration with UPS® in 2016 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 U.S. veterinary customers. This includes small pack orders delivered directly to clinics as well as e-commerce orders.



#### 2,735 MT OF CO2E IS EQUIVALENT TO:

-  Greenhouse gas emissions from **578** passenger vehicles driven for one year
-  CO2 emissions from **289** homes' energy use for one year
-  Carbon sequestered by **2,589** acres of U.S. forests in one year

Source: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Through this carbon neutral shipping program, UPS accurately measures the carbon emissions of each shipment, then offsets the emissions through carbon sequestration and carbon mitigation projects. In 2016, 2,735 MT of CO2e was offset through our shipments.

#### “Smart” Shipping

In the U.S., 90 percent of our truck and rail spend is with contractors that are members of the EPA SmartWay program, which tracks continuous energy efficiency improvements and shares best practices across transporters.



## OUR PEOPLE

Investing in people through our dedication to associate safety, health and wellbeing; recruitment of people who share our values; and commitment to diversity and inclusion

### HIGHLIGHTS:

100  
PERCENT

on Human Rights Campaign Corporate Equality Index in the U.S.

31  
PERCENT

increase in racially diverse hires in the U.S. vs. 2015

100  
PERCENT

of our Headquarters and manufacturing facilities in the Americas are certified OHSAS 18001:2007

46  
PERCENT

of new hires in our non-factory positions in the U.S. were female; 30% in factory positions

14K

students in the Americas reached with internships, exposure or training related to career-development in manufacturing or a pet-related field

### TOPIC AREAS:

- Ensuring the Safety and Health of our Associates
- Providing Professional Development Opportunities for all Associates
- Rolling out Project Opportunity
- Cultivating Diversity and Inclusion

With nearly 12,000 associates and 27 factories in the Americas, Nestlé Purina is a multicultural and cross-disciplinary company. Our strong culture, values and principles, based on respect, quality and personal responsibility, unite us all. Creating and maintaining positive individual and collective relationships is part of everyone's job.

We know our achievements as a company are a result of our associates' strong engagement and commitment. In addition to keeping our associates safe, healthy and engaged, we also sustain a high-performance culture supported by people development that puts the emphasis on diversity, innovation and growth. As a result, employees can have a far-reaching influence and explore their full potential, propelled by continual support and a collaborative approach by managers and associates.



## Ensuring the Safety and Health of our Associates

Enhancing quality of life and contributing to a healthier future begins with the safety and health of our people.

We are committed to preventing injuries and illnesses related to work and protecting our associates, contractors and others along our value chain. Our aim is always zero work-related injuries and illnesses, and programs in our Safety and Health roadmap are helping move towards it. We are also helping associates make more informed decisions on their safety and health through programs like I Take Care in North America and PuraMente, a safety campaign launched to all associates in Latin America & Caribbean in 2016 to focus on eliminating unsafe behaviors.



We continuously improve our safety and health standards, procedures and processes using the Nestlé Occupational Safety and Health Management System, which conforms to the internationally recognized standard OHSAS 18001:2007. As of 2016, all Nestlé Purina Headquarters and manufacturing facilities in U.S., Canada and Latin America are OHSAS 18001 certified.

Associate wellness is another essential piece of our associate wellbeing strategy, and we aim to help employees make more informed decisions to achieve and maintain a healthy lifestyle. To help in this effort, our Headquarters site employs a nurse practitioner, and all of our sites have health and wellness champions. We also organize and offer a wide variety of initiatives from counseling, smoking cessation, stress management, health assessments, screenings and dependent care to a fitness center, stretching programs and leisure activities. And some initiatives are designed to tackle specific needs, including vaccinations.

### KEY PERFORMANCE INDICATORS

In 2016, out of 47 total sites in the Americas, which include offices, distribution centers and factories, six sites had zero recordable injuries and 25 sites had zero lost-time injuries.

Year	Recordable Injury Rate	Lost-Time Injury Rate
2016	3.4	0.8
2015	3.2	1.3
2014	5.6	1.5

\*Calculation per million hours

### Tools & Methodologies

We are implementing Total Performance Management (TPM) across all factories. The purpose of TPM is to improve equipment reliability and process capability, thereby contributing to higher quality, more competitive costs, shorter lead times, and fewer injuries and illnesses. TPM achieves this primarily through building competency and autonomy at the manufacturing line level, and introducing structured management routines. These changes are key drivers of safety and health performance in manufacturing and are fully aligned with our long-term strategy for achieving sustainable safety and health excellence. As of 2016, 18 factories in the Americas have begun the TPM journey.

### Providing Professional Development Opportunities for all Associates

We seek to provide training and development opportunities for all associates. Using a variety of training approaches, such as mini video lessons, curated learning materials and short “coffee talk” or book club formats, we provide a variety of flexible approaches to meet today’s workplace demands.

While classroom training is only part of our development approach, we also encourage all associates to find ways to apply their learning on the job in real situations. Often



### I Take Care

The I Take Care program in North America goes beyond the occupational environment to encouraging the safety and health of our employees at work at play, at home and on the road. While Purina has limited control on all variables that affect employee safety and health, our goal is to inspire, support and enable our employees to take personal responsibility and choose to live, as well as work, in a safe and healthy way.

This program, launched in 2015, has been instrumental to our reduction in injury rates in North America and is inspiring a more engaged workforce when it comes to safety.



this will include using mentors or experts within their own work area to coach them through their behavior changes. All of our classes include activities that will sustain associates’ learning beyond the classroom experience.

Our leaders are now provided with a range of development approaches that includes activities for emerging leaders, new leaders, mid-level leaders and executives through personalized coaching and development approaches. We recognize that our leaders create the foundation for our associates to be their most effective. Supporting them in their roles will ensure that they receive the information they need to be successful.

### Rolling Out Project Opportunity

Communities cannot thrive without the input of younger generations. To support Nestlé’s broader efforts to develop talent for the company and help tackle the global unemployment crisis, Project Opportunity focuses on career acceleration to help people of all ages gain work experience and strengthen their professional development skills.



### Supporting U.S. Veterans

Since our founding, we have employed combat veterans and those who have served during peacetime and stateside or around the world. Nestlé Purina is proud to offer numerous opportunities to veterans of the U.S. military, helping them use their unique training and skills within our organization. In 2016, working with our sister Nestlé operating companies in the U.S., we established partnerships with Hiring our Heroes and The Mission Continues, both nationwide initiatives that help veterans, transitioning service members and military spouses find meaningful employment opportunities. Our veterans committee at Headquarters, along with a week-long Veterans Day celebration, are some of the ways we honor the several hundred separated service members, reservists and veteran associates who are contributing at all levels of our organization in our factories and in St. Louis.



## 2016 PROJECT OPPORTUNITY HIGHLIGHTS

## U.S.

We hired nearly 100 **interns, trainees and apprentices** across our sites. We also connected with 1.8 million students digitally and 19,000 through live events like panel discussions, job fairs and tours at our facilities.

We partner with **community colleges** in many of the cities where we operate to provide cross-training opportunities. For example, in Pennsylvania, we collaborated with Thaddeus Stevens College to donate Sawyer, a robot from Rethink Robotics, Inc., designed to execute machine trending, circuit board testing and other precise tasks. Our Mechanicsburg, Pennsylvania, facility regularly collaborates with the college on an internship program that allows students to apply what they have learned in the classroom at Purina's manufacturing facility.



*Purina supports community colleges across the U.S. to provide cross-training opportunities. Photo courtesy of Thaddeus Stevens College.*

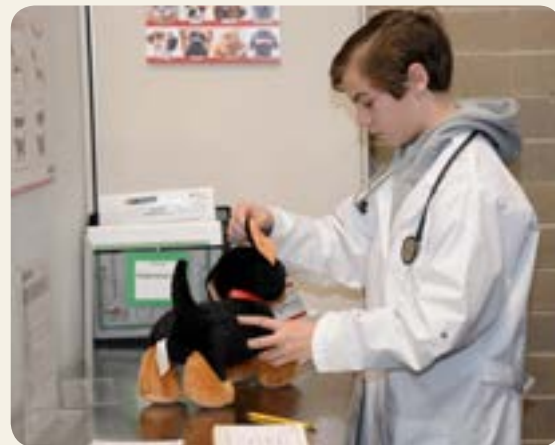
Nestlé Purina also supports the Starkloff Disability Institute's **Career Academy** Capstone Course in St. Louis. Through the program, candidates learn how to job search effectively, write effective resumes, increase network resources and master a behavioral job interview. In 2016, Nestlé Purina provided instruction and mock interviews to 14 candidates, totaling 165 volunteer hours, and since 2012 has coached over 100 candidates.

## Canada

Our marketing team developed a revolving **co-op** position designed for Masters in Business Administration students from Toronto-area business schools. Three students joined us in 2016 on a rotating four-month contract.

## Latin America

In Brazil, Colombia and Argentina we implemented a program for students called "**Joven Veterinario**," which translates to "Young Vet," to support veterinary students in providing hands-on career experience while enhancing their knowledge of pet nutrition. In 2016, we sponsored more than 1,900 students at 10 universities to get work experience at private clinics or as veterinary trainees at Nestlé Purina, working in our commercial sales force for the veterinary channel.



*Students roleplay as veterinarians at JA Biztown in St. Louis.*

Through our **PACE (Pet Advocates and Career Exploration)** program in St. Louis, we engaged three employment partners – St. Louis Youth Jobs, Kingdom House and Ferguson Youth Initiative – to sponsor 20 students at pet-related job sites for eight weeks over the summer and enhance job readiness skills.

Near our Headquarters in St. Louis we partnered with Junior Achievement to open a Purina store-front in their **JA BizTown**, where area students have the opportunity to explore pet-related careers. The booth will welcome 12,000 students annually.

## Cultivating Diversity and Inclusion

Strong, multicultural diversity has helped shape our success and culture, and we continue to make diversity a priority for our business. We value the individual differences that bring us closer together to empower, inspire and impact the lives of others. Nestlé Purina is committed to cultivating a diverse and inclusive environment that provides equal opportunities to all.

Our diversity hiring trends in the U.S. continue to rise, with a 31 percent increase in racially diverse hires in the U.S. vs. 2015. In 2016 we were again named one of America's top corporations for lesbian, gay, bisexual and transgender (LGBT) equality, after earning a perfect score of 100 percent on the Human Rights Campaign (HRC) Corporate Equality Index.

Our key priority moving forward is to leverage diversity and inclusion initiatives inside and outside of the organization, by taking active steps to build and develop opportunities and drive bias out of our decision making. We have a number of programs to support our commitment to diversity:

## Bias in the Workplace Training in the U.S.

Four courses in our Associate Development Curriculum focus on creating an inclusive workplace and understanding bias in the workplace. In 2016, more than 500 associates took part in these programs. In addition, Common Bias in Talent Assessment has been embedded in our Talent Management and Succession Planning Strategy and reviewed prior to talent discussions across the organization.

## Parental Support Initiatives

Nestlé's parental support policy, launched in 2015, is one of the most progressive in the food and beverage industry. Beginning in January 2016, the policy, which varies based on local laws in some countries outside the U.S., applies to all primary caregivers, including male associates and adoptive parents. In 2016 in the U.S., more than 70 associates took paid parental leave, and 97% of those associates are still active in the company after their return.

## Mentoring and Coaching

Our research shows that people from minority groups are twice as likely to leave a company within their first year. To help address this issue, we created a Cultural Buddy Program in St. Louis, to connect new recruits to current associates with similar ethnic backgrounds and relevant resources, throughout their first three months.

This support system helps associates make the transition smoothly into Nestlé Purina and the greater St. Louis community, ensuring we retain a diverse workforce. More than 85 associates are participating in this program. A virtual program for factories and field sales associates was initiated in 2016. In addition, more than 200 associates are Diversity and Inclusion ambassadors who help promote awareness and engagement among the workforce.

**"The Cultural Buddy program provides an opportunity to welcome new associates of color and pair them with established associates. My buddy and I started with a lunch appointment, and now we're moving into year two of a strong relationship. I know that I can pick up the phone and reach out if I need help or a different perspective."**

*– Sharron Hammonds-Love,  
Human Resources, Nestlé Purina U.S.*

## Networks for Women

We are committed to a gender-balanced workforce and offer a range of programs to positively encourage and support women in the workplace. In addition to remaining committed to Nestlé's decision to sign the Equal Pay Pledge act, we kept gender on our agenda in 2016 by engaging in the following:

- Fostering mentoring and development opportunities to build women leaders within our workforce through the Nestlé Purina Women Leadership Forum and Women in Business group in the U.S.
- Sponsoring events and organizations focused on women's empowerment, including TEDx St. Louis and the Network of Executive Women
- Sponsoring students at Washington University in St. Louis through their Women Leadership program to work at Purina for a year-long leadership experience

**"We intentionally encourage women to take more leadership opportunities in the company, recognizing the impact they make."**

*– Annette Morris, Head of Diversity,  
Inclusion and Gender Balance, Nestlé Purina U.S.*



Nestlé Purina's Vicki Felker, Vice President, Market Development, takes the stage at TEDx St. Louis Women in 2016.

**Networks for Cultural Groups through Community Partnerships**

A key component of ensuring diversity within an organization is creating solid links between cultural groups. We work with over a dozen community partners, including OCA (Asian Pacific American Advocates), Urban League and DiversityWorking.com, to foster diversity inside and outside of our walls.

For example, in 2016 we joined the Hispanic Chamber of Commerce of Metro St. Louis Hispanic Leadership Institute. The leadership development program includes nine, full-day sessions over nine months. One Purina associate is selected to be part of this program annually.

We also continued our participation in the St. Louis Business Diversity Initiative in 2016, which we have been involved with for the past 10 years. Thirty eight associates have graduated from the Initiative Fellows program,

which addresses the interests and challenges of diverse professionals as they work to develop and advance their careers. From civic engagement, relationship building and professional development, this program has helped Nestlé Purina achieve a more than 80 percent retention rate for graduated Fellows. Alums from this group make up our Diversity Resource Group.



**“The Hispanic Leadership Institute broadened my knowledge in many different areas related to leadership. It has a diverse spectrum of topics, from finance to emotional intelligence. We were exposed to very different matters that are all related to being a better leader at work, in the community and the world.”**

– Mauricio Gobbo,  
Purina Diversity & Inclusion ambassador

**AWARDS**

Nestlé Purina was honored in 2016 to receive the following awards and recognition related to our focus on workplace health and wellness, culture and diversity.

**American Diabetes Association (St. Louis Chapter)**  
[Corporate Health Champion Award](#) for integrating and championing a culture of wellness in the workplace

**CollegeGrad.com**  
[Top Intern Employer](#)

**Glassdoor.com**  
9th on the 2016 [Best Places to Work in the U.S.](#) **BEST PLACES<sup>to</sup>work**

**Hispanic Chamber of Commerce**  
Adelante Award Corporate Winner, celebrating Hispanic businesses and professionals as well as on non-Hispanic companies and individuals that have made a significant contribution to the community

**Human Rights Campaign (HRC)**  
Perfect score of 100 percent on the [HRC 2016 Corporate Equality Index](#)

**OCA (Asian Pacific American Advocates)**  
Champion of Diversity Award

**St. Louis American Foundation**  
Business Performer Award, recognizing Nestlé Purina's commitment to diversity and inclusion

**Who's Who Diversity in Color**  
Highlighting our leadership in diversity and inclusion in the region





## PETS AND THE COMMUNITY

Leveraging our expertise, scale and passion for pets to improve the quality of life for pets and their owners

### HIGHLIGHTS:

355K

children and adults reached through responsible pet care programs in 2016

NEW

Purina Family Pet Center at St. Louis Children's Hospital, where patients can reunite with their family pet during treatment

2000+

employees volunteered during company-sponsored events dedicated to community involvement

\$32  
MILLION

in monetary funding and product donated to pet-related and community organizations across the Americas

### TOPIC AREAS:

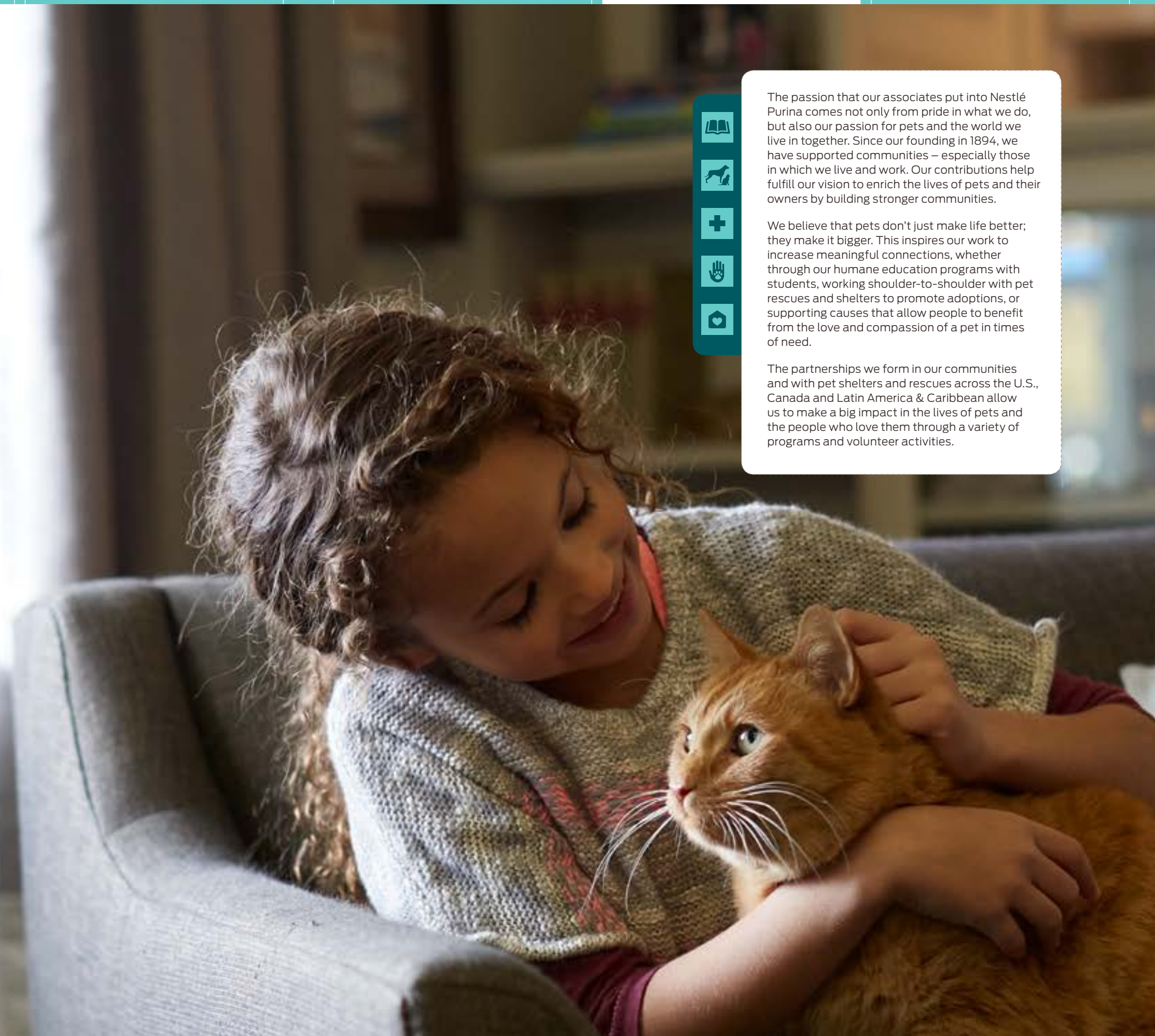
- Promoting Responsible Pet Ownership and Care
- Supporting Pet Shelters and Rescues
- Cultivating the Pet-Human Bond
- Supporting Local Communities



The passion that our associates put into Nestlé Purina comes not only from pride in what we do, but also our passion for pets and the world we live in together. Since our founding in 1894, we have supported communities – especially those in which we live and work. Our contributions help fulfill our vision to enrich the lives of pets and their owners by building stronger communities.

We believe that pets don't just make life better; they make it bigger. This inspires our work to increase meaningful connections, whether through our humane education programs with students, working shoulder-to-shoulder with pet rescues and shelters to promote adoptions, or supporting causes that allow people to benefit from the love and compassion of a pet in times of need.

The partnerships we form in our communities and with pet shelters and rescues across the U.S., Canada and Latin America & Caribbean allow us to make a big impact in the lives of pets and the people who love them through a variety of programs and volunteer activities.



## Promoting Responsible Pet Ownership and Care

Children are the next generation of pet owners, and it is important that they recognize the benefits of having a relationship with a pet as well as understand the appropriate way to interact with a dog or cat. Humane education lays the foundation for a child to establish a strong bond with a pet based on mutual respect, and that translates to richer person-to-person connections, impacting all aspects of our lives. Through our humane education programs, we aim to ensure children across the Americas can learn how to properly approach a pet, understand their behavior and how to care for, feed and groom a pet, shaping them into responsible pet owners of the future.

### Mutt-i-grees Curriculum



Nestlé Purina has a longstanding partnership with **North Shore Animal League**, and in 2016 we expanded our relationship to launch a humane education initiative in St. Louis that will reach thousands of area children annually. The curriculum for pre-kindergarten through 12th grade highlights the unique characteristics of shelter pets and reinforces critical skills including empathy, cooperation and ethical decision making. The Mutt-i-grees Curriculum is implemented nationally by North Shore Animal League.

We conducted two curriculum training sessions in St. Louis in 2016 for approximately 250 educators from local **Boys & Girls Clubs**, community centers, schools and pet shelters. These facilitators brought the curriculum to approximately 4,500 children in 2016 and will reach over 10,000 annually. One organization, a library near St. Louis, is using the curriculum as an avenue to reach children with autism through contact with therapy dogs.

Yale University conducted pre- and post- evaluations for the pilot program and provided an outcome report, which indicated that children understood they can advocate

for pets and that they felt empathy and compassion for others after being exposed to the curriculum. Eighty-three percent of children felt that people and pets can help each other, and 79 percent felt they could help dogs and cats even though they were not able to adopt them at that time. Programs like Mutt-i-grees help promote a deep understanding of pets to help them appreciate the value they have in our lives.

Nestlé Purina's sponsorship of the program in St. Louis includes the curriculum binders, training, visits to pet shelters, support and therapy dog visits to youth sites and resource reading and educational material. Our sponsorship is the first of its kind in St. Louis. The Purina ONE® brand supports the nationwide expansion of the Mutt-i-grees curriculum and donated \$30,000 in 2016 as part of the brand's ONE Difference initiative.

In addition to fostering humane education principles, this program also supports our Project Opportunity efforts (see Our People).

### Purina Farms in the U.S.

Nestlé Purina's family-friendly attraction in Gray Summit, Missouri, is designed to bring pets and people closer together through hands-on activities and events. Purina Farms' Better with Pets exhibit, which opened in 2016, is divided into four interactive and educational experiences for all ages and helps foster a greater appreciation for pets, promotes proper pet care and inspires guests to join Purina in building better pet communities. Guests to the exhibit also help trigger a donation to the Petfinder Foundation by turning in the pet I.D. card they receive at the beginning of the experience.

During the winter months, Purina Farms trainers and their canine athletes visit area schools, hospitals and other community sites to entertain with a flying disc show and to promote positive interactions between people and pets and promoting greater understanding, empathy and respect. Each year, the Pets in the Community Program reaches nearly 250,000 people.

Purina Farms also celebrated Responsible Pet Ownership month in February with an event offering low-cost vaccinations and microchipping, as well as free pet I.D. tags, nail trims, dog washes to St. Louis region pet owners. The Humane Society of Missouri was also on site "adopting out" stuffed animals to children while sharing tips on caring for pets.

### Kids & Cats Literacy Program in Canada

Purina Canada has been supporting Saskatoon, Saskatchewan-based Confederation Park Community

School's Kids & Cats Literacy program since 2014. The program serves more than 600 students of many cultures, ethnicities and backgrounds.

Catering to students with specific educational needs, Kids & Cats is an in-school program that combines focused reading time with animal therapy at an area cat shelter, where students are provided with books and encouraged to read aloud. The aim is to strengthen students' reading levels while improving confidence and developing critical social skills.

An independent study conducted in 2016 found that the students who participate in the program agree that cats are a calming and attentive audience, and as an added benefit, the cats find comfort and enjoy the affection and attention from the students. Following the reading period, students often help shelter staff care for the cats, by assisting with feeding, grooming and cleaning the cat enclosures, which contributes to feelings of confidence and valuable contributions.

Purina's support helps the organization purchase reading materials for the students and covers transportation costs to the shelter.

### PawsWay in Canada

For almost a decade, Nestlé Purina's PawsWay facility in Toronto has been a gathering place where pet lovers can celebrate the world of cats and dogs. PawsWay offers training programming like canine behavior and obedience courses and seminars on pet first aid and leash safety. In 2016 the facility had more than 200,000 visitors and promoted the wellbeing of pets while encouraging responsible pet care. In 2016, 24 cats were adopted on-site through the Friskies® Playhouse, a Toronto Humane Society enrichment center for cats that are available for adoption.

### In-School Programs in Latin America

Through in-school programs like "Escuela 4 Patas," Nestlé Purina advocates for responsible pet care and ownership in Latin America, reaching more than 100,000 adults and children annually. Escuela 4 Patas teaches children about the responsibility of pet ownership through music.



## Supporting Pet Shelters and Rescues

According to an annual Petfinder survey, 7.8 million pets entered shelters and rescues in North America in 2016. Only 4.4 million of those pets were adopted. Our goal is to provide long-term support for pet shelters and rescues to increase the number of pets finding loving homes, and we accomplish that by serving organizations, professionals, volunteers and surrounding communities with donations, grants, disaster relief, pet search, and marketing and education resources.

### DISASTER RELIEF

In 2016, Nestlé Purina responded to many natural disasters in the Americas by providing product to pets and communities in distress.



#### U.S.

Our dedicated disaster relief partner in the U.S. is Rescue Bank, a program of Greater Good, and with their help, we distributed more than 170,000 pounds of pet food and litter to 17 pet welfare organizations needing help as a result of flooding and hurricanes.

#### Canada

When wildfires in Fort McMurray, Alberta displaced tens of thousands of residents and their companion animals, Nestlé Purina donated pet food to local veterinary clinics and pet shelters to distribute to those in need. Nestlé Purina also donated \$7,000 through a matching gift program to the Red Cross Alberta Fires relief fund.

#### Latin America

Nestlé Purina continues to support Kanine + Search and Rescue, a program of the Red Cross to help in their efforts of rescuing pets and people in times of disaster. Purina also donated pet food to those affected by an earthquake in Ecuador through PAE (Animal Ecuador Protection organization).

### In-Kind and Monetary Donations

Nestlé Purina offers community support through product donations, disaster relief and grants for pet shelters, as well as event sponsorships. In addition to providing pet food, litter and monetary grants to shelters in communities across the Americas when needs arise, Nestlé Purina partners with 20 U.S. sheltering organizations, providing all the food and litter necessary for the pets in their care at no cost. In 2016, the Pet Welfare team launched the Purina Shelter Champions Partner Program, giving even more shelters access to affordable nutrition and litter, as well as, tools and resources to support the marketing efforts of their adoptable pets.



In September 2016, Nestlé Purina presented \$100,000 to the Friends of the Animal Shelter in St. Joseph, Missouri. Part of the funding was used to build a “catio” and meet and greet area at the shelter. Nestlé Purina employees from the local facility volunteered to complete the project. Nestlé Purina’s donation also helped kick-start a capital campaign aimed at enabling expansion.

### Tools and Resources

Nestlé Purina powers the largest pet search engine, [Petfinder.com](http://Petfinder.com), and is a sponsor of the second largest, [AdoptAPet.com](http://AdoptAPet.com). In 2016, Petfinder celebrated over 25 million adoptions since its inception 20 years ago. In honor of its 20th anniversary, Petfinder donated \$250,000 to shelters and rescues across the U.S. Over 12,000 shelters in the U.S., Canada and Mexico are part of the Petfinder network and have access to this pet adoption database free of charge. In 2016 alone, Petfinder facilitated 1.7 million pet adoptions, which represents 38 percent of total adoptions in North America.



Purina hosted “Better Together” in St. Louis, an adoption event with 20 local shelters, who are members of the St. Louis PetLover Coalition, which showcased the personalities of shelter pets, in October. More than 40 pets were adopted on-site. Purina continued support for two weeks following the event and covered the first \$50 toward adoption fees for more than 950 pets.

We also provide adoption materials, templates and social media toolkits through our professional-facing websites Petfinder Pro and Purina Shelter Champions to help shelters promote adoptable pets and work with our partners to understand potential issues resulting in research studies so we can provide the findings back to our partners.

One challenge shelters face is that there are misperceptions regarding the health, behavior and age of adoptable pets. To address this, Nestlé Purina works with partner shelters to make sure people get to know adoptable pets as they really are – friendly, attractive and wonderful lifelong companions – through photography. We provide photography kits and sponsor workshops to give shelters the valuable tools they need to showcase the true personalities of their shelter pets and increase their chances for adoption.

### Education and Networking

Petfinder offers programs and funding to provide shelter professionals access to information, experts and continuing education. One example, Adoption Options, is a free, multi-city animal welfare workshop tour across North America that is designed to engage and connect animal welfare professionals. The program combines Nestlé Purina and Petfinder’s expertise around our shared mission to increase pet adoption and to help provide solutions to industry challenges in pet welfare. The workshop is geographically customized for employees and volunteers of animal shelters and rescue organizations and is focused around the placement, promotion and behavior of homeless pets. In 2016 the tour reached 2,000 people in 14 cities.



Nestlé Purina also continues to facilitate the St. Louis PetLover Coalition, which fosters the collaborative efforts of more than 50 local animal welfare groups who are provided with networking opportunities and access to educational grants.

### Cultivating the Human-Pet Bond

We know, and research indicates, that pets have a positive impact on our mental and physical health and wellbeing. Through a variety of partnerships and programs we are working to promote the benefits of pet ownership as well as facilitate opportunities for pets to help people in need.

### Pets in the Workplace

We embrace pets in the workplace so we can not only spend more time with pets, but they also help reduce stress, encourage socializing and get us moving. Our corporate offices are pet-friendly, and we’re working to encourage more pet-friendly offices across the Americas. In the U.S., we have a website dedicated to sharing tips for employees and employers on making an office pet-friendly, as well as toolkits and etiquette guides. In 2016, we celebrated National Bring Your Pet to Work Day by partnering with five other pet-friendly companies to promote the benefits of pets in the office along with our toolkits. We also reached nearly 14,000 people with our pet-friendly workplace tips online.

### Urban Resource Institute

Nestlé Purina continues to support the Urban Resource Institute (URI), a leading non-profit organization that operates six domestic violence shelters in the New York City area. For some victims of domestic violence, pet ownership can become a dangerous bargaining chip. For others, it could be a bind that prevents escape from an abusive living situation. In response, URI launched the People and Animals Living Safely Program, which Purina has supported for several years, to bring Pet Havens to their shelters and support their pet-friendly shelter apartments.

URI and Purina worked together in 2016 to open the third Purina Pet Haven, a space at a URI domestic violence shelter where residents and their pets can play in safety. Each of the dog parks provides improved conditions for survivors and their pets as URI expands its capabilities to provide safe spaces for people and pets to heal together. In 2016 Purina was presented with the URI Leadership in Domestic Violence Award.

**“It was hard enough to be a single person in a new place like New York City, but a single person with kids and a dog is even harder. We ended up in a (domestic violence shelter) and had to be separated from our dog, Cupcake. When we discovered the Urban Resource Institute, we started bawling because we know we would all be together. We thought we were saving Cupcake, but with everything that happened, she was a light for me. Even my daughter said that sometimes she would be crying and Cupcake would come over and comfort her.”**

– URI Resident

### PAWS Act

Nestlé Purina is a leader in advocating for the Pet and Women Safety (PAWS) Act, which aims to protect victims of domestic violence, sexual assault, stalking and dating violence from emotional and psychological trauma caused by violence against their pets. The legislation was reintroduced in early 2017.

The PAWS Act provides grant funding to programs that offer housing assistance, support services, and training for survivors of domestic violence, dating violence, sexual assault, and their families, including their pets. It also prohibits threats or acts of violence against a person’s pet under the offenses of stalking and interstate violation of a protection order and requires the inclusion of any costs incurred for veterinary services relating to physical care for the victim’s pet in restitution in domestic violence and stalking offenses.

### Reuniting Patients with their Pets

In 2016 we collaborated with St. Louis Children's Hospital to create the Purina Family Pet Center, a comfortable, safe and welcoming environment where patients and their families can reunite with their family pet during the treatment process. Two patients who benefited from the Center, Elias and Kristen, had not seen their dogs in more than two months due to hospitalization. In December 2016, they had the chance to be reunited for quality time together after their dogs made the two-hour journey from their hometown of Salem, Missouri.

"The treatment process is even more challenging when you're far away from home and separated from family, including four-legged members," said Julie Strebe, mother of Elias and Kristen. "Pets bring so much joy to our lives, and having the chance for my children to be comforted by their dogs at the Purina Family Pet Center was a true blessing."

The Purina Family Pet Center opened its doors in May 2016 and is the fourth family pet center at a pediatric hospital in the world.

Sharing the belief that pets and people are better together, Purina and St. Louis Children's



St. Louis Children's Hospital patients, Elias and Kristen, reunite with their family pets in the hospital's Purina Family Pet Center.

Hospital aim to bring joy and overall emotional wellbeing to children and their families through the therapeutic impact of personal pet interaction.

### Kennel and Breed Clubs

We support both all-breed and specialty clubs, which are dedicated to promoting responsible pet ownership and the bond exhibitors share with their pets; advancing the study, breeding, maintenance and appreciation of purebred dogs and supporting conformation, obedience, agility and junior handler efforts. We share dog show fanciers' commitments to their dogs and support their journey through the Purina Pro Club, which helps national breed clubs earn funding for education, research and rescue efforts. In 2016 we donated \$220,000 to participating parent clubs.

In 2016 we supported 43 national specialties and 150 all-breed kennel clubs through sponsorship of dog shows and also continue to be the presenting sponsor of the Westminster Kennel Club, Kennel Club of Philadelphia and the Kennel Club of Beverly Hills televised dog shows.



In 2016 Purina's Beneful brand supported 19 dog parks across the U.S. through donations totaling nearly \$150,000 and on-site service days in four cities. Our efforts helped connect hundreds of dog lovers. Beneful has supported more than 35 dog parks since 2010 and since has invested more than \$2.3 million in communities across the U.S.

### Supporting Local Communities

In addition to providing capacity-building grants and other monetary support to organizations serving the people and pets in the communities where we operate, our employees also get involved in causes they are passionate about, through volunteering.

Each year thousands of Nestlé Purina associates are making a difference in the communities where they live and work by offering support to local organizations. Across Nestlé Purina, we encourage our associates to participate in community volunteering opportunities either individually or as part of an organized company event.



Nestlé Purina supports guide dog and service organizations, such as Leader Dogs for the Blind in the U.S. and Canadian Guide Dogs for the Blind in Canada, among several others, by supplying Purina Pro Plan to puppies and service dogs in training.

"At Leader Dogs for the Blind, the lives of our clients are in the paws of our dogs each and every day. That's why we feed Purina Pro Plan, the best nutrition for the best performance – because there is no second chance at saving a life. Not only does Purina donate 42,000 pounds of Pro Plan for our dogs each year, they also recently installed the Purina Nutrition Center in our new Canine Development Center. This allows our team to better serve our Leader Dogs in training so they can better serve our clients who are blind or visually impaired. Thanks to our partnership with Purina, we've been able to pair Leader Dogs with more than 15,000 individuals absolutely free of charge."

-Dani Landolt, Chief Marketing Officer, Leader Dogs for the Blind

### PetCare Pride Day in the U.S.

More than 1,000 associates in St. Louis and plant cities spent a day volunteering in May for the company's annual day of service.

Associates worked on everything from restoring dog parks, to assembling and ready-to-eat meals and personal care kits to the homeless to building cat and dog beds for pet shelters.



### Nestlé's #150for150 Volunteer Day in the U.S.

Nestlé Purina joined its sister companies in the U.S. in celebration of Nestlé's 150th anniversary in 2016 by participating in the largest single day of organized community service for Nestlé in the U.S. Nearly 1,000 Nestlé Purina employees across the U.S. participated in projects that benefited pet shelters, Boys & Girls Clubs and more.

### Checker Day in Canada

Nestlé Purina associates assembled 21 dog houses for Ojibways of Onigaming, a First Nations Community near the Manitoba border and deep within Ontario's wilderness. There is a population of approximately 800 Ojibway and 70 dogs in the community, and the dog houses are meant to bring relief and shelter from the often harsh climate.



Purina is a sponsor of the Associates Veterinary Clinic Paw It Forward pet food pantry in Canada, a community outreach initiative that provides pet food and support for dogs and cats whose families are in need.

## Global Commitments

At the global level, Nestlé has made [42 commitments](#) to support the company's long-term goal of Creating Shared Value. As a part of the global Nestlé family, at Nestlé Purina in the Americas, we are committed to achieve the following, which are particular priorities for the pet care business.

### For Individuals and Families

#### Nutrition Health & Wellness

- Leverage our marketing efforts to promote healthy cooking, eating and lifestyles
- Build biomedical science leading to health promoting products, personalized nutrition and digital solutions

### For Our Communities

#### Rural Development

- Implement responsible sourcing in our supply chain and promote farm animal welfare

#### Our People, Human Rights and Compliance

- Assess and address human rights impacts across our business activities
- Improve workers' livelihoods and protect children in our agricultural supply chain
- Enhance a culture of integrity across the organization
- Ensure that all Nestlé employees are covered by a certified safety and health management system
- Enhance gender balance in our workforce and empower women across the entire value chain
- Provide effective grievance mechanisms to employees and stakeholders
- Provide training on Corporate Business Principles, Nutrition and Environmental Sustainability
- Advocate for healthy work places and healthier employees

### For the Planet

#### Water

- Work to achieve water efficiency and sustainability across our operations
- Advocate for effective water policies and stewardship
- Treat the water we discharge effectively
- Engage with suppliers, especially those in agriculture
- Raise awareness on water conservation, and improve access to water and sanitation across our value chain

#### Environmental Sustainability

- Provide climate change leadership
- Promote transparency and proactive, long-term engagement in climate policy
- Reduce food loss and waste
- Improve the environmental performance of our packaging
- Assess and optimize the environmental impact of our products
- Provide meaningful and accurate information and dialogue
- Preserve natural capital, including forests





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