

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2021</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>NESTLE PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>100</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1989</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>100</u>	1c Effective date of plan <u>01/01/1989</u>	
1b Three-digit plan number (PN) ▶	<u>100</u>				
1c Effective date of plan <u>01/01/1989</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NESTLE USA, INC.</u> <u>30500 BAINBRIDGE RD</u> <u>SOLOM, OH 44139-2205</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-1572209</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>440-349-5757</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>311900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-1572209</u>	2c Plan Sponsor's telephone number <u>440-349-5757</u>	2d Business code (see instructions) <u>311900</u>	
2b Employer Identification Number (EIN) <u>95-1572209</u>					
2c Plan Sponsor's telephone number <u>440-349-5757</u>					
2d Business code (see instructions) <u>311900</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2022	KRISTEN MCBRIDE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

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v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	38000
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	13766
a(2) Total number of active participants at the end of the plan year		6a(2)	12813
b Retired or separated participants receiving benefits.....		6b	10264
c Other retired or separated participants entitled to future benefits		6c	10127
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	33204
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	2945
f Total. Add lines 6d and 6e		6f	36149
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	203
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1C 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NESTLE PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>100</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NESTLE USA, INC.</u>	D Employer Identification Number (EIN) <u>95-1572209</u>	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B 		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I	Basic Information		
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2021</u>		
2	Assets:		
	a Market value	2a	<u>3954829770</u>
	b Actuarial value	2b	<u>3954829770</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment.....	<u>13486</u>	<u>1078381038</u>
	b For terminated vested participants.....	<u>11044</u>	<u>500658567</u>
	c For active participants	<u>14792</u>	<u>981283985</u>
	d Total.....	<u>39322</u>	<u>2560323590</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate	5	<u>5.56</u> %
6	Target normal cost.....		
	a Present value of current plan year accruals.....	6a	<u>108532056</u>
	b Expected plan-related expenses	6b	<u>0</u>
	c Total (line 6a + line 6b)	6c	<u>108532056</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="text-align: center;">Signature of actuary</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px; margin-top: 10px;">MICHAEL ALTILIO</div> <div style="text-align: center;">Type or print name of actuary</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px; margin-top: 10px;">WILLIS TOWERS WATSON US LLC</div> <div style="text-align: center;">Firm name</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px; margin-top: 10px;">150 JFK PARKWAY SUITE 520 SHORT HILLS, NJ 07078</div> <div style="text-align: center;">Address of the firm</div>	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px; text-align: center;">10/13/2022</div> <div style="text-align: center;">Date</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px; text-align: center;">20-07062</div> <div style="text-align: center;">Most recent enrollment number</div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px; text-align: center;">973-539-1923</div> <div style="text-align: center;">Telephone number (including area code)</div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2021
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Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	1091105262	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	70220323	0
9 Amount remaining (line 7 minus line 8)	1020884939	0
10 Interest on line 9 using prior year's actual return of <u>12.10</u> %	123527078	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.31</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	1144412017	0

Part III Funding Percentages

14 Funding target attainment percentage	14	108.14 %
15 Adjusted funding target attainment percentage	15	152.18 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	141.45 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/28/2022	63500000	0			
Totals ▶			18(b)	63500000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	59373866

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 5.36 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c).....	31a	108532056	
b Excess assets, if applicable, but not greater than line 31a	31b	108532056	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	59373866	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	59373866	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances.....	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan NESTLE PENSION PLAN	B Three-digit plan number (PN) ►	100
C Plan sponsor's name as shown on line 2a of Form 5500 NESTLE USA, INC.	D Employer Identification Number (EIN) 95-1572209	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a 0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions		1b(1) 0	63500000
(2) Participant contributions.....		1b(2) 0	0
(3) Other		1b(3) 0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)		1c(1) 0	0
(2) U.S. Government securities		1c(2) 0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A) 0	0
(B) All other.....		1c(3)(B) 0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A) 0	0
(B) Common		1c(4)(B) 0	0
(5) Partnership/joint venture interests		1c(5) 0	0
(6) Real estate (other than employer real property)		1c(6) 0	0
(7) Loans (other than to participants).....		1c(7) 0	0
(8) Participant loans		1c(8) 0	0
(9) Value of interest in common/collective trusts		1c(9) 0	0
(10) Value of interest in pooled separate accounts		1c(10) 0	0
(11) Value of interest in master trust investment accounts.....		1c(11) 3954829770	3785291980
(12) Value of interest in 103-12 investment entities		1c(12) 0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)		1c(13) 0	0
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14) 0	0
(15) Other.....		1c(15) 0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	3954829770	3848791980

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3954829770	3848791980
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	63500000	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers).....	2a(1)(C)	0	
(2) Noncash contributions.....	2a(2)	1616241	65116241
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		128140053
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		0
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		193256294
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	297677843	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	1616241	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		299294084
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		299294084
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-106037790
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG U.S. LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			
5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 435606 _____.			

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2021</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan NESTLE PENSION PLAN		B Three-digit plan number (PN) ► 100
C Plan sponsor's name as shown on line 2a of Form 5500 NESTLE USA, INC.		D Employer Identification Number (EIN) 95-1572209
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 36-3046063		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3 1695
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☒ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2021 v. 201209		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: 25.0 % Investment-Grade Debt: 60.0 % High-Yield Debt: 3.0 % Real Estate: 6.0 % Other: 6.0 %

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

NESTLÉ PENSION PLAN

Financial Statements

December 31, 2021 and 2020

(With Report of Independent Auditors)

NESTLÉ PENSION PLAN

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Report of Independent Auditors

To the Plan Administrator of Nestle Pension Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Nestle Pension Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits and accumulated plan benefits as of December 31, 2021, and the related statements of changes in net assets available for benefits and changes in accumulated plan benefits for the year then ended, and the related notes (collectively referred to as the “financial statements”).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of December 31, 2021, and for the year then ended, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor’s Responsibilities for the Audit of the 2021 Financial Statements section

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.



**Building a better
working world**

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the financial statements of the Plan as of and for the year ended December 31, 2020. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the investment information certified by a qualified institution. In our report dated October 12, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on those financial statements, and (b) the form and content of the information included in those financial statements other than that derived from the certified investment information, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Ernst & Young LLP

October 12, 2022

NESTLÉ PENSION PLAN

Statements of Net Assets Available for Benefits

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Investments, at fair value (notes 5, 7, and 8):		
Plan interest in Nestlé in the USA Pension Trust	\$ <u>3,785,291,980</u>	<u>3,954,829,770</u>
Net assets available for benefits	\$ <u>3,785,291,980</u>	<u>3,954,829,770</u>

See accompanying notes to financial statements.

NESTLÉ PENSION PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2021

Investment income:

Plan interest in Nestlé in the USA Pension Trust investment income	\$ <u>133,726,548</u>
Total investment income	<u>133,726,548</u>

Contributions:

Reimbursement from group annuity contract (note 2(e))	<u>1,616,241</u>
Total contributions	<u>1,616,241</u>

Deductions:

Benefits paid to participants	297,677,843
Benefits paid on behalf of group annuity contract (note 2(e))	1,616,241
Investment and administrative expenses	<u>5,586,495</u>

Total deductions	<u>304,880,579</u>
------------------	--------------------

Net decrease	(169,537,790)
--------------	---------------

Net assets available for benefits, beginning of year	<u>3,954,829,770</u>
--	----------------------

Net assets available for benefits, end of year	<u>\$ 3,785,291,980</u>
--	-------------------------

See accompanying notes to financial statements.

NESTLÉ PENSION PLAN

Statements of Accumulated Plan Benefits

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Actuarial present value of accumulated plan benefits (note 2(c)):		
Vested benefits:		
Participants currently receiving payments	\$ 1,122,018,900	1,179,885,964
Other participants	<u>1,730,833,646</u>	<u>1,769,076,916</u>
	2,852,852,546	2,948,962,880
Nonvested benefits	<u>53,936,506</u>	<u>52,378,982</u>
Total actuarial present value of accumulated plan benefits	\$ <u><u>2,906,789,052</u></u>	<u><u>3,001,341,862</u></u>

See accompanying notes to financial statements.

NESTLÉ PENSION PLAN

Statement of Changes in Accumulated Plan Benefits

Year ended December 31, 2021

Actuarial present value of accumulated plan benefits at beginning of year	\$ 3,001,341,862
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial losses	139,172,865
Decrease in the discount period	128,259,714
Benefits paid	(297,677,843)
Other assumption changes (note 2(c))	<u>(64,307,546)</u>
Actuarial present value of accumulated plan benefits at end of year	\$ <u>2,906,789,052</u>

See accompanying notes to financial statements.

NESTLÉ PENSION PLAN

Notes to Financial Statements

December 31, 2021 and 2020

(1) Description of the Plan

The following description of the Nestlé Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined benefit pension plan covering salaried and certain hourly employees of Nestlé USA, Inc. and participating affiliated companies (Company or Plan Sponsor) as defined under the Plan document. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is administered by Nestlé USA, Inc. The Plan Administrator is responsible for the general administration of the Plan. The Plan trustee is The Northern Trust Company.

(b) Pension Benefits

With the exception of Nestlé Purina hourly employees subject to a career average pay formula, effective January 1, 2016, the Plan is closed to new entrants. Participating employees are eligible to receive benefits under the Plan document as follows:

(i) Traditional Benefit

Participants hired prior to May 1, 2003, who chose to remain on the Traditional formula during the pension choice period, with three or more years of vesting service are entitled to pension benefits beginning at normal retirement age of 65. The normal retirement benefit is determined based upon years of credited service, as defined, and the average of the participant's highest three consecutive years of pensionable earnings during the ten-year period prior to retirement (average annual compensation). The Plan permits retirement as early as age 55, but with a reduced benefit. The normal form of benefit payment is the Life Annuity Form for participants who are not married on the benefit commencement date and the Spouse's Annuity Form for participants who are married on the benefit commencement date. Subject to certain restrictions of the Plan, participants may elect to receive the value of their benefits as a life annuity, a lump-sum distribution, a ten-year certain annuity, or a joint-and-survivor annuity. Additionally, certain Nestlé Purina employees may be covered under an alternative final average pay formula or a career average pay formula subject to different normal and optional forms of payment. The Nestlé Purina career average pay formula remains open to new participants hired into covered employment.

Effective April 1, 2015, the Plan was amended to universally offer commencement of benefits and a lump-sum option at any age once employment ends.

(ii) Account Benefit

All participants hired after May 1, 2003, and prior to January 1, 2016, and participants hired prior to May 1, 2003, who chose the Account formula during the pension choice period with three or more years of vesting service are entitled to pension benefits upon termination of employment. Participants earn an annual percentage based on the sum of the participant's age and years of vesting service (or points) for each year of credited service in the Plan. Upon termination, the annual percentages are added together to determine the final pension percentage. The final pension percentage is multiplied by the average of the participant's highest five consecutive years of pensionable earnings

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during the most recent ten-year period. The formula is expressed as a lump sum; however, the normal form of payment is the Life Annuity Form for participants who are not married on the benefit commencement date and the Spouse's Annuity Form for participants who are married on the benefit commencement date. Subject to certain restrictions of the Plan, participants may elect to receive the value of their benefit as a lump-sum distribution, a life annuity, or a joint-and-survivor annuity. Additionally, certain Nestlé Purina employees may be covered under an alternative account benefit formula subject to different normal and optional forms of payment.

(iii) Other Benefits

Other plan provisions with limited applicability may also apply to former employees of acquired businesses such as Carnation, Continental Baking Company, and Gerber Life.

(c) Death and Disability Benefits

(i) Traditional Benefit

If an active participant dies after completing three years of vesting service, a death benefit may be paid to the participant's qualified surviving spouse. The amount of the benefit paid to the surviving spouse is computed with reference to the early retirement and vested immediate commencement factors of the Plan. Effective April 1, 2021, a lump sum option is generally available. Participants who meet the Plan's disability eligibility requirements may continue accruals under the Plan.

(ii) Account Benefit

If an active participant dies, the participant's designated beneficiary will receive the value of the benefit. If the beneficiary is a spouse, the spouse may elect to receive the account benefit as either a lump sum or a life annuity. If the beneficiary is not a spouse, the account benefit is paid as a lump sum. Participants who meet the Plan's disability eligibility requirements may continue accruals under the Plan.

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Investment Valuation

Plan assets are held in the Nestlé in the USA Pension Trust (Pension Trust), which was established by the Company for the pooled investment of assets for various qualified pension plans sponsored by the Company. The Pension Trust is maintained by The Northern Trust Company, as trustee.

The Pension Trust investments are stated at fair value, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*.

Purchases and sales of securities are recorded on a trade-date basis. Interest and other income are recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Pension Trust's gains and losses on investments bought and sold as well as held during the year.

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(c) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

The accumulated plan benefits for active employees are based on credited service and the average of either the highest three or five years of pensionable earnings, as defined (i.e., total compensation, including bonuses and overtime), during the last ten calendar years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent actuary, Willis Towers Watson, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements due to death, disability, termination, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations were as follows:

	2021	2020
Life expectancy of participants	Pri-2012, including separate assumptions for contingent survivors with Modified MP-2021 projection	Pri-2012, including separate assumptions for contingent survivors with Modified MP-2019 projection
Retirement age	Varying by age	Varying by age
ASC 960 discount rate and expected return on plan assets	4.60 %	4.30 %

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(d) Administrative Expenses

Expenses of administering the Plan are paid by the Company or from Plan assets, subject to limitations under ERISA. The Plan allows for administrative expenses such as trustee fees, investment management fees, actuarial valuation fees, and accounting fees.

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(e) *Payment of Benefits*

Benefit payments to participants are recorded upon distribution.

A small portion of Plan benefits are payable by Metropolitan Life Insurance Company (MetLife) as a result of the Company's purchase of annuity contracts for certain former participants in the contributory Carnation Employees Retirement Plan Number Two. The remaining portion of Plan benefits are payable by the Plan and are included in the present value of accumulated plan benefits. For some of the former Carnation employees, the Plan benefits have commenced, and continue to be paid, by the trustee, with MetLife reimbursing the Plan for any portion of said benefits that were previously purchased by the employee contributions.

(f) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

(g) *Risks and Uncertainties*

The Pension Trust invests in various investment securities. Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

(h) *Derivative Financial Instruments*

The Pension Trust accounts for derivatives and hedging activities in accordance with ASC 815, *Derivatives and Hedging*, which requires that all derivative instruments not qualifying for hedge accounting be recorded on the statements of net assets available for benefits at their respective fair values.

The Pension Trust uses derivatives for the benefit of the plans in the Pension Trust as a tool to reduce risk and as an investment strategy. The Pension Trust will enter into the following types of derivative instruments: interest rate swaps, credit default swaps (CDSs), equity swaps, commodity swaps, financial futures, commodities futures, foreign exchange forward contracts and options, and swaptions and options. The derivative instruments outstanding as of period-end and the amounts of realized and unrealized gains and losses, as well as other income on derivative instruments during the period (as disclosed in the derivatives tables in note 7), serve as indicators of the volume of derivative activity for the Pension Trust. Derivative strategies involve risk and, like other investments, can lose value. The

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impact on Pension Trust performance can be positive or negative, and will vary depending on market movements.

The Pension Trust manages interest rate risk using interest rate swaps and/or U.S. Treasury futures (interest rate hedge). The objective of the interest rate hedge is to manage the effective duration of the Pension Trust's assets to better match its defined benefit obligations, thereby protecting the funded ratio of the Pension Trust as interest rates fluctuate. Interest rate swaps and futures used in this manner adjust interest rate and yield curve exposures and substitute for physical securities.

The Pension Trust also uses derivatives as a substitute for physical securities in order to gain exposure to certain asset classes. Using derivatives instead of physical securities may be a more efficient means to gain exposure to an index or a market sector due to its characteristics of increased liquidity and reduced transaction costs. Using derivatives may also reduce the need to sell assets when there is a difficult trading environment. These derivatives are used to create credit, equity, and foreign exchange exposures.

The Pension Trust manages credit risk through use of CDSs. These derivatives are used to manage credit exposure without buying or selling securities outright. Written CDSs increase credit exposure (selling protection), obligating the Pension Trust to buy bonds from counterparties in the event of a default. Purchased CDSs decrease exposure (buying protection) providing the right to "put" (sell) bonds to the counterparty in the event of a default.

Counterparty risk for swaps and forwards that are not cleared through a central exchange is mitigated through the use of International Swaps and Derivatives Association (ISDA) standardized agreements that require gains and losses owed to and from the counterparty to be agreed daily, and gains or losses to be collateralized with cash. For futures, the gain (loss) is calculated and funds are transferred to and from the Pension Trust on a daily basis, based on the prior day's market valuation. The types of counterparties are large banks and brokers, and the investment managers each have netting arrangements within their accounts to reduce the exposure to any single counterparty.

Holding derivatives has a significant impact on cash flow. Daily mark to markets and accumulated gains and losses can be large, depending on the volatility of the markets. The Pension Trust has maintained the liquidity necessary to settle any losses under a variety of market conditions, including the most severe.

(i) Foreign Currency

The Pension Trust's investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Pension Trust does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net appreciation and depreciation from investments.

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(j) Recently Issued Accounting Standards

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The guidance is effective for all entities as of March 12, 2020 through December 31, 2022. The Plan is currently evaluating this accounting standard and has not yet determined the impact to the financial statements.

(3) Funding Policy

The funding policy of the Plan Sponsor is to make contributions for each plan year in an amount not less than the minimum required contribution under the law and not more than the maximum tax-deductible contribution. The Company may vary its contribution level, if appropriate to its tax and cash position and the Plan's funded status. There were no contributions made for Plan year ended December 31, 2021 which met ERISA minimum funding requirements.

(4) Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations. The assets allocated to each participant would be distributed through either (a) continuance of the trust fund that is attributable to the current Plan or establishment of a new trust fund, and/or (b) purchase of annuity contracts. In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees, which is adjusted periodically.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

(5) Trustee Certifications

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, certain information related to investments disclosed in the accompanying financial statements, including the Plan's interest in the Pension Trust at December 31, 2021 and 2020, and Plan interest in Pension Trust investment income for the year ended December 31, 2021, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by The Northern Trust Company, the trustee of the Plan.

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(6) Parties in Interest

During the years ended December 31, 2021 and 2020, Nestlé in the USA Pension Trust had parties in interest that included Plan Sponsor, trustee, investment advisory, legal, actuarial, and administrative service providers. The fees paid by the Pension Trust to these parties in interest were \$6,484,485 for the year ended December 31, 2021. The Plan's share of these expenses was \$5,586,495 for the Plan year ended December 31, 2021. These transactions qualify as party-in-interest transactions; however, they are exempt from prohibited transaction rules under ERISA.

(7) Interest in Nestlé in the USA Pension Trust

The assets of the Plan are invested in the Pension Trust, in which the assets of the Plan are combined with the assets of other affiliated Company plans for investment purposes.

Pursuant to the trustee's method of allocating the investment holdings between the plans, contributions into the Pension Trust are treated as additions in the Pension Trust, withdrawals are treated as deductions in the Pension Trust, and investment income (loss) is allocated proportionately. Accordingly, the value of the Plan's investment in the Pension Trust is equal to the Plan's interest in each applicable investment increased or decreased by the Plan's allocated share in income, gains, and losses attributable to each applicable investment, which share is generally based upon the Plan's respective share of the Pension Trust's combined net assets available for benefits each month before investment income (loss) and net appreciation (depreciation) in the fair value of investments. Those investment expenses of the Pension Trust, which can be specifically identified as being applicable to the Plan, are charged to the Plan. The remaining investment expenses are allocated to the Plan based on the Plan's respective share of the Pension Trust's combined net assets available for benefits on a monthly basis.

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The Plan's investments consist of an undivided interest in investments held by the Pension Trust. The Plan's equitable share of the Pension Trust's net assets was approximately 86.3% for the years ended December 31, 2021 and 2020. The net assets of the Pension Trust and the Plan's interest in the Pension Trust balances as of December 31, 2021 and 2020, are as follows:

	2021		2020	
	Pension Trust Balances	Plan's Interest in Pension Trust Balances	Pension Trust Balances	Plan's Interest in Pension Trust Balances
Investments, at fair value:				
Equities	\$ 971,232,656	838,294,985	1,110,864,322	954,099,248
Fixed income	2,765,620,671	2,387,075,771	3,037,487,985	2,608,837,951
Real estate	373,278,332	322,185,783	297,111,897	255,183,493
Other investments	327,117	282,343	472,588	405,896
Hedge funds	284,126,260	245,236,419	265,863,422	228,344,800
Cash and cash equivalents*	97,886,622	84,488,370	194,210,862	166,803,842
Total investments	4,492,471,658	3,877,563,671	4,906,011,076	4,213,675,230
Liabilities	(106,904,229)	(92,271,691)	(301,375,551)	(258,845,460)
Net Pension Trust assets	\$ 4,385,567,429	3,785,291,980	4,604,635,525	3,954,829,770

* Includes pending trade sales and purchases as of year-end.

During the year ended December 31, 2021, investment income for the Pension Trust consisted of the following:

	2021
Net appreciation in fair value of investments	\$ 55,382,560
Interest	88,790,245
Dividends	200,493
Other income	10,267,262
	<u>\$ 154,640,560</u>
Pension Trust investment income attributable to the Plan	\$ 133,726,548

As discussed in note 2(h), the Pension Trust uses derivative financial instruments as part of its investment strategy. Refer to note 8 for a description of valuation methodologies. Gains and losses on derivative financial

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instruments are included in investment income (loss). As of December 31, 2021 and 2020, the Pension Trust held the following derivatives:

	2021		2020	
	Asset derivatives fair value	Liability derivatives fair value	Asset derivatives fair value	Liability derivatives fair value
Derivatives not accounted for as hedging instruments:				
Interest rate	\$ 8,955,671	(3,793,122)	1,924,616	(20,892,848)
Foreign exchange	307,360	(508,129)	452,996	(448,902)
Credit	2,169,602	(585,732)	1,512,563	(456,791)
Equity	—	—	—	—
	<u>\$ 11,432,633</u>	<u>(4,886,983)</u>	<u>3,890,175</u>	<u>(21,798,541)</u>

The fair values of the derivatives are located within Investments held by the Pension Trust in other investments in assets and liabilities, cash and cash equivalents, fixed income, and equities. There is no concentration of derivatives in any of the categories. Swap valuations are also represented in the Pension Trust Receivables and Liabilities.

For the year ended December 31, 2021, the Pension Trust recognized in investment gain (loss) and other income the following:

	2021 Amount of gain (loss)
Derivatives not accounted for as hedging instruments:	
Interest rate	\$ (44,467,592)
Foreign exchange	228,722
Credit	236,573
Equity	(75)
	<u>\$ (44,002,372)</u>

The loss related to the derivatives is located in the net appreciation in fair value of investments and the other income for the Pension Trust. There is no concentration of derivatives in any of the categories.

The following tables summarize the gross notional value of derivative contracts outstanding as of December 31, 2021 and 2020. The gross notional amounts give an indication of the volume of the Pension Trust's derivative activity and significantly exceed the fair value of the derivative investments, which is more representative of the economic exposure associated with derivatives in the Pension Trust.

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December 31, 2021		Interest	Credit	Foreign	Equity	Total
		Rate		Currency		
Forwards	\$	—	—	58,621,807	—	58,621,807
Futures		1,656,283,057	—	—	—	1,656,283,057
Options		328,205,889	31,222,921	—	—	359,428,810
Swaps		401,410,778	103,956,156	—	—	505,366,934
	\$	<u>2,385,899,724</u>	<u>135,179,077</u>	<u>58,621,807</u>	<u>—</u>	<u>2,579,700,608</u>

December 31, 2020		Interest	Credit	Foreign	Equity	Total
		Rate		Currency		
Forwards	\$	—	—	53,746,333	—	53,746,333
Futures		1,907,548,171	—	—	—	1,907,548,171
Options		38,989,792	73,158,558	2,397,600	—	114,545,950
Swaps		363,012,410	70,250,087	—	—	433,262,497
	\$	<u>2,309,550,373</u>	<u>143,408,645</u>	<u>56,143,933</u>	<u>—</u>	<u>2,509,102,951</u>

The Pension Trust has in place legally enforceable master netting arrangements or similar agreements with all counterparties with which it enters into derivative financial instruments. Master netting arrangements or similar agreements permit the closeout and netting of transactions with the same counterparty upon the occurrence of certain events. The Pension Trust has chosen not to offset the fair values of derivative contracts and related cash collateral with the same counterparty under its master netting arrangements or similar agreements. All of the Pension Trust's derivative and cash collateral positions are reflected at the gross

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values in the statements of net assets available for benefits. The table below shows the impact of netting financial instruments and collateral if the Plan had elected to offset the derivatives.

Offsetting of Assets and Liabilities – Pension Trust at December 31, 2021:

Asset description	Gross recognized assets	Gross amounts offset	Net amounts presented	Amounts not offset		Net exposure
				Financial instruments	Net collateral received	
OTC Equities	\$ –	–	–	–	–	–
OTC Foreign exchange	307,360	–	307,360	82,488	147,332	77,540
OTC Interest rate/credit	3,931,199	–	3,931,199	1,687,298	62,097	2,181,804
Total derivatives subject to a Master Netting Agreement (MNA)	4,238,559	–	4,238,559	1,769,786	209,429	2,259,344
Exchange cleared interest rate/credit	4,870,827	–	4,870,827	–	–	4,870,827
Exchange traded equities	–	–	–	–	–	–
Exchange traded interest rate/credit	2,323,247	–	2,323,247	–	–	2,323,247
Total derivatives not subject to a MNA	7,194,074	–	7,194,074	–	–	7,194,074
Total derivatives	\$ 11,432,633	–	11,432,633	1,769,786	209,429	9,453,418
Securities lending pledged	\$ –	–	–	–	–	–
Liability description	Gross recognized liabilities	Gross amounts offset	Net amounts presented	Amounts not offset		Net exposure
				Financial instruments	Net collateral pledged	
OTC Equities	\$ –	–	–	–	–	–
OTC Foreign exchange	508,129	–	508,129	82,488	169,963	255,678
OTC Interest rate/credit	2,257,528	–	2,257,528	1,687,298	152,720	417,510
Total derivatives subject to a MNA	2,765,657	–	2,765,657	1,769,786	322,683	673,188
Exchange cleared interest rate/credit	2,076,605	–	2,076,605	–	1,571,350	505,255
Exchange traded equities	–	–	–	–	–	–
Exchange traded interest rate/credit	44,721	–	44,721	–	44,721	–
Total derivatives not subject to a MNA	2,121,326	–	2,121,326	–	1,616,071	505,255
Total derivatives	\$ 4,886,983	–	4,886,983	1,769,786	1,938,754	1,178,443

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Offsetting of Assets and Liabilities – Pension Trust at December 31, 2020:

Asset description	Gross recognized assets	Gross amounts offset	Net amounts presented	Amounts not offset		Net exposure
				Financial instruments	Net collateral received	
OTC Equities	\$ –	–	–	–	–	–
OTC Foreign exchange	452,996	–	452,996	103,982	219,357	129,657
OTC Interest rate/credit	760,848	–	760,848	277,855	129,848	353,145
Total derivatives subject to a Master Netting Agreement (MNA)	1,213,844	–	1,213,844	381,837	349,205	482,802
Exchange cleared interest rate/credit	1,174,989	–	1,174,989	–	–	1,174,989
Exchange traded equities	–	–	–	–	–	–
Exchange traded interest rate/credit	1,501,342	–	1,501,342	–	–	1,501,342
Total derivatives not subject to a MNA	2,676,331	–	2,676,331	–	–	2,676,331
Total derivatives	\$ 3,890,175	–	3,890,175	381,837	349,205	3,159,133
Securities lending pledged	\$ –	–	–	–	–	–

Liability description	Gross recognized liabilities	Gross amounts offset	Net amounts presented	Amounts not offset		Net exposure
				Financial instruments	Net collateral pledged	
OTC Equities	\$ –	–	–	–	–	–
OTC Foreign exchange	448,902	–	448,902	103,982	97,204	247,716
OTC Interest rate/credit	14,159,092	–	14,159,092	277,855	13,874,826	6,411
Total derivatives subject to a MNA	14,607,994	–	14,607,994	381,837	13,972,030	254,127
Exchange cleared interest rate/credit	6,798,626	–	6,798,626	–	6,693,069	105,557
Exchange traded equities	–	–	–	–	–	–
Exchange traded interest rate/credit	391,921	–	391,921	–	367,999	23,922
Total derivatives not subject to a MNA	7,190,547	–	7,190,547	–	7,061,068	129,479
Total derivatives	\$ 21,798,541	–	21,798,541	381,837	21,033,098	383,606

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(8) Fair Value Measurements

The Plan has adopted the guidance in ASC 820, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant judgment. The three levels are defined as follows:

- Level 1: Assets or liabilities that are valued based on unadjusted quoted prices in active markets that are accessible at measurement date.
- Level 2: Assets or liabilities that are valued based on observable inputs, other than those included in Level 1, based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3: Assets or liabilities that are valued based on unobservable inputs, including the reporting entity's own analysis of the underlying economic data that market participants would factor into the pricing of the asset or liability.

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Assets and liabilities of the Pension Trust measured at fair value on a recurring basis are categorized as follows:

		December 31, 2021			
		Level 1	Level 2	Level 3	Total
Nestlé in the USA Pension Trust assets:					
Equities:					
Preferred stock	\$	2,727,972 (a)	547,250	—	3,275,222
Commingled funds		967,957,434 (e)	—	—	967,957,434
Rights/Warrants		—	—	—	—
Total equities		970,685,406	547,250	—	971,232,656
Fixed income:					
Mutual funds		38,783,629	—	—	38,783,629
Collateralized obligations		—	2,588,396 (c)	561,309	3,149,705
Corporate bonds		—	1,699,842,755 (b)	204,200	1,700,046,955
Government and municipal		—	890,758,082 (f)	2,305,007	893,063,089
Bank loans		—	19,124,985 (b)	—	19,124,985
Futures		2,323,247	—	—	2,323,247
Options and sw aps		—	8,802,026 (g)	—	8,802,026
Total fixed income		41,106,876 (a)	2,621,116,244	3,070,516 (h)	2,665,293,636
Other assets:					
Foreign exchange forw ards and options		307,360	—	—	307,360
Other misc. assets		19,754	—	3	19,757
Total other assets		327,114 (a)	—	3 (g)	327,117
Cash and cash equivalents:					
Cash (held at broker)		8,547,947 (a)	—	—	8,547,947
Cash		43,558,939 (a)	—	—	43,558,939
Short term		41,380,011 (d)	4,399,725	—	45,779,736
Total cash and cash equivalents		93,486,897	4,399,725	—	97,886,622
Total assets by fair value level		1,105,606,293	2,626,063,219	3,070,519	3,734,740,031

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December 31, 2021 and 2020

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Liabilities:				
Payables	\$ (94,713,829)	–	–	(94,713,829)
Collateral held	(7,303,417)	–	–	(7,303,417)
Total current liabilities	(102,017,246) (a)	–	–	(102,017,246)
Fixed income futures	(44,721)	–	–	(44,721)
Fixed income options and sw aps	–	(4,334,133)	–	(4,334,133)
Foreign exchange forw ards and options	(508,129)	–	–	(508,129)
Total other investments	(552,850) (a)	(4,334,133) (g)	–	(4,886,983)
Total liabilities by fair value level	(102,570,096)	(4,334,133)	–	(106,904,229)
Net pension trust assets by fair value level	\$ 1,003,036,197	2,621,729,086	3,070,519	3,627,835,802
Investments measured at net asset value				757,731,627 (i)
Net pension trust assets			\$	4,385,567,429

NESTLÉ PENSION PLAN

Notes to Financial Statements

December 31, 2021 and 2020

		December 31, 2020			
		Level 1	Level 2	Level 3	Total
Nestlé in the USA Pension Trust assets:					
Equities:					
Preferred stock	\$	4,695,067 (a)	–	–	4,695,067
Commingled funds		1,106,169,180 (e)	–	–	1,106,169,180
Rights/Warrants		75 (a)	–	–	75
Total equities		1,110,864,322	–	–	1,110,864,322
Fixed income:					
Mutual funds		2,306,882	–	–	2,306,882
Collateralized obligations		–	3,042,233 (c)	595,031	3,637,264
Corporate bonds		–	1,848,895,599 (b)	–	1,848,895,599
Government and municipal		–	1,074,624,086 (f)	853,432	1,075,477,518
Bank loans		–	14,163,428 (b)	–	14,163,428
Futures		1,375,362	–	–	1,375,362
Options and sw aps		–	2,061,817 (g)	–	2,061,817
Total fixed income		3,682,244 (a)	2,942,787,163	1,448,463 (h)	2,947,917,870
Other assets:					
Foreign exchange forw ards and options		452,996	–	–	452,996
Other misc. assets		19,588	–	4	19,592
Total other assets		472,584 (a)	–	4 (g)	472,588
Cash and cash equivalents:					
Cash (held at broker)		22,045,166 (a)	–	–	22,045,166
Cash		137,941,850 (a)	–	–	137,941,850
Short term		34,223,846 (d)	–	–	34,223,846
Total cash and cash equivalents		194,210,862	–	–	194,210,862
Total assets by fair value level		1,309,230,012	2,942,787,163	1,448,467	4,253,465,642

NESTLÉ PENSION PLAN

Notes to Financial Statements

December 31, 2021 and 2020

December 31, 2020				
	Level 1	Level 2	Level 3	Total
Liabilities:				
Payables	\$ (278,159,809)	–	–	(278,159,809)
Collateral held	(1,417,201)	–	–	(1,417,201)
Total current liabilities	(279,577,010) (a)	–	–	(279,577,010)
Fixed income futures	(381,734)	–	–	(381,734)
Fixed income options and sw aps	(10,188)	(20,955,842)	(1,875)	(20,967,905)
Foreign exchange forw ards and options	(440,361)	(8,541)	–	(448,902)
Total other investments	(832,283) (a)	(20,964,383) (g)	(1,875) (h)	(21,798,541)
Total liabilities by fair value level	(280,409,293)	(20,964,383)	(1,875)	(301,375,551)
Net pension trust assets by fair value level	\$ 1,028,820,719	2,921,822,780	1,446,592	3,952,090,091
Investments measured at net asset value				652,545,434 (i)
Net pension trust assets				\$ 4,604,635,525

Due to the Company's policy to diversify the holdings of the Pension Trust portfolio, there is no significant concentration of investments within any particular class of investments included above. The valuation methodologies utilized by the Plan and Pension Trust for the above investments as of December 31, 2021 and 2020, are as follows:

- (a) Based on quoted market prices in active markets.
- (b) Based on investment manager or industry pricing services of investments. Certain fixed income pricing is on a bid-evaluation basis. Institutional bid evaluations are estimated prices. Pricing vendors use models, which are generally proprietary, to arrive at the estimated prices. These prices represent the price a dealer would pay for a security. Model inputs vary depending on the type of security, but typically include trade data, institutional bids, comparable trades, dealer quotes, and news media. Market data is provided by multiple independent sources, including primary and secondary dealers, portfolio managers, and research analysts.
- (c) Collateralized mortgage valuations are based on trade and quote activity of bonds with similar features, including issuer, vintage, prepayment speeds, and purpose of the underlying loan (first or second lien).
- (d) Cash equivalents include short term fixed income instruments whose valuations are determined based upon maturity date, issue date, and credit ratings.

NESTLÉ PENSION PLAN

Notes to Financial Statements

December 31, 2021 and 2020

- (e) Commingled funds are valued based on the daily pricing of the underlying assets to estimate the fair value of the fund as determined by the investment manager. The liquidity of these investments is determined by the redemption period and settlement period for each fund. The Pension Trust considered these and other characteristics and concluded these commingled funds have a readily determinable fair value.
- (f) Government and municipal bonds are priced by obtaining feeds from various live data sources, including market makers and interdealer brokers.
- (g) Over-the-counter options are valued using bid, ask/offer quotes that are binding and corroborated. Swaps are valued using the discounted cash flow method. The two legs (fixed and floating) are priced independently as the present value of their expected cash flows.
- (h) Certain fixed income securities (primarily certain collateralized obligations) are valued based upon evaluated prices using unobservable inputs (i.e., extrapolated data, proprietary models, and indicative quotes).
- (i) Investments measured at net asset value include alternative fixed income investments, real estate funds, and hedge funds. The net asset values are reported to the Company and trustee by the fund managers or the general partners of the fund. These net asset values are based on the fair value of the underlying portfolio investments held by the investment fund.

These fair values are determined by a variety of methods: real estate investments are valued at appraised values plus undistributed rental and interest income; hedge funds are valued by the investment manager using quoted market prices of underlying investments and evaluations supplied by industry pricing vendors.

A summary of the nature and risks of the investments and unfunded commitments that are valued using a net asset value (NAV) for the years ended December 31, 2021 and 2020 is as follows:

	2021		2020		Redemption frequency	Redemption notice period
	Net asset value	Unfunded commitments	Net asset value	Unfunded commitments		
Hedge funds	\$ 284,126,260	—	\$ 265,863,422	\$ —	Monthly, quarterly	70 days
Fixed income – redeemable	89,669,301	10,286,055	\$ 70,302,031	\$ 19,185,362	Annually	90 days
Fixed income – not redeemable	10,657,734	—	\$ 19,268,084	\$ —	Not redeemable	N/A
Real estate funds – open end	301,668,680	—	\$ 233,875,304	\$ —	Quarterly	45–90 days
Real estate funds – closed end	71,609,652	59,700,666	\$ 63,236,593	\$ 63,355,512	Not redeemable	N/A
	<u>\$ 757,731,627</u>	<u>69,986,721</u>	<u>652,545,434</u>	<u>82,540,874</u>		

NESTLÉ PENSION PLAN

Notes to Financial Statements

December 31, 2021 and 2020

The Pension Trust's investments measured at net asset value are in real estate, hedge funds, and fixed income partnerships for the years ended December 31, 2021 and 2020. These investments are primarily limited partnership investments and the fair value is determined using an audited net asset value (NAV). The fair value of investments is estimated using techniques that may rely heavily on the investment managers' assumptions and qualitative observations. The Pension Trust uses the fair valuations from the investment managers and reviews and validates their valuation methods and processes throughout the year. The Pension Trust establishes and follows valuation policies and procedures. The Pension Trust employs specialized investment consultants who perform due diligence on the valuation policies and procedures of the general partners before making the investments and periodically thereafter. Using their own procedures and systems, they evaluate the reasonableness of the partnerships' NAVs on a monthly and quarterly basis using industry comparisons, operating performance metrics and they conduct frequent reviews with the general partners. The Pension Trust periodically evaluates the fair valuation policies and procedures of these specialized investment consultants and requests and reviews the valuation policies of the investment managers and general partners annually. The Pension Trust retains discretion to sell any of these investments at an amount other than the net asset value, should there be an investment case to sell these investments in the secondary market.

A summary of changes in the fair value of Level 3 assets and liabilities for the year ended December 31, 2021 is as follows:

		Purchases	Issuances	Transfers In	Transfers Out
Fixed income	\$	1,624,539	–	1,219,093	(439,100)
	\$	<u>1,624,539</u>	<u>–</u>	<u>1,219,093</u>	<u>(439,100)</u>

The significance of transfers between levels is evaluated based upon the nature of the financial instrument and size of the transfer relative to the total net assets available for benefits. There were no significant transfers between levels for the year ended December 31, 2021.

(9) Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated April 12, 2021, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan has indicated that it will take the necessary steps, if any, to bring the Plan's operation into compliance with the Code.

Accounting principles generally accepted in the United States require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan and has concluded that there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions. During July 2022, the Plan was notified of a review to be performed by the Internal Revenue Service to determine compliance with the provisions of the US Tax Code for the 2019 plan year. The review is in progress. No other IRS audits are currently being performed for any other tax periods. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2018.

NESTLÉ PENSION PLAN

Notes to Financial Statements

December 31, 2021 and 2020

During November 2018, the Plan was notified of a review to be performed by the Department of Labor to determine compliance with the provisions of ERISA. The review is currently in progress.

(10) Reconciliation of Financial statements to Form 5500:

The following is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2021 and 2020 to Form 5500:

	<u>2021</u>	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 3,785,291,980	3,954,829,770
Add contributions received for current plan year	<u>63,500,000</u>	<u>—</u>
Net assets available for benefits per Form 5500	<u>\$ 3,848,791,980</u>	<u>3,954,829,770</u>

The following is a reconciliation of the Plan's employer contributions per the financial statements for the year ended December 31, 2021, to Form 5500:

	<u>2021</u>
Employer contributions per the financial statements	\$ —
Add contributions received for current plan year in 2022	63,500,000
Less contributions received for prior play year in 2021	<u>—</u>
Employer contributions per Form 5500	<u>\$ 63,500,000</u>

(11) Subsequent Events

In August 2022, the Plan transferred approximately \$0.7 billion of assets to an insurance company through the purchase of a group annuity contract to irrevocably settle the corresponding benefit obligations.

The Plan has evaluated subsequent events through October 12, 2022, the date these financial statements were available for issuance

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2021

Attained Age		Years of Credited Service									
		Under 1	1 – 4	5 – 9	10 – 14	15 – 19	20 - 24	25 - 29	30 - 34	35 - 39	Over 40
<25	No.	56	69	8							
	Avg. Earnings	62,247	72,293								
	Avg. Acct	-	-								
25 – 29	No.	106	202	407	6		-	-	-	-	-
	Avg. Earnings	65,344	69,918	78,246							
	Avg. Acct	-	94	15,744							
30 - 34	No.	109	257	986	294	5					
	Avg. Earnings	65,854	67,043	85,727	96,563						
	Avg. Acct	-	120	20,893	40,224						
35 - 39	No.	95	211	819	648	128	6		-	-	-
	Avg. Earnings	59,716	66,050	92,119	103,222	107,934					
	Avg. Acct	-	172	25,635	52,309	72,189					
40 - 44	No.	79	165	736	665	282	134	6			
	Avg. Earnings	60,780	60,962	99,266	106,480	117,392	102,854				
	Avg. Acct	-	684	30,974	60,478	93,496	98,882				
45 - 49	No.	77	139	570	659	317	251	46	6		
	Avg. Earnings	61,612	56,205	98,215	100,473	114,360	121,005	108,763			
	Avg. Acct	-	509	37,002	56,751	94,851	136,035	138,552			
50 - 54	No.	76	139	561	690	319	303	143	119	13	
	Avg. Earnings	48,507	52,791	95,991	101,129	100,985	127,208	147,338	120,772		
	Avg. Acct	2,306	727	39,841	67,300	83,856	156,681	226,314	206,585		
55 - 59	No.	49	74	429	689	306	280	165	184	112	8
	Avg. Earnings	38,778	48,232	91,338	93,542	91,864	109,839	130,149	132,988	89,241	
	Avg. Acct	10,208	3,186	42,820	66,414	84,467	123,847	189,379	171,903	117,139	
60 - 64	No.	21	36	275	420	172	152	78	76	79	60
	Avg. Earnings	17,713	38,993	88,275	92,270	88,146	104,901	108,107	117,801	93,315	86,039
	Avg. Acct	-	3,033	48,342	77,692	94,055	115,455	100,530	155,750	128,393	96,528
65 – 69	No.	4	4	48	54	28	17	10	10	3	10
	Avg. Earnings			102,618	88,155	78,618					
	Avg. Acct			61,543	85,868	74,820					
Over 70	No.		1	5	10	6		1	5	1	3
	Avg. Earnings										
	Avg. Acct										

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

- | | |
|---------------------|---------------|
| ■ Applicable month | September |
| ■ Yield curve basis | Segment rates |

Interest rates:

	For Minimum	For Maximum
■ First segment rate	4.75%	2.22%
■ Second segment rate	5.36%	3.38%
■ Third segment rate	6.11%	3.92%
■ Effective Interest Rate (EIR)	5.56%	3.53%

Annual rates of increase:

- | | |
|--|-------------------|
| ■ Compensation | 3.50% |
| ■ Social Security wage base | 2.50% |
| ■ Statutory limits on compensation and benefits | 2.00% |
| ■ Lump sum interest conversion rates for funding | 4.75%/5.36%/6.11% |

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

Mortality (Funding Valuation)

- **Healthy** Separate rates for non-annuitants (based on RP-2014 “Employees” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2019) and annuitants (based on RP-2014 “Healthy Annuitants” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2019).
- **Disabled** Same as healthy mortality
- **Lump sum conversion** IRC 417(e) table

Termination

Rates varying by age, service and plan

- **Nestlé Pension Plan**

PEP

Percentage leaving during the year

Years of Service	All
Attained Age	Rates
25	13.90%
30	12.30%
35	10.60%
40	10.60%
45	9.90%
50	9.90%
55	0.00%

Traditional – not PCAP

Percentage leaving during the year

Years of Service	All
Attained Age	Rates
25	5.90%
30	5.90%
35	5.90%
40	5.90%
45	5.80%
50	5.80%
55	5.80%

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SCHEDULE SB ATTACHMENTS

Traditional - PCAP

Percentage leaving during the year		
Years of Service	< 3	> 3
Attained Age	Rates	Rates
25	12.40%	10.30%
30	12.20%	10.00%
35	11.30%	9.30%
40	11.30%	4.80%
45	10.10%	4.60%
50	10.10%	4.60%
55	10.10%	4.00%

Disability

Rates varying by age, sex, and plan

■ Nestlé Pension Plan

NUSA Traditional Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.06%	0.05%
40	0.07%	0.06%
50	0.18%	0.16%

NPPC Traditional Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.03%	0.07%
40	0.04%	0.09%
50	0.10%	0.22%

NUSA Traditional Hourly

Percentage becoming disabled during the year		
Age	Males	Females
30	0.09%	0.49%
40	0.28%	0.56%
50	0.61%	1.02%

NPPC Traditional Hourly

Percentage becoming disabled during the year		
Age	Males	Females
30	0.05%	0.07%
40	0.06%	0.08%
50	0.15%	0.20%

Plan Name: Nestlé Pension Plan
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Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

NUSA PEP Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.07%	0.09%
40	0.08%	0.12%
50	0.20%	0.28%

NPPC PEP Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.05%	0.07%
40	0.06%	0.09%
50	0.15%	0.22%

NUSA PEP Hourly

Percentage becoming disabled during the year		
Age	Males	Females
30	0.11%	0.44%
40	0.32%	0.51%
50	0.72%	0.93%

Retirement

Rates varying by age and plan.

■ Nestlé Pension Plan

PEP

Percentage leaving during the year	
Attained Age	Rates
55	10.00%
56	10.00%
57	10.00%
58	10.00%
59	10.00%
60	15.00%
61	15.00%
62	25.00%
63	25.00%
64	25.00%
65	35.00%
66	35.00%
67	35.00%
68	35.00%
69	35.00%
70	100.00%

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Traditinal - Non-PCAP

Percentage leaving during the year	
Attained Age	Rates
55	10.00%
56	10.00%
57	10.00%
58	10.00%
59	10.00%
60	20.00%
61	20.00%
62	30.00%
63	30.00%
64	30.00%
65	40.00%
66	40.00%
67	40.00%
68	40.00%
69	40.00%
70	100.00%

Traditinal PCAP

Percentage leaving during the year	
Attained Age	Rates
55	7.50%
56	7.50%
57	7.50%
58	10.00%
59	10.00%
60	10.00%
61	15.00%
62	25.00%
63	25.00%
64	30.00%
65	30.00%
66	30.00%
67	40.00%
68	40.00%
69	40.00%
70+	100.00%

Plan Name: Nestlé Pension Plan
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Plan Sponsor: Nestlé USA Inc
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SCHEDULE SB ATTACHMENTS

Benefit commencement date:

Nestlé Pension Plan (Excludes Gerber Life and Infant Nutrition) and Nestlé Hourly Retirement Plan (Excludes Gerber Hourly Plans)

- | | |
|-------------------------------|--|
| ■ Preretirement death benefit | The later of the death of the active participant or the date the participant would have attained age 65 |
| ■ Termination benefit | 25% of the PCAP and 50% of the non-PCAP/PEP deferred vested participants who terminated within 2 years of valuation are assumed to take a lump sum payment immediately; remaining deferred vested participants commence their benefit at age 62 and 63 for PEP/PCAP and traditional non-PCAP respectively. |
| ■ Disability benefit | Age 65 |
| ■ Retirement benefit | Upon termination of employment |

Nestlé Pension Plan (Gerber Life and Infant Nutrition)

- | | |
|-------------------------------|--|
| ■ Preretirement death benefit | Upon death and eligibility for benefit |
| ■ Termination benefit | Upon termination of employment and eligibility for benefit |
| ■ Disability benefit | Upon disability and eligibility for benefit |
| ■ Retirement benefit | Upon termination of employment and eligibility for benefit |

Plan Name:	Nestlé Pension Plan
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Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Form of payment

- Nestlé Pension Plan (Excludes FPCB, Gerber Life and Infant Nutrition)

Termination Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
PEP	2.5%	0.0%	2.5%	95.0%
Traditional – not PCAP	7.5%	0.0%	7.5%	85.0%
Traditional - PCAP	5.0%	0.0%	5.0%	90.0%

Retirement Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
PEP	5.0%	0.0%	10.0%	85.0%
Traditional – not PCAP	10.0%	0.0%	15.0%	75.0%
Traditional - PCAP	5.0%	5.0%	20.0%	70.0%

Nestlé Pension Plan (FPCB)

Married Participants

50% single life annuity, 50% J&S

Single Participants

100% single life annuity

Nestlé Pension Plan (Gerber Life and Infant Nutrition)

Lump sum

Percent Married

75% for Gerber Life participants in Nestlé Pension Plan, 80% all other plans

Spouse age

Wife three years younger than husband.

Covered pay

Weighted average of prior three years' pensionable earnings (each adjusted with salary increase assumption), with the most recent pay receiving the highest weight e.g. 50%/35%/15%.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Administrative expenses

Nestlé no longer pays administrative expenses from the pension trust.

At-risk assumptions

For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit.

Plan Name: Nestlé Pension Plan
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Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of plan year
Funding target and PVAB	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during the year
Decrement timing	The approach used is called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.
Actuarial value of assets	Market value of assets, including contributions receivable
Benefits not valued	<p>All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Nestlé and is not aware of any significant benefits required to be valued that were not.</p> <p>Small benefits with present values up to \$5,000 may be paid in a single lump sum payment. Such lump sums are not explicitly valued as such; rather, such participants' benefits are valued using the benefit choice assumptions described above.</p>

Sources of Data and Other Information

The plan sponsor through its administrator, Willis Towers Watson, furnished participant data and claims data as of January 1, 2021. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

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Plan Sponsor:	Nestlé USA Inc
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SCHEDULE SB ATTACHMENTS

Assumptions Rationale – Significant Economic Assumptions

Discount rate (Funding valuation)	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Rates of increase in compensation and statutory limits	Assumed increases were chosen by the plan sponsor and represent an estimate of future experience.
Administrative and investment expenses	Administrative and investment expenses are determined by Nestlé at year end. For ASC 960, expected return on plan assets assumption is net of expenses.

Assumptions Rationale – Significant Demographic Assumptions

Termination	<p>Termination rates were based on an experience study conducted in 2020 for the period 2016-2019, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>Assumed termination rates differ by age, service and plan because of observed differences in termination rates by age, service and plan.</p>
Disability	<p>Disability rates are reviewed with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>Assumed disability rates differ by gender and plan because of observed differences in disability rates by gender and plan.</p>
Retirement	<p>Retirement rates were based on an experience study conducted in 2020 for the period 2016-2019, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>Assumed retirement rates differ by plan because of observed differences in retirement rates by plan.</p>

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Benefit commencement date:

- Pre-retirement death benefit
Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
- Deferred vested benefit
Commencement ages were based on an experience study conducted in 2020 for the period 2016-2019. Deferred vested early commencement factors are generally not subsidized so that the difference between this approach and using assumed commencement rates at different ages is not expected to be significant.

Form of payment

The optional form of payment assumptions are based on an experience study performed in 2020 for the period 2016-2019.

Prescribed Methods

Funding methods

The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target was updated to the current valuation date as required by IRC §430.

The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC §430.

Change in methods since prior valuation

There have been no changes in methods since the prior valuation.

Change in estimation techniques since prior valuation

There have been no changes in estimation techniques since the prior valuation.

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1545-0047

2021**This Form is Open to Public
Inspection**For calendar plan year **2021** or fiscal plan year beginning **01/01/2021** and ending **12/31/2021**▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan NESTLE PENSION PLAN	B Three-digit plan number (PN) ▶ 100
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NESTLE USA, INC.	D Employer Identification Number (EIN) 95-1572209
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2021</u>			
2 Assets:			
a Market value	2a	3,954,829,770	
b Actuarial value	2b	3,954,829,770	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	13,486	1,078,381,038	1,078,381,038
b For terminated vested participants	11,044	500,658,567	500,658,567
c For active participants	14,792	981,283,985	1,019,642,266
d Total	39,322	2,560,323,590	2,598,681,871
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	5.56%	
6 Target normal cost			
a Present value of current plan year accruals	6a	108,532,056	
b Expected plan-related expenses	6b	0	
c Total (line 6a + line 6b)	6c	108,532,056	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Michael Altiglio 	10/13/2022
	Signature of actuary	Date
Michael Altiglio	Type or print name of actuary	2007062
		Most recent enrollment number
Willis Towers Watson US LLC	Firm name	973-539-1923
		Telephone number (including area code)
150 JFK Parkway Suite 520 Short Hills NJ 07078	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2021
v. 201209

C If line 20a is "Yes," see instructions and complete the following table as applicable:

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 5.36 %	3rd segment: 6.11 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6c).....	31a	108,532,056										
b Excess assets, if applicable, but not greater than line 31a	31b	108,532,056										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		0	0									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	59,373,866										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	59,373,866										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Nestlé USA Inc
EIN/PN	95-1572209/100
Plan Name	Nestlé Pension Plan
Valuation Date	January 1, 2021
Enrolled Actuary	Michael Altilio
Enrollment Number	20-07062

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2021

Retirement rates vary by participant groups. The weighted average age across all participant group is 61.

Groups	Count	Weight	Avg age	W*A
NUSA Traditional Salaried	343	2.32%	60	1.39
NPPC Traditional Salaried	144	0.97%	60	0.58
NUSA Traditional Hourly	353	2.39%	60	1.43
NPPC Traditional Hourly	3,603	24.36%	61	14.86
NUSA PEP Salaried	4,283	28.95%	61	17.66
NPPC PEP Salaried	2,462	16.64%	61	10.15
NUSA PEP Hourly	3,487	23.57%	61	14.38
Gerber Life		0.00%	62	0.00
Franklin Park		0.00%	63	0.00
Infant Nutrition	117	0.79%	61	0.48
	14,792	100.00%		61

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Groups: NUSA Traditional Salaried
NPPC Traditional Salaried
NUSA Traditional Hourly

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	10.00%	90%	90.00%	10.00%	5.50
56	10.00%	90%	81.00%	9.00%	5.04
57	10.00%	90%	72.90%	8.10%	4.62
58	10.00%	90%	65.61%	7.29%	4.23
59	10.00%	90%	59.05%	6.56%	3.87
60	20.00%	80%	47.24%	11.81%	7.09
61	20.00%	80%	37.79%	9.45%	5.76
62	30.00%	70%	26.45%	11.34%	7.03
63	30.00%	70%	18.52%	7.94%	5.00
64	30.00%	70%	12.96%	5.56%	3.56
65	40.00%	60%	7.78%	5.18%	3.37
66	40.00%	60%	4.67%	3.11%	2.05
67	40.00%	60%	2.80%	1.87%	1.25
68	40.00%	60%	1.68%	1.12%	0.76
69	40.00%	60%	1.01%	0.67%	0.46
70	100.00%	0%	0.00%	1.01%	0.71
71+	100.00%	0%	0.00%	0.00%	0.00
				100%	

Average Retirement Age: 60

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Group: NPPC Traditional Hourly

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	7.5%	93%	92.50%	7.50%	4.13
56	7.5%	93%	85.56%	6.94%	3.89
57	7.5%	93%	79.15%	6.42%	3.66
58	10.0%	90%	71.23%	7.91%	4.59
59	10.0%	90%	64.11%	7.12%	4.20
60	10.0%	90%	57.70%	6.41%	3.85
61	15.0%	85%	49.04%	8.65%	5.28
62	25.0%	75%	36.78%	12.26%	7.60
63	25.0%	75%	27.59%	9.20%	5.79
64	30.0%	70%	19.31%	8.28%	5.30
65	30.0%	70%	13.52%	5.79%	3.77
66	30.0%	70%	9.46%	4.06%	2.68
67	40.0%	60%	5.68%	3.78%	2.54
68	40.0%	60%	3.41%	2.27%	1.54
69	40.0%	60%	2.04%	1.36%	0.94
70	100.0%	0%	0.00%	2.04%	1.43
				100%	

Average Retirement Age: 61

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Groups: NUSA PEP Salaried
NPPC PEP Salaried
NUSA PEP Hourly
Infant Nutrition

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	10.00%	90%	90.00%	10.00%	5.50
56	10.00%	90%	81.00%	9.00%	5.04
57	10.00%	90%	72.90%	8.10%	4.62
58	10.00%	90%	65.61%	7.29%	4.23
59	10.00%	90%	59.05%	6.56%	3.87
60	15.00%	85%	50.19%	8.86%	5.31
61	15.00%	85%	42.66%	7.53%	4.59
62	25.00%	75%	32.00%	10.67%	6.61
63	25.00%	75%	24.00%	8.00%	5.04
64	25.00%	75%	18.00%	6.00%	3.84
65	35.00%	65%	11.70%	6.30%	4.09
66	35.00%	65%	7.60%	4.09%	2.70
67	35.00%	65%	4.94%	2.66%	1.78
68	35.00%	65%	3.21%	1.73%	1.18
69	35.00%	65%	2.09%	1.12%	0.78
70	100.00%	0%	0.00%	2.09%	1.46
				100%	

Average Retirement Age: 61

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Group: Gerber Life

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	4.00%	96.00%	96.00%	4.00%	2.20
56	4.79%	95.21%	91.40%	4.60%	2.57
57	6.50%	93.50%	85.46%	5.94%	3.39
58	4.97%	95.03%	81.21%	4.25%	2.46
59	3.92%	96.08%	78.03%	3.18%	1.88
60	7.73%	92.27%	72.00%	6.03%	3.62
61	6.30%	93.70%	67.46%	4.54%	2.77
62	24.07%	75.93%	51.23%	16.24%	10.07
63	19.15%	80.85%	41.42%	9.81%	6.18
64	13.03%	86.97%	36.02%	5.39%	3.45
65	60.72%	39.28%	14.15%	21.87%	14.22
66	62.92%	37.08%	5.25%	8.90%	5.87
67	74.73%	25.27%	1.33%	3.92%	2.63
68	51.25%	48.75%	0.65%	0.68%	0.46
69	51.25%	48.75%	0.32%	0.33%	0.23
70	100.00%	0.00%	0.00%	0.32%	0.22
				100.00%	

Average Retirement Age: 62

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Group: Franklin Park

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	3.13%	96.87%	96.87%	3.13%	1.72
56	3.56%	96.44%	93.42%	3.45%	1.93
57	3.44%	96.56%	90.21%	3.21%	1.83
58	4.18%	95.82%	86.44%	3.77%	2.19
59	3.42%	96.58%	83.48%	2.96%	1.74
60	3.22%	96.78%	80.79%	2.69%	1.61
61	5.83%	94.17%	76.09%	4.71%	2.87
62	17.35%	82.65%	62.89%	13.20%	8.18
63	15.71%	84.29%	53.01%	9.88%	6.22
64	12.71%	87.30%	46.27%	6.73%	4.31
65	38.29%	61.71%	28.56%	17.72%	11.52
66	40.69%	59.31%	16.94%	11.62%	7.67
67	41.42%	58.58%	9.92%	7.02%	4.70
68	37.20%	62.81%	6.23%	3.69%	2.51
69	38.56%	61.44%	3.83%	2.40%	1.66
70	100.00%	0.00%	0.00%	3.83%	2.68
				100.00%	

Average Retirement Age: 63

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

- | | |
|---------------------|---------------|
| ■ Applicable month | September |
| ■ Yield curve basis | Segment rates |

Interest rates:

	For Minimum	For Maximum
■ First segment rate	4.75%	2.22%
■ Second segment rate	5.36%	3.38%
■ Third segment rate	6.11%	3.92%
■ Effective Interest Rate (EIR)	5.56%	3.53%

Annual rates of increase:

- | | |
|--|-------------------|
| ■ Compensation | 3.50% |
| ■ Social Security wage base | 2.50% |
| ■ Statutory limits on compensation and benefits | 2.00% |
| ■ Lump sum interest conversion rates for funding | 4.75%/5.36%/6.11% |

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Mortality (Funding Valuation)

- Healthy
Separate rates for non-annuitants (based on RP-2014 “Employees” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2019) and annuitants (based on RP-2014 “Healthy Annuitants” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2019).
- Disabled
Same as healthy mortality
- Lump sum conversion
IRC 417(e) table

Termination

Rates varying by age, service and plan

- Nestlé Pension Plan

PEP

Percentage leaving during the year

Years of Service	All
Attained Age	Rates
25	13.90%
30	12.30%
35	10.60%
40	10.60%
45	9.90%
50	9.90%
55	0.00%

Traditional – not PCAP

Percentage leaving during the year

Years of Service	All
Attained Age	Rates
25	5.90%
30	5.90%
35	5.90%
40	5.90%
45	5.80%
50	5.80%
55	5.80%

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Traditional - PCAP

Percentage leaving during the year		
Years of Service	< 3	> 3
Attained Age	Rates	Rates
25	12.40%	10.30%
30	12.20%	10.00%
35	11.30%	9.30%
40	11.30%	4.80%
45	10.10%	4.60%
50	10.10%	4.60%
55	10.10%	4.00%

Disability

Rates varying by age, sex, and plan

■ Nestlé Pension Plan

NUSA Traditional Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.06%	0.05%
40	0.07%	0.06%
50	0.18%	0.16%

NPPC Traditional Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.03%	0.07%
40	0.04%	0.09%
50	0.10%	0.22%

NUSA Traditional Hourly

Percentage becoming disabled during the year		
Age	Males	Females
30	0.09%	0.49%
40	0.28%	0.56%
50	0.61%	1.02%

NPPC Traditional Hourly

Percentage becoming disabled during the year		
Age	Males	Females
30	0.05%	0.07%
40	0.06%	0.08%
50	0.15%	0.20%

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

NUSA PEP Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.07%	0.09%
40	0.08%	0.12%
50	0.20%	0.28%

NPPC PEP Salary

Percentage becoming disabled during the year		
Age	Males	Females
30	0.05%	0.07%
40	0.06%	0.09%
50	0.15%	0.22%

NUSA PEP Hourly

Percentage becoming disabled during the year		
Age	Males	Females
30	0.11%	0.44%
40	0.32%	0.51%
50	0.72%	0.93%

Retirement

Rates varying by age and plan.

■ Nestlé Pension Plan

PEP

Percentage leaving during the year	
Attained Age	Rates
55	10.00%
56	10.00%
57	10.00%
58	10.00%
59	10.00%
60	15.00%
61	15.00%
62	25.00%
63	25.00%
64	25.00%
65	35.00%
66	35.00%
67	35.00%
68	35.00%
69	35.00%
70	100.00%

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Traditinal - Non-PCAP

Percentage leaving during the year	
Attained Age	Rates
55	10.00%
56	10.00%
57	10.00%
58	10.00%
59	10.00%
60	20.00%
61	20.00%
62	30.00%
63	30.00%
64	30.00%
65	40.00%
66	40.00%
67	40.00%
68	40.00%
69	40.00%
70	100.00%

Traditinal PCAP

Percentage leaving during the year	
Attained Age	Rates
55	7.50%
56	7.50%
57	7.50%
58	10.00%
59	10.00%
60	10.00%
61	15.00%
62	25.00%
63	25.00%
64	30.00%
65	30.00%
66	30.00%
67	40.00%
68	40.00%
69	40.00%
70+	100.00%

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Benefit commencement date:

Nestlé Pension Plan (Excludes Gerber Life and Infant Nutrition) and Nestlé Hourly Retirement Plan (Excludes Gerber Hourly Plans)

- | | |
|-------------------------------|--|
| ■ Preretirement death benefit | The later of the death of the active participant or the date the participant would have attained age 65 |
| ■ Termination benefit | 25% of the PCAP and 50% of the non-PCAP/PEP deferred vested participants who terminated within 2 years of valuation are assumed to take a lump sum payment immediately; remaining deferred vested participants commence their benefit at age 62 and 63 for PEP/PCAP and traditional non-PCAP respectively. |
| ■ Disability benefit | Age 65 |
| ■ Retirement benefit | Upon termination of employment |

Nestlé Pension Plan (Gerber Life and Infant Nutrition)

- | | |
|-------------------------------|--|
| ■ Preretirement death benefit | Upon death and eligibility for benefit |
| ■ Termination benefit | Upon termination of employment and eligibility for benefit |
| ■ Disability benefit | Upon disability and eligibility for benefit |
| ■ Retirement benefit | Upon termination of employment and eligibility for benefit |

Plan Name:	Nestlé Pension Plan
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Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

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Form of payment

- Nestlé Pension Plan (Excludes FPCB, Gerber Life and Infant Nutrition)

Termination Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
PEP	2.5%	0.0%	2.5%	95.0%
Traditional – not PCAP	7.5%	0.0%	7.5%	85.0%
Traditional - PCAP	5.0%	0.0%	5.0%	90.0%

Retirement Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
PEP	5.0%	0.0%	10.0%	85.0%
Traditional – not PCAP	10.0%	0.0%	15.0%	75.0%
Traditional - PCAP	5.0%	5.0%	20.0%	70.0%

Nestlé Pension Plan (FPCB)

Married Participants

50% single life annuity, 50% J&S

Single Participants

100% single life annuity

Nestlé Pension Plan (Gerber Life and Infant Nutrition)

Lump sum

Percent Married

75% for Gerber Life participants in Nestlé Pension Plan, 80% all other plans

Spouse age

Wife three years younger than husband.

Covered pay

Weighted average of prior three years' pensionable earnings (each adjusted with salary increase assumption), with the most recent pay receiving the highest weight e.g. 50%/35%/15%.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Administrative expenses

Nestlé no longer pays administrative expenses from the pension trust.

At-risk assumptions

For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit.

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Methods

Valuation date	First day of plan year
Funding target and PVAB	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during the year
Decrement timing	The approach used is called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.
Actuarial value of assets	Market value of assets, including contributions receivable
Benefits not valued	<p>All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Nestlé and is not aware of any significant benefits required to be valued that were not.</p> <p>Small benefits with present values up to \$5,000 may be paid in a single lump sum payment. Such lump sums are not explicitly valued as such; rather, such participants' benefits are valued using the benefit choice assumptions described above.</p>

Sources of Data and Other Information

The plan sponsor through its administrator, Willis Towers Watson, furnished participant data and claims data as of January 1, 2021. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

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Assumptions Rationale – Significant Economic Assumptions

Discount rate (Funding valuation)	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Rates of increase in compensation and statutory limits	Assumed increases were chosen by the plan sponsor and represent an estimate of future experience.
Administrative and investment expenses	Administrative and investment expenses are determined by Nestlé at year end. For ASC 960, expected return on plan assets assumption is net of expenses.

Assumptions Rationale – Significant Demographic Assumptions

Termination	<p>Termination rates were based on an experience study conducted in 2020 for the period 2016-2019, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>Assumed termination rates differ by age, service and plan because of observed differences in termination rates by age, service and plan.</p>
Disability	<p>Disability rates are reviewed with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>Assumed disability rates differ by gender and plan because of observed differences in disability rates by gender and plan.</p>
Retirement	<p>Retirement rates were based on an experience study conducted in 2020 for the period 2016-2019, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.</p> <p>Assumed retirement rates differ by plan because of observed differences in retirement rates by plan.</p>

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Benefit commencement date:

- Pre-retirement death benefit
Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
- Deferred vested benefit
Commencement ages were based on an experience study conducted in 2020 for the period 2016-2019. Deferred vested early commencement factors are generally not subsidized so that the difference between this approach and using assumed commencement rates at different ages is not expected to be significant.

Form of payment

The optional form of payment assumptions are based on an experience study performed in 2020 for the period 2016-2019.

Prescribed Methods

Funding methods

The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target was updated to the current valuation date as required by IRC §430.

The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC §430.

Change in methods since prior valuation

There have been no changes in methods since the prior valuation.

Change in estimation techniques since prior valuation

There have been no changes in estimation techniques since the prior valuation.

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Valuation Date: January 1, 2021

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Schedule SB, Part V Summary of Plan Provisions

Nestlé Pension Plan (Nestlé USA employees and NPPC salaried employees hired after 2002)

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Salaried employees and certain nonunion hourly employees of Nestlé USA, and salaried employees of Nestlé Purina PetCare hired after 2002
Participation date	January 1, following date of hire
Type of plan	Three-year average earnings or pension equity

Definitions

Vesting service	From date of hire; for HandHeld Foods Group, from 9/12/2002
Credited service	From date of hire; for Beech-Nut, frozen as of 11/3/89; for Franklin Park, Bakersfield Hourly and Carnation, from 1/1/92; for Sunmark, from 6/1/88; for Alpo, from 12/31/94; for Stoughton, from 9/28/95; for HandHeld Foods Group, from 9/12/2002; for Joseph's Pasta, from 12/1/2006; for Nutrition, from 1/1/2010; for Pizza, from 3/1/2010; for Dreyer's, from 1/1/2011; for Pfizer, from 12/1/2012; for Nestlé Professional Beverage – Vitality, from 1/1/2014.
Pensionable earnings	Total compensation, including bonuses and overtime
Covered compensation	Average of Social Security wage bases over the 35 years prior to the year of termination
Average annual compensation	For pension equity highest of five consecutive calendar years out of the last ten years, divided by five. For three year average, highest three consecutive calendar years out of the last ten years, divided by three.

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Accumulated benefit

Covered employees have the pension equity formula, unless they chose to retain the final average earnings formula as of 5/1/2003. Frozen minimum FAE benefit as of 5/1/2003 applies to pension equity participants.

Pension equity: Lump sum equal to the sum of basic percentages, as shown below, for each year of credited service x FAE + 3.5% of FAE in excess of covered compensation x credited service.

Age + Points Service	Basic %
<40	4.00%
40-49	5.00%
50-59	6.00%
60-69	8.00%
70-79	10.0%
80-89	12.0%
>89	15.0%

Final average earnings (FAE): .9% of FAE x credited service limited to 35 years + .5% of FAE in excess of covered compensation x credited service limited to 35 years; for employees who were participants on 1/1/89, an additional .3% of FAE x credited service on 1/1/89 limited to 35 years; for former Carnation employees, add the final average pay accrued benefit as of 12/31/91 x the ratio of FAE at termination to FAE on 12/31/91

Eligibility for Benefits

Normal retirement

Retirement on or after attaining age 65

Early retirement

Retirement before NRD and on or after both attaining age 55 and completing ten years of vesting service

Postponed retirement

Retirement after attaining age 65

Vested termination

Termination for reasons other than death or retirement after completing three years of vesting service

Disability

Permanent and total disability after completing three years of vesting service

Preretirement death benefit

Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service.

Plan Name: Nestlé Pension Plan
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Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

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Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	FAE accrued benefit reduced 3.0% for each year prior to age 62; pension equity benefit payable immediately
Postponed retirement	Accrued benefit payable immediately.
Vested termination	FAE accrued benefit payable unreduced at age 65, or reduced 6.0% for each year prior to age 65; pension equity benefit payable immediately.
Disablement	Accrued benefit payable at actual retirement, with service credited during disability, and based upon pensionable earnings at date of disability.
Preretirement death	If married, reduced 100% joint & survivor early retirement FAE benefit if attained age 55 or 100% joint and survivor early retirement FAE benefit for all others reduced to be payable at age at death. The pension equity benefit is payable immediately to any beneficiary.

Other Plan Provisions

Forms of payment

Normal form	Life annuity for single participants; 100% joint and survivor for married participants
Optional forms	50% or 100% joint and survivor annuity; 10 year certain and life (if hired before 5/1/2003); lump sum

Pension increases	None
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Plan participants' contributions	None
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Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.
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Plan Name: Nestlé Pension Plan
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SCHEDULE SB ATTACHMENTS

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
<p>Nestlé Traditional benefit</p> <p><u>Eligible for early retirement factors</u></p> <p>No grandfathered prior plan benefits, OR with the following prior plans (but only if Nestlé benefit wins):</p> <p>Beechnut</p> <p>Hills Bros.</p> <p>NFC post-1988 terminations</p> <p>Carnation #2 post-1991 terminations</p> <p>Clintec</p>	<ul style="list-style-type: none"> ■ 8.00% ■ 1971 TPF&C Forecast set back 3 years 	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50%, 75%* & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum 5) 5 year Certain and Life Annuity for Hills Bros. only
<p>Nestlé Traditional benefit</p> <p><u>Deferred vested commencements with deferred vested factors</u></p> <p>No grandfathered prior plan benefits, OR with the following prior plans (but only if Nestlé benefit wins):</p> <p>Beechnut</p> <p>Hills Bros.</p> <p>NFC post-1988 terminations</p> <p>Carnation #2 post-1991 terminations OR post-55 commencement of excess/residual piece for the following prior plans:</p> <p>Clintec</p> <p>Hills Bros.¹</p>	<ul style="list-style-type: none"> ■ 8.00% ■ 1971 TPF&C Forecast set back 3 years 	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50%, 75%* & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum

¹ The 75% Joint Survivor Annuity is only available to participants who terminated prior to May 1, 2003.

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Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Carnation Plan #2	■ Formula-based	1) Single Life Annuity
a) Terminations before 12/31/1985		2) 50%, 75% & 100% Joint Survivor Annuity
b) Pre-1992 terminations after 12/30/1985		3) 10 year Certain and Life Annuity (post-1991 only)
c) Post-1991 terminations & Carnation wins		4) Lump Sum
Nestlé Traditional benefit / Clintec** & <u>Clintec benefit wins</u>	■ 7.00%	1) Single Life Annuity
a) Lump sum available	■ 1983 GAM	2) 50%, 75%* & 100% Joint Survivor Annuity
b) No lump sum available		3) 10 year Certain and Life Annuity
		4) Lump Sum

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Nestlé Traditional benefit / prior plans Deferred vested commencements

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ■ Beechnut prior plan wins ■ Hills Bros. pre-55 commencement of "Hills portion" only ■ Hills Bros. post-55 commencement & prior plan wins ■ NFC post-1988 terminations pre-55 commencements of "NFC portion" only ■ NFC post-1988 terminations, post-55 commencements of NUSA excess/residual piece ■ NFC post-11/30/1989 terminations, post-55 commencements of entire benefit & prior plan wins ■ NFC terminations between 1/1/1989 & 11/30/1989, post-55 commencements of entire benefit | <ul style="list-style-type: none"> ■ Beech-Nut factors (for b1) ■ 8.00%, 1971 TPF&C Forecast set back 3 years (except Hills factors for 5 year Certain and Life Annuity) (for h) ■ 8.00%, 1971 TPF&C Forecast set back 3 years (for n) | <ol style="list-style-type: none"> 1) Single Life Annuity 2) 50%, 75%* & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) 5 year Certain and Life Annuity for Hills Bros. only 5) Lump Sum |
|---|---|---|

Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Prior NFC participants who terminated before 1/1/1989 (married participants only)	<ul style="list-style-type: none"> ■ 6.00% ■ 1979 Buck (80% male set back 1 year, 20% female set back 3 years) 	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum

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Nestlé Account Benefit No grandfathered prior plan benefits (i.e., participants hired on or after January 1, 2003) OR with grandfathered Nestlé Traditional Benefit or prior plans and Account Benefit wins for all forms	■ Applicable interest rates and mortality	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Nestlé Account Benefit With grandfathered Nestlé Traditional Benefit OR other grandfathered prior plan benefits	■ Applicable interest rates and mortality (for a) ■ 8.00%, 1971 TPF&C Forecast set back 3 years (for b & c)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum 5) 75% Joint Survivor Annuity (b and c only)
a) Winning for at least one (but not all) optional forms		
b) NUSA winning for all optional forms eligible for early retirement factors		
c) NUSA winning for all optional forms deferred vested commencements with deferred vested factors		

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year¹.

¹ The 75% Joint Survivor Annuity is only available to participants who terminated prior to May 1, 2003.

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Nestlé Pension Plan (NPPC salaried employees hired prior to 2003 and NPPC hourly employees)

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Salaried employees hired prior to 2003 and hourly employees of Nestlé Purina PetCare
Participation date	January 1 following date of hire
Type of plan	Five-year average earnings or pension equity for salaried employees; career average earnings for hourly employees

Definitions

Vesting service	From date of hire
Credited service	From date of hire
Pensionable earnings	Total compensation, including bonuses and overtime
Covered compensation	Average of Social Security wage bases over the 35 years prior to the year of termination.
Accumulated benefit	<p>Salaried employees have the pension equity formula, unless they chose the final average earnings formula as of 1/1/99. Hourly employees have the career average earnings formula. Some participants have the supplemental cash balance benefit.</p> <p>Final average earnings (FAE): 1.545% of FAE x credited service limited to 40 years – 51.5% of Social Security benefit x credited service, the greater of projected credited service at NRD or 30 years.</p> <p>Pension equity: Sum of basic percentages, the greater of the two percentages shown below, for each year of credited service x FAE + 3.5% of FAE in excess of covered compensation x credited service, converted to a five-year certain and life annuity.</p>

Years of Credited Service	Purina Basic %	Age + Points Service	Nestlé Basic %*
0-5	4.0%	<40	4.00%
6-10	5.0%	40-49	5.00%
11-15	6.5%	50-59	6.00%
16-20	8.0%	60-69	8.00%
>20	10.0%	70-79	10.0%
		80-89	12.0%
		>89	15.0%

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*Applies only to 2003 and later.

Career average earnings (CAE): 1.75% of earnings for each year after 1998 + 1.25% of earnings for each year after 1988 and before 1999 + 1.0% of FAE as of 12/31/1988 x credited service as of 12/31/1988.

Cash balance benefit: Cash balance as of 12/31/2002, plus interest credits, converted to a five-year certain and life annuity. Interest credits are based on 30-year Treasury rates.

Eligibility for Benefits

Normal retirement	Retirement on or after attaining age 65
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing two years of vesting service
Postponed retirement	Retirement after attaining age 65
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability after completing three years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Accrued FAE or CAE benefit reduced 5.0% for each year prior to age 62; pension equity or cash balance benefit payable immediately
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued FAE or CAE benefit payable unreduced at age 65 or reduced 5.0% for each year prior to age 65; pension equity benefit or cash balance payable immediately

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Disablement	Accrued benefit payable at NRD with service credited during disability, and based upon pensionable earnings at date of disability. 15-year service requirement for CAE participants
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Preretirement death	If married, reduced 100% joint & survivor early retirement benefit if attained age 55 or 100% joint and survivor early retirement benefit for all others reduced to be payable at age at death. For pension equity and cash balance account, lump sum payment of the pension equity benefit and cash balance account.
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Other Plan Provisions

Forms of payment

Normal form	Five-year certain and life for single participants; 100% joint and survivor for married participants
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Optional forms	50% or 100% joint and survivor annuity; 10 year certain and life annuity; life annuity; lump sum
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Pension increases	None
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Plan participants' contributions	None
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Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.
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Plan Name:	Nestlé Pension Plan
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Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

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Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
NPPC Traditional Benefit OR Career Average Pay Benefit	■ Formula-based	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity with pop-up 3) 10 year Certain and Life Annuity 4) Level income / any other form 5) Lump Sum
a) Eligible for early retirement b) Deferred vested commencements		
NPPC Account Benefit OR NPPC PPMA Cash Balance	■ Formula-based	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity with pop-up 3) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Level income / any other form 5) Lump Sum
a) Eligible for early retirement level income option; under age 62 b) Eligible for deferred vested level income option; under age 62 c) Eligible for early retirement; age 62 and older d) Eligible for deferred vested retirement; age 62 and older		

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

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Nestlé Pension Plan (Formerly Franklin Park Cash Balance)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Pension Plan.

The most recent amendment reflected in the following plan provisions was effective on December 18, 1994.

Covered employees Salaried employees at Franklin Park

Type of plan Cash balance

Definitions

Membership service From date of hire

Credited service From date of hire

Credited balance Credited balance as of December 31, 1991, plus interest credits

Accumulated benefit: Credit balance increased with interest at PBGC deferred rate to NRD, converted to a life annuity using PBGC immediate rate

Eligibility for Benefits

Normal retirement Retirement after both attaining age 65 and completing three years of vesting service

Early retirement Retirement before NRD and on or after both attaining age 50 and completing three years of vesting service

Postponed retirement Retirement after attaining age 65

Vested termination Termination for reasons other than death or retirement after completing three years of vesting service

Preretirement death benefit Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD) Accrued benefit payable immediately or credited balance divided by 8.2

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

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Early retirement	Accrued benefit actuarially reduced or credited balance divided by a factor varying by age (from 8.2 at age 55 to 9.0 at age 50)
Postponed retirement	Accrued benefit payable immediately
Vested termination	Accrued benefit payable unreduced at age 65, actuarially reduced for early commencement
Preretirement death	If married, credit balance divided by PBGC factor at date of death or credit balance as a lump sum for all others.

Other Plan Provisions

Normal form of payment Life annuity

Pension increases None

Plan participants' contributions None

Maximum on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
Franklin Park Cash Balance	<ul style="list-style-type: none">■ 8.00%■ 1971 TPF&C Forecast set back 3 years	<ol style="list-style-type: none">1) Single Life Annuity2) 50% & 100% Joint Survivor Annuity3) 10 year Certain and Life Annuity4) Lump Sum

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Nestlé Pension Plan (Former Nestlé Infant Nutrition Pension Plan)

Plan Provisions

Effective December 31, 2016, this plan merged into the Nestlé Pension Plan

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Salaried employees, part-time sales and office employees, and hourly-paid employees formerly of Gerber Products.
Participation date	Age 21 and one year of service. Closed to new entrants effective December 31, 2004.
Type of plan	Frozen pension equity plan

Definitions

Vesting service	The number of completed full plan years of employment with the Company or any affiliate in which the employee works 975 hours. Service prior to January 1, 1998 is based on prior plan provisions. Automatic vesting was granted on September 1, 2007.
Credited service	Same as vesting service. Service was frozen as of December 31, 2004.
Pensionable earnings	Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.
Covered compensation	Average of Social Security wage bases over the 35 years prior to the participant's Social Security Normal Retirement Age (SSNRA).
Accumulated benefit	<p>Lump Sum Benefit: A participant's Lump Sum Benefit is equal to the following calculated as if the person terminated employment on December 31, 2004:</p> <ol style="list-style-type: none">1. The sum of base credits (see below) times Final Average Pay plus2. The sum of Excess Credits (see below) times Final Average Pay greater than covered compensation

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Sum of Attained Age and Year of Credited Service During the Plan Year	<u>Base Credits</u>	<u>Excess Credits</u>
0-34	2.0%	1.0%
35-39	3.0%	1.5%
40-44	4.0%	2.0%
45-49	5.0%	2.5%
50-54	6.0%	3.0%
55-59	8.0%	4.0%
60 +	10.0%	5.0%

Adjusted Lump Sum Benefit: A participant's Adjusted Lump Sum Benefit is equal to the Participant's Lump Sum Benefit increased by 5% per year from the earlier of the date of the Participant's termination of employment and December 31, 2004 to the Participant's Annuity Starting Date.

Pension Equity Benefit: The monthly amount of each Participant's Pension Benefit is equal to the amount, determined on an Actuarial Equivalent basis, of the Participant's Adjusted Lump Sum Benefit expressed as a life annuity payable on the Participant's Annuity Starting Date.

Grandfathered Benefit: The benefit, determined in accordance with the plan in effect prior to 2002, for participants who were accruing benefits under the prior plan as of January 1, 2000.

Eligibility for Benefits

Normal retirement	Retirement on SSNRA
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing three years of vesting service
Postponed retirement	Retirement after SSNRA
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service.

Plan Name: Nestlé Pension Plan
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 Valuation Date: January 1, 2021

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Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Early retirement	Accrued benefit determined as of early retirement date is equal to the greater of (a) and (b) below: (a) The Grandfathered Benefit reduced according to the prior plan provision. (b) Actuarial equivalent of the Adjusted Lump Sum Benefit.
Postponed retirement	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD
Disablement	Accrued benefit determined as of disability retirement date, reduced by certain other benefits provided by or at the expense of the company.
Preretirement death	100% of the lump sum balance as of time of death or an actuarially equivalent annuity. grandfathered participants, spouse will receive a survivor benefit equal to the greater of the survivor benefit determined under the PEP formula or the prior plan formula.

Other Plan Provisions

Forms of payment

Normal form	Life annuity
Optional forms	100%, 75%, or 50% contingent annuitant; five, ten or fifteen year certain and life; level income; lump sum
Pension increases	None
Plan participants' contributions	None

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Maximum on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Form Conversion Factors¹

Optional form conversion factors are the actuarial equivalent factors determined using the following assumptions.

	Mortality Assumption	Interest Assumption
■ Single Sum distributions (from Grandfathered Benefit)	Section 417 mortality	Section 417 interest rates
■ Annuity forms of payment (from Pension Equity Benefit)	GATT Mortality Table frozen as of earlier of DOT and 12/31/2004 ²	GATT Interest Rate (yield on 30-year Treasury Bonds) from November of previous year frozen as of earlier of DOT and 12/31/2004 ²
■ All others	1983 Group Annuity Mortality Table ³	8.5%

Notes

1. Information shown applies to the majority of participants covered under this plan; some small groups of grandfathered participants (CWT, Indianapolis Hourly, Novartis Consumer Health and Ciba Salaried) have optional forms provided on a separate basis. See plan document for more information.
2. Plan Year 2000 – 6.15% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2001 – 5.78% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2002 – 5.12% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2003 – 4.96% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2004+ – 5.12% and 1994 GAR Table (blended 50% male/50% female)
3. The actuarial equivalent shall be 50% of the actuarial equivalent using male mortality rates only plus 50% of the actuarial equivalent using female mortality rates only.

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Nestlé Pension Plan (Former Gerber Life Insurance Company Retirement Plan)

Plan Provisions

Effective December 31, 2013, this plan merged into the Nestlé Pension Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered Employees Salaried employees of Gerber Life Insurance Company

Participation Date Age 21 and one year of service. Closed to new entrants effective December 31, 2004.

Type of plan: Frozen pension equity plan

Definitions

Vesting service The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 975 hours. Service prior to January 1, 1998 is based on prior plan provisions. Automatic vesting was granted on September 1, 2007.

Credited service Same as vesting service. Service was frozen as of December 31, 2004.

Pensionable earnings Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.

Covered compensation Average of Social Security wage bases over the 35 years prior to the participants Social Security Normal Retirement Age (SSNRA).

Accumulated benefit **Lump Sum Benefit:** A participant's Lump Sum Benefit is equal to the following calculated as if the person terminated employment on December 31, 2004:

1. The sum of base credits (see below) times Final Average Pay
plus
2. The sum of Excess Credits (see below) times Final Average Pay greater than covered compensation

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

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Sum of Attained Age and Year of Credited Service During the Plan Year	<u>Base Credits</u>	<u>Excess Credits</u>
0 – 34	2.0%	1.0%
35 – 39	3.0%	1.5%
40 – 44	4.0%	2.0%
45 – 49	5.0%	2.5%
50 – 54	6.0%	3.0%
55 – 59	8.0%	4.0%
60 +	10.0%	5.0%

Eligibility for Benefits

Normal retirement	Retirement on SSNRA
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing three years of vesting service
Postponed retirement	Retirement after SSNRA
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Early retirement	Accrued benefit determined as of early retirement date is equal to the greater of (a) and (b) below: (a) The Grandfathered Benefit reduced according to the prior plan provision. (b) Actuarial equivalent of the Adjusted Lump Sum Benefit.

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

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Postponed retirement	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD
Disablement	Accrued benefit determined as of disability retirement date, reduced by certain other benefits provided by or at the expense of the company.
Preretirement death	<p>100% of the lump sum balance as of time of death or an actuarially equivalent annuity.</p> <p>For grandfathered participants, spouse will receive a survivor benefit equal to the greater of the survivor benefit determined under the PEP formula or the prior plan formula.</p>

Other Plan Provisions

Forms of payment

Normal form	Life annuity
Optional forms	100%, 75%, or 50% contingent annuitant; five, ten or fifteen year certain and life; level income; lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Optional Form Conversion Factors¹

Optional form conversion factors are the actuarial equivalent factors determined using the following assumptions.

	Mortality Assumption	Interest Assumption
■ Single Sum distributions (from Grandfathered Benefit)	Section 417 mortality	Section 417 interest rates
■ Annuity forms of payment (from Pension Equity Benefit)	GATT Mortality Table frozen as of earlier of DOT and 12/31/2004 ²	GATT Interest Rate (yield on 30-year Treasury Bonds) from November of previous year frozen as of earlier of DOT and 12/31/2004 ²
■ All others	1983 Group Annuity Mortality Table ³	8.5%

Notes

1. Information shown applies to the majority of participants covered under this plan; some small groups of grandfathered participants (CWT, Indianapolis Hourly, Novartis Consumer Health and Ciba Salaried) have optional forms provided on a separate basis. See plan document for more information.
2. Plan Year 2000 – 6.15% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2001 – 5.78% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2002 – 5.12% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2003 – 4.96% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2004+ – 5.12% and 1994 GAR Table (blended 50% male/50% female)
3. The actuarial equivalent shall be 50% of the actuarial equivalent using male mortality rates only plus 50% of the actuarial equivalent using female mortality rates only.

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2021

Attained Age		Years of Credited Service									
		Under 1	1 – 4	5 – 9	10 – 14	15 – 19	20 - 24	25 - 29	30 - 34	35 - 39	Over 40
<25	No.	56	69	8							
	Avg. Earnings	62,247	72,293								
	Avg. Acct	-	-								
25 – 29	No.	106	202	407	6		-	-	-	-	-
	Avg. Earnings	65,344	69,918	78,246							
	Avg. Acct	-	94	15,744							
30 - 34	No.	109	257	986	294	5					
	Avg. Earnings	65,854	67,043	85,727	96,563						
	Avg. Acct	-	120	20,893	40,224						
35 - 39	No.	95	211	819	648	128	6		-	-	-
	Avg. Earnings	59,716	66,050	92,119	103,222	107,934					
	Avg. Acct	-	172	25,635	52,309	72,189					
40 - 44	No.	79	165	736	665	282	134	6			
	Avg. Earnings	60,780	60,962	99,266	106,480	117,392	102,854				
	Avg. Acct	-	684	30,974	60,478	93,496	98,882				
45 - 49	No.	77	139	570	659	317	251	46	6		
	Avg. Earnings	61,612	56,205	98,215	100,473	114,360	121,005	108,763			
	Avg. Acct	-	509	37,002	56,751	94,851	136,035	138,552			
50 - 54	No.	76	139	561	690	319	303	143	119	13	
	Avg. Earnings	48,507	52,791	95,991	101,129	100,985	127,208	147,338	120,772		
	Avg. Acct	2,306	727	39,841	67,300	83,856	156,681	226,314	206,585		
55 - 59	No.	49	74	429	689	306	280	165	184	112	8
	Avg. Earnings	38,778	48,232	91,338	93,542	91,864	109,839	130,149	132,988	89,241	
	Avg. Acct	10,208	3,186	42,820	66,414	84,467	123,847	189,379	171,903	117,139	
60 - 64	No.	21	36	275	420	172	152	78	76	79	60
	Avg. Earnings	17,713	38,993	88,275	92,270	88,146	104,901	108,107	117,801	93,315	86,039
	Avg. Acct	-	3,033	48,342	77,692	94,055	115,455	100,530	155,750	128,393	96,528
65 – 69	No.	4	4	48	54	28	17	10	10	3	10
	Avg. Earnings			102,618	88,155	78,618					
	Avg. Acct			61,543	85,868	74,820					
Over 70	No.		1	5	10	6		1	5	1	3
	Avg. Earnings										
	Avg. Acct										

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Nestlé USA Inc
EIN/PN	95-1572209/100
Plan Name	Nestlé Pension Plan
Valuation Date	January 1, 2021
Enrolled Actuary	Michael Altilio
Enrollment Number	20-07062

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2021

Retirement rates vary by participant groups. The weighted average age across all participant group is 61.

Groups	Count	Weight	Avg age	W*A
NUSA Traditional Salaried	343	2.32%	60	1.39
NPPC Traditional Salaried	144	0.97%	60	0.58
NUSA Traditional Hourly	353	2.39%	60	1.43
NPPC Traditional Hourly	3,603	24.36%	61	14.86
NUSA PEP Salaried	4,283	28.95%	61	17.66
NPPC PEP Salaried	2,462	16.64%	61	10.15
NUSA PEP Hourly	3,487	23.57%	61	14.38
Gerber Life		0.00%	62	0.00
Franklin Park		0.00%	63	0.00
Infant Nutrition	117	0.79%	61	0.48
	14,792	100.00%		61

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Groups: NUSA Traditional Salaried
NPPC Traditional Salaried
NUSA Traditional Hourly

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	10.00%	90%	90.00%	10.00%	5.50
56	10.00%	90%	81.00%	9.00%	5.04
57	10.00%	90%	72.90%	8.10%	4.62
58	10.00%	90%	65.61%	7.29%	4.23
59	10.00%	90%	59.05%	6.56%	3.87
60	20.00%	80%	47.24%	11.81%	7.09
61	20.00%	80%	37.79%	9.45%	5.76
62	30.00%	70%	26.45%	11.34%	7.03
63	30.00%	70%	18.52%	7.94%	5.00
64	30.00%	70%	12.96%	5.56%	3.56
65	40.00%	60%	7.78%	5.18%	3.37
66	40.00%	60%	4.67%	3.11%	2.05
67	40.00%	60%	2.80%	1.87%	1.25
68	40.00%	60%	1.68%	1.12%	0.76
69	40.00%	60%	1.01%	0.67%	0.46
70	100.00%	0%	0.00%	1.01%	0.71
71+	100.00%	0%	0.00%	0.00%	0.00
				100%	

Average Retirement Age: 60

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Group: NPPC Traditional Hourly

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	7.5%	93%	92.50%	7.50%	4.13
56	7.5%	93%	85.56%	6.94%	3.89
57	7.5%	93%	79.15%	6.42%	3.66
58	10.0%	90%	71.23%	7.91%	4.59
59	10.0%	90%	64.11%	7.12%	4.20
60	10.0%	90%	57.70%	6.41%	3.85
61	15.0%	85%	49.04%	8.65%	5.28
62	25.0%	75%	36.78%	12.26%	7.60
63	25.0%	75%	27.59%	9.20%	5.79
64	30.0%	70%	19.31%	8.28%	5.30
65	30.0%	70%	13.52%	5.79%	3.77
66	30.0%	70%	9.46%	4.06%	2.68
67	40.0%	60%	5.68%	3.78%	2.54
68	40.0%	60%	3.41%	2.27%	1.54
69	40.0%	60%	2.04%	1.36%	0.94
70	100.0%	0%	0.00%	2.04%	1.43
				100%	

Average Retirement Age: 61

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Groups: NUSA PEP Salaried
NPPC PEP Salaried
NUSA PEP Hourly
Infant Nutrition

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	10.00%	90%	90.00%	10.00%	5.50
56	10.00%	90%	81.00%	9.00%	5.04
57	10.00%	90%	72.90%	8.10%	4.62
58	10.00%	90%	65.61%	7.29%	4.23
59	10.00%	90%	59.05%	6.56%	3.87
60	15.00%	85%	50.19%	8.86%	5.31
61	15.00%	85%	42.66%	7.53%	4.59
62	25.00%	75%	32.00%	10.67%	6.61
63	25.00%	75%	24.00%	8.00%	5.04
64	25.00%	75%	18.00%	6.00%	3.84
65	35.00%	65%	11.70%	6.30%	4.09
66	35.00%	65%	7.60%	4.09%	2.70
67	35.00%	65%	4.94%	2.66%	1.78
68	35.00%	65%	3.21%	1.73%	1.18
69	35.00%	65%	2.09%	1.12%	0.78
70	100.00%	0%	0.00%	2.09%	1.46
				100%	

Average Retirement Age: 61

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Group: Gerber Life

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	4.00%	96.00%	96.00%	4.00%	2.20
56	4.79%	95.21%	91.40%	4.60%	2.57
57	6.50%	93.50%	85.46%	5.94%	3.39
58	4.97%	95.03%	81.21%	4.25%	2.46
59	3.92%	96.08%	78.03%	3.18%	1.88
60	7.73%	92.27%	72.00%	6.03%	3.62
61	6.30%	93.70%	67.46%	4.54%	2.77
62	24.07%	75.93%	51.23%	16.24%	10.07
63	19.15%	80.85%	41.42%	9.81%	6.18
64	13.03%	86.97%	36.02%	5.39%	3.45
65	60.72%	39.28%	14.15%	21.87%	14.22
66	62.92%	37.08%	5.25%	8.90%	5.87
67	74.73%	25.27%	1.33%	3.92%	2.63
68	51.25%	48.75%	0.65%	0.68%	0.46
69	51.25%	48.75%	0.32%	0.33%	0.23
70	100.00%	0.00%	0.00%	0.32%	0.22
				100.00%	

Average Retirement Age: 62

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Participant Group: Franklin Park

Description of Weighted Average Retirement Age

Age	Retirement Rate	1.00 - Retirement Rate	Probability of Remaining Active	Percentage Retiring at Age	Age Times Percentage Retiring
55	3.13%	96.87%	96.87%	3.13%	1.72
56	3.56%	96.44%	93.42%	3.45%	1.93
57	3.44%	96.56%	90.21%	3.21%	1.83
58	4.18%	95.82%	86.44%	3.77%	2.19
59	3.42%	96.58%	83.48%	2.96%	1.74
60	3.22%	96.78%	80.79%	2.69%	1.61
61	5.83%	94.17%	76.09%	4.71%	2.87
62	17.35%	82.65%	62.89%	13.20%	8.18
63	15.71%	84.29%	53.01%	9.88%	6.22
64	12.71%	87.30%	46.27%	6.73%	4.31
65	38.29%	61.71%	28.56%	17.72%	11.52
66	40.69%	59.31%	16.94%	11.62%	7.67
67	41.42%	58.58%	9.92%	7.02%	4.70
68	37.20%	62.81%	6.23%	3.69%	2.51
69	38.56%	61.44%	3.83%	2.40%	1.66
70	100.00%	0.00%	0.00%	3.83%	2.68
				100.00%	

Average Retirement Age: 63

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Nestlé Pension Plan (Nestlé USA employees and NPPC salaried employees hired after 2002)

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Salaried employees and certain nonunion hourly employees of Nestlé USA, and salaried employees of Nestlé Purina PetCare hired after 2002
Participation date	January 1, following date of hire
Type of plan	Three-year average earnings or pension equity

Definitions

Vesting service	From date of hire; for HandHeld Foods Group, from 9/12/2002
Credited service	From date of hire; for Beech-Nut, frozen as of 11/3/89; for Franklin Park, Bakersfield Hourly and Carnation, from 1/1/92; for Sunmark, from 6/1/88; for Alpo, from 12/31/94; for Stoughton, from 9/28/95; for HandHeld Foods Group, from 9/12/2002; for Joseph's Pasta, from 12/1/2006; for Nutrition, from 1/1/2010; for Pizza, from 3/1/2010; for Dreyer's, from 1/1/2011; for Pfizer, from 12/1/2012; for Nestlé Professional Beverage – Vitality, from 1/1/2014.
Pensionable earnings	Total compensation, including bonuses and overtime
Covered compensation	Average of Social Security wage bases over the 35 years prior to the year of termination
Average annual compensation	For pension equity highest of five consecutive calendar years out of the last ten years, divided by five. For three year average, highest three consecutive calendar years out of the last ten years, divided by three.

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Accumulated benefit

Covered employees have the pension equity formula, unless they chose to retain the final average earnings formula as of 5/1/2003. Frozen minimum FAE benefit as of 5/1/2003 applies to pension equity participants.

Pension equity: Lump sum equal to the sum of basic percentages, as shown below, for each year of credited service x FAE + 3.5% of FAE in excess of covered compensation x credited service.

Age + Points Service	Basic %
<40	4.00%
40-49	5.00%
50-59	6.00%
60-69	8.00%
70-79	10.0%
80-89	12.0%
>89	15.0%

Final average earnings (FAE): .9% of FAE x credited service limited to 35 years + .5% of FAE in excess of covered compensation x credited service limited to 35 years; for employees who were participants on 1/1/89, an additional .3% of FAE x credited service on 1/1/89 limited to 35 years; for former Carnation employees, add the final average pay accrued benefit as of 12/31/91 x the ratio of FAE at termination to FAE on 12/31/91

Eligibility for Benefits

Normal retirement

Retirement on or after attaining age 65

Early retirement

Retirement before NRD and on or after both attaining age 55 and completing ten years of vesting service

Postponed retirement

Retirement after attaining age 65

Vested termination

Termination for reasons other than death or retirement after completing three years of vesting service

Disability

Permanent and total disability after completing three years of vesting service

Preretirement death benefit

Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service.

Plan Name: Nestlé Pension Plan
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Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

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Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	FAE accrued benefit reduced 3.0% for each year prior to age 62; pension equity benefit payable immediately
Postponed retirement	Accrued benefit payable immediately.
Vested termination	FAE accrued benefit payable unreduced at age 65, or reduced 6.0% for each year prior to age 65; pension equity benefit payable immediately.
Disablement	Accrued benefit payable at actual retirement, with service credited during disability, and based upon pensionable earnings at date of disability.
Preretirement death	If married, reduced 100% joint & survivor early retirement FAE benefit if attained age 55 or 100% joint and survivor early retirement FAE benefit for all others reduced to be payable at age at death. The pension equity benefit is payable immediately to any beneficiary.

Other Plan Provisions

Forms of payment

Normal form	Life annuity for single participants; 100% joint and survivor for married participants
Optional forms	50% or 100% joint and survivor annuity; 10 year certain and life (if hired before 5/1/2003); lump sum

Pension increases	None
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Plan participants' contributions	None
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Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.
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Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
<p>Nestlé Traditional benefit</p> <p><u>Eligible for early retirement factors</u></p> <p>No grandfathered prior plan benefits, OR with the following prior plans (but only if Nestlé benefit wins):</p> <p>Beechnut</p> <p>Hills Bros.</p> <p>NFC post-1988 terminations</p> <p>Carnation #2 post-1991 terminations</p> <p>Clintec</p>	<ul style="list-style-type: none"> ■ 8.00% ■ 1971 TPF&C Forecast set back 3 years 	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50%, 75%* & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum 5) 5 year Certain and Life Annuity for Hills Bros. only
<p>Nestlé Traditional benefit</p> <p><u>Deferred vested commencements with deferred vested factors</u></p> <p>No grandfathered prior plan benefits, OR with the following prior plans (but only if Nestlé benefit wins):</p> <p>Beechnut</p> <p>Hills Bros.</p> <p>NFC post-1988 terminations</p> <p>Carnation #2 post-1991 terminations OR post-55 commencement of excess/residual piece for the following prior plans:</p> <p>Clintec</p> <p>Hills Bros.¹</p>	<ul style="list-style-type: none"> ■ 8.00% ■ 1971 TPF&C Forecast set back 3 years 	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50%, 75%* & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum

¹ The 75% Joint Survivor Annuity is only available to participants who terminated prior to May 1, 2003.

Plan Name: Nestlé Pension Plan
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 Plan Sponsor: Nestlé USA Inc
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Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Carnation Plan #2	<ul style="list-style-type: none"> Formula-based 	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity (post-1991 only) 4) Lump Sum
a) Terminations before 12/31/1985 b) Pre-1992 terminations after 12/30/1985 c) Post-1991 terminations & Carnation wins		
Nestlé Traditional benefit / Clintec** & <u>Clintec benefit wins</u>	<ul style="list-style-type: none"> 7.00% 1983 GAM 	1) Single Life Annuity 2) 50%, 75%* & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum
a) Lump sum available b) No lump sum available		

Plan Name: Nestlé Pension Plan
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Nestlé Traditional benefit / prior plans Deferred vested commencements

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ■ Beechnut prior plan wins ■ Hills Bros. pre-55 commencement of "Hills portion" only ■ Hills Bros. post-55 commencement & prior plan wins ■ NFC post-1988 terminations pre-55 commencements of "NFC portion" only ■ NFC post-1988 terminations, post-55 commencements of NUSA excess/residual piece ■ NFC post-11/30/1989 terminations, post-55 commencements of entire benefit & prior plan wins ■ NFC terminations between 1/1/1989 & 11/30/1989, post-55 commencements of entire benefit | <ul style="list-style-type: none"> ■ Beech-Nut factors (for b1) ■ 8.00%, 1971 TPF&C Forecast set back 3 years (except Hills factors for 5 year Certain and Life Annuity) (for h) ■ 8.00%, 1971 TPF&C Forecast set back 3 years (for n) | <ol style="list-style-type: none"> 1) Single Life Annuity 2) 50%, 75%* & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) 5 year Certain and Life Annuity for Hills Bros. only 5) Lump Sum |
|---|---|---|

Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Prior NFC participants who terminated before 1/1/1989 (married participants only)	<ul style="list-style-type: none"> ■ 6.00% ■ 1979 Buck (80% male set back 1 year, 20% female set back 3 years) 	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum

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<p>Nestlé Account Benefit</p> <p>No grandfathered prior plan benefits (i.e., participants hired on or after January 1, 2003) OR with grandfathered Nestlé Traditional Benefit or prior plans and Account Benefit wins for all forms</p>	<ul style="list-style-type: none"> Applicable interest rates and mortality 	<ol style="list-style-type: none"> Single Life Annuity 50% & 100% Joint Survivor Annuity Lump Sum
<p>Nestlé Account Benefit</p> <p>With grandfathered Nestlé Traditional Benefit OR other grandfathered prior plan benefits</p> <ol style="list-style-type: none"> Winning for at least one (but not all) optional forms NUSA winning for all optional forms eligible for early retirement factors NUSA winning for all optional forms deferred vested commencements with deferred vested factors 	<ul style="list-style-type: none"> Applicable interest rates and mortality (for a) 8.00%, 1971 TPF&C Forecast set back 3 years (for b & c) 	<ol style="list-style-type: none"> Single Life Annuity 50% & 100% Joint Survivor Annuity 10 year Certain and Life Annuity Lump Sum 75% Joint Survivor Annuity (b and c only)

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year¹.

¹ The 75% Joint Survivor Annuity is only available to participants who terminated prior to May 1, 2003.

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Nestlé Pension Plan (NPPC salaried employees hired prior to 2003 and NPPC hourly employees)

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Salaried employees hired prior to 2003 and hourly employees of Nestlé Purina PetCare
Participation date	January 1 following date of hire
Type of plan	Five-year average earnings or pension equity for salaried employees; career average earnings for hourly employees

Definitions

Vesting service	From date of hire
Credited service	From date of hire
Pensionable earnings	Total compensation, including bonuses and overtime
Covered compensation	Average of Social Security wage bases over the 35 years prior to the year of termination.
Accumulated benefit	<p>Salaried employees have the pension equity formula, unless they chose the final average earnings formula as of 1/1/99. Hourly employees have the career average earnings formula. Some participants have the supplemental cash balance benefit.</p> <p>Final average earnings (FAE): 1.545% of FAE x credited service limited to 40 years – 51.5% of Social Security benefit x credited service, the greater of projected credited service at NRD or 30 years.</p> <p>Pension equity: Sum of basic percentages, the greater of the two percentages shown below, for each year of credited service x FAE + 3.5% of FAE in excess of covered compensation x credited service, converted to a five-year certain and life annuity.</p>

Years of Credited Service	Purina Basic %	Age + Points Service	Nestlé Basic %*
0-5	4.0%	<40	4.00%
6-10	5.0%	40-49	5.00%
11-15	6.5%	50-59	6.00%
16-20	8.0%	60-69	8.00%
>20	10.0%	70-79	10.0%
		80-89	12.0%
		>89	15.0%

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*Applies only to 2003 and later.

Career average earnings (CAE): 1.75% of earnings for each year after 1998 + 1.25% of earnings for each year after 1988 and before 1999 + 1.0% of FAE as of 12/31/1988 x credited service as of 12/31/1988.

Cash balance benefit: Cash balance as of 12/31/2002, plus interest credits, converted to a five-year certain and life annuity. Interest credits are based on 30-year Treasury rates.

Eligibility for Benefits

Normal retirement	Retirement on or after attaining age 65
Early retirement	Retirement before NRD and on or after both attaining age 55 and completing two years of vesting service
Postponed retirement	Retirement after attaining age 65
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability after completing three years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Accrued FAE or CAE benefit reduced 5.0% for each year prior to age 62; pension equity or cash balance benefit payable immediately
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued FAE or CAE benefit payable unreduced at age 65 or reduced 5.0% for each year prior to age 65; pension equity benefit or cash balance payable immediately

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Disablement	Accrued benefit payable at NRD with service credited during disability, and based upon pensionable earnings at date of disability. 15-year service requirement for CAE participants
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Preretirement death	If married, reduced 100% joint & survivor early retirement benefit if attained age 55 or 100% joint and survivor early retirement benefit for all others reduced to be payable at age at death. For pension equity and cash balance account, lump sum payment of the pension equity benefit and cash balance account.
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Other Plan Provisions

Forms of payment

Normal form	Five-year certain and life for single participants; 100% joint and survivor for married participants
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Optional forms	50% or 100% joint and survivor annuity; 10 year certain and life annuity; life annuity; lump sum
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Pension increases	None
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Plan participants' contributions	None
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Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.
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Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

SCHEDULE SB ATTACHMENTS

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
NPPC Traditional Benefit OR Career Average Pay Benefit	■ Formula-based	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity with pop-up 3) 10 year Certain and Life Annuity 4) Level income / any other form 5) Lump Sum
<ol style="list-style-type: none"> a) Eligible for early retirement b) Deferred vested commencements 		
NPPC Account Benefit OR NPPC PPMA Cash Balance	■ Formula-based	<ol style="list-style-type: none"> 1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity with pop-up 3) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Level income / any other form 5) Lump Sum
<ol style="list-style-type: none"> a) Eligible for early retirement level income option; under age 62 b) Eligible for deferred vested level income option; under age 62 c) Eligible for early retirement; age 62 and older d) Eligible for deferred vested retirement; age 62 and older 		

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Nestlé Pension Plan (Formerly Franklin Park Cash Balance)

Plan Provisions

Effective December 31, 2012, this plan merged into the Nestlé Pension Plan.

The most recent amendment reflected in the following plan provisions was effective on December 18, 1994.

Covered employees Salaried employees at Franklin Park

Type of plan Cash balance

Definitions

Membership service From date of hire

Credited service From date of hire

Credited balance Credited balance as of December 31, 1991, plus interest credits

Accumulated benefit: Credit balance increased with interest at PBGC deferred rate to NRD, converted to a life annuity using PBGC immediate rate

Eligibility for Benefits

Normal retirement Retirement after both attaining age 65 and completing three years of vesting service

Early retirement Retirement before NRD and on or after both attaining age 50 and completing three years of vesting service

Postponed retirement Retirement after attaining age 65

Vested termination Termination for reasons other than death or retirement after completing three years of vesting service

Preretirement death benefit Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD) Accrued benefit payable immediately or credited balance divided by 8.2

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

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Early retirement	Accrued benefit actuarially reduced or credited balance divided by a factor varying by age (from 8.2 at age 55 to 9.0 at age 50)
Postponed retirement	Accrued benefit payable immediately
Vested termination	Accrued benefit payable unreduced at age 65, actuarially reduced for early commencement
Preretirement death	If married, credit balance divided by PBGC factor at date of death or credit balance as a lump sum for all others.

Other Plan Provisions

Normal form of payment Life annuity

Pension increases None

Plan participants' contributions None

Maximum on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
Franklin Park Cash Balance	<ul style="list-style-type: none">■ 8.00%■ 1971 TPF&C Forecast set back 3 years	<ol style="list-style-type: none">1) Single Life Annuity2) 50% & 100% Joint Survivor Annuity3) 10 year Certain and Life Annuity4) Lump Sum

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Nestlé Pension Plan (Former Nestlé Infant Nutrition Pension Plan)

Plan Provisions

Effective December 31, 2016, this plan merged into the Nestlé Pension Plan

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered employees	Salaried employees, part-time sales and office employees, and hourly-paid employees formerly of Gerber Products.
Participation date	Age 21 and one year of service. Closed to new entrants effective December 31, 2004.
Type of plan	Frozen pension equity plan

Definitions

Vesting service	The number of completed full plan years of employment with the Company or any affiliate in which the employee works 975 hours. Service prior to January 1, 1998 is based on prior plan provisions. Automatic vesting was granted on September 1, 2007.
Credited service	Same as vesting service. Service was frozen as of December 31, 2004.
Pensionable earnings	Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.
Covered compensation	Average of Social Security wage bases over the 35 years prior to the participant's Social Security Normal Retirement Age (SSNRA).
Accumulated benefit	<p>Lump Sum Benefit: A participant's Lump Sum Benefit is equal to the following calculated as if the person terminated employment on December 31, 2004:</p> <ol style="list-style-type: none">1. The sum of base credits (see below) times Final Average Pay plus2. The sum of Excess Credits (see below) times Final Average Pay greater than covered compensation

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

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Sum of Attained Age and Year of Credited Service During the Plan Year	<u>Base Credits</u>	<u>Excess Credits</u>
0-34	2.0%	1.0%
35-39	3.0%	1.5%
40-44	4.0%	2.0%
45-49	5.0%	2.5%
50-54	6.0%	3.0%
55-59	8.0%	4.0%
60 +	10.0%	5.0%

Adjusted Lump Sum Benefit: A participant's Adjusted Lump Sum Benefit is equal to the Participant's Lump Sum Benefit increased by 5% per year from the earlier of the date of the Participant's termination of employment and December 31, 2004 to the Participant's Annuity Starting Date.

Pension Equity Benefit: The monthly amount of each Participant's Pension Benefit is equal to the amount, determined on an Actuarial Equivalent basis, of the Participant's Adjusted Lump Sum Benefit expressed as a life annuity payable on the Participant's Annuity Starting Date.

Grandfathered Benefit: The benefit, determined in accordance with the plan in effect prior to 2002, for participants who were accruing benefits under the prior plan as of January 1, 2000.

Eligibility for Benefits

Normal retirement	Retirement on SSNRA
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing three years of vesting service
Postponed retirement	Retirement after SSNRA
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service.

Plan Name: Nestlé Pension Plan
 EIN / PN: 95-1572209/100
 Plan Sponsor: Nestlé USA Inc
 Valuation Date: January 1, 2021

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Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Early retirement	Accrued benefit determined as of early retirement date is equal to the greater of (a) and (b) below: (a) The Grandfathered Benefit reduced according to the prior plan provision. (b) Actuarial equivalent of the Adjusted Lump Sum Benefit.
Postponed retirement	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD
Disablement	Accrued benefit determined as of disability retirement date, reduced by certain other benefits provided by or at the expense of the company.
Preretirement death	100% of the lump sum balance as of time of death or an actuarially equivalent annuity. grandfathered participants, spouse will receive a survivor benefit equal to the greater of the survivor benefit determined under the PEP formula or the prior plan formula.

Other Plan Provisions

Forms of payment

Normal form	Life annuity
Optional forms	100%, 75%, or 50% contingent annuitant; five, ten or fifteen year certain and life; level income; lump sum
Pension increases	None
Plan participants' contributions	None

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

SCHEDULE SB ATTACHMENTS

Maximum on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Optional Form Conversion Factors¹

Optional form conversion factors are the actuarial equivalent factors determined using the following assumptions.

	Mortality Assumption	Interest Assumption
■ Single Sum distributions (from Grandfathered Benefit)	Section 417 mortality	Section 417 interest rates
■ Annuity forms of payment (from Pension Equity Benefit)	GATT Mortality Table frozen as of earlier of DOT and 12/31/2004 ²	GATT Interest Rate (yield on 30-year Treasury Bonds) from November of previous year frozen as of earlier of DOT and 12/31/2004 ²
■ All others	1983 Group Annuity Mortality Table ³	8.5%

Notes

1. Information shown applies to the majority of participants covered under this plan; some small groups of grandfathered participants (CWT, Indianapolis Hourly, Novartis Consumer Health and Ciba Salaried) have optional forms provided on a separate basis. See plan document for more information.
2. Plan Year 2000 – 6.15% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2001 – 5.78% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2002 – 5.12% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2003 – 4.96% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2004+ – 5.12% and 1994 GAR Table (blended 50% male/50% female)
3. The actuarial equivalent shall be 50% of the actuarial equivalent using male mortality rates only plus 50% of the actuarial equivalent using female mortality rates only.

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Plan Name: Nestlé Pension Plan
EIN / PN: 95-1572209/100
Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021

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Nestlé Pension Plan (Former Gerber Life Insurance Company Retirement Plan)

Plan Provisions

Effective December 31, 2013, this plan merged into the Nestlé Pension Plan.

The most recent amendment reflected in the following plan provisions was effective in 2015.

Covered Employees Salaried employees of Gerber Life Insurance Company

Participation Date Age 21 and one year of service. Closed to new entrants effective December 31, 2004.

Type of plan: Frozen pension equity plan

Definitions

Vesting service The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 975 hours. Service prior to January 1, 1998 is based on prior plan provisions. Automatic vesting was granted on September 1, 2007.

Credited service Same as vesting service. Service was frozen as of December 31, 2004.

Pensionable earnings Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.

Covered compensation Average of Social Security wage bases over the 35 years prior to the participants Social Security Normal Retirement Age (SSNRA).

Accumulated benefit **Lump Sum Benefit:** A participant's Lump Sum Benefit is equal to the following calculated as if the person terminated employment on December 31, 2004:

1. The sum of base credits (see below) times Final Average Pay
plus
2. The sum of Excess Credits (see below) times Final Average Pay greater than covered compensation

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Sum of Attained Age and Year of Credited Service During the Plan Year	<u>Base Credits</u>	<u>Excess Credits</u>
0 – 34	2.0%	1.0%
35 – 39	3.0%	1.5%
40 – 44	4.0%	2.0%
45 – 49	5.0%	2.5%
50 – 54	6.0%	3.0%
55 – 59	8.0%	4.0%
60 +	10.0%	5.0%

Eligibility for Benefits

Normal retirement	Retirement on SSNRA
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing three years of vesting service
Postponed retirement	Retirement after SSNRA
Vested termination	Termination for reasons other than death or retirement after completing three years of vesting service
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after completing three years of vesting service

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Early retirement	<p>Accrued benefit determined as of early retirement date is equal to the greater of (a) and (b) below:</p> <p>(a) The Grandfathered Benefit reduced according to the prior plan provision.</p> <p>(b) Actuarial equivalent of the Adjusted Lump Sum Benefit.</p>

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Postponed retirement	Accrued benefit (greater of Pension Equity Benefit and Grandfathered Benefit) payable immediately.
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD
Disablement	Accrued benefit determined as of disability retirement date, reduced by certain other benefits provided by or at the expense of the company.
Preretirement death	<p>100% of the lump sum balance as of time of death or an actuarially equivalent annuity.</p> <p>For grandfathered participants, spouse will receive a survivor benefit equal to the greater of the survivor benefit determined under the PEP formula or the prior plan formula.</p>

Other Plan Provisions

Forms of payment

Normal form	Life annuity
Optional forms	100%, 75%, or 50% contingent annuitant; five, ten or fifteen year certain and life; level income; lump sum
Pension increases	None
Plan participants' contributions	None
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Plan Name:	Nestlé Pension Plan
EIN / PN:	95-1572209/100
Plan Sponsor:	Nestlé USA Inc
Valuation Date:	January 1, 2021

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Optional Form Conversion Factors¹

Optional form conversion factors are the actuarial equivalent factors determined using the following assumptions.

	Mortality Assumption	Interest Assumption
■ Single Sum distributions (from Grandfathered Benefit)	Section 417 mortality	Section 417 interest rates
■ Annuity forms of payment (from Pension Equity Benefit)	GATT Mortality Table frozen as of earlier of DOT and 12/31/2004 ²	GATT Interest Rate (yield on 30-year Treasury Bonds) from November of previous year frozen as of earlier of DOT and 12/31/2004 ²
■ All others	1983 Group Annuity Mortality Table ³	8.5%

Notes

1. Information shown applies to the majority of participants covered under this plan; some small groups of grandfathered participants (CWT, Indianapolis Hourly, Novartis Consumer Health and Ciba Salaried) have optional forms provided on a separate basis. See plan document for more information.
2. Plan Year 2000 – 6.15% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2001 – 5.78% and 1983 GAM Table (blended 50% male/50% female)
Plan Year 2002 – 5.12% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2003 – 4.96% and 1994 GAR Table (blended 50% male/50% female)
Plan Year 2004+ – 5.12% and 1994 GAR Table (blended 50% male/50% female)
3. The actuarial equivalent shall be 50% of the actuarial equivalent using male mortality rates only plus 50% of the actuarial equivalent using female mortality rates only.

Future Plan Changes

No future plan changes were recognized in determining pension cost, plan accounting liabilities, or minimum and maximum contributions

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

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Plan Sponsor: Nestlé USA Inc
Valuation Date: January 1, 2021