

Being a Good Neighbor

This section outlines our work to:

- Contribute to local economies
- Address community concerns
- Give back through community grants, product donations and volunteerism

Nestlé Waters is privileged to be part of the communities where our offices, plants and spring sources are located. Our goal is to communicate openly and honestly, to make positive contributions and to live up to the stated aspirations of our Good Neighbor Policy. The 10 components in the Good Neighbor Policy help guide our actions in the communities where we operate.





Project WET (Water Education for Teachers)

Project WET is an award-winning water education program designed to help children, teachers, parents and communities make informed decisions about water resources. Since 1992, Nestlé Waters has supported hands-on, physical activities on topics, including watershed and wetland protection, water conservation and sustainable management of water resources. Today, our sponsorship covers all 50 states and has involved more than 1,000 federal, state and local agencies and organizations. Since 1984, more than 150,000 teachers in grades kindergarten through 12 received Project WET training and the program has reached nearly 23 million students.

Our Economic Contributions

We contribute to the local economy in many ways: providing jobs and benefits, paying taxes and building public infrastructure. The total payroll for our 9,108 employees (almost 4,000 of whom work in our plants) totaled \$561 million in the U.S. and CAN \$28 million in Canada in 2007. Additionally, we help boost the economy by paying taxes to local and state governments. In the U.S. in 2007, we paid \$28 million in local property taxes, \$21 million in state sales taxes and 40% of our income in federal and state income taxes. In Canada in 2007, we paid CAN \$772,254 in local property taxes and 38% of our income in federal and provincial income taxes. Beyond this, we also invest in public infrastructure improvements where appropriate.

Addressing Community Concerns

As with any business, Nestlé Waters' operations have an impact on local communities. Our goal is to maintain strong, productive relationships with each of the communities where we operate and to address issues raised by stakeholders in a timely and respectful manner (see Managing Water Resources for Long-term Sustainability). For example, we share scientific information about our sites and advocate for legislation to protect groundwater.

We also work to mitigate impacts from the manufacture and trucking of our products. For instance, in mid-2007, residents made Nestlé Waters aware of their concern about increased truck traffic and noise near our Hollis, Maine, plant. Complaints included trucks using unauthorized routes, noise from engine braking and speeding. Within two weeks, Nestlé Waters issued notices to all of its owned and contract carriers with specific instructions on how to solve these issues. Carriers were asked to sign and return the notice. Since that time, complaints have fallen significantly.

Giving Back to Communities

Nestlé Waters is committed to supporting the communities where we live and work. In 2007, we contributed more than \$2.7 million in cash, product donations and employee volunteerism. We focus our giving on four areas that are core to our business and are also important to our consumers and communities as well as support employee volunteerism.

ENVIRONMENT As a natural resource company, we are committed to supporting environmental stewardship. Some of these include financial and volunteer support of water education programs, as well as conservation grants to protect watersheds and natural systems in states where we have operations.

HEALTH AND WELLNESS In addition to drinking water, physical activity is key to a healthy lifestyle. To this end, we developed *Go-Play!*, a program dedicated to supporting fitness programs in schools across the country.

EMERGENCY RELIEF Bottled water is critical in the event of an emergency. Through our partners, the American Red Cross and AmeriCares, we distribute water and financial aid to communities in times of need. Between 2005 and 2007, we donated over four million bottles of water to disaster relief. The combination of bottled water donations and financial contributions to provide emergency relief was worth approximately \$1.8 million over this three-year time period.

Total Philanthropic Giving (Cash and Product Donations)

	2005	2006	2007
Total	\$2,864,365*	\$2,511,159	\$2,668,354

*Higher giving in 2005 to support Hurricane Katrina relief efforts.



Crystal Springs Preserve in Florida

In 2004, Nestlé Waters joined with the Thomas family to create Crystal Springs Preserve. The original source of our Zephyrhills® Brand Natural Spring Water, Crystal Spring has been transformed into a world-class environmental education center, serving thousands of students and scientists as a “living laboratory” to study the ecosystems within. We believe the center helps people make informed decisions about using and protecting Florida’s water resources.

SUPPORTING LOCAL COMMUNITY NEEDS Because local needs vary greatly, we empower each manufacturing plant to support worthy causes within its area of operations. For example, the *Every Drop Counts Scholarship Fund*, established by our Ozarka® Brand in 2002, helps students interested in careers in environmental and earth sciences. The scholarship provides two \$10,000 statewide scholarships for high school seniors and college students, and four \$2,500 scholarships to students in each of Ozarka Brand’s four spring site locations. Similarly, in 2001, our Ice Mountain® Brand established the Ice Mountain Environmental Stewardship Fund, which provides financial support for projects aimed at promoting conservation, enhancement and restoration efforts of the Muskegon River watershed. Since its inception, the fund has granted more than \$270,000 to 15 local organizations.

EMPLOYEE VOLUNTEERISM Nestlé Waters encourages employees to volunteer through Project WET, United Way and local initiatives, such as the Northeast Texas Child Advocacy Center Golf Tournament fundraiser. However, we have a relatively undeveloped volunteer strategy and are committed to expanding employee engagement in our local communities in future years.



To deepen our citizenship contribution at the local and national levels, we plan to refocus our community-giving program in 2009. Our new program will include greater employee volunteerism opportunities.



Children learn about freshwater resources and conservation while participating in a Project WET “Make a Splash” festival.

The Nature Conservancy



Nestlé Waters’ partnership with The Nature Conservancy (TNC), a global conservation organization, started in the mid-90s, when Poland Spring helped TNC protect ecologically important lands and waters in Maine. In 1999, Nestlé Waters contributed \$1 million to TNC to protect St. John River, the last wild, free-flowing major river in the eastern U.S. In 2005, Nestlé Waters and TNC initiated a second collaboration to protect freshwater rivers, lakes and wetlands across the country. We pledged \$1 million over five years to assist with watershed restoration projects and to support the development of a water certification program to promote sustainable water use. Through the 10-year collaboration with TNC, Nestlé Waters has helped protect and restore over 426,000 acres of natural lands and waters.