

<p style="text-align: center;">Form 5500</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="text-align: center; font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p style="text-align: center;">Annual Return/Report of Employee Benefit Plan</p> <p style="text-align: center; font-size: small;">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> <p style="text-align: center;">► Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large;">2022</p> <hr/> <p style="font-size: small;">This Form is Open to Public Inspection</p>
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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	NESTLE HOURLY RETIREMENT PLAN
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)	NESTLE USA, INC. 30500 BAINBRIDGE RD SOLON, OH 44139-2205
1b Three-digit plan number (PN) ►	006
1c Effective date of plan	05/14/1955
2b Employer Identification Number (EIN)	95-1572209
2c Plan Sponsor's telephone number	440-349-5757
2d Business code (see instructions)	311900

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.	10/12/2023	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

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 9630
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) 3348
a(2) Total number of active participants at the end of the plan year		6a(2) 3185
b Retired or separated participants receiving benefits		6b 699
c Other retired or separated participants entitled to future benefits.....		6c 1429
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 5313
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 194
f Total. Add lines 6d and 6e		6f 5507
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 168
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: 1B 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) ☒ 2 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 _____

<div>SCHEDULE A (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan NESTLE HOURLY RETIREMENT PLAN	B Three-digit plan number (PN) ▶	006
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	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
ATHENE ANNUITY & LIFE ASSURANCE COMPANY OF NEW YORK

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
13-2570714	68039	4025	632	01/01/2022	12/31/2022

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end.....	4	
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶ **AS SPECIFIED IN CONTRACT**

b	Premiums paid to carrier	6b	10966727
c	Premiums due but unpaid at the end of the year	6c	-341035
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d	

e Type of contract: (1) ☒ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year	7b	
c	Additions: (1) Contributions deposited during the year	7c(1)	
	(2) Dividends and credits.....	7c(2)	
	(3) Interest credited during the year.....	7c(3)	
	(4) Transferred from separate account.....	7c(4)	
	(5) Other (specify below)	7c(5)	
	▶		
	(6) Total additions.....	7c(6)	0
d	Total of balance and additions (add lines 7b and 7c(6))	7d	0
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
	(2) Administration charge made by carrier.....	7e(2)	
	(3) Transferred to separate account.....	7e(3)	
	(4) Other (specify below)	7e(4)	
	▶		
	(5) Total deductions.....	7e(5)	0
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE A (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan NESTLE HOURLY RETIREMENT PLAN	B Three-digit plan number (PN) ▶	006
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	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier ATHENE ANNUITY AND LIFE COMPANY
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(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0175020	61689	5025	3215	01/01/2022	12/31/2022

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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	(c) Amount	(d) Purpose	

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	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end.....	4	
5	Current value of plan's interest under this contract in separate accounts at year end.....	5	

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶ **AS SPECIFIED IN CONTRACT**

b	Premiums paid to carrier	6b	140359046
c	Premiums due but unpaid at the end of the year	6c	-2194009
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount..... Specify nature of costs ▶	6d	

e Type of contract: (1) ☒ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year	7b	
c	Additions: (1) Contributions deposited during the year	7c(1)	
	(2) Dividends and credits.....	7c(2)	
	(3) Interest credited during the year.....	7c(3)	
	(4) Transferred from separate account.....	7c(4)	
	(5) Other (specify below)	7c(5)	
	▶		
	(6) Total additions.....	7c(6)	0
d	Total of balance and additions (add lines 7b and 7c(6))	7d	0
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
	(2) Administration charge made by carrier.....	7e(2)	
	(3) Transferred to separate account.....	7e(3)	
	(4) Other (specify below)	7e(4)	
	▶		
	(5) Total deductions.....	7e(5)	0
f	Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department 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. 1210-0110 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

▶ **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 HOURLY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>006</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>2022</u>	
2 Assets:	
a Market value.....	2a <u>582805309</u>
b Actuarial value	2b <u>582805309</u>
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	<u>4851</u> <u>196845057</u> <u>196845057</u>
b For terminated vested participants.....	<u>1442</u> <u>53315738</u> <u>53315738</u>
c For active participants.....	<u>3570</u> <u>125141607</u> <u>133421841</u>
d Total	<u>9863</u> <u>375302402</u> <u>383582636</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>5.44</u> %
6 Target normal cost	
a Present value of current plan year accruals.....	6a <u>8484570</u>
b Expected plan-related expenses	6b <u>0</u>
c Total (line 6a + line 6b)	6c <u>8484570</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		<u>09/27/2023</u> Date
Signature of actuary		<u>23-07062</u> Most recent enrollment number
<u>MICHAEL ALTILIO</u> Type or print name of actuary		<u>973-539-1923</u> Telephone number (including area code)
<u>WILLIS TOWERS WATSON US LLC</u> Firm name		
<u>150 JFK PARKWAY</u> <u>SUITE 520</u> <u>SHORT HILLS, NJ 07078</u> 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) 2022
v. 220413

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).....	167079962	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	167079962	0
10 Interest on line 9 using prior year's actual return of <u>3.25</u> %	5430099	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>5.61</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	9000000	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	163510061	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	109.31 %
15 Adjusted funding target attainment percentage	15	151.93 %
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	157.97 %
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
Totals ►			18(b)	0	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	0
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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
5.18 %3rd segment:
5.92 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

62

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** Demographic and benefit information**a** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**b** Is the plan required to provide a projection of expected benefit payments? 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** 8484570**b** Excess assets, if applicable, but not greater than line 31a **31b** 8484570**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 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** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)..... **38a** 0**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 the American Rescue Plan Act of 2021 (See Instructions)****41** If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☒ 2021

<div>SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>	<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2022</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan NESTLE HOURLY RETIREMENT PLAN	B Three-digit plan number (PN) ►	006
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 NESTLE USA, INC.	D Employer Identification Number (EIN) 95-1572209	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
--------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:	NESTLE IN THE USA PENSION TRUST
---	---------------------------------

b Name of sponsor of entity listed in (a):	NESTLE USA, INC.
--	------------------

c EIN-PN 36-7324184-101	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 263099336
-------------------------	-----------------	--

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 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 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 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 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 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
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
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
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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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
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
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
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
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
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
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
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
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
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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>NESTLE HOURLY RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>006</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NESTLE USA, INC.</u>	D Employer Identification Number (EIN) <u>95-1572209</u>	

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	0
(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)	582805309	263099336
(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	582805309	263099336

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	582805309	263099336
---	-----------	-----------	-----------

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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(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)		
(B) Other	2b(5)(B)		
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-113984829
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-113984829
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	54395371	
(2) To insurance carriers for the provision of benefits	2e(2)	151325773	
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		205721144
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(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		205721144
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-319705973
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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 475397.

<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>2022</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan NESTLE HOURLY RETIREMENT PLAN		B Three-digit plan number (PN) ► 006
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.....		3 352
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) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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
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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	<p>If the total number of participants is 1,000 or more, complete lines (a) through (c)</p> <p>a Enter the percentage of plan assets held as: Stock: <u>25.0</u> % Investment-Grade Debt: <u>60.0</u> % High-Yield Debt: <u>3.0</u> % Real Estate: <u>6.0</u> % Other: <u>6.0</u> %</p> <p>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</p> <p>c What duration measure was used to calculate line 19(b)? ☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):</p>
20	<p>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.</p> <p>a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No</p> <p>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:</p> <p>☐ Yes.</p> <p>☐ 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.</p> <p>☐ 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.</p> <p>☐ No. Other. Provide explanation _____</p>

NESTLÉ HOURLY RETIREMENT PLAN

Financial Statements

December 31, 2022 and 2021

(With Report of Independent Auditors)

NESTLÉ HOURLY RETIREMENT PLAN

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Report of Independent Auditors

To the Plan Administrator of Nestlé Hourly Retirement Plan:

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Nestlé Hourly Retirement 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, 2022 and 2021, and the related statements of changes in net assets available for benefits and changes in accumulated plan benefits for the year ended December 31, 2022, 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 audits 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 audits 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 certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor’s Responsibilities for the Audit of the 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

We conducted our audits 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 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 audits. 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 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 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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.



Our audits 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.

Ernst & Young LLP

October 10, 2023
Tysons, VA

NESTLÉ HOURLY RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Investments, at fair value (notes 5, 7, and 8):		
Plan interest in Nestlé in the USA Pension Trust	\$ <u>263,099,336</u>	\$ <u>582,805,309</u>
Net assets available for benefits	\$ <u><u>263,099,336</u></u>	\$ <u><u>582,805,309</u></u>

See accompanying notes to financial statements.

NESTLÉ HOURLY RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2022

Investment loss:

Plan interest in Nestlé in the USA Pension Trust investment loss	\$ (113,163,895)
Total investment loss	<u>(113,163,895)</u>

Deductions:

Benefits paid to participants	54,395,371
Investment and administrative expenses	820,934
Purchase of buy-out annuities	<u>151,325,773</u>
Total deductions	<u>206,542,078</u>
Net decrease	(319,705,973)

Net assets available for benefits:

Beginning of year	<u>582,805,309</u>
End of year	\$ <u><u>263,099,336</u></u>

See accompanying notes to financial statements.

NESTLÉ HOURLY RETIREMENT PLAN

Statements of Accumulated Plan Benefits

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Actuarial present value of accumulated plan benefits (note 2(c)):		
Vested benefits:		
Participants currently receiving payments	\$ 35,942,778	\$ 200,954,373
Other participants	<u>154,969,924</u>	<u>234,193,205</u>
	190,912,702	435,147,578
Nonvested benefits	<u>9,607,349</u>	<u>12,711,833</u>
Total actuarial present value of accumulated plan benefits	\$ <u>200,520,051</u>	\$ <u>447,859,411</u>

See accompanying notes to financial statements.

NESTLÉ HOURLY RETIREMENT PLAN

Statement of Changes in Accumulated Plan Benefits

Year ended December 31, 2022

Actuarial present value of accumulated plan benefits at beginning of year	\$ 447,859,411
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial gains	11,685,799
Decrease in discount the period	16,688,751
Benefits paid	(205,815,298)
Other assumption changes (note 2(c))	(70,166,873)
Plan amendments	<u>268,261</u>
Actuarial present value of accumulated plan benefits, end of year	\$ <u><u>200,520,051</u></u>

See accompanying notes to financial statements.

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

(1) Description of the Plan

The following brief description of the Nestlé Hourly Retirement 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 certain hourly employees of Nestlé USA, Inc. and certain affiliated companies (Company or Plan Sponsor). 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.

In August 2022, the Plan transferred \$151,325,773 of assets to an insurance company through the purchase of a group annuity contract to irrevocably settle the corresponding benefit obligations.

In March 2023, the Plan Sponsor reached a settlement with a retirement service company, Athene, regarding the buy-out annuity agreement completed in 2022. The Sponsor received a total of \$2,062,559 as a premium refund specifically related to this Plan. The refunded premium was a result of adjustments related to date changes, death of members, non-responsive members, and members paid out.

(b) Pension Benefits

Participating employees at each Company location covered under the Plan receive benefits under a separate schedule of benefits (Schedule) that sets out specific eligibility provisions and benefit amounts for each location. The Plan provides defined benefits to retired participants based on their years of service. In general, the pension benefits are set to begin at age 65 in the form of a life annuity. 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. Other forms of payment and early commencement are available based on provisions specific to the various collective bargaining agreements and locations covered under the Plan. For the majority of participants, benefits become fully vested after they have completed three years of vesting service. Periodically, for eligible participants at certain Company locations, changes to the Plan's provisions are negotiated to increase the base rates used to calculate pension benefits (including benefit level increases to take effect in future periods). The base rates within the Schedule for certain locations were updated in both the years ended December 31, 2022 and 2021.

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

(c) Death and Disability Benefits

If an active participant dies after completing the applicable vesting requirements, a death benefit may be paid to the participant's qualified surviving spouse. Based on the applicable Schedule, the amount of the benefits paid to the surviving spouse is computed with reference to the applicable early retirement factors of the Plan for participants who meet the applicable early retirement provisions, or with reference to the applicable vested deferred retirement factors for participants who meet the applicable deferred vested retirement provisions. Effective April 1, 2021 a lump sum option is generally available. In general, disability benefits are also available and vary by covered location.

(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.

(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 their years of credited service multiplied by benefit factors defined in the Plan document. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included to the extent they are deemed attributable to employee credited service rendered to the valuation date.

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

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:

	2022	2021
Life expectancy of participants	Pri-2012, including separate assumptions for contingent survivors with unmodified MP-2021 projection	Pri-2012, including separate assumptions for contingent survivors with Modified MP-2021 projection
Retirement age	Varying by age	Varying by age
ASC 960 discount rate and expected return on plan assets	6.40 %	4.60 %

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.

(e) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

(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.

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

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 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 US 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.

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

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.

(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 during 2022, 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 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.

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021, and Plan interest in Pension Trust investment loss for the year ended December 31, 2022, 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.

(6) Parties in Interest

During the years ended December 31, 2022 and 2021, 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 \$6,685,120 for the year ended December 31, 2022. The Plan's share of these expenses was \$820,934 for the Plan year ended December 31, 2022. 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.

NESTLÉ HOURLY RETIREMENT PLAN

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December 31, 2022 and 2021

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 11.1% and 13.3% for the years ended December 31, 2022 and 2021, respectively. The net assets of the Pension Trust and the Plan's interest in the Pension Trust balances as of December 31, 2022 and 2021 are as follows:

	2022		2021	
	Pension Trust	Plan's Interest in	Pension Trust	Plan's Interest in
	Balances	Pension Trust	Balances	Pension Trust
		Balances		Balances
Investments, at fair value:				
Equities	\$ 347,881,227	38,756,913	971,232,656	129,068,714
Fixed income	1,450,928,656	161,645,729	2,765,620,671	367,527,905
Real estate	333,268,545	37,128,936	373,278,332	49,605,575
Other investments	304,377	33,910	327,117	43,471
Hedge funds	209,027,761	23,287,461	284,126,260	37,758,009
Cash and cash equivalents*	164,413,335	18,317,037	97,886,622	13,008,315
Total investments	<u>2,505,823,901</u>	<u>279,169,986</u>	<u>4,492,471,658</u>	<u>597,011,989</u>
Liabilities	<u>(144,249,818)</u>	<u>(16,070,650)</u>	<u>(106,904,229)</u>	<u>(14,206,680)</u>
Net Pension Trust assets	<u>\$ 2,361,574,083</u>	<u>263,099,336</u>	<u>4,385,567,429</u>	<u>582,805,309</u>

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

During the year ended December 31, 2022, investment loss for the Pension Trust consisted of the following:

	2022
Net depreciation in fair value of investments	\$ (977,396,438)
Interest	77,927,130
Dividends	183,113
Other Income	<u>13,329,040</u>
	<u>\$ (885,957,155)</u>
Pension Trust investment loss attributable to the Plan	\$ (113,163,895)

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December 31, 2022 and 2021

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 instruments are included in investment income (loss). As of December 31, 2022 and 2021, the Pension Trust held the following derivatives:

	2022		2021	
	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	\$ 16,780,950	(30,962,449)	8,955,671	(3,793,122)
Foreign exchange	294,072	(500,694)	307,360	(508,129)
Credit	1,483,629	(246,558)	2,169,602	(585,732)
Equity	—	—	—	—
	<u>\$ 18,558,651</u>	<u>(31,709,701)</u>	<u>11,432,633</u>	<u>(4,886,983)</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, 2022, the Pension Trust recognized in investment gain (loss) and other income the following:

	2022
	Amount of Gain (Loss)
Derivatives not accounted for as hedging instruments:	
Interest rate	\$ (228,986,913)
Foreign exchange	1,027,981
Credit	(1,531,476)
Equity	—
	<u>\$ (229,490,408)</u>

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

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

The following tables summarize the gross notional value of derivative contracts outstanding as of December 31, 2022 and 2021. 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.

December 31, 2022	Interest Rate	Credit	Foreign Currency	Equity	Total
Forwards	\$ —	—	34,559,990	—	34,559,990
Futures	1,121,287,804	—	—	—	1,121,287,804
Options	153,805,237	17,794	—	—	153,823,031
Swaps	234,699,264	82,681,334	—	—	317,380,598
	<u>\$ 1,509,792,305</u>	<u>82,699,128</u>	<u>34,559,990</u>	<u>—</u>	<u>1,627,051,423</u>

December 31, 2021	Interest Rate	Credit	Foreign Currency	Equity	Total
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>

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 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.

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December 31, 2022 and 2021

Offsetting of Assets and Liabilities – Pension Trust at December 31, 2022:

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	294,072	–	294,072	200,367	7,615	86,090
OTC Interest rate/credit	8,990,614	–	8,990,614	7,485,511	1,495,877	9,226
Total derivatives subject to a Master Netting Agreement (MNA)	9,284,686	–	9,284,686	7,685,878	1,503,492	95,316
Exchange cleared interest rate/credit	9,146,397	–	9,146,397	–	–	9,146,397
Exchange traded equities	–	–	–	–	–	–
Exchange traded interest rate/credit	127,568	–	127,568	–	–	127,568
Total derivatives not subject to a MNA	9,273,965	–	9,273,965	–	–	9,273,965
Total derivatives	<u>\$ 18,558,651</u>	<u>–</u>	<u>18,558,651</u>	<u>7,685,878</u>	<u>1,503,492</u>	<u>9,369,281</u>
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	500,694	–	500,694	200,367	60,000	240,327
OTC Interest rate/credit	28,332,155	–	28,332,155	7,485,511	4,119,085	16,727,559
Total derivatives subject to a MNA	28,832,849	–	28,832,849	7,685,878	4,179,085	16,967,886
Exchange cleared interest rate/credit	1,567,000	–	1,567,000	–	1,567,000	–
Exchange traded equities	–	–	–	–	–	–
Exchange traded interest rate/credit	1,309,852	–	1,309,852	–	127,567	1,182,285
Total derivatives not subject to a MNA	2,876,852	–	2,876,852	–	1,694,567	1,182,285
Total derivatives	<u>\$ 31,709,701</u>	<u>–</u>	<u>31,709,701</u>	<u>7,685,878</u>	<u>5,873,652</u>	<u>18,150,171</u>

NESTLÉ HOURLY RETIREMENT PLAN

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December 31, 2022 and 2021

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

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

(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, 2022				
	Level 1	Level 2	Level 3	Total
Nestlé in the USA Pension Trust				
assets:				
Equities:				
Preferred stock	\$ 3,116,358 (a)	—	—	3,116,358
Commingled funds	344,764,868 (e)	—	—	344,764,868
Total equities	347,881,226	—	—	347,881,226
Fixed income:				
Mutual funds	6,241,159	—	—	6,241,159
Collateralized obligations	—	1,770,510 (c)	302,381	2,072,891
Corporate bonds	—	843,557,457 (b)	1,551,251	845,108,708
Government and municipal	—	482,272,395 (f)	90,781	482,363,176
Bank loans	—	10,833,476 (b)	—	10,833,476
Futures	127,567	—	—	127,567
Options and swaps	—	18,137,013 (g)	—	18,137,013
Total fixed income	6,368,726 (a)	1,356,570,851	1,944,413 (h)	1,364,883,990
Other assets:				
Foreign exchange forwards and options	294,072	—	—	294,072
Other misc. assets	10,305	—	—	10,305
Total other assets	304,377 (a)	—	—	304,377
Cash and cash equivalents:				
Cash (held at broker)	9,560,877 (a)	—	—	9,560,877
Cash	124,851,442 (a)	—	—	124,851,442
Short term	21,199,013 (d)	—	—	21,199,013
Repurchase agreements	8,802,004 (d)	—	—	8,802,004
Total cash and cash equivalents	164,413,336	—	—	164,413,336
Total assets by fair value level	518,967,665	1,356,570,851	1,944,413	1,877,482,929

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

December 31, 2022				
	Level 1	Level 2	Level 3	Total
Liabilities:				
Payables	\$ (99,298,080)	–	–	(99,298,080)
Collateral held	(13,242,037)	–	–	(13,242,037)
Total current liabilities	(112,540,117) (a)	–	–	(112,540,117)
Fixed income futures	(1,309,852)	–	–	(1,309,852)
Fixed income options and sw aps	–	(29,899,156)	–	(29,899,156)
Foreign exchange forw ards and options	(500,693)	–	–	(500,693)
Total other investments	(1,810,545) (a)	(29,899,156) (g)	–	(31,709,701)
Total liabilities by fair value level	(114,350,662)	(29,899,156)	–	(144,249,818)
Net pension trust assets by fair value level	\$ 404,617,003	1,326,671,695	1,944,413	1,733,233,111
Investments measured at net asset value				628,340,972 (i)
Net pension trust assets				\$ 2,361,574,083

NESTLÉ HOURLY RETIREMENT PLAN

Notes to Financial Statements

December 31, 2022 and 2021

		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
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, 2022 and 2021

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)	– (h)	(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

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, 2022 and 2021, 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 HOURLY RETIREMENT PLAN

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- (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, 2022 and 2021 is as follows:

	2022		2021			
	Net	Unfunded	Net	Unfunded	Redemption	Redemption
	Asset Value	Commitments	Asset Value	Commitments	Frequency	Notice Period
Hedge funds	\$ 209,027,760	–	284,126,260	–	Monthly, quarterly	70 days
Fixed income – redeemable	79,851,085	4,518,868	89,669,301	10,286,055	Annually	90 days
Fixed income – not redeemable	6,193,582	–	10,657,734	–	Not redeemable	N/A
Real estate funds – open end	264,828,753	4,153,599	301,668,680	–	Quarterly	45–90 days
Real estate funds – closed end	68,439,792	41,171,668	71,609,652	59,700,666	Not redeemable	N/A
	<u>\$ 628,340,972</u>	<u>49,844,135</u>	<u>757,731,627</u>	<u>69,986,721</u>		

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, 2022 and 2021. 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

NESTLÉ HOURLY RETIREMENT PLAN

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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, 2022 is as follows:

		Purchases	Issuances	Transfers In	Transfers Out
Fixed income	\$	112,250	–	2,357,621	(2,465,074)
	\$	112,250	–	2,357,621	(2,465,074)

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, 2022.

(9) Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS) dated March 15, 2021, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The plan administrator has indicated that it will take the necessary steps, if any, to bring the Plan's operations 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; however, there are currently no audits for any tax periods in progress.

NESTLÉ HOURLY RETIREMENT PLAN

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(10) Subsequent Events

On January 1, 2024 assets and benefit obligations will be transferred into the Plan, resulting from a spin off of a specific subset of participants from the Nestlé Pension Plan (NPP). This population from the NPP will be determined as of December 31, 2023 and will become participants in the Plan as of January 1, 2024. Any newly eligible participants who would have typically become participants in NPP will now become participants in the Plan as the NPP will be closed to new participants as a result of this spin off.

The Plan has evaluated subsequent events through October 10, 2023, the date these financial statements were available for issuance.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26a
Schedule of Active Participant Data as of January 1, 2022
Active Participants with Pay-Based Benefits

Attained Age		Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over
<25	Number										
	Avg. Earnings										
25 to 29	Number			3							
	Avg. Earnings										
30 to 34	Number		2	13	3						
	Avg. Earnings										
35 to 39	Number			20	11	7					
	Avg. Earnings			70,686							
40 to 44	Number			17	17	7	3				
	Avg. Earnings										
45 to 49	Number			7	5	9	15	1			
	Avg. Earnings										
50 to 54	Number			9	13	5	6	3	3		
	Avg. Earnings										
55 to 59	Number			7	6	7	12	5	2		
	Avg. Earnings										
60 to 64	Number			4	6	9	4	4	1	2	
	Avg. Earnings										
65 to 69	Number			1	1		1				
	Avg. Earnings										
70 & up	Number			0							
	Avg. Earnings										

Average Age = 48.14

Average Service = 14.90

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26a
Schedule of Active Participant Data as of January 1, 2022
Number distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service ¹									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over
Under 25	64	67	1	0	0	0	0	0	0	0
25 to 29	56	144	48	0	0	0	0	0	0	0
30 to 34	57	170	114	22	0	0	0	0	0	0
35 to 39	45	131	131	67	43	1	0	0	0	0
40 to 44	39	103	118	77	51	27	1	0	0	0
45 to 49	24	84	93	69	47	83	14	0	0	0
50 to 54	23	85	79	88	56	81	48	35	0	0
55 to 59	13	52	73	57	72	87	71	64	66	1
60 to 64	5	20	55	68	48	52	76	31	56	26
65 to 69	0	2	9	11	6	7	24	6	5	12
70 & over	0	3	1	0	1	0	4	0	0	0

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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%	1.07%
• Second segment rate	5.18%	2.68%
• Third segment rate	5.92%	3.36%
• Effective Interest Rate (EIR) - NHRP	5.44%	2.95%

Annual rates of increase:

- Compensation 3.50%
- Social Security wage base N/A
- Statutory limits on compensation and benefits 2.00%
- Lump sum interest conversion rates for funding 4.75%/5.18%/5.92%

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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-2020) 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-2020).

- Disabled

Same as healthy mortality

- Lump sum conversion

IRC 417(e) table

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Termination

Rates varying by age, service and plan

- Nestlé Hourly Retirement

NUSA

Percentage leaving during the year		
Years of Service	<3	>3
Attained Age	Rates	Rates
25	20.00%	18.00%
30	20.00%	18.00%
35	20.00%	13.60%
40	18.00%	11.70%
45	18.00%	7.50%
50	18.00%	7.50%
55	18.00%	6.10%

NPPC

Percentage leaving during the year		
Years of Service	<3	>3
Attained Age	Rates	Rates
25	17.30%	16.30%
30	17.30%	13.70%
35	16.00%	7.80%
40	14.70%	5.30%
45	14.70%	3.30%
50	14.50%	3.30%
55	14.50%	3.30%

Nutrition

Percentage leaving during the year		
Years of Service	All	All
Attained Age	Males	Females
25	14.10%	18.00%
30	12.30%	15.00%
35	9.60%	12.00%
40	7.40%	10.20%
45	6.40%	7.10%
50	4.30%	5.10%
55	9.00%	10.00%

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Disability

Rates varying by age, sex, and plan

- Nestlé Hourly Retirement Plan

NUSA

Percentage becoming disabled during the year		
Age	Males	Females
30	0.06%	0.11%
40	0.16%	0.38%
50	0.47%	0.59%

NPPC

Percentage becoming disabled during the year		
Age	Males	Females
30	0.06%	0.11%
40	0.14%	0.39%
50	0.41%	0.61%

Nutrition

Percentage becoming disabled during the year		
Age	Males	Females
30	0.26%	0.40%
40	0.31%	0.47%
50	0.55%	0.83%

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Retirement

Rates varying by age and plan.

- Nestlé Hourly Retirement

NUSA

Percentage leaving during the year	
Attained Age	Rates
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	5.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	40.00%
66	40.00%
67	40.00%
68	40.00%
69	40.00%
70+	100.00%

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

NPPC

Percentage leaving during the year	
Attained Age	Rates
50	5.00%
51	5.00%
52	5.00%
53	5.00%
54	5.00%
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	5.00%
60	5.00%
61	5.00%
62	15.00%
63	15.00%
64	15.00%
65	30.00%
66	30.00%
67	30.00%
68	50.00%
69	50.00%
70+	100.00%

Nutrition

Percentage leaving during the year	
Attained Age	Rates
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	5.00%
60	15.00%
61	15.00%
62	30.00%
63	30.00%
64	30.00%
65	30.00%
66	40.00%
67	40.00%
68	40.00%
69	40.00%
70+	100.00%

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Benefit commencement date:

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 Upon disability and eligibility for benefit
- Retirement benefit Upon termination of employment

Nestlé Hourly Retirement Plan (Gerber Hourly Plans)

- Preretirement death benefit Upon death, vesting and eligibility for surviving spouse. Upon participant's early retirement date for surviving spouse
- Termination benefit 45% of the deferred vested participants who terminated within 2 years of valuation are assumed to take a lump sum payment immediately and the remaining deferred vested participants with commence their benefit at age 63.
- Disability benefit Upon disability and eligibility for benefit
- Retirement benefit Upon termination of employment and eligibility for benefit

Form of payment

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

- Nestlé Hourly Retirement

Termination Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
All	5%	0%	5%	90%

Retirement Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
All	7.5%	0%	7.5%	85%

Percent Married

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

Spouse age

Spouse three years younger than participant.

Future Earnings (CHPP only)

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.

Methods

Valuation date

First day of plan year.

Funding target and PVAB

Present value of accrued benefits.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

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. WTW 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, WTW, furnished participant data as of January 1, 2022. 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.

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.
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Plan Name:	Nestle Hourly Retirement Plan
EIN / PN:	95-1572209/006
Plan Sponsor:	Nestle USA Inc
Valuation Date:	January 1, 2022

SCHEDULE SB ATTACHMENTS

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.

Assumptions Rationale – Significant Demographic Assumptions

Termination

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.

Assumed termination rates differ by age, service and plan because of observed differences in termination rates by age, service and plan.

Disability

Disability rates are reviewed with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Assumed disability rates differ by gender and plan because of observed differences in disability rates by gender and plan.

Retirement

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.

Assumed retirement rates differ by plan because of observed differences in retirement rates by plan.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

**Change in estimation
techniques since prior
valuation**

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

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

**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).

OMB No. 1510-0110

2022**This Form is Open to Public
Inspection**▶ **File as an attachment to Form 5500 or 5500-SF.**For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022▶ **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 HOURLY RETIREMENT PLAN		B Three-digit plan number (PN) ▶ <u>006</u>
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>2022</u>			
2 Assets:			
a Market value		2a	582,805,309
b Actuarial value		2b	582,805,309
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	4,851	196,845,057	196,845,057
b For terminated vested participants	1,442	53,315,738	53,315,738
c For active participants	3,570	125,141,607	133,421,841
d Total	9,863	375,302,402	383,582,636
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	5.44%
6 Target normal cost			
a Present value of current plan year accruals		6a	8,484,570
b Expected plan-related expenses		6b	0
c Total (line 6a + line 6b)		6c	8,484,570

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	<u>Michael Altilio</u> Signature of actuary	<u>9/27/2023</u> Date
<u>Michael Altilio</u> Type or print name of actuary		<u>2307062</u> Most recent enrollment number
<u>Willis Towers Watson US LLC</u> Firm name		<u>973-539-1923</u> Telephone number (including area code)
<u>150 JFK Parkway</u> <u>Suite 520</u> <u>Short Hills NJ 07078</u> 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) 2022
v. 220413

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)	167,079,962	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	167,079,962	0
10	Interest on line 9 using prior year's actual return of <u>3.25</u> %	5,430,099	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>5.61</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	9,000,000	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	163,510,061	0

Part III		Funding Percentages	
14	Funding target attainment percentage	14	109.31 %
15	Adjusted funding target attainment percentage	15	151.93 %
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	157.97 %
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
Totals ▶			18(b)	0	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	0	
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: 5.18 %	3rd segment: 5.92 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 62
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 Demographic and benefit information	
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
b Is the plan required to provide a projection of expected benefit payments? 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	8,484,570	
b Excess assets, if applicable, but not greater than line 31a	31b	8,484,570	
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	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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 the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☒ 2021
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SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Nestle USA Inc
EIN/PN	95-1572209/006
Plan Name	Nestle Hourly Retirement Plan
Valuation Date	January 1, 2022
Enrolled Actuary	Michael Altilio
Enrollment Number	23-07062

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.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2022

Group	Count of Actives	Weight	Average Age	Weight*Age
NPPC	1,280	35.85%	61	21.87
NUSA	946	26.50%	63	16.69
Nutrition	1,344	37.65%	62	23.34
	3,570	100%		62

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Participant group: NPPC

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
49	0.00%	100.00%	100.00%	0.00%	0.00
50	5.00%	95.00%	95.00%	5.00%	2.50
51	5.00%	95.00%	90.25%	4.75%	2.42
52	5.00%	95.00%	85.74%	4.51%	2.35
53	5.00%	95.00%	81.45%	4.29%	2.27
54	5.00%	95.00%	77.38%	4.07%	2.20
55	5.00%	95.00%	73.51%	3.87%	2.13
56	5.00%	95.00%	69.83%	3.68%	2.06
57	5.00%	95.00%	66.34%	3.49%	1.99
58	5.00%	95.00%	63.02%	3.32%	1.92
59	5.00%	95.00%	59.87%	3.15%	1.86
60	5.00%	95.00%	56.88%	2.99%	1.80
61	5.00%	95.00%	54.04%	2.84%	1.73
62	15.00%	85.00%	45.93%	8.11%	5.03
63	15.00%	85.00%	39.04%	6.89%	4.34
64	15.00%	85.00%	33.18%	5.86%	3.75
65	30.00%	70.00%	23.23%	9.96%	6.47
66	30.00%	70.00%	16.26%	6.97%	4.60
67	30.00%	70.00%	11.38%	4.88%	3.27
68	50.00%	50.00%	5.69%	5.69%	3.87
69	50.00%	50.00%	2.85%	2.85%	1.96
70	100.00%	0.00%	0.00%	2.85%	1.99
				100.00%	

Average Retirement Age: 61

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Participant group: NUSA

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
54	0.00%	100.00%	100.00%	0.00%	0.00
55	5.00%	95.00%	95.00%	5.00%	2.75
56	5.00%	95.00%	90.25%	4.75%	2.66
57	5.00%	95.00%	85.74%	4.51%	2.57
58	5.00%	95.00%	81.45%	4.29%	2.49
59	5.00%	95.00%	77.38%	4.07%	2.40
60	10.00%	90.00%	69.64%	7.74%	4.64
61	10.00%	90.00%	62.68%	6.96%	4.25
62	15.00%	85.00%	53.27%	9.40%	5.83
63	15.00%	85.00%	45.28%	7.99%	5.03
64	15.00%	85.00%	38.49%	6.79%	4.35
65	40.00%	60.00%	23.09%	15.40%	10.01
66	40.00%	60.00%	13.86%	9.24%	6.10
67	40.00%	60.00%	8.31%	5.54%	3.71
68	40.00%	60.00%	4.99%	3.33%	2.26
69	40.00%	60.00%	2.99%	2.00%	1.38
70	100.00%	0.00%	0.00%	2.99%	2.10
				100.00%	

Average Retirement Age: 63

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Participant group: 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
54	0.00%	100.00%	100.00%	0.00%	0.00
55	5.00%	95.00%	95.00%	5.00%	2.75
56	5.00%	95.00%	90.25%	4.75%	2.66
57	5.00%	95.00%	85.74%	4.51%	2.57
58	5.00%	95.00%	81.45%	4.29%	2.49
59	5.00%	95.00%	77.38%	4.07%	2.40
60	15.00%	85.00%	65.77%	11.61%	6.96
61	15.00%	85.00%	55.91%	9.87%	6.02
62	30.00%	70.00%	39.13%	16.77%	10.40
63	30.00%	70.00%	27.39%	11.74%	7.40
64	30.00%	70.00%	19.18%	8.22%	5.26
65	30.00%	70.00%	13.42%	5.75%	3.74
66	40.00%	60.00%	8.05%	5.37%	3.54
67	40.00%	60.00%	4.83%	3.22%	2.16
68	40.00%	60.00%	2.90%	1.93%	1.31
69	40.00%	60.00%	1.74%	1.16%	0.80
70	100.00%	0.00%	0.00%	1.74%	1.22
				100.00%	

Average Retirement Age: 62

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

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%	1.07%
• Second segment rate	5.18%	2.68%
• Third segment rate	5.92%	3.36%
• Effective Interest Rate (EIR) - NHRP	5.44%	2.95%

Annual rates of increase:

- Compensation 3.50%
- Social Security wage base N/A
- Statutory limits on compensation and benefits 2.00%
- Lump sum interest conversion rates for funding 4.75%/5.18%/5.92%

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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-2020) 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-2020).

- Disabled

Same as healthy mortality

- Lump sum conversion

IRC 417(e) table

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Termination

Rates varying by age, service and plan

- Nestlé Hourly Retirement

NUSA

Percentage leaving during the year		
Years of Service	<3	>3
Attained Age	Rates	Rates
25	20.00%	18.00%
30	20.00%	18.00%
35	20.00%	13.60%
40	18.00%	11.70%
45	18.00%	7.50%
50	18.00%	7.50%
55	18.00%	6.10%

NPPC

Percentage leaving during the year		
Years of Service	<3	>3
Attained Age	Rates	Rates
25	17.30%	16.30%
30	17.30%	13.70%
35	16.00%	7.80%
40	14.70%	5.30%
45	14.70%	3.30%
50	14.50%	3.30%
55	14.50%	3.30%

Nutrition

Percentage leaving during the year		
Years of Service	All	All
Attained Age	Males	Females
25	14.10%	18.00%
30	12.30%	15.00%
35	9.60%	12.00%
40	7.40%	10.20%
45	6.40%	7.10%
50	4.30%	5.10%
55	9.00%	10.00%

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Disability

Rates varying by age, sex, and plan

- Nestlé Hourly Retirement Plan

NUSA

Percentage becoming disabled during the year		
Age	Males	Females
30	0.06%	0.11%
40	0.16%	0.38%
50	0.47%	0.59%

NPPC

Percentage becoming disabled during the year		
Age	Males	Females
30	0.06%	0.11%
40	0.14%	0.39%
50	0.41%	0.61%

Nutrition

Percentage becoming disabled during the year		
Age	Males	Females
30	0.26%	0.40%
40	0.31%	0.47%
50	0.55%	0.83%

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Retirement

Rates varying by age and plan.

- Nestlé Hourly Retirement

NUSA

Percentage leaving during the year	
Attained Age	Rates
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	5.00%
60	10.00%
61	10.00%
62	15.00%
63	15.00%
64	15.00%
65	40.00%
66	40.00%
67	40.00%
68	40.00%
69	40.00%
70+	100.00%

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
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SCHEDULE SB ATTACHMENTS

NPPC

Percentage leaving during the year	
Attained Age	Rates
50	5.00%
51	5.00%
52	5.00%
53	5.00%
54	5.00%
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	5.00%
60	5.00%
61	5.00%
62	15.00%
63	15.00%
64	15.00%
65	30.00%
66	30.00%
67	30.00%
68	50.00%
69	50.00%
70+	100.00%

Nutrition

Percentage leaving during the year	
Attained Age	Rates
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	5.00%
60	15.00%
61	15.00%
62	30.00%
63	30.00%
64	30.00%
65	30.00%
66	40.00%
67	40.00%
68	40.00%
69	40.00%
70+	100.00%

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Benefit commencement date:

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 Upon disability and eligibility for benefit
- Retirement benefit Upon termination of employment

Nestlé Hourly Retirement Plan (Gerber Hourly Plans)

- Preretirement death benefit Upon death, vesting and eligibility for surviving spouse. Upon participant's early retirement date for surviving spouse
- Termination benefit 45% of the deferred vested participants who terminated within 2 years of valuation are assumed to take a lump sum payment immediately and the remaining deferred vested participants with commence their benefit at age 63.
- Disability benefit Upon disability and eligibility for benefit
- Retirement benefit Upon termination of employment and eligibility for benefit

Form of payment

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

- Nestlé Hourly Retirement

Termination Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
All	5%	0%	5%	90%

Retirement Benefit

Participant Group	Life	Cert & Life	J&S	Lump Sum
All	7.5%	0%	7.5%	85%

Percent Married

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

Spouse age

Spouse three years younger than participant.

Future Earnings (CHPP only)

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.

Methods

Valuation date

First day of plan year.

Funding target and PVAB

Present value of accrued benefits.

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

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. WTW 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, WTW, furnished participant data as of January 1, 2022. 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.

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.
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Plan Name:	Nestle Hourly Retirement Plan
EIN / PN:	95-1572209/006
Plan Sponsor:	Nestle USA Inc
Valuation Date:	January 1, 2022

SCHEDULE SB ATTACHMENTS

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.

Assumptions Rationale – Significant Demographic Assumptions

Termination

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.

Assumed termination rates differ by age, service and plan because of observed differences in termination rates by age, service and plan.

Disability

Disability rates are reviewed with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Assumed disability rates differ by gender and plan because of observed differences in disability rates by gender and plan.

Retirement

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.

Assumed retirement rates differ by plan because of observed differences in retirement rates by plan.

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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.

Plan Name: Nestle Hourly Retirement Plan
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**Change in estimation
techniques since prior
valuation**

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

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SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Nestlé Hourly Retirement Plan

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Hourly employees of Nestlé Food Company at covered locations.

Participation date:	Location	Age	Service	Entry Date
	Allentown	0	0	January 1
	Beich	21	0	Immediate
	Burlington	21	0	Immediate
	Crete	0	0	January 1
	Decatur	21	1	Immediate
	Franklin Park	20	0	Immediate; 1 year of service for Local 552; 3 months of service for Local 339
	Freehold	21	0	January 1 or July 1

Type of plan Dollar per month.

Definitions

Vesting service One year for each 1,000-hour year of employment after age 18. From date of hire for Crete and Allentown. Pro-rata for more than 500 hours for Freehold.

Credited service One year for each 1,000-hour year of employment. From date of hire for Crete, Allentown, and Franklin Park.

Pensionable earnings Calendar year W-2 compensation, excluding expense reimbursements, and including 401(k) and 125 deferrals.

Plan Name: Nestle Hourly Retirement Plan
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SCHEDULE SB ATTACHMENTS

Accumulated benefit: Decatur*: 50% of FAE – 75% of Social Security benefit, prorated for less than 30 years of service at NRD, times the ratio of actual credited service to service at NRD.

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SCHEDULE SB ATTACHMENTS

<i>Location</i>	<i>Monthly Benefit** X Credited Service</i>	<i>Minimum Annual Benefit</i>	<i>Effective Date</i>	<i>Maximum Service</i>
Allentown	\$52 for service from 3/1/2020 + \$47 for service from 3/1/2015 + \$43 for service from 1/1/2012 + \$40 for service from 3/15/2009 to 12/31/2011 + \$36 for service from 1/1/2009 to 3/14/2009 + \$35 for service from 3/15/2004 to 1/1/2009 + \$29 for service from 1/1/2002 to 3/15/2004 + \$28 for service from 12/1/1994 to 12/31/2001 + \$4 for service before 12/1/1994	None	3/1/2020	None
Beich	\$43.00	\$120	3/3/2019	30 years, if hired after March 10, 1991
Burlington	\$49.50	\$130	2/15/2022	35 years
Crete	\$44.25 for service after 12/1/94 + \$5.50 for service before 12/1/94	None	1/31/2022	None
Decatur*	\$27.00	None	7/1/1997	None
Franklin Park	\$39.00	None	11/13/2016	None
Freehold	\$61.00	\$100	8/2/2021	30 years, if hired after August 1, 1989

* If a person in the Decatur location becomes a participant after 7/1/1997, he receives the dollar-per month formula. If he became a participant before 7/1/1997, he receives the better of the dollar-per-month or the pay-related formula.

** Reflects ultimate benefit levels used for the IAS 19 valuation. See last page of Appendix B for more detail.

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SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement	Most locations	Retirement on or after both attaining age 65 and completing three years of vesting service.
	Allentown	Retirement on or after both attaining age 62 and completing three years of vesting service.
Early retirement	Most locations	Retirement before NRD and on or after both attaining age 55 and completing ten years of vesting service
	Allentown	Retirement before NRD and on or after both attaining age 50 and completing ten years of vesting service
	Crete	Retirement before NRD and on or after both attaining age 50 and completing ten years of vesting service
	Decatur	Retirement before NRD and on or after both attaining age 55 and completing three years of vesting service
Vested termination		Termination for reasons other than death or retirement after completing three years of vesting service.
Disability	Most locations	Permanent and total disability after completing ten years of vesting service.
	Franklin Park	Permanent and total disability on or after both attaining age 50 and completing fifteen years of service.
Preretirement death benefit	Most locations	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.
	Allentown	Early retirement date.
	Freehold	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after both attaining age 55 and completing three years of vesting service.

Benefits Paid Upon the Following Events

Normal retirement (NRD)		Accrued benefit payable immediately.
Early retirement	Most locations	Accrued benefit reduced 6% for each year of the first five years prior to age 65, and 4% for each additional year.
	Allentown	Accrued benefit reduced 5% for each year prior to NRD.

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SCHEDULE SB ATTACHMENTS

	Crete	Accrued benefit reduced 6% for each of the first five years, and 5% for each of the next five years and 4% for each additional year.
	Decatur	Accrued benefit reduced 6.667% for each of the first five years prior to age 65, and 3.333% for each additional year.
Vested termination		Accrued benefit payable at NRD, or reduced as for early retirement, or actuarially reduced to age 40.
Disablement	Most locations	Accrued benefit payable immediately, with additional accrual to age 65 for Crete.
	Franklin Park	Accrued benefit payable immediately.
Preretirement death	Most locations	Reduced immediate pension payable for the life of the spouse.
	Allentown	Reduced pension payable for life of spouse.
	Freehold	If married, reduced 100% joint and survivor early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be payable at 40.
	Crete (pre-65)	Greater of reduced pension payable for life of spouse and 45% of accrued benefit unreduced.
	Crete (post-65)	100% joint and survivor benefit.

Other Plan Provisions

Form of payment:

Normal form Life annuity for single employees; 100% joint and survivor for married employees.

Option form 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: Nestle Hourly Retirement Plan
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 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
Allentown Stoughton Weirton (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; UP-1984 (20% female, 80% male)	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity, 15 year Certain and Life Annuity (Allentown) 4) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity (Weirton) 5) Lump Sum
Beechnut	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.50%; 1971 GAM	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Lump Sum
Bloomington Burlington Cains (closed) Freehold (If not 60/10) Fulton (closed) Granite City (closed) New Milford (closed) Ripon (closed) Sunbury (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 6.00%; 1979 Buck (80% male set back 1 year, 20% female set back 2 year	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Any option with 5 year Certain and Life Annuity (if 55/10, Fulton & Granite City) 4) Lump Sum

Plan Name: Nestle Hourly Retirement Plan
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SCHEDULE SB ATTACHMENTS

Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Carnation #1	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Crete	Greater annuity benefit reflecting a. or b.	1) Single Life Annuity
b) Married participants	a. 417 interest rate; 417 mortality table	2) 50% & 100% Joint Survivor Annuity
c) Unmarried participants	b. UP-1984 (20% female, 80% male) or table of factors if better	3) 10 year Certain and Life Annuity, 15 year Certain and Life Annuity 4) 20% Joint & Spousal Annuity (only if married, no reduction) 5) Lump Sum
Decatur (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; TSA-IV proj. to 1965 with Scale C	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum
Drumstick (married participants only) (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. Table of factors	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 3 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Lump Sum

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Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Franklin Park	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 10.50%; UP-1984 (20% female, 80% male)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Freehold Participants who are at least 60/10	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 6.00%; 1979 Buck (80% male set back 1 year, 20% female set back 2 years)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Salinas (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 6.00%; 1979 Buck (80% male set back 1 year, 20% female set back 2 years); Table for pop-up	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 50% & 100% Joint Survivor Annuity with pop-up 4) Lump Sum
Stouffer Hourly	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1971 TPF&C Forecast set back 3 years	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum

Future Plan Changes

Ultimate benefit levels negotiated on or before December 31, 2021 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2022, and effective during 2022 were recognized in determining contribution requirements.

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Changes in Benefits Valued Since Prior Year

Benefit levels for participants at Burlington increased from \$48.00 to \$49.50 effective 2/15/2022. Effective December 31, 2021 new hires at the Burlington location are no longer eligible to participate in the plan. Benefit levels for participants at Crete increased from \$43.50 to \$44.25 effective 1/31/2022.

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Nestlé Hourly Retirement Plan (Formerly Nestlé USA Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Nonunion hourly employees.

Participation date Completion of one year of service.

Type of plan Dollar per month.

Definitions

Vesting service One year for each 1,000-hour year of employment.

Credited service One year for each 2,000-hour year of employment; partial credit for partial years.

Accumulated benefit: Benefit level x credited service. See last page of Appendix B for locations and benefit levels.

For Distribution Centers and Transportation Centers participants of the Nestlé Hourly Retirement Plan:

- Current employees will receive a version of the account benefit formula. The benefit will be the better of A+B or C
 - A is the CHPP benefit as of 12/31/2015
 - B is the account formula benefit with past CHPP service for points counting towards points service in the PEP
 - C is continued accruals under the \$36/month benefit formula which will run concurrent with the “A+B” benefit and will serve as a minimum benefit

Additionally, the current \$36/month benefit will continue to run concurrent with the “B” benefit and will serve as a minimum benefit.

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 three years of vesting service.

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Postponed retirement	Retirement after both 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 five 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 benefit reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit payable unreduced at age 65, reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Disablement	Accrued benefit payable immediately.
Preretirement death	If married, reduced 100% early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be payable immediately.

Other Plan Provisions

Normal form of payment	Life annuity for single participants; 100% joint and survivor for married participants; 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

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changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

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Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
All Locations	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1994 GAR 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum

Future Plan Changes

No future plan changes were recognized in determining plan accounting liabilities or in determining 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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Nestlé Hourly Retirement Plan (Formerly Nestlé USA Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Union employees of the covered locations.

Participation date Date of hire.

Type of plan Dollar per month.

Definitions

Vesting service One year for each 1,000-hour calendar year of employment.

Credited service One year for each 1,600-hour calendar year of employment at, St. Joseph (Packers), and Fort Dodge; 1,800 hours at the other locations.

Accumulated benefit: Benefit level x credited service. See last page of Appendix B for locations and benefit levels.

Eligibility for Benefits

Normal retirement Retirement after attaining age 65.

Early retirement Retirement before NRD and on or after both attaining age 55 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.

Disability Permanent and total disability after completing five 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.

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Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Accrued benefit reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit payable unreduced at 65, reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Disablement	Accrued benefit payable immediately.
Preretirement death	If married, reduced 100% early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be paid immediately.

Other Plan Provisions

Normal form of payment	Life annuity for single participants; 100% joint and survivor for married participants; 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.

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
All Locations	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1994 GAR 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump sum

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Future Plan Changes

Ultimate benefit levels negotiated on or before December 31, 2021 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2022, and effective during 2022 were recognized in determining contribution requirements.

Changes in Benefits Valued Since Prior Year

Benefit levels for participants at Fort Dodge increased from \$48.00 to \$49.00 effective 3/27/2022.
Benefit levels for participants at Gateway increased from \$39.00 to \$40.00 effective 11/1/2022.
Benefit levels for Morton (Union) increased from \$46.00 to \$47.00 effective 4/1/2022.
Benefit levels for St. Joseph (Packers) increased from \$17.50 to \$17.75 effective 12/12/2022.

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Nestlé Hourly Retirement Plan (Formerly Sacramento Can Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Union employees at Sacramento Can manufacturing plant; there are currently no active employees covered.

Type of plan Dollar per month.

Definitions

Credited service From date of hire.

Accumulated benefit: Benefit level, varying by job class, times credited service.

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 60 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.

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 benefit reduced 6.0% for each prior to age 62.

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Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit payable unreduced at age 65, or reduced for each year prior to age 62, if attained age 60 and 10 years of service.
Preretirement death	If married, reduced 100% joint and survivor early retirement benefit if attained age 60 or 100% accrued benefit for all others reduced to be payable immediately.

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
Sacramento Can	Greater annuity benefit reflecting 417(e) interest rate and mortality table or conversion factors below varying by age of the retiree and the spouse	a) Single Life Annuity
	<i>Sample 1: Retiree and Spouse both at age 60</i>	b) 50% & 100% Joint and Survivor Annuity
	50% J&S Annuity 0.8500	c) Lump sum
	100% J&S Annuity 0.7391	
	<i>Sample 2: Retiree and spouse both at age 65</i>	

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50% J&S	0.8340
Annuity	

100% J&S	0.7153
Annuity	

Future Plan Changes

No future plan changes were recognized in determining plan accounting liabilities or in determining 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:	Nestle USA Inc
Valuation Date:	January 1, 2022

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Nestlé Hourly Retirement Plan (Formerly Gerber Fort Smith Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees	Hourly paid employees on Ft. Smith, Arkansas hourly factory payroll.
Participation date	Age 20 ½ and six months of service or upon attainment of age 40, if earlier.
Type of plan	Dollar per month plan.

Definitions

Vesting service The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours.

Credited service One full year for each year with at least 1,000 hours of service.

Accumulated benefit: Monthly benefit is the largest of (a) and (b) below:

(a) The sum of (1) and (2) below:

(1) The accrued benefits as of December 31, 1989, based on participation service, final average compensation, and the primary Social Security benefit as of December 31, 1989.

(2) For participation service after January , 1989 (maximum 40 years less pre-1989 credited service up to 33 1/3 years), the monthly benefit accrual in a given year is the applicable Dollar Accrual based on total years of participation.

(b) For all participation service up to 40 years, the monthly benefit accrual in a given year is the applicable Dollar Accrual Factor.

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Valuation Date:	January 1, 2022

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The applicable Dollar Accrual Factor under (a) and (b) depends on the years of participation as shown below:

<u>Dollar Accrual Factor Applicable to Years of Participation</u>			
<u>Accrual Period</u>	<u>Level One First 10 Years</u>	<u>Level Two Years 11-20</u>	<u>Level Three Years Beyond 20</u>
Before 2004	\$23.50	\$27.50	\$30.50
2004	\$25.50	\$29.50	\$32.50
2005	\$27.50	\$31.50	\$34.50
2006	\$29.50	\$33.50	\$36.50
2010	\$31.50	\$35.50	\$38.50
2013	\$35.50	\$39.50	\$42.50
2010	\$38.50	\$42.50	\$38.50

Eligibility for Benefits

Normal retirement	Retirement on or after both attaining age 65 and completing five years of vesting service.
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing five years of vesting service.
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Vested termination	Termination for reasons other than death or retirement after completing five 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 five years of vesting service.

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced ½ of 1% for each month by which the early retirement date precedes 62.

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Unreduced for employees retiring after attaining age 60 with 40 years of uninterrupted service.

Postponed retirement	Accrued 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 by or at the expense of the company.
Preretirement death	50% of the projected accrued benefit as of participant's normal retirement date is payable immediately to the dependent spouse until the death or remarriage of the dependent spouse. If not eligible for a dependent spouse benefit, a 50% surviving spouse benefit (100% if eligible for early retirement) is payable on the participant's early retirement age date.

Other Plan Provisions

Forms of payment

Normal form	Life annuity.
Optional forms	100%, 75%, and 50% contingent annuitant; 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.

Optional Form Conversion Factors

<u>Form of Payment</u>	<u>Conversion Factors</u>	<u>Sample Rates</u>
	Greater annuity benefit reflecting 417(e) interest rate and mortality table or the descriptions below:	

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Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 80% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602
100% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%
75% Contingent Annuitant	85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 85% factor shall be increased by 0.85% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.85% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 85.00% Participant Age 65 and Spouse Age 60: 80.75%

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50% Contingent Annuitant	90% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 90% factor shall be increased by 0.7% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.7% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 90.00% Participant Age 65 and Spouse Age 60: 86.50%
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Future Plan Changes

No future plan changes were recognized in determining 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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Nestlé Hourly Retirement Plan (Formerly Gerber Fremont Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered Employees Hourly paid employees on Fremont, Michigan hourly factory payroll.

Participation Date Age 20 ½ and six months of service or upon attainment of age 40, if earlier.

Type of plan: Dollar per month plan.

Definitions

Vesting service The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours.

Credited service One full year for each year with at least 1,000 hours of service.

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

Accumulated benefit:

Monthly benefit is the largest of (a) and (b) below:

(a) The sum of (1), (2), (3) and (4) below:

(1) The accrued benefits as of December 31, 1988, based on participation service, final average compensation, and the primary Social Security benefit as of December 31, 1988.

(2) For participation service after December 31, 1988 and before April 5, 2003 (maximum 40 years less pre-1989 credit service up to 33 1/3 years), the monthly benefit accrual in a given year is the applicable Dollar Accrual based on total years of participation.

(3) \$50 for each year of participation service after April 4, 2003 and before April 1, 2012.

(4) \$56 for each year of participation service after April 1, 2012.

(5) \$58 for each year of participation service after April 1, 2017.

(b) The sum of (1), (2) and (3) below:

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(1) For all participant service credited prior to April 5, 2003, up to 40 years, the monthly benefit accrual in a given year is the applicable Dollar Accrual Factor.

(2) \$50 for each year of participation service after April 4, 2003 and before April 1, 2012.

(3) \$56 for each year of participation service after April 1, 2012.

(4) \$58 for each year of participation service after April 1, 2017.

The applicable Dollar Accrual Factor under (a) and (b) depends on termination date and years of participation as shown below:

Dollar Accrual Factor Applicable to Years of Participation			
Termination of Employment On or After	Level One First 10 Years	Level Two Years 11-20	Level Three Years Beyond 20
1/1/89	\$21.00	\$25.00	\$28.00
4/1/91	\$21.50	\$25.50	\$28.50
4/1/92	\$22.00	\$26.00	\$29.00
4/1/93	\$22.50	\$26.50	\$30.00
5/1/94	\$23.00	\$27.00	\$30.50
5/1/95	\$23.50	\$27.50	\$31.00
5/1/96	\$24.00	\$28.00	\$31.50
4/1/97	\$25.00	\$29.00	\$32.50
4/1/98	\$25.50	\$29.50	\$33.00
4/1/99	\$26.00	\$30.00	\$33.50

Eligibility for Benefits

Normal retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing five years of vesting service.
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service.
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service.

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**Preretirement death
benefit**

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

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Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced $\frac{1}{2}$ of 1% for each month by which the early retirement date precedes age 62. Unreduced for employee retiring after attaining age 60 with 30 years of uninterrupted service.
Postponed retirement	Accrued 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 by or at the expense of the company.
Preretirement death	50% of the projected accrued benefit as of participant's normal retirement date is payable immediately to the dependent spouse until the death or remarriage of the dependent spouse. If not eligible for a dependent spouse benefit, a 50% surviving spouse benefit (100% if eligible for early retirement) is payable on the participant's early retirement age date.

Other Plan Provisions

Forms of payment

Normal form	Life annuity.
Optional forms	100%, 75%, and 50% contingent annuitant; level income option; 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.

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Optional Form Conversion Factors

<u>Form of Payment</u>	<u>Conversion Factors</u>	<u>Sample Rates</u>
	Greater annuity benefit reflecting 417(e) interest rate and mortality table or the descriptions below:	
Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 80% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602
100% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%

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75% Contingent
Annuitant

85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 85% factor shall be increased by 0.85% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.85% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.

Participant Age 60 and
Spouse Age 60: 85.00%

Participant Age 65 and
Spouse Age 60: 80.75%

50% Contingent
Annuitant

90% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 90% factor shall be increased by 0.7% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.7% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.

Participant Age 60 and
Spouse Age 60: 90.00%

Participant Age 65 and
Spouse Age 60: 86.50%

Future Plan Changes

No future plan changes were recognized in determining 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: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Nestlé Hourly Retirement Plan (Formerly Gerber Reedsburg Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees	Hourly paid employees on Reedsburg hourly payroll and Asheville, North Carolina hourly factory payroll.
Participation date	Age 21 and one-year of service or upon attainment of age 40, if earlier. Closed to new entrants effective December 31, 2006.
Type of plan	Frozen dollar per month.

Definitions

Vesting service	The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours. Automatic vesting was granted December 31, 2008.
Credited service	One full year for each year with at least 1,000 hours of service.
Pensionable earnings	Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.
Accumulated benefit:	<p>Monthly Benefit is the largest of (a) and (b) below:</p> <p>(a) The sum of (1) and (2) below:</p> <p>(1) The applicable benefit rate multiplied by years of participation completed after January 1, 1969 up to a maximum of 30 years.</p> <p>(2) \$21.50 multiplied by years of participation completed after February 28, 2003.</p> <p>(b) \$1.50 multiplied by years of participation completed prior to January 1, 1969, but not exceeding 30 years less the number of years of service after that date.</p> <p>For Hanksraft Motors only, the benefit rate in (a) above is \$19.00</p> <p>For Baby care participants only, the benefit rate in (a) above is \$19.50</p>

Plan Name:	Nestle Hourly Retirement Plan
EIN / PN:	95-1572209/006
Plan Sponsor:	Nestle USA Inc
Valuation Date:	January 1, 2022

SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Early retirement	Retirement before NRD and on or after both attaining age 60 and completing five years of vesting service.
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service.
Disability	Permanent and total disability on or after 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 five years of vesting service.

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced $\frac{1}{2}$ of 1% for each month by which the early retirement date precedes age 65.
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD.
Disablement	Accrued benefits determined as of disability retirement date, reduced by certain other benefits provided by or at the expense of the company.
Preretirement death	Payable on the participant's early retirement age date to the surviving spouse as if the participant had elected a 50% survivorship annuity option.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Forms of payment

Normal form	Life annuity.
Optional forms	100%, 75%, and 50% contingent annuitant; 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.

Optional Form Conversion Factor

<u>Form of Payment</u>	<u>Conversion Factors</u>	<u>Sample Rates</u>
	Greater annuity benefit reflecting 417(e) interest rate and mortality table or the descriptions below:	
Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 80% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

100% Contingent Annuitant	75% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 75% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 75.00% Participant Age 65 and Spouse Age 60: 70.00%
75% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%
50% Contingent Annuitant	85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 85% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 85.00% Participant Age 65 and Spouse Age 60: 80.00%

Future Plan Changes

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

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Changes in Benefits Valued Since Prior Year

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

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Benefit Levels for Valuations

Ultimate benefit levels negotiated on or before December 31, 2021 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before December 31, 2021 and effective during 2022 were recognized in determining contribution requirements.

	PPA	
	Benefit Level	Effective Date
Nestlé Hourly Retirement Plan		
• Allentown*	52.00	3/1/2020
• Bloomington - Beich	43.00	3/3/2019
• Burlington	49.50	2/15/2022
• Crete*	44.25	1/31/2022
• Decatur	27.00	7/1/1997
• Franklin Park	39.00	11/13/2016
• Freehold	61.00	8/2/2021
• Distribution*	36.00	1/1/2014
• Transportation*	36.00	1/1/2014
• Morton (nonunion)	30.00	1/1/2008
• Danville	33.00	4/9/2019
• Eau Claire	40.00	5/16/2021
• Fort Dodge	49.00	3/27/2022
• Gateway	40.00	11/1/2022
• Morton (Union)	47.00	4/1/2022
• St. Joseph (Packers)	17.75	12/12/2022
• St. Joseph (Lower Lakes)	30.50	6/1/2003

* See Appendix B for detail.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1,2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26a
Schedule of Active Participant Data as of January 1, 2022
Active Participants with Pay-Based Benefits

Attained Age		Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over
<25	Number										
	Avg. Earnings										
25 to 29	Number			3							
	Avg. Earnings										
30 to 34	Number		2	13	3						
	Avg. Earnings										
35 to 39	Number			20	11	7					
	Avg. Earnings			70,686							
40 to 44	Number			17	17	7	3				
	Avg. Earnings										
45 to 49	Number			7	5	9	15	1			
	Avg. Earnings										
50 to 54	Number			9	13	5	6	3	3		
	Avg. Earnings										
55 to 59	Number			7	6	7	12	5	2		
	Avg. Earnings										
60 to 64	Number			4	6	9	4	4	1	2	
	Avg. Earnings										
65 to 69	Number			1	1		1				
	Avg. Earnings										
70 & up	Number			0							
	Avg. Earnings										

Average Age = 48.14

Average Service = 14.90

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26a
Schedule of Active Participant Data as of January 1, 2022
Number distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service ¹									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over
Under 25	64	67	1	0	0	0	0	0	0	0
25 to 29	56	144	48	0	0	0	0	0	0	0
30 to 34	57	170	114	22	0	0	0	0	0	0
35 to 39	45	131	131	67	43	1	0	0	0	0
40 to 44	39	103	118	77	51	27	1	0	0	0
45 to 49	24	84	93	69	47	83	14	0	0	0
50 to 54	23	85	79	88	56	81	48	35	0	0
55 to 59	13	52	73	57	72	87	71	64	66	1
60 to 64	5	20	55	68	48	52	76	31	56	26
65 to 69	0	2	9	11	6	7	24	6	5	12
70 & over	0	3	1	0	1	0	4	0	0	0

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26b Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2022	1,678,840	963,516	20,426,795	23,069,151
2023	3,035,331	2,010,378	19,682,489	24,728,198
2024	4,293,469	2,315,858	19,052,531	25,661,858
2025	5,445,009	2,555,599	18,403,311	26,403,919
2026	6,457,071	2,842,432	17,733,390	27,032,893
2027	7,351,322	3,092,409	17,041,992	27,485,723
2028	8,150,397	3,333,503	16,333,203	27,817,103
2029	8,839,398	3,515,148	15,610,326	27,964,872
2030	9,421,769	3,689,078	14,869,754	27,980,601
2031	9,904,436	3,838,502	14,107,593	27,850,531
2032	10,301,136	3,953,052	13,332,433	27,586,621
2033	10,622,154	4,042,387	12,552,070	27,216,611
2034	10,865,195	4,138,549	11,763,952	26,767,696
2035	11,042,325	4,201,177	10,970,293	26,213,795
2036	11,155,820	4,208,976	10,175,726	25,540,522
2037	11,220,101	4,186,765	9,386,480	24,793,346
2038	11,239,852	4,206,141	8,606,784	24,052,777
2039	11,219,222	4,179,535	7,841,042	23,239,799
2040	11,155,066	4,159,306	7,094,438	22,408,810
2041	11,041,081	4,108,794	6,372,793	21,522,668
2042	10,896,717	4,037,666	5,681,463	20,615,846
2043	10,714,920	3,986,002	5,025,418	19,726,340
2044	10,491,098	3,884,861	4,408,964	18,784,923
2045	10,236,751	3,774,651	3,835,612	17,847,014
2046	9,946,953	3,663,838	3,307,996	16,918,787
2047	9,617,470	3,529,978	2,827,781	15,975,229
2048	9,255,996	3,400,654	2,395,607	15,052,257
2049	8,864,821	3,245,339	2,011,128	14,121,288
2050	8,437,743	3,084,014	1,673,049	13,194,806
2051	7,992,610	2,938,663	1,379,225	12,310,498
2052	7,535,712	2,775,200	1,126,833	11,437,745
2053	7,069,606	2,612,895	912,545	10,595,046
2054	6,603,907	2,443,168	732,693	9,779,768
2055	6,135,717	2,270,952	583,463	8,990,132
2056	5,671,966	2,116,545	461,041	8,249,552
2057	5,219,199	1,941,875	361,721	7,522,795
2058	4,783,928	1,788,831	282,011	6,854,770
2059	4,377,455	1,632,027	218,701	6,228,183
2060	3,992,162	1,491,100	168,903	5,652,165
2061	3,623,847	1,358,260	130,078	5,112,185
2062	3,279,749	1,233,122	100,042	4,612,913
2063	2,961,874	1,116,358	76,952	4,155,184
2064	2,668,633	1,008,576	59,288	3,736,497
2065	2,398,795	909,475	45,815	3,354,085
2066	2,151,655	818,533	35,550	3,005,738
2067	1,925,985	735,179	27,722	2,688,886
2068	1,720,207	658,841	21,734	2,400,782
2069	1,532,677	588,974	17,130	2,138,781
2070	1,361,829	525,070	13,567	1,900,466
2071	1,206,244	466,657	10,789	1,683,690

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2022

Group	Count of Actives	Weight	Average Age	Weight*Age
NPPC	1,280	35.85%	61	21.87
NUSA	946	26.50%	63	16.69
Nutrition	1,344	37.65%	62	23.34
	3,570	100%		62

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Participant group: NPPC

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
49	0.00%	100.00%	100.00%	0.00%	0.00
50	5.00%	95.00%	95.00%	5.00%	2.50
51	5.00%	95.00%	90.25%	4.75%	2.42
52	5.00%	95.00%	85.74%	4.51%	2.35
53	5.00%	95.00%	81.45%	4.29%	2.27
54	5.00%	95.00%	77.38%	4.07%	2.20
55	5.00%	95.00%	73.51%	3.87%	2.13
56	5.00%	95.00%	69.83%	3.68%	2.06
57	5.00%	95.00%	66.34%	3.49%	1.99
58	5.00%	95.00%	63.02%	3.32%	1.92
59	5.00%	95.00%	59.87%	3.15%	1.86
60	5.00%	95.00%	56.88%	2.99%	1.80
61	5.00%	95.00%	54.04%	2.84%	1.73
62	15.00%	85.00%	45.93%	8.11%	5.03
63	15.00%	85.00%	39.04%	6.89%	4.34
64	15.00%	85.00%	33.18%	5.86%	3.75
65	30.00%	70.00%	23.23%	9.96%	6.47
66	30.00%	70.00%	16.26%	6.97%	4.60
67	30.00%	70.00%	11.38%	4.88%	3.27
68	50.00%	50.00%	5.69%	5.69%	3.87
69	50.00%	50.00%	2.85%	2.85%	1.96
70	100.00%	0.00%	0.00%	2.85%	1.99
				100.00%	

Average Retirement Age: 61

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Participant group: NUSA

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
54	0.00%	100.00%	100.00%	0.00%	0.00
55	5.00%	95.00%	95.00%	5.00%	2.75
56	5.00%	95.00%	90.25%	4.75%	2.66
57	5.00%	95.00%	85.74%	4.51%	2.57
58	5.00%	95.00%	81.45%	4.29%	2.49
59	5.00%	95.00%	77.38%	4.07%	2.40
60	10.00%	90.00%	69.64%	7.74%	4.64
61	10.00%	90.00%	62.68%	6.96%	4.25
62	15.00%	85.00%	53.27%	9.40%	5.83
63	15.00%	85.00%	45.28%	7.99%	5.03
64	15.00%	85.00%	38.49%	6.79%	4.35
65	40.00%	60.00%	23.09%	15.40%	10.01
66	40.00%	60.00%	13.86%	9.24%	6.10
67	40.00%	60.00%	8.31%	5.54%	3.71
68	40.00%	60.00%	4.99%	3.33%	2.26
69	40.00%	60.00%	2.99%	2.00%	1.38
70	100.00%	0.00%	0.00%	2.99%	2.10
				100.00%	

Average Retirement Age: 63

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Participant group: 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
54	0.00%	100.00%	100.00%	0.00%	0.00
55	5.00%	95.00%	95.00%	5.00%	2.75
56	5.00%	95.00%	90.25%	4.75%	2.66
57	5.00%	95.00%	85.74%	4.51%	2.57
58	5.00%	95.00%	81.45%	4.29%	2.49
59	5.00%	95.00%	77.38%	4.07%	2.40
60	15.00%	85.00%	65.77%	11.61%	6.96
61	15.00%	85.00%	55.91%	9.87%	6.02
62	30.00%	70.00%	39.13%	16.77%	10.40
63	30.00%	70.00%	27.39%	11.74%	7.40
64	30.00%	70.00%	19.18%	8.22%	5.26
65	30.00%	70.00%	13.42%	5.75%	3.74
66	40.00%	60.00%	8.05%	5.37%	3.54
67	40.00%	60.00%	4.83%	3.22%	2.16
68	40.00%	60.00%	2.90%	1.93%	1.31
69	40.00%	60.00%	1.74%	1.16%	0.80
70	100.00%	0.00%	0.00%	1.74%	1.22
				100.00%	

Average Retirement Age: 62

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Nestle USA Inc
EIN/PN	95-1572209/006
Plan Name	Nestle Hourly Retirement Plan
Valuation Date	January 1, 2022
Enrolled Actuary	Michael Altilio
Enrollment Number	23-07062

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.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26b

Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2022	1,678,840	963,516	20,426,795	23,069,151
2023	3,035,331	2,010,378	19,682,489	24,728,198
2024	4,293,469	2,315,858	19,052,531	25,661,858
2025	5,445,009	2,555,599	18,403,311	26,403,919
2026	6,457,071	2,842,432	17,733,390	27,032,893
2027	7,351,322	3,092,409	17,041,992	27,485,723
2028	8,150,397	3,333,503	16,333,203	27,817,103
2029	8,839,398	3,515,148	15,610,326	27,964,872
2030	9,421,769	3,689,078	14,869,754	27,980,601
2031	9,904,436	3,838,502	14,107,593	27,850,531
2032	10,301,136	3,953,052	13,332,433	27,586,621
2033	10,622,154	4,042,387	12,552,070	27,216,611
2034	10,865,195	4,138,549	11,763,952	26,767,696
2035	11,042,325	4,201,177	10,970,293	26,213,795
2036	11,155,820	4,208,976	10,175,726	25,540,522
2037	11,220,101	4,186,765	9,386,480	24,793,346
2038	11,239,852	4,206,141	8,606,784	24,052,777
2039	11,219,222	4,179,535	7,841,042	23,239,799
2040	11,155,066	4,159,306	7,094,438	22,408,810
2041	11,041,081	4,108,794	6,372,793	21,522,668
2042	10,896,717	4,037,666	5,681,463	20,615,846
2043	10,714,920	3,986,002	5,025,418	19,726,340
2044	10,491,098	3,884,861	4,408,964	18,784,923
2045	10,236,751	3,774,651	3,835,612	17,847,014
2046	9,946,953	3,663,838	3,307,996	16,918,787
2047	9,617,470	3,529,978	2,827,781	15,975,229
2048	9,255,996	3,400,654	2,395,607	15,052,257
2049	8,864,821	3,245,339	2,011,128	14,121,288
2050	8,437,743	3,084,014	1,673,049	13,194,806
2051	7,992,610	2,938,663	1,379,225	12,310,498
2052	7,535,712	2,775,200	1,126,833	11,437,745
2053	7,069,606	2,612,895	912,545	10,595,046
2054	6,603,907	2,443,168	732,693	9,779,768
2055	6,135,717	2,270,952	583,463	8,990,132
2056	5,671,966	2,116,545	461,041	8,249,552
2057	5,219,199	1,941,875	361,721	7,522,795
2058	4,783,928	1,788,831	282,011	6,854,770
2059	4,377,455	1,632,027	218,701	6,228,183
2060	3,992,162	1,491,100	168,903	5,652,165
2061	3,623,847	1,358,260	130,078	5,112,185
2062	3,279,749	1,233,122	100,042	4,612,913
2063	2,961,874	1,116,358	76,952	4,155,184
2064	2,668,633	1,008,576	59,288	3,736,497
2065	2,398,795	909,475	45,815	3,354,085
2066	2,151,655	818,533	35,550	3,005,738
2067	1,925,985	735,179	27,722	2,688,886
2068	1,720,207	658,841	21,734	2,400,782
2069	1,532,677	588,974	17,130	2,138,781
2070	1,361,829	525,070	13,567	1,900,466
2071	1,206,244	466,657	10,789	1,683,690

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Nestlé Hourly Retirement Plan

Plan Provisions

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Hourly employees of Nestlé Food Company at covered locations.

Participation date:	Location	Age	Service	Entry Date
	Allentown	0	0	January 1
	Beich	21	0	Immediate
	Burlington	21	0	Immediate
	Crete	0	0	January 1
	Decatur	21	1	Immediate
	Franklin Park	20	0	Immediate; 1 year of service for Local 552; 3 months of service for Local 339
	Freehold	21	0	January 1 or July 1

Type of plan Dollar per month.

Definitions

Vesting service One year for each 1,000-hour year of employment after age 18. From date of hire for Crete and Allentown. Pro-rata for more than 500 hours for Freehold.

Credited service One year for each 1,000-hour year of employment. From date of hire for Crete, Allentown, and Franklin Park.

Pensionable earnings Calendar year W-2 compensation, excluding expense reimbursements, and including 401(k) and 125 deferrals.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Accumulated benefit: Decatur*: 50% of FAE – 75% of Social Security benefit, prorated for less than 30 years of service at NRD, times the ratio of actual credited service to service at NRD.

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

<i>Location</i>	<i>Monthly Benefit** X Credited Service</i>	<i>Minimum Annual Benefit</i>	<i>Effective Date</i>	<i>Maximum Service</i>
Allentown	\$52 for service from 3/1/2020 + \$47 for service from 3/1/2015 + \$43 for service from 1/1/2012 + \$40 for service from 3/15/2009 to 12/31/2011 + \$36 for service from 1/1/2009 to 3/14/2009 + \$35 for service from 3/15/2004 to 1/1/2009 + \$29 for service from 1/1/2002 to 3/15/2004 + \$28 for service from 12/1/1994 to 12/31/2001 + \$4 for service before 12/1/1994	None	3/1/2020	None
Beich	\$43.00	\$120	3/3/2019	30 years, if hired after March 10, 1991
Burlington	\$49.50	\$130	2/15/2022	35 years
Crete	\$44.25 for service after 12/1/94 + \$5.50 for service before 12/1/94	None	1/31/2022	None
Decatur*	\$27.00	None	7/1/1997	None
Franklin Park	\$39.00	None	11/13/2016	None
Freehold	\$61.00	\$100	8/2/2021	30 years, if hired after August 1, 1989

* If a person in the Decatur location becomes a participant after 7/1/1997, he receives the dollar-per month formula. If he became a participant before 7/1/1997, he receives the better of the dollar-per-month or the pay-related formula.

** Reflects ultimate benefit levels used for the IAS 19 valuation. See last page of Appendix B for more detail.

Plan Name: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement	Most locations	Retirement on or after both attaining age 65 and completing three years of vesting service.
	Allentown	Retirement on or after both attaining age 62 and completing three years of vesting service.
Early retirement	Most locations	Retirement before NRD and on or after both attaining age 55 and completing ten years of vesting service
	Allentown	Retirement before NRD and on or after both attaining age 50 and completing ten years of vesting service
	Crete	Retirement before NRD and on or after both attaining age 50 and completing ten years of vesting service
	Decatur	Retirement before NRD and on or after both attaining age 55 and completing three years of vesting service
Vested termination		Termination for reasons other than death or retirement after completing three years of vesting service.
Disability	Most locations	Permanent and total disability after completing ten years of vesting service.
	Franklin Park	Permanent and total disability on or after both attaining age 50 and completing fifteen years of service.
Preretirement death benefit	Most locations	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.
	Allentown	Early retirement date.
	Freehold	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse on or after both attaining age 55 and completing three years of vesting service.

Benefits Paid Upon the Following Events

Normal retirement (NRD)		Accrued benefit payable immediately.
Early retirement	Most locations	Accrued benefit reduced 6% for each year of the first five years prior to age 65, and 4% for each additional year.
	Allentown	Accrued benefit reduced 5% for each year prior to NRD.

Plan Name: Nestle Hourly Retirement Plan
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	Crete	Accrued benefit reduced 6% for each of the first five years, and 5% for each of the next five years and 4% for each additional year.
	Decatur	Accrued benefit reduced 6.667% for each of the first five years prior to age 65, and 3.333% for each additional year.
Vested termination		Accrued benefit payable at NRD, or reduced as for early retirement, or actuarially reduced to age 40.
Disablement	Most locations	Accrued benefit payable immediately, with additional accrual to age 65 for Crete.
	Franklin Park	Accrued benefit payable immediately.
Preretirement death	Most locations	Reduced immediate pension payable for the life of the spouse.
	Allentown	Reduced pension payable for life of spouse.
	Freehold	If married, reduced 100% joint and survivor early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be payable at 40.
	Crete (pre-65)	Greater of reduced pension payable for life of spouse and 45% of accrued benefit unreduced.
	Crete (post-65)	100% joint and survivor benefit.

Other Plan Provisions

Form of payment:

Normal form Life annuity for single employees; 100% joint and survivor for married employees.

Option form 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: Nestle Hourly Retirement Plan
 EIN / PN: 95-1572209/006
 Plan Sponsor: Nestle USA Inc
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
Allentown Stoughton Weirton (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; UP-1984 (20% female, 80% male)	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity, 15 year Certain and Life Annuity (Allentown) 4) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity (Weirton) 5) Lump Sum
Beechnut	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.50%; 1971 GAM	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 5 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Lump Sum
Bloomington Burlington Cains (closed) Freehold (If not 60/10) Fulton (closed) Granite City (closed) New Milford (closed) Ripon (closed) Sunbury (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 6.00%; 1979 Buck (80% male set back 1 year, 20% female set back 2 year	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Any option with 5 year Certain and Life Annuity (if 55/10, Fulton & Granite City) 4) Lump Sum

Plan Name: Nestle Hourly Retirement Plan
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 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Carnation #1	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Crete	Greater annuity benefit reflecting a. or b.	1) Single Life Annuity
b) Married participants	a. 417 interest rate; 417 mortality table	2) 50% & 100% Joint Survivor Annuity
c) Unmarried participants	b. UP-1984 (20% female, 80% male) or table of factors if better	3) 10 year Certain and Life Annuity, 15 year Certain and Life Annuity 4) 20% Joint & Spousal Annuity (only if married, no reduction) 5) Lump Sum
Decatur (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; TSA-IV proj. to 1965 with Scale C	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum
Drumstick (married participants only) (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. Table of factors	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 3 year Certain and Life Annuity, 10 year Certain and Life Annuity 4) Lump Sum

Plan Name: Nestle Hourly Retirement Plan
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Optional Forms of Payment (cont.)

Participant Group	Actuarial Equivalence	Optional Forms
Franklin Park	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 10.50%; UP-1984 (20% female, 80% male)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Freehold Participants who are at least 60/10	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 6.00%; 1979 Buck (80% male set back 1 year, 20% female set back 2 years)	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum
Salinas (closed)	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 6.00%; 1979 Buck (80% male set back 1 year, 20% female set back 2 years); Table for pop-up	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) 50% & 100% Joint Survivor Annuity with pop-up 4) Lump Sum
Stouffer Hourly	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1971 TPF&C Forecast set back 3 years	1) Single Life Annuity 2) 50%, 75% & 100% Joint Survivor Annuity 3) 10 year Certain and Life Annuity 4) Lump Sum

Future Plan Changes

Ultimate benefit levels negotiated on or before December 31, 2021 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2022, and effective during 2022 were recognized in determining contribution requirements.

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 Valuation Date: January 1, 2022

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Changes in Benefits Valued Since Prior Year

Benefit levels for participants at Burlington increased from \$48.00 to \$49.50 effective 2/15/2022. Effective December 31, 2021 new hires at the Burlington location are no longer eligible to participate in the plan. Benefit levels for participants at Crete increased from \$43.50 to \$44.25 effective 1/31/2022.

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EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Nestlé Hourly Retirement Plan (Formerly Nestlé USA Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Nonunion hourly employees.

Participation date Completion of one year of service.

Type of plan Dollar per month.

Definitions

Vesting service One year for each 1,000-hour year of employment.

Credited service One year for each 2,000-hour year of employment; partial credit for partial years.

Accumulated benefit: Benefit level x credited service. See last page of Appendix B for locations and benefit levels.

For Distribution Centers and Transportation Centers participants of the Nestlé Hourly Retirement Plan:

- Current employees will receive a version of the account benefit formula. The benefit will be the better of A+B or C
 - A is the CHPP benefit as of 12/31/2015
 - B is the account formula benefit with past CHPP service for points counting towards points service in the PEP
 - C is continued accruals under the \$36/month benefit formula which will run concurrent with the “A+B” benefit and will serve as a minimum benefit

Additionally, the current \$36/month benefit will continue to run concurrent with the “B” benefit and will serve as a minimum benefit.

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 three years of vesting service.

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Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Postponed retirement	Retirement after both 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 five 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 benefit reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit payable unreduced at age 65, reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Disablement	Accrued benefit payable immediately.
Preretirement death	If married, reduced 100% early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be payable immediately.

Other Plan Provisions

Normal form of payment	Life annuity for single participants; 100% joint and survivor for married participants; 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

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changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

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SCHEDULE SB ATTACHMENTS

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
All Locations	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1994 GAR 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump Sum

Future Plan Changes

No future plan changes were recognized in determining plan accounting liabilities or in determining 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: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Nestlé Hourly Retirement Plan (Formerly Nestlé USA Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Union employees of the covered locations.

Participation date Date of hire.

Type of plan Dollar per month.

Definitions

Vesting service One year for each 1,000-hour calendar year of employment.

Credited service One year for each 1,600-hour calendar year of employment at, St. Joseph (Packers), and Fort Dodge; 1,800 hours at the other locations.

Accumulated benefit: Benefit level x credited service. See last page of Appendix B for locations and benefit levels.

Eligibility for Benefits

Normal retirement Retirement after attaining age 65.

Early retirement Retirement before NRD and on or after both attaining age 55 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.

Disability Permanent and total disability after completing five 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.

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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Accrued benefit reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit payable unreduced at 65, reduced 6.67% for each of the first five years prior to age 65, and 3.33% for each additional year.
Disablement	Accrued benefit payable immediately.
Preretirement death	If married, reduced 100% early retirement benefit if attained age 55 or 100% accrued benefit for all others reduced to be paid immediately.

Other Plan Provisions

Normal form of payment	Life annuity for single participants; 100% joint and survivor for married participants; 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.

Optional Forms of Payment

Participant Group	Actuarial Equivalence	Optional Forms
All Locations	Greater annuity benefit reflecting a. or b. a. 417 interest rate; 417 mortality table b. 8.00%; 1994 GAR 1994 GAR	1) Single Life Annuity 2) 50% & 100% Joint Survivor Annuity 3) Lump sum

Plan Name: Nestle Hourly Retirement Plan
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Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Future Plan Changes

Ultimate benefit levels negotiated on or before December 31, 2021 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before January 1, 2022, and effective during 2022 were recognized in determining contribution requirements.

Changes in Benefits Valued Since Prior Year

Benefit levels for participants at Fort Dodge increased from \$48.00 to \$49.00 effective 3/27/2022.
Benefit levels for participants at Gateway increased from \$39.00 to \$40.00 effective 11/1/2022.
Benefit levels for Morton (Union) increased from \$46.00 to \$47.00 effective 4/1/2022.
Benefit levels for St. Joseph (Packers) increased from \$17.50 to \$17.75 effective 12/12/2022.

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Nestlé Hourly Retirement Plan (Formerly Sacramento Can Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees Union employees at Sacramento Can manufacturing plant; there are currently no active employees covered.

Type of plan Dollar per month.

Definitions

Credited service From date of hire.

Accumulated benefit: Benefit level, varying by job class, times credited service.

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 60 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.

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 benefit reduced 6.0% for each prior to age 62.

Plan Name: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit payable unreduced at age 65, or reduced for each year prior to age 62, if attained age 60 and 10 years of service.
Preretirement death	If married, reduced 100% joint and survivor early retirement benefit if attained age 60 or 100% accrued benefit for all others reduced to be payable immediately.

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
Sacramento Can	Greater annuity benefit reflecting 417(e) interest rate and mortality table or conversion factors below varying by age of the retiree and the spouse	a) Single Life Annuity
	<i>Sample 1: Retiree and Spouse both at age 60</i>	b) 50% & 100% Joint and Survivor Annuity
	50% J&S Annuity 0.8500	c) Lump sum
	100% J&S Annuity 0.7391	
	<i>Sample 2: Retiree and spouse both at age 65</i>	

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50% J&S	0.8340
Annuity	

100% J&S	0.7153
Annuity	

Future Plan Changes

No future plan changes were recognized in determining plan accounting liabilities or in determining 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:	Nestle Hourly Retirement Plan
EIN / PN:	95-1572209/006
Plan Sponsor:	Nestle USA Inc
Valuation Date:	January 1, 2022

SCHEDULE SB ATTACHMENTS

Nestlé Hourly Retirement Plan (Formerly Gerber Fort Smith Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees	Hourly paid employees on Ft. Smith, Arkansas hourly factory payroll.
Participation date	Age 20 ½ and six months of service or upon attainment of age 40, if earlier.
Type of plan	Dollar per month plan.

Definitions

Vesting service The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours.

Credited service One full year for each year with at least 1,000 hours of service.

Accumulated benefit: Monthly benefit is the largest of (a) and (b) below:

(a) The sum of (1) and (2) below:

(1) The accrued benefits as of December 31, 1989, based on participation service, final average compensation, and the primary Social Security benefit as of December 31, 1989.

(2) For participation service after January , 1989 (maximum 40 years less pre-1989 credited service up to 33 1/3 years), the monthly benefit accrual in a given year is the applicable Dollar Accrual based on total years of participation.

(b) For all participation service up to 40 years, the monthly benefit accrual in a given year is the applicable Dollar Accrual Factor.

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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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The applicable Dollar Accrual Factor under (a) and (b) depends on the years of participation as shown below:

<u>Dollar Accrual Factor Applicable to Years of Participation</u>			
<u>Accrual Period</u>	<u>Level One First 10 Years</u>	<u>Level Two Years 11-20</u>	<u>Level Three Years Beyond 20</u>
Before 2004	\$23.50	\$27.50	\$30.50
2004	\$25.50	\$29.50	\$32.50
2005	\$27.50	\$31.50	\$34.50
2006	\$29.50	\$33.50	\$36.50
2010	\$31.50	\$35.50	\$38.50
2013	\$35.50	\$39.50	\$42.50
2010	\$38.50	\$42.50	\$38.50

Eligibility for Benefits

Normal retirement	Retirement on or after both attaining age 65 and completing five years of vesting service.
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing five years of vesting service.
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Vested termination	Termination for reasons other than death or retirement after completing five 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 five years of vesting service.

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced $\frac{1}{2}$ of 1% for each month by which the early retirement date precedes 62.

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Unreduced for employees retiring after attaining age 60 with 40 years of uninterrupted service.

Postponed retirement	Accrued 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 by or at the expense of the company.
Preretirement death	50% of the projected accrued benefit as of participant's normal retirement date is payable immediately to the dependent spouse until the death or remarriage of the dependent spouse. If not eligible for a dependent spouse benefit, a 50% surviving spouse benefit (100% if eligible for early retirement) is payable on the participant's early retirement age date.

Other Plan Provisions

Forms of payment

Normal form	Life annuity.
Optional forms	100%, 75%, and 50% contingent annuitant; 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.

Optional Form Conversion Factors

<u>Form of Payment</u>	<u>Conversion Factors</u>	<u>Sample Rates</u>
	Greater annuity benefit reflecting 417(e) interest rate and mortality table or the descriptions below:	

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Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 80% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602
100% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%
75% Contingent Annuitant	85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 85% factor shall be increased by 0.85% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.85% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 85.00% Participant Age 65 and Spouse Age 60: 80.75%

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50% Contingent Annuitant	90% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 90% factor shall be increased by 0.7% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.7% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 90.00% Participant Age 65 and Spouse Age 60: 86.50%
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Future Plan Changes

No future plan changes were recognized in determining 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: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Nestlé Hourly Retirement Plan (Formerly Gerber Fremont Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered Employees Hourly paid employees on Fremont, Michigan hourly factory payroll.

Participation Date Age 20 ½ and six months of service or upon attainment of age 40, if earlier.

Type of plan: Dollar per month plan.

Definitions

Vesting service The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours.

Credited service One full year for each year with at least 1,000 hours of service.

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

Accumulated benefit:

Monthly benefit is the largest of (a) and (b) below:

(a) The sum of (1), (2), (3) and (4) below:

(1) The accrued benefits as of December 31, 1988, based on participation service, final average compensation, and the primary Social Security benefit as of December 31, 1988.

(2) For participation service after December 31, 1988 and before April 5, 2003 (maximum 40 years less pre-1989 credit service up to 33 1/3 years), the monthly benefit accrual in a given year is the applicable Dollar Accrual based on total years of participation.

(3) \$50 for each year of participation service after April 4, 2003 and before April 1, 2012.

(4) \$56 for each year of participation service after April 1, 2012.

(5) \$58 for each year of participation service after April 1, 2017.

(b) The sum of (1), (2) and (3) below:

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(1) For all participant service credited prior to April 5, 2003, up to 40 years, the monthly benefit accrual in a given year is the applicable Dollar Accrual Factor.

(2) \$50 for each year of participation service after April 4, 2003 and before April 1, 2012.

(3) \$56 for each year of participation service after April 1, 2012.

(4) \$58 for each year of participation service after April 1, 2017.

The applicable Dollar Accrual Factor under (a) and (b) depends on termination date and years of participation as shown below:

Dollar Accrual Factor Applicable to Years of Participation			
Termination of Employment On or After	Level One First 10 Years	Level Two Years 11-20	Level Three Years Beyond 20
1/1/89	\$21.00	\$25.00	\$28.00
4/1/91	\$21.50	\$25.50	\$28.50
4/1/92	\$22.00	\$26.00	\$29.00
4/1/93	\$22.50	\$26.50	\$30.00
5/1/94	\$23.00	\$27.00	\$30.50
5/1/95	\$23.50	\$27.50	\$31.00
5/1/96	\$24.00	\$28.00	\$31.50
4/1/97	\$25.00	\$29.00	\$32.50
4/1/98	\$25.50	\$29.50	\$33.00
4/1/99	\$26.00	\$30.00	\$33.50

Eligibility for Benefits

Normal retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Early retirement	Retirement before NRD and on or after both attaining age 57 and completing five years of vesting service.
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service.
Disability	Permanent and total disability on or after both attaining age 50 and completing fifteen years of vesting service.

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Valuation Date: January 1, 2022

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**Preretirement death
benefit**

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

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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced $\frac{1}{2}$ of 1% for each month by which the early retirement date precedes age 62. Unreduced for employee retiring after attaining age 60 with 30 years of uninterrupted service.
Postponed retirement	Accrued 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 by or at the expense of the company.
Preretirement death	50% of the projected accrued benefit as of participant's normal retirement date is payable immediately to the dependent spouse until the death or remarriage of the dependent spouse. If not eligible for a dependent spouse benefit, a 50% surviving spouse benefit (100% if eligible for early retirement) is payable on the participant's early retirement age date.

Other Plan Provisions

Forms of payment

Normal form	Life annuity.
Optional forms	100%, 75%, and 50% contingent annuitant; level income option; 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.

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Optional Form Conversion Factors

<u>Form of Payment</u>	<u>Conversion Factors</u>	<u>Sample Rates</u>
	Greater annuity benefit reflecting 417(e) interest rate and mortality table or the descriptions below:	
Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 80% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602
100% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%

Plan Name: Nestle Hourly Retirement Plan
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75% Contingent
Annuitant

85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 85% factor shall be increased by 0.85% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.85% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.

Participant Age 60 and
Spouse Age 60: 85.00%

Participant Age 65 and
Spouse Age 60: 80.75%

50% Contingent
Annuitant

90% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 90% factor shall be increased by 0.7% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 0.7% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.

Participant Age 60 and
Spouse Age 60: 90.00%

Participant Age 65 and
Spouse Age 60: 86.50%

Future Plan Changes

No future plan changes were recognized in determining 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: Nestle Hourly Retirement Plan
EIN / PN: 95-1572209/006
Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Nestlé Hourly Retirement Plan (Formerly Gerber Reedsburg Hourly Pension Plan)

Plan Provisions

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

The most recent amendment reflected in the following plan provisions was effective in 2022.

Covered employees	Hourly paid employees on Reedsburg hourly payroll and Asheville, North Carolina hourly factory payroll.
Participation date	Age 21 and one-year of service or upon attainment of age 40, if earlier. Closed to new entrants effective December 31, 2006.
Type of plan	Frozen dollar per month.

Definitions

Vesting service	The number of completed full plan years of employment with the Company or any Affiliate in which the employee works 1,000 hours. Automatic vesting was granted December 31, 2008.
Credited service	One full year for each year with at least 1,000 hours of service.
Pensionable earnings	Total compensation including section 125 and 401(k) contributions but excluding deferred compensation.
Accumulated benefit:	<p>Monthly Benefit is the largest of (a) and (b) below:</p> <p>(a) The sum of (1) and (2) below:</p> <p>(1) The applicable benefit rate multiplied by years of participation completed after January 1, 1969 up to a maximum of 30 years.</p> <p>(2) \$21.50 multiplied by years of participation completed after February 28, 2003.</p> <p>(b) \$1.50 multiplied by years of participation completed prior to January 1, 1969, but not exceeding 30 years less the number of years of service after that date.</p> <p>For Hanksraft Motors only, the benefit rate in (a) above is \$19.00</p> <p>For Baby care participants only, the benefit rate in (a) above is \$19.50</p>

Plan Name:	Nestle Hourly Retirement Plan
EIN / PN:	95-1572209/006
Plan Sponsor:	Nestle USA Inc
Valuation Date:	January 1, 2022

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Eligibility for Benefits

Normal retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Early retirement	Retirement before NRD and on or after both attaining age 60 and completing five years of vesting service.
Postponed retirement	Retirement after both attaining age 65 and completing five years of vesting service.
Vested termination	Termination for reasons other than death or retirement after completing five years of vesting service.
Disability	Permanent and total disability on or after 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 five years of vesting service.

Benefits Paid Upon the Following Events

Normal retirement (NRD)	Accrued benefit payable immediately.
Early retirement	Monthly pension benefit determined as of early retirement date, reduced $\frac{1}{2}$ of 1% for each month by which the early retirement date precedes age 65.
Postponed retirement	Accrued benefit payable immediately.
Vested termination	Accrued benefit determined as of termination date, actuarially reduced for commencement of payments prior to NRD.
Disablement	Accrued benefits determined as of disability retirement date, reduced by certain other benefits provided by or at the expense of the company.
Preretirement death	Payable on the participant's early retirement age date to the surviving spouse as if the participant had elected a 50% survivorship annuity option.

Plan Name: Nestle Hourly Retirement Plan
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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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Other Plan Provisions

Forms of payment

Normal form Life annuity.

Optional forms 100%, 75%, and 50% contingent annuitant; 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.

Optional Form Conversion Factor

<u>Form of Payment</u>	<u>Conversion Factors</u>	<u>Sample Rates</u>
	Greater annuity benefit reflecting 417(e) interest rate and mortality table or the descriptions below:	
Level Income Options to Age 62 (life Annuity Normal form)	The conversion factors are determined using an actuarial equivalent basis using 5.0% interest and the 1971 Group Annuity Mortality table blended 80% male / 20% female. Multiply the expected PIA at age 62 by the conversion factor to get the benefit decrease after age 62. The benefit before age 62 (payable until receipt of PIA) equals this decreased benefits plus PIA (payments are at beginning of month).	Age 55: 0.4378 Age 60: 0.1602

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Plan Sponsor: Nestle USA Inc
Valuation Date: January 1, 2022

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100% Contingent Annuitant	75% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 75% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 75.00% Participant Age 65 and Spouse Age 60: 70.00%
75% Contingent Annuitant	80% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are the same. If the ages of the participant and the designated contingent annuitant are not the same, the 80% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 80.00% Participant Age 65 and Spouse Age 60: 75.00%
50% Contingent Annuitant	85% of the amount otherwise payable to the Participant as a sole annuitant, provided the age of the Participant and the designated contingent annuitant are not the same. If the ages of the participant and the designated contingent annuitant are the same, the 85% factor shall be increased by 1.0% up to a maximum of 100% for each full year that the birth date of the designated contingent annuitant precedes the birth date of the participant, or decreased by 1.0% for each full year that the birth date of the Participant precedes the birth date of the designated contingent annuitant.	Participant Age 60 and Spouse Age 60: 85.00% Participant Age 65 and Spouse Age 60: 80.00%

Future Plan Changes

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

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Changes in Benefits Valued Since Prior Year

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

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Benefit Levels for Valuations

Ultimate benefit levels negotiated on or before December 31, 2021 were recognized in determining plan accounting liabilities. Benefit increases negotiated on or before December 31, 2021 and effective during 2022 were recognized in determining contribution requirements.

	PPA	
	Benefit Level	Effective Date
Nestlé Hourly Retirement Plan		
• Allentown*	52.00	3/1/2020
• Bloomington - Beich	43.00	3/3/2019
• Burlington	49.50	2/15/2022
• Crete*	44.25	1/31/2022
• Decatur	27.00	7/1/1997
• Franklin Park	39.00	11/13/2016
• Freehold	61.00	8/2/2021
• Distribution*	36.00	1/1/2014
• Transportation*	36.00	1/1/2014
• Morton (nonunion)	30.00	1/1/2008
• Danville	33.00	4/9/2019
• Eau Claire	40.00	5/16/2021
• Fort Dodge	49.00	3/27/2022
• Gateway	40.00	11/1/2022
• Morton (Union)	47.00	4/1/2022
• St. Joseph (Packers)	17.75	12/12/2022
• St. Joseph (Lower Lakes)	30.50	6/1/2003

* See Appendix B for detail.

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Valuation Date: January 1,2022