



**Nestlé** Good food, Good life

## **Non-Financial Statement 2024**



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# Introduction

Nestlé is a global multinational selling in 185 countries, listed on the Swiss Stock Exchange and governed by Swiss company law. As a Swiss-based company with affiliates around the world, Nestlé is committed to adhering to the legal and regulatory frameworks that govern its operations within Switzerland, in the European Union and globally.

The Swiss Code of Obligations mandates responsibilities for the Board of Directors concerning the oversight and management of Nestlé. In accordance with Articles 716a and 717 of the Swiss Code of Obligations, Nestlé's Board of Directors assumes a proactive role in integrating sustainability considerations into Nestlé's corporate governance framework (see [General Disclosures](#) and [Governance Disclosures](#)). This includes ensuring that Nestlé's strategic decisions are informed by sustainability factors, which are also central to its compliance with Swiss law, and future compliance with European regulatory requirements.

Under Articles 964a-c of the Swiss Code of Obligations, Nestlé is required to disclose material non-financial information, particularly relating to environmental and social matters, employee concerns, respect for human rights, and anti-corruption measures. Nestlé's Non-Financial Statement 2024 provides transparent reporting on these areas, consistent with reference to the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), and reflects its commitment to the principles of responsible business conduct as outlined by Swiss law.

Nestlé upholds a strong commitment to human rights, labor standards and social responsibility. Nestlé conducts regular due diligence across its operations and supply chains to identify, prevent and mitigate potential human rights impacts. Nestlé's policies and practices are designed to comply with Article 964j of the Swiss Code of Obligations, ensuring that Nestlé meets the highest standards of corporate responsibility (see [Appendix 7 – Key Policies and Documents](#)).

Nestlé discloses its environmental policies, risks and performance metrics. Nestlé's sustainability initiatives are aimed at achieving long-term environmental goals, such as reducing carbon emissions, conserving natural resources, and promoting circular economy practices (see [Resource use and circular economy](#)).

Nestlé's commitment to ethical business practices is grounded in both the Swiss Code of Obligations and the ESRS framework (see [Own workforce](#) and [Business conduct](#)). Nestlé maintains anti-corruption policies and practices, in accordance with Article 964b of the Swiss Code of Obligations, to prevent, detect and respond to any instances of corruption or unethical behavior. Nestlé's Code of Business Conduct reinforces these principles across all levels of its organization.

Nestlé is committed to ensuring that its business practices not only comply with legal requirements but also contribute positively to society and the environment.

## Swiss Code of Obligations

This Non-Financial Statement 2024 has been prepared by Nestlé S.A. ("Nestlé") in accordance with Articles 964a-c of the Swiss Code of Obligations. Moreover, in anticipation of the Group's future obligation to report in accordance with CSRD, the structure, terminology and approach of this report have been prepared with reference to the ESRS.

## Materiality

In this Non-Financial Statement 2024, Nestlé provides data and information on topics that it has assessed as material to Nestlé's sustainability practices, initiatives and performance, closely aligned with the ESRS.

For a description of Nestlé's process to identify and assess material impacts, risks and opportunities, see [Double materiality assessment](#).

The Content Index in [Appendix 2 – Statutory Non-Financial Matter Report Index \(Article 964b CO\)](#) contains the ESRS topics that Nestlé considers material.

# Part 1 – General Disclosures

## About this Non-Financial Statement 2024

Nestlé's Non-Financial Statement 2024 aims to provide a balanced picture of Nestlé's material topics, related impacts and performance in the calendar year ending December 31, 2024. For investors, Nestlé also provides an overview of activities related to its major material issues in the [Nestlé Annual Review](#).

This Non-Financial Statement 2024 provides an overview of the areas where Nestlé may have a significant impact on its surroundings, as well as the sustainability-related risks and opportunities that may have a notable financial impact on Nestlé. The Non-Financial Statement 2024 also aims to present a transparent and accurate picture of Nestlé's strategy and progress to advance regenerative food systems at scale, including its goals, roadmaps, guidelines, measures and achieved results in relevant areas. This Non-Financial Statement 2024 is structured with reference to ESRS and in accordance with the Swiss law requirements under Articles 964b and 964j-I of the Swiss Code of Obligations and the Swiss Ordinance on Climate Disclosures.

This Non-Financial Statement 2024 covers Nestlé's global operations and contains data for wholly-owned companies and subsidiaries that are consolidated in the Nestlé S.A. financial statements as of December 31, 2024, excluding associates, joint ventures and suppliers unless otherwise stated. This ensures consistency and completeness in reporting across both financial and sustainability dimensions. It covers the period from January 1, 2024, to December 31, 2024 unless otherwise stated. Please refer to the [Consolidated Financial Statements of the Nestlé Group 2024](#), page 161, for the list of Nestlé Group companies.

Throughout this Non-Financial Statement 2024, Nestlé provides information on strategic and material environmental, social and governance (ESG) key performance indicators (KPIs). These KPIs address key issues to Nestlé and its stakeholders. More information on the methodology used to calculate these metrics can be found in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#), where Nestlé details the definition, scope, methodology and assumptions for calculating and reporting on the selected ESG metrics.

Nestlé's business model is to deliver nutritious products for people and pets. Nestlé makes and sells products in: Powdered and Liquid Beverages, PetCare, Nutrition and Health Science, Prepared dishes and cooking aids, Milk products and ice cream, Confectionery and Water. Nestlé's business operates in five zones: North America (NA), Europe (EUR), Asia, Oceania and Africa including Middle East (AOA), Latin America (LATAM) and Greater China (GC).<sup>(1)</sup> Nestlé's diverse portfolio encompasses well-known brands and innovative offerings, allowing it to meet the ever-changing demands of consumers. Please refer to the 'Our business' section of this year's [Nestlé Annual Review](#) for more details on this topic.

This Non-Financial Statement 2024 includes material information from the value chain to enable users to understand the significant impacts, risks and opportunities relevant to Nestlé. This approach aligns with the findings of Nestlé's double materiality assessment (DMA), which was last reviewed in the autumn of 2024.

In this Non-Financial Statement 2024, Nestlé considers its upstream and downstream value chain as follows:

- The upstream value chain includes both direct and indirect suppliers.
- The downstream value chain is limited to customers, unless Nestlé identifies a material impact, risk or opportunity beyond its direct customers.

Nestlé has not exercised the option to omit any specific piece of information related to intellectual property, know-how or the results of innovation in this Non-Financial Statement 2024. All relevant information has been disclosed to provide a full and transparent view of Nestlé's sustainability performance and practices.

(1) In October 2024, the Nestlé Board of Directors approved changes to the company's organization, effective as of January 1, 2025, to merge Zone Latin America (LATAM) and Zone North America (NA) to Zone Americas (AMS). Further, Zone Greater China (GC) became part of Zone Asia, Oceania and Africa (AOA).

### Specific definitions and assumptions

Nestlé's Non-Financial Statement 2024 uses the definition of short-, medium- and long-term horizons provided by CSRD, except for the disclosures on climate change, which are as stated in [Climate change: Strategy and policies](#).

The climate change time horizon definitions were applied due to the alignment with the Task Force on Climate-related Financial Disclosures (TCFD) methodology to assess and disclose climate risks and opportunities. Climate-related risks are treated the same way as other risks at Nestlé and are fully embedded in the Nestlé Enterprise Risk Management (ERM) Framework, which encompasses multiple complementary processes. This includes the resilience analysis Nestlé conducted in 2023 which used scenario-based modeling to identify climate-related impact risks and opportunities. The time horizons considered for assessing climate-related risks and opportunities are medium-term (5 years) and long-term (10–20 years). These are longer than the time horizon provided by ESRS, as climate risk is expected to materialize on a longer timeline than the time horizons in CSRD. In the short-term (1–2 years), Nestlé assumes that the dynamic forecast, which includes an 18-month outlook, incorporates potential climate-related risks and opportunities, similar to other business-related areas. These are covered in [Climate change](#) and summarized in [Appendix 5 – TCFD Index](#) of this Non-Financial Statement 2024.

There is a degree of uncertainty associated with calculating financial risks and opportunities in all areas deemed material to Nestlé. Efforts have been made to ensure the accuracy and reliability of the information presented in this Non-Financial Statement 2024. However, it should be noted that the metrics included in this Non-Financial Statement 2024 are subject to uncertainties due to limitations in data-collection and measurement methods. The precision of different techniques may also vary. The Non-Financial Statement 2024 incorporates data obtained from external sources or third parties as much as possible.

This Non-Financial Statement 2024 marks the first year that Nestlé is presenting sustainability information in a format intended to follow the ESRS structure, format, and methodology, which may affect its comparability to previous reports. This Non-Financial Statement 2024 does not yet comply with all aspects of ESRS. Nestlé does not have material errors from prior periods; therefore, no corrections for prior years' errors have been made.

This Non-Financial Statement 2024 follows the requirements of:

- Article 964b of the Swiss Code of Obligations, as outlined on [page 145](#), including climate disclosures based on the Ordinance on Climate Disclosures and the recommendations of the Task Force on Climate-related Financial Disclosures, [page 164](#).
- Article 964I of the Swiss Code of Obligations, which addresses due diligence and transparency related to child labor, [page 149](#).

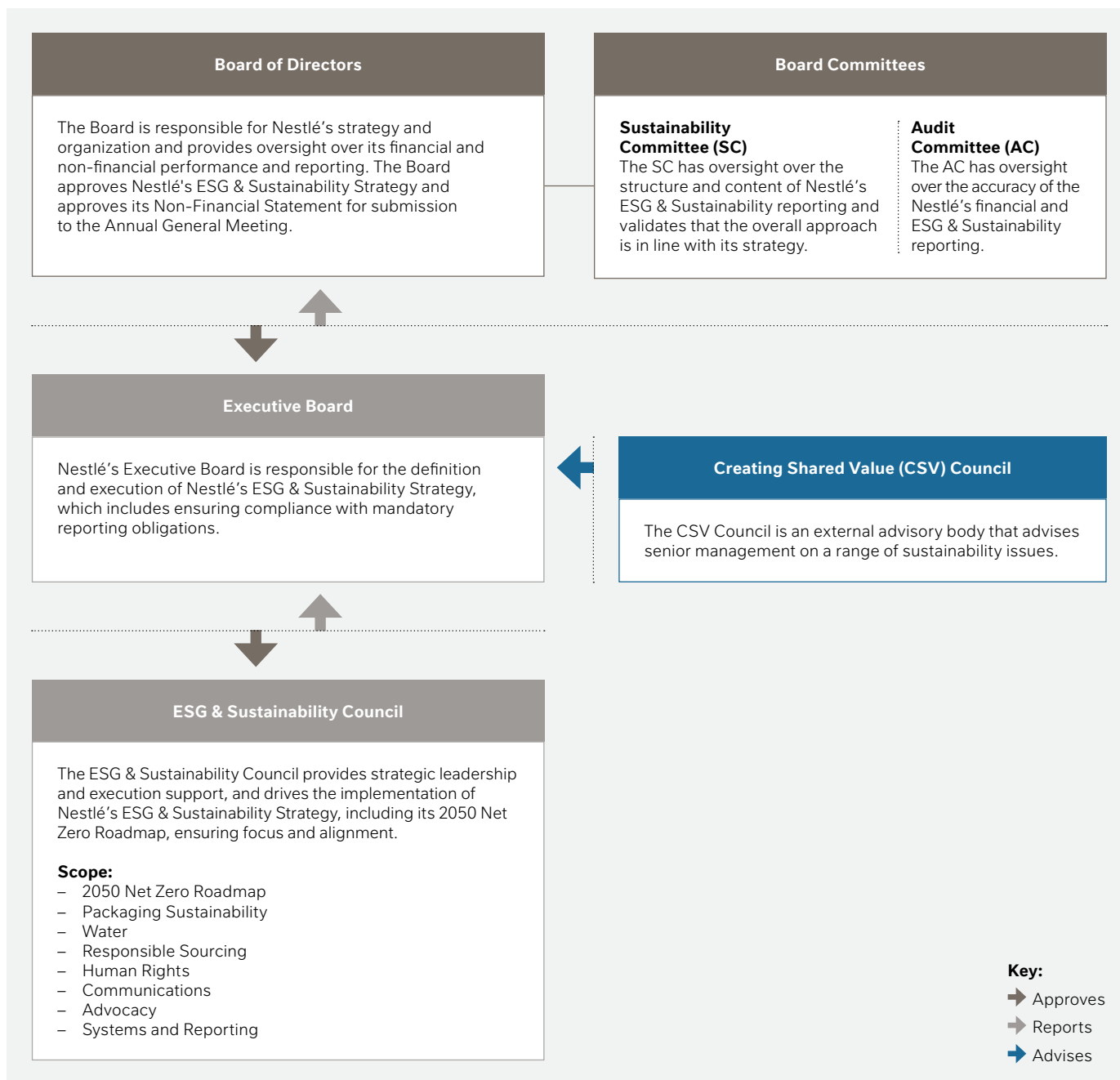
Finally, Nestlé has reported the information cited in the Global Reporting Initiative (GRI) content index, [page 167](#), for the period from January 1, 2024 to December 31, 2024, with reference to the GRI Standards.

## Governance

Nestlé's sustainability governance is integrated into its corporate structure, with oversight by the Board of Directors. The Board is responsible for Nestlé's strategy and organization and provides oversight over its financial and non-financial performance and reporting. The Board approves Nestlé's ESG and Sustainability Strategy and approves its Non-Financial Statement for submission to the Annual General Meeting. The Sustainability Committee has oversight over the structure and content of Nestlé's ESG and Sustainability reporting and validates that the overall approach is in line with Nestlé's strategy. The Audit Committee has oversight over the accuracy of Nestlé's financial and non-financial reporting.



Nestlé's governance and implementation structure



The Board of Directors approved the Non-Financial Statement 2024 to be issued on February 13, 2025, subject to approval at the Annual General Meeting on April 16, 2025.

For the number of executive members, see page 21 of the [Nestlé Corporate Governance Report](#).

For the number of non-executive members, see page 6 of the [Nestlé Corporate Governance Report](#).

For information about members' experience relevant to sectors, products and geographic locations of undertaking, see pages 6 and 7 of the [Nestlé Corporate Governance Report](#).

For information about the roles and responsibilities of management and supervisory bodies, see pages 18, 19 and 20 of the [Nestlé Corporate Governance Report](#).

For information about the identity of management and supervisory bodies or individual(s) within bodies responsible for oversight of impacts, risks and opportunities, see pages 14, 15 and 16 of the [Nestlé Corporate Governance Report](#).

Nestlé's Executive Board is responsible for the execution of Nestlé's ESG and Sustainability Strategy, which includes ensuring compliance with mandatory reporting obligations. The implementation of Nestlé's ESG and Sustainability Strategy is delegated to the ESG and Sustainability Council, chaired by the Executive Vice President (EVP) Head of Strategic Business Units and Marketing and Sales. The Council addresses the following topics: 2050 Net Zero Roadmap, packaging sustainability, water, responsible sourcing, human rights, communications, advocacy, systems and reporting. The Council meets every month and regularly reports to the full Executive Board. The structure helps to accelerate and standardize decision-making at a global level. During 2024, the Council met 12 times. The Council oversaw the implementation of the reporting obligations, including Swiss Non-Financial Reporting Obligations (Articles 964a to 964c and Articles 964j to 964l of the Swiss Code of Obligations) which require specific disclosures on ESG risks, policies, mitigation measures and outcomes, summarized in [Appendix 2 – Statutory Non-Financial Matter Report Index \(Article 964b CO\)](#) of this Non-Financial Statement 2024.

For information about sustainability-related expertise that bodies either directly possess or can leverage, see page 7 of the [Nestlé Corporate Governance Report](#).

Information is provided to the Board and other supervisory bodies through a range of committees and mechanisms, including:

- Risk and compliance activities are coordinated through the Group Compliance Committee to ensure a holistic, entity-wide approach. The Audit Committee is provided yearly with the Group Compliance Report, a comprehensive documentation of Nestlé's compliance framework, systems, activities and improvement actions pursued by the various functions. It includes a summary of the feedback received on the Group's integrity-reporting system as well as the compliance audits on Nestlé-operated sites (CARE).
- Nestlé's ESG and Sustainability Council provides strategic leadership and execution support and drives the implementation of Nestlé's ESG and Sustainability Strategy, including the [Nestlé Net Zero Roadmap](#), ensuring focus and alignment.
- The [Nestlé Human Rights Policy](#) expresses Nestlé's overall strategy on human rights, from principles to operational approach and governance. The Board is responsible for Nestlé's strategy, organization and oversight. The Executive Board is responsible for the execution of Nestlé's approach. It has set out the roles and responsibilities within Nestlé to ensure the implementation of the [Human Rights Framework and Roadmap](#), and [Nestlé Human Rights Salient Issue Action Plans](#) throughout its business categories and geographies. Nestlé's Human Rights Steering Committee, which is chaired by the Executive Vice President Group General Counsel, oversees the implementation of Nestlé's Salient Issue Action Plans, and monitors progress.

For the Group's Enterprise Risk Management (ERM) see [Double materiality assessment \(DMA\)](#).

In 2024, the ESG and Sustainability Council was regularly updated on the DMA progress, which it subsequently approved, including the material impacts, risks and opportunities as presented in this Non-Financial Statement 2024.

Each impact, risk and opportunity is managed by the relevant Board and Executive committees to ensure the effectiveness of measures put in place to address them and their consideration within the Group's strategy.

Specifically for climate, the Board is responsible for Nestlé's strategy, organization and oversight of climate-related matters, and monitors progress toward Nestlé's climate-related goals and targets, while, as stated, Nestlé's Executive Board is responsible for the overall execution of the sustainability strategy, which covers climate-related issues and includes the progress toward Nestlé's climate-related goals and targets.

## Incentive schemes and remuneration policies

Incentive schemes and remuneration policies linked to sustainability matters have been created for members of management.

The ESG objectives (15% of the target) are set annually by the Compensation Committee and reflect selected performance measures from Nestlé's ESG and Sustainability agenda. They relate to affordable nutrition with micronutrients fortification, reduction of greenhouse gas (GHG) emissions, virgin plastic reduction, reduction of water-use in factories, and management positions held by women. These five objectives are equally weighted at 3% each. Other employees are also linked to similar ESG objectives through employee-specific objectives related to individual priorities and performance. As of 2023, Nestlé added an ESG-related KPI, 'Reduction of greenhouse gas (GHG) emissions', as a fourth performance metric in the Long-Term Incentive Plan (20% of the target).

## Due diligence and risk management

Nestlé is committed to responsible business conduct through due diligence processes. Nestlé takes into account international frameworks such as the GRI Consolidated Set of Standards 2021, the Sustainability Accounting Standards Board (SASB) Standard for the Processed Foods sector and the OECD Due Diligence Guidance for Responsible Business Conduct (2018), to help identify, assess and address risks related to environmental, social, employee, human rights and combating corruption related matters. These steps include the following:

- Embedding responsible business conduct into policies and management systems.
- Risk identification: Operations and supply chains are regularly assessed to identify potential adverse impacts.
- Prevention and mitigation: Strict policies are enforced, and training is provided. Nestlé collaborates with partners to manage risks.
- Monitoring: Audits are conducted, performance tracked and grievance mechanisms maintained.
- Remediation: Actions are taken promptly to remedy identified issues and engage with affected stakeholders.
- Transparency: Due diligence efforts and outcomes are reported regularly.

See [Business conduct](#) for detailed information related to risk management and internal controls over sustainability reporting.

Regarding data quality, Nestlé continuously works to improve this aspect of reporting, and it has appointed a Data Quality Management Team and Manager to lead these efforts and explore possibilities for automating data capture to replace manual processes.

Data collection within Nestlé involves regional representatives collecting environmental and climate reporting data from suppliers and operations within their respective Zones and Markets. The ESG Finance Function assists in extracting data from accounting, timekeeping and project systems. Employees from Group functions retrieve other data from Nestlé's systems for calculation, collation and quality-control purposes.

During 2024, an action plan was established to start operationalizing the sustainability-related controls for material data points, as well as an internal audit by Nestlé to check KPIs and advise on suitable improvements.

## Engaging with stakeholders

### Engaging with Nestlé employees

Nestlé discloses in the Workforce Disclosure Initiative (WDI) how it engages with employees and how it takes their views on board, either as part of a formal information and consultation process, or as part of employee-engagement surveys and different idea-generating platforms.

Workforce matters are integrated into Nestlé's 2025 People Strategy, which is overseen by Nestlé's Global Head of Human Resources.

Nestlé's commitment aims to ensure healthy and safe working conditions for both employees and the individuals it collaborates with. It also expects suppliers and business partners to uphold these standards. Nestlé's primary goal is to empower informed decision-making and encourage employees to take responsibility for themselves, their families and the success of Nestlé's business. Additionally, Nestlé proactively works toward identifying and mitigating workplace health and safety risks, offering comprehensive health and well-being programs and providing support to employees throughout their recovery from injuries or illnesses.



To implement its sustainability-related commitments, Nestlé has developed two global strategies:

- Nestlé’s Global Safety Strategy is dedicated to upholding the highest safety standards across Nestlé sites, operations and projects. This strategy focuses on defining life-saving rules with zero tolerance for fatal and serious injuries, while also emphasizing the right behaviors. Nestlé embraces digital safety innovation, leveraging technology to seek to eliminate the occurrence of serious accidents. Furthermore, it employs behavioral science to gain a deeper understanding of the factors driving at-risk behaviors and ways to address their root causes.
- The Nestlé Roadmap for Employee Health outlines Nestlé’s priorities for the period 2024–2026. It summarizes the Employee Health Vision, Principles and Pillars with key milestones and deliverables. It serves as a reference for Markets when developing Employee Health Strategies.

See Nestlé’s [Salient Issue Action Plan: Safety and Health at Work](#) for more details.

Nestlé is committed to fostering positive relations with workers, worker representative bodies and trade unions, and respects the right of employees to engage in union activities.

At the global level, Nestlé continues to engage with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF) through biannual meetings and working groups focused on specific topics such as health and safety, gender equality and non-discrimination.

In 2024, two meetings of the Nestlé IUF working groups took place. The working group on Social Sustainability focused on topics such as the climate crisis, heat impacts and access to water for workers. The working group on Gender Equity discussed the Nestlé Global Guidance for Menopause/Andropause at Work.

At regional and market levels, Nestlé engages with works councils, such as the Nestlé European Council for Information and Consultation (NECIC), labor federations, external experts and business organizations to find opportunities to continuously improve its labor practices. In 2023, upon the request of Nestlé employees at the NECIC, Nestlé engaged in a deep-dive discussion on employee health and well-being and presented global, European and select countries’ health programs.

Supporting this approach, Nestlé specifically monitors the number of formal agreements (bargaining agreements or other formal documents) with trade unions, with a reference to safety or health.

Furthermore, Nestlé sites are certified to ISO 45001, which stipulates that worker representation is an integral part of Nestlé’s management system, being audited externally by certification bodies.

### **Engaging with stakeholders in the value chain**

Nestlé values dialogue with stakeholders in its value chain, suppliers, business partners, workers and farmers in its supply chains and local communities, as well as its consumers. Nestlé pays particular attention to individuals or groups who may be at greater risk due to their vulnerability or marginalization, such as migrant workers, children, women and girls, gender minorities, ethnic and racial groups and Indigenous Peoples and local communities.

### **Ratings**

Nestlé has received the following ratings for its stakeholder engagement:

- Nestlé has been consistently listed in the FTSE4Good Index since 2011 and was the first breast-milk substitute company to be included. It has maintained a strong standing in the Index, with an overall 2024 environmental, social and governance (ESG) rating of 4.4 out of 5.
- In 2024, Nestlé was rated A by MSCI ESG Research for its performance on ESG issues.
- Nestlé continues to be in the Carbon Disclosure Project (CDP) leadership band for climate change. It scored a B for water security, an A- for palm oil and a B for other forest commodities.
- Nestlé received a score of 22.7 and is rated as medium-risk on Sustainalytics’ 2024 ESG Risk assessment. This score is Nestlé’s best result in five years and reflects its commitment to the effective management of ESG risks.
- Nestlé ranked 9th out of 30 global food and beverage manufacturers in the Access to Nutrition Initiative (ATNI) Global Index 2024 and has been recognized for reporting the nutritional value of its portfolio using the Health Star Rating (HSR).
- Nestlé ranks second in the 2023 Nature benchmark and the Food and Agriculture benchmark from the World Benchmarking Alliance.
- Nestlé received the Reuters Responsible Business Awards 2023. The judges said Nestlé provided a good example to other companies of transparently revealing progress against published targets and acting on results.
- Nestlé was ranked second in the packaged food industry in Ceres’ Feeding Ourselves Thirsty analysis. The analysis compares the quality of water-risk management of 40 major food companies.

### Summary of stakeholder engagement related to the value chain

<p>Academia and science:</p> <ul style="list-style-type: none"> <li>– Symposia</li> <li>– Collaboration with institutions</li> </ul> <p>Consumers:</p> <ul style="list-style-type: none"> <li>– Social media</li> <li>– Brand campaigns</li> <li>– Transparent information</li> </ul> <p>Customers:</p> <ul style="list-style-type: none"> <li>– Regular meetings</li> <li>– Communications</li> <li>– Topical events</li> </ul> <p>Farmers, youth and communities:</p> <ul style="list-style-type: none"> <li>– Grower programs for commodities</li> </ul> <p>Global partnerships:</p> <ul style="list-style-type: none"> <li>– Joint initiatives on key topics</li> <li>– Hosting of events</li> </ul>	<p>Governments, international organizations and NGOs:</p> <ul style="list-style-type: none"> <li>– Discussions</li> <li>– Events</li> <li>– Conferences</li> </ul> <p>Industry associations:</p> <ul style="list-style-type: none"> <li>– Regular engagements across ESG topics</li> </ul> <p>Investors and analysts:</p> <ul style="list-style-type: none"> <li>– Meetings</li> <li>– Investor Days</li> <li>– Analyst calls</li> </ul> <p>Suppliers:</p> <ul style="list-style-type: none"> <li>– Programs</li> <li>– Guidance</li> <li>– Collaborative roadmaps</li> <li>– Support</li> </ul>
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### Examples of Nestlé stakeholder engagement activity by topic

<b>Climate</b>	<ul style="list-style-type: none"> <li>– Published the Climate Policy Engagement report and improved assessment by Influencemap (ranked Nestlé #5 out of about 200 companies).</li> <li>– Provided ongoing support to the International Chamber of Commerce, Business for Nature and the World Business Council for Sustainable Development in calling for strong action by policymakers to safeguard natural resources during global events such as New York Climate Week, COP29, CBD COP16 and UNCCD COP16.</li> <li>– Partnered with key suppliers to implement climate change mitigation actions.</li> <li>– Supported the development of ambitious nationally determined contributions (NDCs) in key countries (e.g. Brazil and the UK).</li> </ul>
<b>Global partnerships</b>	<ul style="list-style-type: none"> <li>– Refocused Nestlé’s partnership with the International Federation of Red Cross (IFRC), with a five-year strategic partnership for the Disaster Response Emergency Fund and Africa Hunger Crisis.</li> <li>– Renewed annual partnership with World Central Kitchen.</li> <li>– In partnership with UNESCO, the ‘Impulso Joven – Because Youth Matter’ program provides young people with the necessary resources and skills to develop and implement their novel solutions to create positive social and environmental impact in their communities.</li> <li>– Consolidated MOU with the Global FoodBanking Network, working toward the inclusion of European FoodBanking Network and Feeding America.</li> </ul>
<b>Nature and biodiversity</b>	<ul style="list-style-type: none"> <li>– Organized a dialogue with experts and beneficiaries to discuss the challenges and opportunities of scaling up regenerative agriculture together with the Alliance Bioversity International and the International Center for Tropical Agriculture (CIAT), The Nature Conservancy and OP2B/WBCSD at CBD COP 16.</li> <li>– Contributed to the 5th Anniversary of OP2B in a dedicated event organized at NYC Climate Week focusing on scaling up regenerative agriculture and advance the Action Agenda on Regenerative Landscapes.</li> <li>– Continued leadership in forest conservation and restoration reporting progress on 1t.org and within the Consumer Goods Forum (CGF) Forest Positive Coalition of Action.</li> <li>– Contributed to the Rimba Collective Progress Report which outlined collective commitment of conservation and restoration of 224000 hectares of forest.</li> </ul>

<b>Nutrition</b>	<ul style="list-style-type: none"> <li>– Supported efforts to promote the role of food and nutrition in addressing global health challenges during the 77th World Health Assembly.</li> <li>– Participated in the Access to Nutrition Initiative project to harmonize the use of nutrient profiling models in non-financial reporting.</li> <li>– Convened members of ShareAction’s healthy market initiative to a meeting with Nestlé’s CEO, Laurent Freixe, to explore opportunities beneficial to both public health and its business.</li> <li>– Continuous engagement with the scientific community in external and internal conferences, such as the 2024 Nestlé International Nutrition Symposium which covered the topic ‘Rethinking the impact of nutrition on health: From nutrients to meals to balanced diets.’</li> </ul>
<b>Packaging</b>	<ul style="list-style-type: none"> <li>– Engaged in development of solutions and policy proposals for packaging circularity and waste management as a member of the Advisory Board of the Ellen MacArthur Foundation New Plastics Economy, Steering Board of the Global Plastics Action Partnership and co-chair of the Business Coalition for a Global Plastics Treaty.</li> <li>– Participated as an observer at the UN Environment-hosted intergovernmental negotiating committee process for a global Treaty on Plastic Pollution.</li> <li>– Partnered with the Fair Circularity Initiative in promoting 10 Principles for Fair Partnerships with Waste Workers, and supported the establishment of the Living Income in the Informal Waste Sector report, Methodology and assessments in 10 countries.</li> <li>– Ongoing engagement with NGOs, key opinion leaders, and the scientific community through bilateral meetings, stakeholder site visits and industry conferences.</li> <li>– Partnerships with customers and start-ups to grow the reuse and refill ecosystem through B2B and B2C initiatives with PR3, CITEO, Circolution and systems solutions like ALDO.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>– Actively participated in the Child Labor Cocoa Coordination Group (CLCCG) negotiation process, which led to the signature of the Framework of Action 2024–2029 to contribute to the prevention and progressive elimination of child labor in cocoa-growing communities of Côte d’Ivoire and Ghana, between the World Cocoa Foundation and the governments of Côte d’Ivoire, Ghana and the United States.</li> <li>– Organized two in-depth consultation processes with diverse stakeholders in Brazil and Colombia as part of the implementation of Nestlé’s Salient Issue Action Plan on Indigenous Peoples’ and Local Communities’ Land Rights.</li> <li>– Together with the Skoll Center and the Oxford Martin School’s Programme on the Future of Food, Nestlé convened a diverse group of over 80 expert participants from the private, public, and social sectors earlier this year. The main outcomes of the discussion were outlined in a new report, ‘Towards a Just Transition in Global Food Systems’, where Nestlé outlined the five critical key approaches that emerged from these discussions.</li> <li>– Hosted a meeting between Nestlé’s CEO, Laurent Freixe, and the ILO’s Director General, Gilbert Hounbo, at Nestlé headquarters.</li> <li>– Hosted the members of the Alliance for YOUth at Nestlé’s global training center to celebrate the 10th anniversary of the Initiative.</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>– Engaged with the investment community through Nestlé’s Annual General Meeting and regular investor meetings and analyst calls.</li> <li>– Held five in-person Chairman’s roundtables and engaged with investors throughout the year.</li> <li>– Held Capital Markets Days with investors and analysts.</li> <li>– Published the 2023 Creating Shared Value &amp; Sustainability Report, recognized with a Swiss Sustainability Reporting Excellence Award.</li> </ul>

## Double materiality assessment

Nestlé identified 39 material impacts and risks as part of the DMA in 2024, conducted with a third-party organization, with the material impacts, risks and opportunities outlined in the table on the next page. In addition, Nestlé discloses descriptive information on the identified risks alongside the disclosures provided under each sustainability matter section in this Non-Financial Statement 2024.

For each identified material impact, Nestlé’s internal subject-matter experts develop, assess and document risks and opportunities. This process is designed to substantiate Nestlé’s

exposure and ensure a comprehensive understanding of each impact’s potential ramifications. Additionally, this helps put in place the right metrics to measure progress in mitigating risks.

Nestlé’s strategic framework is deeply intertwined with its impact management approach. Nestlé’s business model (see [General Disclosures](#)) is designed to integrate sustainability at its core, ensuring that every strategic decision considers the potential impacts on society, the environment and Nestlé. This integration is achieved through a systematic process where potential impacts are identified, assessed and managed in alignment with Nestlé’s long-term goals.

By embedding impact analysis into its strategy, Nestlé endeavors to contribute positively to global sustainable development goals while addressing negative consequences. This proactive approach not only enhances Nestlé’s resilience and adaptability but also reinforces its commitment to creating shared value. Nestlé leverages its extensive supply chain network and diverse portfolio to drive positive changes, ensuring that its business practices support sustainable development and ethical stewardship. Furthermore, Nestlé employs a governance framework, detailed in [Business conduct](#) to oversee the implementation

and monitoring of its impact strategy. This framework includes accountability mechanisms and regular reviews to ensure that Nestlé’s strategic objectives are consistently aligned with its impact management goals. Through continuous learning and adaptation, Nestlé strives to enhance its impact performance, fostering a culture of sustainability.

By defining the time horizons for impacts, risks and opportunities, Nestlé enhances its capacity to plan strategically, align resources effectively and measure progress accurately.

Description of impact and/or risk

Sustainability matter	IRO names	Value chain			Rationale: description of negative impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Climate change</b>								
<b>Climate change adaptation</b>	Sourcing practices	●			<p><b>Impact:</b> Climate change poses a significant challenge to sourcing of ingredients, with extreme weather events risks, increased pests and diseases threatening crop yields. Adaptation is costly and complex, especially for small-scale farmers, and shifting sourcing regions adds to economic instability.</p> <p><b>Risk:</b> Climate-related risks such as heatwaves, drought and water stress may impact raw materials, availability, quality and cost due to lower yields and greater yield variability.</p>	●	●	●
<b>Climate change mitigation</b>	Emissions from sourcing and ingredients	●			<p><b>Impact:</b> Greenhouse gas emissions linked to agricultural activities and land-use changes for ingredients.</p> <p><b>Risk:</b> Policy risks (e.g. carbon tax), technology risks (e.g. replacement and substitution of emission intensive assets), and market risks (e.g. consumers adopting more sustainable choices) are factors that may potentially lead to supply disruptions, regulatory action, increasing operating costs and impacts on Nestlé’s reputation.</p>	●	●	●
<b>Energy</b>	Energy mix		●		<p><b>Impact:</b> Sources of energy (e.g. fossil fuel) can result in impacting climate change.</p>		●	●
<b>Pollution</b>								
<b>Pollution of water</b>	Water pollution including eutrophication	●	●		<p><b>Impact:</b> Activities in the value chain can impact water quality via industrial discharge or chemical runoff. Without proper treatment, these can lead to contamination of water bodies, including eutrophication and subsequent oxygen depletion in aquatic environments.</p>	●	●	●
<b>Pollution of soil</b>	Soil pollution from agricultural activities	●			<p><b>Impact:</b> Excessive or improper use of chemicals like synthetic fertilizers and pesticides in agriculture can disrupt local ecosystems, thereby affecting the integrity of the soil environment.</p>	●	●	●

Sustainability matter	IRO names	Value chain			Rationale: description of negative impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Water</b>								
<b>Water consumption</b>	Water scarcity	●	●		<b>Impact:</b> Water consumption from local hydrogeological systems, without adequate restoration or regeneration within the same watershed, as observed in activities such as agriculture or food and beverage production, can impact local water availability.	●	●	●
<b>Water withdrawals</b>	Water usage impacts	●	●		<b>Impact:</b> Excessive withdrawals from local water resources can place increased pressure on the availability of water for other users or ecosystems.	●	●	●
<b>Water discharges</b>	Water discharges in water bodies	●	●		<b>Impact:</b> Operations within the value chain can impact water quality, primarily through industrial effluent discharges and leaching from agriculture activities. These include thermal change or chemical runoff, which can result in adverse impact on the environment.	●	●	●
<b>Biodiversity</b>								
<b>Impacts on the state of species</b>	Pollinator decline	●			<b>Impact:</b> Excessive or improper use of pesticides can harm pollinator populations, crucial for the state of species and ecosystems.	●	●	●
<b>Impacts on the extent and condition of ecosystem and dependencies on ecosystem services</b>	Soil erosion	●			<b>Impact:</b> Intensive farming methods, such as excessive tillage or bare soils can lead to soil erosion, thereby removing the nutrient-rich top layer of soil and impairing ecosystem services such as water filtration.	●	●	●
<b>Climate change</b>	Greenhouse gas emissions	●	●	●	<b>Impact:</b> Greenhouse gas emissions may intensify climate change and impact ecosystems and biodiversity. <b>Risk:</b> Supply disruptions, regulatory action including fines, litigation and impacts on reputation.	●	●	●
<b>Land-use, fresh water-use and sea-use change</b>	Deforestation	●			<b>Impact:</b> Agricultural activities can be a key driver of land-use change, and can contribute to deforestation, leading to negative impacts on forest ecosystems and the ensuing decline in biodiversity. <b>Risk:</b> Supply disruptions, regulatory action including fines, litigation and impacts on reputation.	●	●	●
	Transformation of product portfolio	●	●		<b>Impact:</b> The shift toward certain ingredients can have adverse ecological effects, such as deforestation and habitat loss.		●	●
<b>Direct exploitation</b>	Intensive farming	●			<b>Impact:</b> Intensive farming practices can lead to resource depletion and disturb the balance of ecosystems.	●	●	●

Sustainability matter	IRO names	Value chain			Rationale: description of negative impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Resource use</b>								
<b>Resource outflows related to products and services</b>	Food waste		●	●	<b>Impact:</b> Food waste in the value chain encompasses the unnecessary disposal of edible products and ingredients throughout distribution and consumption stages, and can have economic, environmental and social implications, such as unnecessary use of resources or GHG emissions.	●	●	●
	Packaging		●	●	<b>Impact:</b> Inadequate packaging designs for minimal material use, and the lack of progress on reusability, recyclability or compostability of materials and the lack of proper infrastructure, can lead to increased environmental degradation and elevates the demand for raw materials.	●	●	●
<b>Own workforce</b>								
<b>Freedom of association, works councils and rights of workers</b>	Suppression of the right to form unions		●		<b>Impact:</b> Suppression of the right to form unions can affect workers' rights of collective bargaining, hindering improvements in working conditions and socio-economic development.	●	●	●
	<b>Health and safety</b>	Work incidents		●		<b>Impact:</b> Incidents at work can result in injury, harm or death of employees.	●	●
Stress and mental workload			●		<b>Impact:</b> Mental and emotional pressures from work, including but not limited to the intensity and duration of working hours, can affect the health, productivity and well-being of employees.	●	●	●
<b>Gender equality and equal pay for work of equal value</b>	Unequal pay for work of equal value		●		<b>Impact:</b> Unequal pay can deepen socio-economic disparities, affect the work environment and increase the stress levels among underpaid groups.	●	●	●
	Gender inequality		●		<b>Impact:</b> Gender inequality in the workplace can lead to reduced employee morale and productivity, hinder talent acquisition and retention and result in missed opportunities for innovation and growth due to a lack of diverse perspectives and ideas.	●	●	●
<b>Diversity</b>	Incidents of discrimination at the workplace		●		<b>Impact:</b> Discrimination in the workplace can lead to inequalities, restrict access to opportunities and resources, exacerbate social divisions and severely impact mental health and well-being of the affected individuals.	●	●	●



Sustainability matter	IRO names	Value chain			Rationale: description of negative impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Workers in the value chain</b>								
<b>Adequate wages</b>	Lack of living wages	●		●	<b>Impact:</b> Lack of living wage can make workers extremely vulnerable to poverty, and potentially contribute to many other social and human rights issues, such as gender inequality and forced labor.	●	●	●
<b>Child labor</b>	Incidents of child labor or child labor risks	●		●	<b>Impact:</b> Incidents of child labor or child labor risks can deprive children of their childhood, potential, dignity, interfere with their schooling, and be harmful to their physical and mental development.	●	●	●
<b>Measures against violence and harassment in the workplace</b>	Incidents of violence and harassment in the workplace	●		●	<b>Impact:</b> Incidents of violence and harassment in the workplace can significantly undermine the overall work environment, leading to decreased employee morale, increased absenteeism and potential reputational damage. These issues can ultimately affect productivity and the organization’s ability to attract and retain talent.	●	●	●
<b>Health and safety</b>	Workplace incidents, diseases and fatalities	●			<b>Impact:</b> Workplace incidents, diseases and fatalities can lead to a high human, economic and social burden. This includes reliance on benefits, early retirement, exclusion from the labor market, the loss of a breadwinner and poverty.	●	●	●
<b>Forced labor</b>	Incidents of forced labor or forced labor risks	●		●	<b>Impact:</b> Incidents of forced labor or forced labor risks can perpetuate human rights abuses, economic exploitation, social inequality, and undermine global progress by eroding trust and hindering sustainable development.	●	●	●
<b>Water and sanitation</b>	Incidents of improper water and sanitation	●		●	<b>Impact:</b> Incidents of improper water and sanitation can lead to health issues, child mortality, malnutrition, and hinder economic development by increasing healthcare costs and reducing productivity; can exacerbate social inequalities, and contribute to the perpetuation of poverty cycles.	●	●	●
<b>Affected communities</b>								
<b>Adequate food</b>	Lacking food security	●	●	●	<b>Impact:</b> Lacking food security can result in severe malnutrition, stunted growth in children, and heightened susceptibility to illnesses and chronic health conditions. This situation can lead to increased healthcare and perpetuate cycles of poverty, social instability, and economic disparity, making it challenging for communities to achieve sustainable development and improved quality of life.	●	●	●
<b>Water and sanitation</b>	Incidents of improper water and sanitation	●	●	●	<b>Impact:</b> Incidents of improper water and sanitation can lead to health issues, child mortality, malnutrition, and hinder economic development by increasing healthcare costs and reducing productivity; can exacerbate social inequalities, and contribute to the perpetuation of poverty cycles.	●	●	●
<b>Land-related impacts</b>	Indigenous Peoples’ and local communities’ land and resource rights	●	●	●	<b>Impact:</b> The violation of Indigenous Peoples and local communities’ land and resource rights can lead to significant economic, cultural, environmental, social, and health detriments for the affected communities, exacerbating inequality and human rights abuses.	●	●	●

Sustainability matter	IRO names	Value chain			Rationale: description of negative impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Consumers and end-users</b>								
<b>Privacy</b>	Protecting consumers' personal data			●	<b>Impact:</b> Privacy incidents can lead to potential harm to people's rights and integrity, personal safety and well-being.	●	●	●
<b>Access to (quality) information</b>	Unclear or insufficient product information			●	<b>Impact:</b> The lack of clear and comprehensive product information, as opposed to accessible and user-friendly communication, hampers the ability of all consumers to fully understand the practices and ingredients involved. This gap in communication can lead to confusion and mistrust, preventing consumers from making informed decisions based on their personal preferences, health requirements and ethical considerations.	●	●	●
<b>Health and safety and security of a person</b>	Impacts of unhealthy diets			●	<b>Impact:</b> Detrimental impact of excessive consumption of foods high in sugar, sodium, and fat can lead to an increased risk of obesity and associated noncommunicable diseases (NCDs).	●	●	●
	Consumption of safe and quality products			●	<b>Impact:</b> Negative repercussions for consumers can result from a breach in product safety or improper allergen labeling, leading to impurities, contamination and related health issues. <b>Risk:</b> Incidents of food safety can lead to regulatory action including fines, litigation, loss of trust and impacts on reputation.	●	●	●
<b>Access to products and services</b>	Products accessibility for specific consumer groups			●	<b>Impact:</b> Products are not usable or available to all segments of the population, such as those with different income segments and specific dietary needs.	●	●	●
<b>Responsible marketing practices</b>	Ensuring compliance with Nestlé Marketing Policies			●	<b>Impact:</b> Improper marketing communication can mislead and/or affect vulnerable consumer groups (e.g. children, infants and young children).	●	●	●

Sustainability matter	IRO names	Value chain			Rationale: description of negative impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Governance</b>								
<b>Corporate culture</b>	Lack of adherence to Nestlé’s values, principles, policies and applicable laws		●		<b>Impact:</b> A lack of adherence/awareness of corporate values and compliance with principles, policies and applicable laws and culture can contribute to a decline in public and employee trust, with potential reputational, legal and societal repercussions.	●	●	●
<b>Protection of whistle-blowers</b>	Lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation	●	●	●	<b>Impact:</b> The absence of an independent and secure system can inhibit individuals from reporting misconduct, undermine transparency, erode trust in institutions, hinder engagement and productivity, and pose risks to public welfare and legal compliance.	●	●	●

This DMA was performed at Group level, covering Nestlé’s global upstream, own operations and downstream value chains.

Nestlé’s process for identifying and assessing sustainability matters is based on a comprehensive and systematic analysis of its operations and value chain, as well as the external context in which it operates.

- For impact materiality, Nestlé rated identified impacts on scale, severity and likelihood to understand the materiality of each topic.
- For financial materiality, which assesses risks and opportunities, Nestlé identified sustainability factors impacting its financial performance.

**Identifying impacts, risks and opportunities**

The process of identifying and assessing impacts focuses on risks or opportunities from Nestlé’s own operations, or as a result of its business relationships, and involves mapping its value chain and understanding the impacts, risks or opportunities that are relevant for each stage of its operations and business relationships.

Nestlé uses various sources of information to inform its analysis, such as internal data and internal subject-matter experts, external benchmarks, stakeholder feedback, media reports, and external expert opinions. In addition, Nestlé uses existing work such as Nestlé’s Human Rights Framework and Roadmap, and Nestlé’s Human Rights Salient Issue Action Plans, to identify, prevent and mitigate any adverse human rights impacts that it may cause or contribute to through its activities or as a result of Nestlé’s business relationships.

Nestlé conducts consultations on resource and circular economy matters through regular interactions with stakeholders at various levels including local, regional, national and international platforms, both in-person and online.

Nestlé’s external advisory Group, named the Creating Shared Value (CSV) Council, plays a crucial role in defining agendas related to circular economy and resource management. This includes ensuring regular consultations with various stakeholders to discuss and demonstrate progress in key areas like recycling, reuse-and-refill systems, regenerative food systems and industry-initiative participation.

In the area of packaging circularity, Nestlé co-chairs the [Business Coalition for a Global Plastics Treaty](#), working with government and civil society stakeholders, and Nestlé is a founding member of the [Fair Circularity Initiative](#) with the private sector and non-governmental organizations. Nestlé also engages with waste workers in the informal and cooperative sectors, aiming for regulatory protection of the human rights of waste workers. This work in 2024 included the development of a living income methodology for informal sector workers, and a capacity-building program for the assessment of living income in waste collection with local associations and cooperatives.

Nestlé’s direct engagement with stakeholders in circularity included a facilitation training on 3 Horizons’ futures-mapping methodology for Nestlé employees and key stakeholders to advance collective thinking on waste-management systems and reuse-and-refill system futures.

The Nestlé value chain underwent a screening for both actual and potential impacts, risks and opportunities. The extent to which the value chain is affected for each of the identified impacts, risks and opportunities was specified and described in detail. Furthermore, it was assessed whether each specific impact leads to positive or negative outcomes, as well as defined the affected time horizons of the impacts.

Through this process, Nestlé aims to identify its most material sustainability matters, post-mitigation and to prioritize its actions accordingly. This includes considering the following factors that may influence the likelihood of adverse impacts on people and the environment:

- Specific activities: Nestlé considers the nature and scale of its activities, such as sourcing, manufacturing, distribution, marketing and sales, and how these may affect its stakeholders and natural resources. For example, Nestlé assesses, through measurements, scientific methods, supply chain deep-dives and stakeholder engagement the potential impacts of its water use, greenhouse gas emissions, waste generation, packaging materials, human rights, nutrition and health outcomes, and community engagement.
- Business relationships: Nestlé considers its indirect impact through business partners, such as suppliers, customers, distributors, joint ventures, licensees and franchisees, and how these may influence or contribute to its sustainability performance. For example, Nestlé assesses, through field visits, supplier engagement and targeted deep-dives the potential impacts of its responsible sourcing requirements, supplier development programs, customer satisfaction initiatives, product quality and safety standards, and traceability systems.

- Geographies: Nestlé considers the geographic locations of its operations and value chain, and the specific environmental, social, economic, political and cultural characteristics of each region or country. Nestlé’s division into Zones provides a tailored framework to help assess impact in individual Zone geographies. It enables Nestlé to assess the potential impacts of its local presence, employment practices, tax contributions, stakeholder engagement, regulatory compliance, adaptation to climate change and water scarcity.
- Other factors: Nestlé considers any other relevant factors that may affect its ability to prevent, mitigate or remediate negative impacts, or enhance positive impacts, such as its governance structure, policies, procedures, management systems, targets, indicators, incentives, training, audits, reporting and grievance mechanisms.

To identify its material sustainability matters, Nestlé engages with a range of internal and external stakeholders, including affected stakeholders, to understand their perspectives, expectations and concerns. Nestlé uses various methods of consultation, such as surveys, interviews, focus groups, workshops, webinars and feedback mechanisms. Nestlé also seeks advice from external experts, such as sustainability consultants, academics, industry associations, non-governmental organizations and standard setters to ensure that it is aware of the latest trends, best practices and emerging issues in related sectors and beyond.

In 2024, this included a thorough external stakeholder consultation, which comprised the CSV Council members and additional representatives of affected stakeholders, such as farmers from Côte d’Ivoire, Brazil and Pakistan, non-governmental and not-for-profit organizations (e.g. WWF, Oxfam, Ellen MacArthur Foundation), retailers (e.g. Walmart), suppliers and traders (e.g. Fonterra, Cargill) and academia (e.g. Johns Hopkins University), with their inputs contributing to identifying and assessing Nestlé’s sustainability material topics.

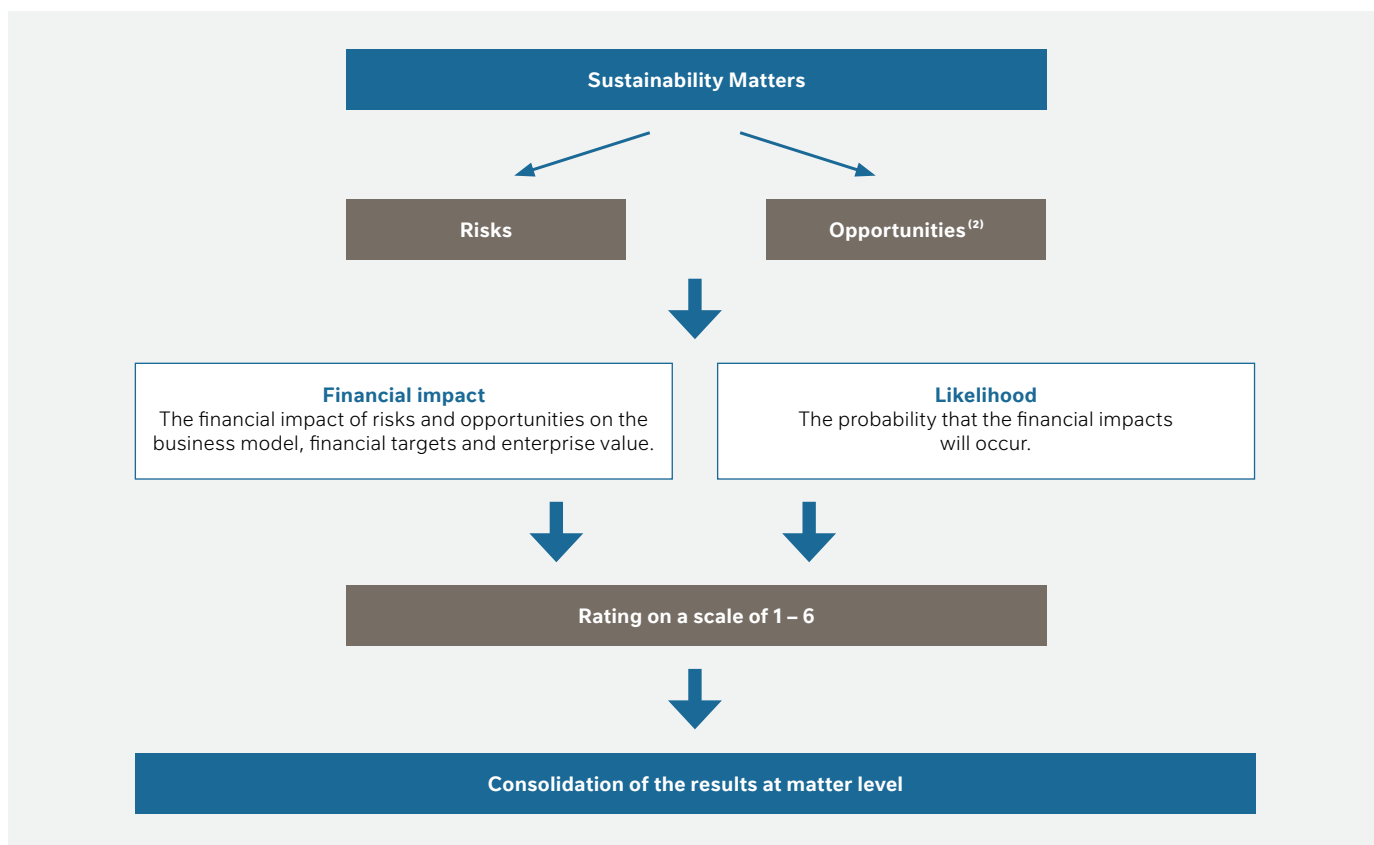
### **Financial materiality**

Nestlé’s Enterprise Risk Management (ERM) framework is considered the key source for assessing financial materiality. The ERM framework includes an assessment of Nestlé’s key risks (financial and non-financial) rated using impact and likelihood as criteria. The focus is on those risks that may impact the achievement of Nestlé’s financial objectives and sustainability commitments.

The overall risk-management process and evaluation of the overall risk profile occurs at Group level, conducted annually. ESG and sustainability topics are built into the ERM process. This helps to ensure that the full range of material topics is incorporated into the risks that are considered across Nestlé.

If required, cases relating to Nestlé’s risk-assessment processes are escalated to the Executive Board and related findings are reflected in decision-making processes at an operational and strategic level.

Risk management process and evaluation



The ERM assessment is conducted on an annual basis with the Executive Board. The ERM risk universe covers a broad range of topics including commercial (e.g. cyber, customer and channel management), environmental (e.g. greenhouse gas emissions), social (e.g. human rights, diversity and inclusion, health and safety), and governance (e.g. corporate governance and business ethics).

The ERM assessment considers a five-year time horizon, with the assessment including individual interviews with each Executive Board member to collect their ratings and comments on the key risks, emerging trends and longer-term outlook (beyond five years). Group Risk Management consolidates the ratings and feedback to facilitate an Executive Board session (last held in August 2024) to confirm the risk assessment and identify owners and actions of mitigation strategies. The ERM heatmap is a 4x4 likelihood and impact matrix.

(2) In 2024, only climate-related opportunities were assessed.

The following steps were undertaken to translate the ERM ratings of risks to the CSRD approach of financial materiality:

- Where there was a one-to-one relationship there was a direct mapping (e.g. Own workforce Health and Safety matched to ERM Employee Health and Safety).
- Where there were multiple options, explanatory comments were provided (e.g. Biodiversity and ecosystems matched to ERM nature/biodiversity loss and GHG emissions).
- Where there were no equivalent matches, the ERM rating was used and explanatory comments were provided (e.g. Consumers and end-users Freedom of Expression does not have an equivalent in ERM – subsequently, the explanation is that: ‘Nestlé’s business model does not include products or services that may restrict freedom of expression’).

### Impact materiality

The identified impacts were assessed using pre-defined objective assessment criteria to determine materiality. The severity results after consideration of the scale, scope, and actual irremediability of the respective impact. This assessment may also take into account any remedial actions

that have been implemented, where applicable. In addition, the probability of a potential impact occurring was included in the assessment to obtain a comprehensive picture of the potential impacts. In particular, risks relating to the environmental and social impacts of the supply chain, including exposure to human rights risks, were reviewed at Group management level. There is also a detailed supplier risk and due diligence program, conducted by the Global Procurement function.

This is documented in detail in the assessment for material impacts. Particular attention was paid to a consistent assessment based on defined criteria. The severity of the impact was determined as follows:

- Actual negative impacts: The mean value was calculated from the assessments of scale, scope and irremediability.
- Potentially negative impacts: The average of scale, scope and irremediability was also multiplied by the probability of occurrence, in the case of impacts on human rights, the probability was consistently set at 100%.
- Potentially positive impacts: An average of the scale and scope was calculated and multiplied by the probability of occurrence.

### Evaluation per impact<sup>(3)</sup>

	Actual negative impact	Actual positive impact	Potentially negative impact	Potentially positive impact	Rating
<b>Scale</b>	<b>Extent of the impact</b>				
	Severity of the impacts on the quality of life of the people affected or on the environment				1–6
<b>Scope</b>	<b>Scope of the impact</b>				
	Geographical extent and extent to which the value chain is affected (environmental issues) or number of people affected (social issues)				1–6
<b>Remediability</b>	<b>Reversibility of the impact</b>				
	Reversibility of the impacts and the effort and duration required for this	Not relevant	Reversibility of the impacts and the effort and duration required for this	Not relevant	1–6
<b>Likelihood</b>	<b>Probability of occurrence</b>				
	100%	Not relevant	Indication of the potential probability		1–6
<b>Calculation result</b>	Severity <sup>(4)</sup> * likelihood	(Scale + scope) * likelihood	Severity <sup>(4)</sup> * likelihood	(Scale+scope) * likelihood	1–6

(3) By assessing one assessment category as 6, the overall result of the impact becomes material.

(4) Severity is defined as scale, scope and remediability.



Calibration and refinement were conducted by the Group Compliance Committee in conjunction with relevant stakeholders. The methodology and approach were distributed to the subject-matter experts and senior management to ensure awareness and understanding. Calibration workshops were carried out to identify areas for improvement or refinement.

## Assessing impacts, risks and opportunities

For more information on how we identify and assess impacts and risks, please see the individual sustainability matter sections in this Non-Financial Statement 2024.

In addition to the DMA general process described, Nestlé regularly assesses its greenhouse gas (GHG) footprint to quantify its impact on climate change.

Actual GHG emissions for Scopes 1, 2 and 3 are tracked through an internal GHG accounting system (Greenhouse Gas Performance System (GPS)). GPS was developed internally for GHG accounting and reporting and the methodology governing the system is aligned with the GHG Protocol Corporate Standard. GPS uses activity data directly from Nestlé's central data systems (e.g. purchasing data from SAP, packaging data from its packaging tracker) and it is updated on a quarterly basis.

Nestlé's manufacturing IT system SHE-PM collects the activity data and emission factors, and performs the calculation of the Group Scopes 1 and 2 GHG emissions.

Finally, Nestlé tracks its GHG footprint against the Net Zero Roadmap glidepath, updating it based on the latest growth forecast and business changes to adapt its strategy and remain aligned to the net zero by 2050 path.

## Assessing and addressing climate-related risks

The process for assessing and addressing climate-related risks in Nestlé's operations and along the value chain involves a comprehensive, multi-disciplinary approach integrated globally throughout the organization. This assessment process is conducted annually and covers all stages of the value chain including direct operations, upstream and downstream.

Potential financial and operational impacts are determined by assessing transition risks (short and medium term) and physical risks (short, medium and long term) as defined in [General Disclosures](#), in particular the yield impacts that climate change might have across key commodities globally, in order to ensure that Nestlé remains resilient in the face of evolving climate conditions.

The insights and findings of the climate-risk analysis are presented yearly to executive management and the Board of Directors to integrate risk considerations into corporate governance and strategic planning. The outcomes are incorporated into Nestlé's strategic planning and fully integrated into Nestlé's overall risk management processes across all levels of the organization.

By incorporating the findings into its risk-management process and strategic decision-making, Nestlé is both reactive to imminent risks and proactive in opportunities presented over varying timelines. This comprehensive coverage not only supports immediate operational adjustments but also long-term strategic alignments with global climate targets.

Nestlé's approach includes high-level assessments for product categories and in-depth scenario analyses across the value chain.

- Top-down climate assessments are formally incorporated into the annual strategic portfolio reviews for Strategic Business Units and Globally Managed Businesses. Each unit considers how climate-related risks may affect its strategy and future business projections. The assessments consider risks at an individual Zone level and aggregated Global level.

- Bottom-up scenario analyses are conducted across the value chain to assess the resilience of Nestlé’s strategy under different climate scenarios. They are carried out in partnership with Risilience, a UK-based company, which is using methodologies and scenarios from its academic partner, the Centre for Risk Studies at the University of Cambridge Judge Business School. The relevant operational teams, including procurement, agriculture and business continuity management review the most significant climate-related risks, develop mitigation strategies and identify opportunities.
- The Nestlé Global Property Loss Prevention Program conducts in-depth assessments of natural catastrophe risks for existing sites and greenfield projects. This includes risks such as precipitation, flood, hail, heat and drought. The process is based on the use of quantitative third-party models to generate a baseline for current expected losses and future expected losses from natural catastrophes. The objective is to proactively anticipate the changes in risk profile and define remedial action including associated capital expenditure at site level. It also supports decision-making for future standards of prevention and protection.
- Decision-making for decarbonization: The insights derived from applying these scenarios guide strategic decisions related to product development, resource allocation, risk management and operational adjustments. By mapping the potential impacts of varied emission trajectories, decarbonization levers from energy efficiency improvements to transitions in product portfolios can be better aligned toward lower-carbon alternatives.
- Impact on decarbonization decisions: Nestlé leverages findings from these scenarios to strengthen the alignment of the Nestlé Net Zero Roadmap. This reflects rigorous planning for both transition and physical risk factors and adaptation to the ever-evolving climate-related challenges affecting Nestlé’s global operations and value chains.

### **Climate scenarios considered by Nestlé**

Nestlé has utilized climate scenarios in the following ways:

- Climate scenarios utilization: Nestlé has employed three different Paris Agreement-consistent climate change mitigation scenarios based on low-, intermediate- and high-emission IPCC pathways to evaluate the transition risks associated with different trajectories of global decarbonization. These scenarios help identify what shifts might occur in the global economic, social and regulatory landscapes under varying climate outcomes and the necessary adaptation and mitigation strategies to undertake.
- Analysis of risk impacts:
  - Low – Paris Ambition: This represents immediate coordinated global efforts to curb emissions, aiming to limit warming to 1.5°C by 2100.
  - Intermediate – RCP 4.5: This assumes reliance on existing or currently planned policies, potentially leading to a temperature increase of 2°C to 3°C by 2100.
  - High – RCP 8.5: This represents a scenario where few or no steps are taken to limit emissions, with potential warming of 4°C to 5°C by 2100.

Climate modeling<sup>(5)</sup>

<b>Emissions trajectory</b>	<b>High – RCP 8.5</b>	<b>Intermediate – RCP 4.5</b>	<b>Low – Paris Ambition</b>
Temperature increase by 2100	+4.0°C to +5.0°C	2.0°C to +3.0°C	+1.5°C
Global action against climate change	Few or no steps taken to limit emissions.	Reliance on existing/planned policies (not commitments).	Immediate and coordinated action to curb emissions.
Impact	Modest technological shift to low-emissions technologies. Modest shift to low-emission products.	Gradual shift to low-emissions technologies.	Rapid low-emissions innovations. Consumer shifting to low-emissions products.

<b>Short and medium term</b>	
Business scope	Upstream, direct operations and downstream.
Modeling simulations	Net zero – Nestlé’s 20% absolute emissions decrease by 2025 and 50% by 2030.
Modeling metrics	Directional cumulative 10-year discounted cash flow (DCF) impacts on net zero business model under the three different scenarios.
Risk category	<p><b>Transition risks</b></p> <p><b>Policy risks</b> Actions to limit climate emissions include carbon tax, regulations linked to land and water use, restrictions and/or bans on specific materials, enhanced emissions-reporting obligations, etc. The scenario analysis modeled carbon tax as a proxy for policy risks. The analysis also considered changes in availability of key raw materials and their impact on raw material costs.</p> <p><b>Technology risks</b> Costs related to decarbonization of the value chain, including replacement and substitution of emission-intensive assets, materials and services. The scenario analysis modeled the share of energy from renewables as a proxy for technology risks.</p> <p><b>Market risks</b> Shifts in supply and demand as consumers switch to more sustainable products, or avoid specific categories, brands or materials due to environmental credentials. The scenario analysis modeled the proportion of consumers adopting more sustainable choices as a proxy for market risks.</p> <p><b>Physical risks</b> Changing temperatures and weather extremes can affect Nestlé’s operations.</p>

<b>Long term</b>	
Scope	12 key raw materials representing 90% of Nestlé’s total spend (i.e. arabica coffee, robusta coffee, palm oil, cocoa, dairy, barley, maize, rice, soy, wheat, sugarcane and sugarbeet).
Modeling simulations	Assumed current footprint remains static until 2040.
Modeling metric	Projected percentage change in crop yields in 2040 compared to 2022 for selected raw materials.
Risk category	<p><b>Physical risks</b> Changing temperatures and weather extremes can affect the quality and availability of key raw materials through lower and variable yields, as well as shifts in the regions suitable for cultivation.</p>

(5) Note that the results of any modeling exercise are subject to uncertainty. In climate models, there are three main sources of uncertainty (scenario, model and natural variability).

## Transition risks

Nestlé analyzes transition risks under three types of emission scenarios (i.e. low, intermediate, high) based on various published models including the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) World Energy Outlook scenarios.

In the context of a transition to a low-carbon economy, over the next 10 years transition-risk exposure will be affected by changes in policy, including potentially on carbon pricing and taxes, and businesses' license to operate. Consumer behaviors affecting preference for more sustainable products, together with new technology, including improvements to GHG performance, could also play a role.

Depending on the global actions taken to address climate change, in the short to medium term it is estimated that transition risks will become material to the business.

## Physical risks

Climate-related risks such as heatwaves, drought and water stress may impact raw material availability and quality through lower yields and greater yield variability. To estimate the risk on commodities over the longer term, where the most of the risks are likely to materialise, Nestlé used the following modeling parameters focusing on the most probable climate trajectory (RCP 4.5).

Current and 2040 forecasted climate conditions were overlaid to estimate the percentage change in expected yields for the 12 commodities that were selected based on their materiality to the business, as well as their vulnerability to climate change.

Key results of the process are described in [Climate change](#) and include qualitative and quantitative climate modeling, scenario-based analysis and adaptation and mitigation strategies.

## Risks to cash flows

Climate-change risks, including transition and physical risks, over the medium to longer term, were taken into account in assessing the risks to cash flows.

The outcomes of Nestlé's assessments were considered in the Group's annual enterprise risk assessment and the annual impairment review. For the latter, Nestlé considered how climate risks may impact business forecasts prepared for testing its goodwill and indefinite life intangible assets (see note 9 of the [Nestlé Group Consolidated Financial Statement](#)).

## Assessing climate-related opportunities

Nestlé chose to include only risks, rather than opportunities, in the quantitative analysis of the climate scenario analysis. Quantifying opportunities in climate scenario analysis is challenging due to limited data availability, and risks often have more established data sources and methodologies for measurement.

The qualitative assessment includes both risks and opportunities. The qualitative assessment allows for a broader consideration of potential opportunities, including category-specific market and technology trends.

## Assessing pollution-related impacts and risks

### Core operations for water

Nestlé employs a range of internationally recognized methodologies, tools and databases to assess pollution-related impacts and risks within its own operations and across its supply chain. These include the World Resources Institute (WRI) Aqueduct, the World Wildlife Fund (WWF) Water Risk Filter, the Alliance for Water Stewardship (AWS) principles, International Standard and the Food and Agriculture Organization (FAO) of the United Nation AQUASTAT datasets as well as the Water Footprint Network methodology. Nestlé conducts annual water-risk assessments at all of its factory locations. Additionally, it engages in environmental impact assessments and lifecycle assessments and aligns with ISO environmental management standards. These methodologies and tools are supplemented by an ERM Framework which includes detailed processes for risk identification, contextual issue assessments and decision-making for risk response.

Locally, detailed hydrogeological studies are conducted on an ad hoc basis, as per the criteria of the Nestlé Environmental Requirements (NER). These studies aim to assess and preserve the sustainability of local water resources or aim to guarantee the safe use of effluent water for irrigation.

## Upstream for water and soil

In origins where Nestlé sources raw materials directly from farmers (direct sourcing), it logs individual farm locations, in order to assess water- and soil-related risks and opportunities in each area. Nestlé uses the tools referred to above to identify priorities related to water.

As part of Nestlé's commitment to regenerative agriculture, it has developed a method of holistic collection of primary data, covering key resources and inputs such as soil, water, fertilizers and others. This data is used to identify risks and opportunities and drive priority actions within its direct sourcing, including in connection with pollution.

## Engaging with stakeholders

In addition to stakeholders consulted during its DMA, Nestlé also engages with a variety of stakeholders, including suppliers, local communities and others, to consult on water-related issues and pollution.

Nestlé also participates in water stewardship initiatives and engages with local communities near its bottled-water operations through a dedicated Community Relations Process (CRP). This process facilitates stakeholder engagement and the development of collective actions to manage water resources effectively.

Through its [Nestlé Responsible Sourcing Core Requirements](#), specific requirements are integrated into Nestlé's procurement processes, so that suppliers comply with those requirements, as further described in [Pollution](#).

## Assessing water-related impacts and risks

Nestlé employs a range of internationally recognized methodologies, tools and databases to assess water-related impacts, risks and opportunities within its operations and across its supply chain.

These include WRI Aqueduct and the WWF Water Risk Filter, the AWS principles, FAO/AQUASTAT datasets as well as the Water Footprint Network's methodology. Nestlé conducts annual water risk assessments at all its factory locations. Additionally, Nestlé engages in environmental impact assessments, life cycle assessments, and the use of ISO environmental management standards.

The methodologies and tools are supplemented by an ERM Framework which includes a detailed process for risk identification, contextual issue assessments and decision-making processes for risk response.

Locally, detailed hydrogeological studies are conducted ad hoc, as per the NER standard's criteria. These studies aim to assess and preserve the sustainability of local water resources or guarantee the safe use of effluent water for irrigation.

In geographies where Nestlé sources raw materials directly from farmers (i.e. direct sourcing), it is collecting precise farm locations to assess the water- and soil-related risks/opportunities. Nestlé uses the tools referred to above to identify priorities related to water.

In the context of the [Nestlé Salient Issue Action Plan: Right to Water and Sanitation](#), risks, impacts and opportunities were assessed and prioritized using UNICEF/World Health Organization data and primary data collected through WASH4WORK tools.

For more information on how we identify and access impacts and risks, please see specific chapters.

## Nestlé's policies overview

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Nestlé has a variety of policies to manage material sustainability matters, descriptions of which can be found below, while further details of the key content, scope and implementation of these policies, related to each individual sustainability matter, can be found in the appropriate section of this Non-Financial Statement 2024.

### Policies materiality mapping

Section	Sustainability Matter	Policies
Climate Change	Climate change adaptation	<a href="#">Nestlé Net Zero Roadmap</a> <a href="#">Nestlé Agriculture Framework</a>
	Climate change mitigation	<a href="#">Nestlé Net Zero Roadmap</a> <a href="#">Nestlé Responsible Sourcing Core Requirements</a>
	Energy	<a href="#">Nestlé Net Zero Roadmap</a>
Pollution	Pollution of water	<a href="#">Nestlé Environmental Requirements (NER)</a> <a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé Agriculture Framework</a>
	Pollution of soil	<a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé Agriculture Framework</a>
Water	Water consumption	<a href="#">Nestlé Environmental Requirements (NER)</a> <a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé Agriculture Framework</a>
	Water withdrawals	<a href="#">Nestlé Environmental Requirements (NER)</a> <a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé Agriculture Framework</a>
	Water discharges	<a href="#">Nestlé Environmental Requirements (NER)</a> <a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé Agriculture Framework</a>
Biodiversity	Impacts on the state of species	<a href="#">Nestlé Responsible Sourcing Core Requirements</a>
	Impacts on the extent and condition of ecosystems and dependencies on ecosystem services	<a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé Agriculture Framework</a>
	Climate change	<a href="#">Nestlé Net Zero Roadmap</a>
	Land-use, fresh water-use and sea-use change	<a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé Agriculture Framework</a>
	Direct exploitation	<a href="#">Nestlé Responsible Sourcing Core Requirements</a>
Resource use and circular economy	Resource outflows related to products and services	<a href="#">Nestlé Policy on Environmental Sustainability</a> <a href="#">Nestlé Rules of Packaging Sustainability</a>
Own workforce	Freedom of association, works councils and rights of workers	<a href="#">Nestlé Corporate Business Principles</a> <a href="#">Nestlé Code of Business Conduct</a> <a href="#">Nestlé Human Rights Policy</a> <a href="#">Nestlé Employee Relations Policy</a> <a href="#">Nestlé Policy on Conditions of Work and Employment</a>
	Health and safety	<a href="#">Nestlé Corporate Business Principles</a> <a href="#">Nestlé Human Resources Policy</a> <a href="#">Nestlé Policy on Safety and Health at Work</a>



<b>Section</b>	<b>Sustainability Matter</b>	<b>Policies</b>
Own workforce (continued)	Gender equality and equal pay for work of equal value	Nestlé Total Rewards Policy
	Diversity	Nestlé Corporate Business Principles Nestlé Human Resources Policy <u>Nestlé Policy Against Discrimination, Violence and Harassment at Work</u> Nestlé Global Guideline on Disability Inclusion <u>Nestlé Global Parental Support Policy</u>
Workers in the value chains	Adequate wages	Nestlé Human Rights Policy <u>Nestlé Human Rights Framework and Roadmap</u> Nestlé Responsible Sourcing Core Requirements
	Child labor	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap
	Measures against violence and harassment in the workplace	Human Rights Policy Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements
	Health and safety	
	Forced labor	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap
	Water and sanitation	Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Policy
Affected communities	Adequate food	Nestlé Human Rights Policy Nestlé Responsible Sourcing Core Requirements
	Water and sanitation	Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Policy
	Land-related impacts	Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Policy
Consumers and end users	Privacy	Privacy notice on <a href="https://www.nestle.com">nestle.com</a> Nestlé Privacy Policy Nestlé Privacy Standard
	Access to (quality) information	<u>Nestlé's Good for You strategy</u> <u>Nestlé Policy on Micronutrient Fortification of Foods &amp; Beverages</u>
	Health and safety and security of a person	<u>Nestlé Quality Policy</u>
	Access to products and services	Nestlé Quality Policy Popularly Positioned Products Nestlé Policy on Micronutrient Fortification of Foods & Beverages Nestlé's Good for You strategy
	Responsible marketing practices	<u>Nestlé Marketing Communication to Children</u> <u>Nestlé Policy for implementing the WHO Code</u>
Governance	Corporate culture	Nestlé's Compliance Management System (CMS) Nestlé Corporate Business Principles Nestlé Code of Business Conduct
	Protection of whistle-blowers	Nestlé Code of Business Conduct <u>Nestlé Policy Against Discrimination, Violence and Harassment at Work</u>

## Part 2 – Environmental Disclosures

In this section, Nestlé provides disclosures on its material impacts, risks and opportunities relating to environmental matters.

### Climate change

#### In this section

- Climate change adaptation.
- Climate change mitigation.
- Energy.

#### Main targets<sup>(1)</sup>

- Nestlé aims to reduce its greenhouse gas (GHG) emissions by 20% by 2025 and 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest.<sup>(2)</sup>
- Nestlé aims to reduce absolute Scope 3 FLAG GHG emissions by 50% by 2030 and 75% by 2050.<sup>(3)</sup>

## Nestlé Transition Plan

### Strategy and policies

In 2019, Nestlé announced its ambition to reach net zero greenhouse gas (GHG) emissions by 2050, and, in 2020, published its timebound plan through its Nestlé Net Zero Roadmap. The [Net Zero Roadmap](#) has been approved by internal management and supervisory bodies, in addition to Nestlé's shareholders, which approved it during Nestlé's Annual General Meeting in 2021.

Guided by the Net Zero Roadmap, Nestlé has been adapting its business to deliver reductions in GHG emissions across all three scopes of its activities, indicating a comprehensive approach to addressing both direct and indirect emissions across the value chain. Nestlé aims to reduce its greenhouse gas (GHG) emissions by 20% by 2025 and 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest.<sup>(2)</sup>

More specifically, on top of its net zero target, Nestlé submitted its [Forest, Land and Agriculture \(FLAG\) and energy/industry targets](#), which were approved by the Science Based Targets initiative (SBTi) in 2023. As per those targets, Nestlé aims to reduce absolute Scope 3 FLAG GHG emissions by 50% by 2030 and 75% by 2050.<sup>(3)</sup> Nestlé aims to reduce absolute Scopes 1, 2 and 3 energy/industry GHG emissions by 50% by 2030 and 90% by 2050, compared to a 2018 baseline.

Targets have been set according to criteria approved by the SBTi, ensuring that they are compatible with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

Since 2023, progress has been reported annually using quantitative data measured as a GHG percentage net reduction, versus a 2018 baseline.

Nestlé reports against its targets according to the recently finalized SBTi FLAG-sector guidance. For the 2024 reporting year, Nestlé is continuing to categorize GHG emissions for ingredients by specific gas types. It is also differentiating between FLAG and energy/industry (non-FLAG) emissions, in accordance with SBTi guidelines. Ingredients are the most significant category of Nestlé's emissions and where most FLAG emissions occur, as broken down in the Net Zero Roadmap. Nestlé's progress at the end of 2024:

- Achieved a net reduction in absolute emissions of 20.38% versus a 2018 baseline, from GHG reductions and removals.
- Achieved a reduction in absolute emissions of 18.59% versus a 2018 baseline from GHG reductions.
- Achieved an absolute amount of 1.64 million tonnes of carbon removals including landscape projects.
- Further GHG reductions and removals are being planned, aiming to reach a 50% reduction in absolute terms by 2030, in line with Nestlé Net Zero Roadmap.

(1) The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – Reporting Scope and Methodology](#) for ESG Key Performance Indicators 2024.

(2) Covers emissions related to Nestlé's net zero targets. Net reductions (%) of GHG emissions versus 2018 baseline. Includes removals from inside Nestlé's value chains and sourcing landscapes (pending the publication of the SBTi guidance on Neutralization).

(3) Net reduction of GHG emissions versus 2018 baseline (%).

Tracking the evolution of Nestlé’s GHG footprint with a percentage GHG emissions reduction, versus a 2018 baseline, enables Nestlé to confirm the effectiveness of its emissions reduction and removal actions and to assess its progress toward its Net Zero target by 2050. It also demonstrates the improvements Nestlé has made to help mitigate climate change since the launch of its Net Zero Roadmap in 2020. Tools and methods used to track and visualize the progress are enhanced year-on-year following a continuous improvement approach.

### **Nestlé Net Zero Roadmap and decarbonization levers**

The Nestlé Net Zero Roadmap details the scope of emissions included in the SBTi target scope (91.74 million out of 101.6 million tonnes CO<sub>2</sub>e in 2018), as further described in [Gross Scopes 1, 2, 3 and total GHG emissions](#), and outlines key decarbonization levers, as described below.

### **Responsible sourcing of ingredients**

This decarbonization lever relates to how Nestlé is working with farmers, suppliers and communities to source ingredients in ways that help improve ecosystems, reduce emissions and enhance livelihoods. By doing so, the production of agricultural raw materials is benefiting more directly from the ecosystem which enables lower emission factors due to the decrease of fossil fuel inputs.

Nestlé’s actions in connection with this lever are guided by the following targets:

- Nestlé aims to achieve and maintain 100% assessed deforestation-free primary supply chains: meat, palm oil, pulp and paper, soy, sugar, cocoa,<sup>(4)</sup> and coffee.<sup>(4)</sup>

For more details on the KPI called ‘Percentage assessed deforestation-free for primary supply chains’ see [Biodiversity and ecosystems](#).

- By 2030, Nestlé aims for 100% of key ingredient volumes to be responsibly sourced. Knowing the origin of raw materials means it is possible to seek to improve performance against the [Nestlé Responsible Sourcing Core Requirements](#) and work toward positive outcomes for people, planet and climate. For more details on the relevant KPIs see [Nestlé Specific KPIs](#).
- By 2025, Nestlé aims for 20% of key ingredients to be sourced from farmers adopting regenerative agriculture practices, and 50% by 2030. For more details on the KPI called ‘Percentage of key ingredients sourced from farmers adopting regenerative agricultural practices’ see [Biodiversity and ecosystems](#).

(4) By 2025.

### **Evolving packaging**

Investments in innovations and new business models help address the end-of-life challenges associated with packaging. Nestlé has increased its efforts in the use of recycled plastic packaging. That, and the collection, recycling and reuse of packaging contribute to lowering the emission factor component for Nestlé products.

Nestlé’s actions in connection with this lever are guided by the following targets:

- By 2025, Nestlé aims to design above 95% of its plastic packaging for recycling and continues to work toward 100% being recyclable or reusable.
- By 2025, Nestlé aims to reduce the use of virgin plastic in packaging by one third (versus a 2018 baseline).

### **Driving toward more sustainable logistics**

This decarbonization lever includes actions such as:

- Optimizing routes, loading vehicles more efficiently and working with logistics providers to switch to low-emission fuels. These include green electricity, green hydrogen and biofuels made from waste rather than virgin crops.
- Using more rail and intermodal transport options.
- Minimizing energy consumption in warehouses, switching to renewable electricity and reducing waste.

### **Using the power of Nestlé brands and products**

As consumer tastes change and preferences move toward more transparent and sustainable products and services, brand strategies and plans will continue to adapt, embracing sustainability and meeting market demand, including by offering products with a lower carbon footprint.

### **Transforming the product portfolio**

By lowering the environmental impact of product recipes, Nestlé aims to transform the brand portfolio. Portfolio and product managers incorporate GHG emissions information into their decision-making, including selecting which ingredients to use and continuously improving eco-design tools used in R&D. To support this, more environmental impact data about ingredient supply chains are being made available at the product level. Nestlé’s central data tracking systems measure progress and improve the allocation of emissions and reductions to specific businesses. GHG accounting methodologies used internally help brands make comparisons and translate corporate targets into business-specific actions.

### Using renewable energy to manufacture products

Nestlé’s actions in connection with this lever are guided by the following target:

- By 2025, Nestlé aims to source 100% renewable electricity in all its manufacturing sites.

Nestlé is increasing the proportion of renewable electricity sourced in its manufacturing sites through power purchase agreements, green tariffs, renewable energy certificates and on-site production. For the geographies where no solutions exist locally, Nestlé will continue to advocate for the creation of the appropriate solutions. Alongside established forms of renewable electricity, such as wind and solar, Nestlé also plans to work with suppliers to increase the availability of renewable thermal energy generated from sources such as biogas and biomass, by 2030.

Further emissions reductions are expected from increasing the efficiency of operations. Many energy efficiency projects are already planned for Nestlé’s sites across the globe, ranging from LED lighting systems to optimizing energy consumption during non-production times and recovering heat energy.

Other actions include phasing out refrigerants with a high global warming potential (GWP), such as hydrofluorocarbons, in Nestlé’s industrial refrigeration systems and replacing these with new, natural refrigerants with zero or low GWP, such as ammonia, CO<sub>2</sub> and hydrocarbons.

### Reducing and removing carbon from the atmosphere

This decarbonization lever focuses on the use of nature-based solutions, such as agroforestry, soil management and peatland and forest restoration to lock GHGs in the ground. All those levers deliver carbon removals but also a share of carbon reductions through the ecosystem services they deliver to the relevant agricultural productions, which in exchange help reduce fossil fuel-based inputs.

Nestlé’s actions under this lever include support to implement the following practices:

- Planting vegetation around water sources and wildlife corridors: Riparian buffers are uncultivated green areas that protect water sources from pollutants and erosion that may be caused by nearby land use. They act as filtration systems between agricultural and urban land and bodies of water, improving water quality while also capturing carbon.

- Integrating trees into grazing land in a synergistic way: Trees on grazing land can support grass yields or enhance production, providing additional fodder. Using compost made from organic waste such as coffee pulp can enrich the soil, building up organic matter and improving both soil structure and its potential to store carbon.
- Switching to organic fertilizers wherever possible: Organic fertilizers help the structure of the soil and its ability to hold water and nutrients while avoiding the run-off of synthetic alternatives.
- Adopting other regenerative agriculture practices: Farming techniques like reduced tillage, crop rotation and cover crops reduce soil disruption. This helps to avoid nitrogen depletion, reduce soil erosion and control pests and weeds.
- Planting trees and shrubs to create natural protection: Natural barriers created through intercropping and alley cropping protect crops against severe weather and erosion. This helps improve yields and capture carbon.
- Shade management agroforestry: Shade trees protect crops such as coffee from excessive heat. They also increase organic matter in the soil, increasing its capacity to retain water and store carbon. Trees planted for shade also sequester carbon themselves.
- Help restoring forests and peatlands: Healthy ecosystems store significant amounts of carbon. Forest restoration creates carbon sinks and protects waterways, wildlife and biodiversity. Peatland restoration, in addition to capturing large amounts of carbon, maintains water tables and reduces fire risks.

### Advocacy: Using Nestlé’s voice to galvanize action

Nestlé advocates for fair and ambitious climate-change policies that encourage the broader decarbonization of the food and agriculture sector.

Current priorities include advocating for greater private-sector ambition on regenerative agriculture, and the incorporation of regenerative agriculture principles into public policy.

Nestlé also supports greater overall ambition on climate and nature through multi-lateral processes including the United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC COP) and the United Nations Convention on Biological Diversity Conference of the Parties (UN CBD COP).

In 2024, Nestlé looked for ways to support the development of ambitious and investible Nationally Determined Contributions (NDCs) on climate from countries which are due to be updated and submitted by February 2025 by Parties to the United Nations Framework Convention on Climate Change (UNFCCC). Nestlé also advocates for ambitious and progressive National Biodiversity Strategies and Action Plans (NBSAPs) under the UN Convention on Biological Diversity (UN CBD).

Nestlé works on several other advocacy activities including supporting policies consistent with applying a meaningful price on carbon emissions, which will help enable access to lower-carbon technologies such as alternative fuels for maritime shipping and supporting transparent and easy-to-understand environmental product labeling.

#### **Alignment to business model and financial planning**

Nestlé's transition plan, highlighted above, is fully embedded in the strategy of the Group to ensure its realization as part of its sustainable growth. The following three sections cover both adaptation and mitigation actions.

#### **Revenues**

As part of the Net Zero Roadmap, Nestlé is transforming products in line with consumer trends and choices. It is launching products that have a lower carbon footprint and contribute to a balanced diet. This includes more plant-based options. It is also reformulating products using ingredients with a lower carbon footprint.

#### **Acquisitions and divestments**

Nestlé is considering climate-related risks and opportunities in the acquisition and divestment decision-making process to ensure alignment of its portfolio to its transition plan. In addition to the considerations on fit with strategy, attractiveness of categories, ability to win and resource intensity, an ESG due diligence is performed as part of the mergers and acquisitions process and is considered alongside financial due diligence in the decision-making process.

#### **Capital expenditures and assets**

Nestlé's physical assets may be impacted by climate change (e.g. facilities in water-stressed areas, extreme weather events damaging facilities). It is addressing this by following the ISO 14001 Standard on Environmental Management which helps Nestlé to understand climate-related risks and opportunities for its assets. Where feasible, it takes relevant actions, including capital investments, to reduce the impact of climate-related factors on physical assets and the risk of business interruption. In terms of weather-related incidents, as part of the Nestlé Global Property Loss Prevention Program, an in-depth identification of natural hazard exposure is made for existing sites and greenfield projects to proactively anticipate potential risks such as floods and windstorms. This helps in the decision-making process for future standards of prevention and protection, as well as preparation if an event occurs in the current sites.

#### **Climate-related risks**

Nestlé has undertaken a process to identify climate-related risks as part of its comprehensive risk management strategy, using the Task Force on Climate-related Financial Disclosures (TCFD) framework for risk categorization.

Adaptation strategies to these risks involve enhancing operational resilience (resilience of own operations as well as upstream and downstream supply chains) and modifying business practices, as well as taking proactive measures to reduce overall GHG emissions and align with global climate goals.

The resilience analysis Nestlé conducted in 2023 used scenario-based modeling to identify climate-related impact risks and opportunities (see [General Disclosures: Double materiality assessment](#) for more details).

**Resilience analysis results – climate-related transition risks**

In the short to medium term, Nestlé's current mitigation strategy remains appropriate for physical risks with no material changes. Nestlé has however, identified a range of potential transition risks. These can vary significantly depending on the nature and speed at which countries act to align to a Paris Agreement trajectory.

Climate-related transition risk impacts, mitigations and future opportunities, 10-year time horizon

Risk category	Impacts under climate trajectory <sup>(5)</sup>		Estimated directional cumulative 10-year discounted cash flow impacts with Nestlé's current mitigation strategy	
	Value chain	Risks/impacts assuming no mitigation	Intermediate emissions + 2.0°C – +3.0°C <sup>(6)</sup>	Low emissions +1.5°C
Policy	Operations	– Increase in raw materials costs.	Med	High
	Raw materials	– Restrictions in land use. – Increase in energy costs. – Increase in costs for packaging materials. – Increase in cost of recycled packaging materials due to constraint in supplies, e.g. recycled PET.		
Market	Brands and portfolio	– Loss of revenue and/or missed growth opportunities.	Low	Med
Technology	Operations	– Asset write-downs, investments in low-emission technology to meet market regulation.	Low	Low

(5) Nestlé does not display the high-level emissions scenario due to its low impact level. Modeling the future is inherently uncertain and this increases over longer time horizons. Nestlé uses hypothetical scenarios – actual events may be significantly different. The statements and results summarized in this table do not represent forecasts of expected risk and outcomes.

(6) Anticipated financial effects: CHF 7 billion < High < CHF 11 billion | CHF 3 billion < Medium < CHF 7 billion | Low < CHF 3 billion.

**Mitigation strategy under the Nestlé Net Zero Roadmap**

- Aim to source 100% renewable electricity in Nestlé’s manufacturing sites by 2025; 95.3% achieved in 2024.
  - Aim for 20% of key ingredients to be sourced from farmers adopting regenerative agriculture practices by 2025 and 50% by 2030; 21.3% achieved in 2024. In particular, to support farmers in:
    - Implementing agroforestry.
    - Increasing productivity without increasing land use.
    - Enhancing resilience to changing weather patterns.
  - Prioritize deployment of climate-smart agriculture practices in highly exposed geographies.
  - Diversify sourcing origins from highly exposed geographies.
  - Product ingredients substitution: by 2030, plant-based proteins are anticipated to contribute 0.74 million tonnes CO<sub>2</sub>e to Nestlé’s GHG emissions reduction target.
  - Virgin plastic reduction by one-third by 2025; 21.3% reduction achieved in 2024.
- 
- Constant review of products and business models based on environmental footprint.
  - 100% of R&D-led projects are assessed for potential climate impact.
- 
- Switch to low-emission technologies.

**Future opportunities**

By implementing the Net Zero Roadmap, Nestlé is already addressing a significant part of the transition risks identified that it could potentially face during the decade following the assessment, resulting in a net reduction of its exposure.

Nestlé continues to review opportunities to reduce its risk exposure levels further and address upside potential of society’s transition to a low-carbon economy.

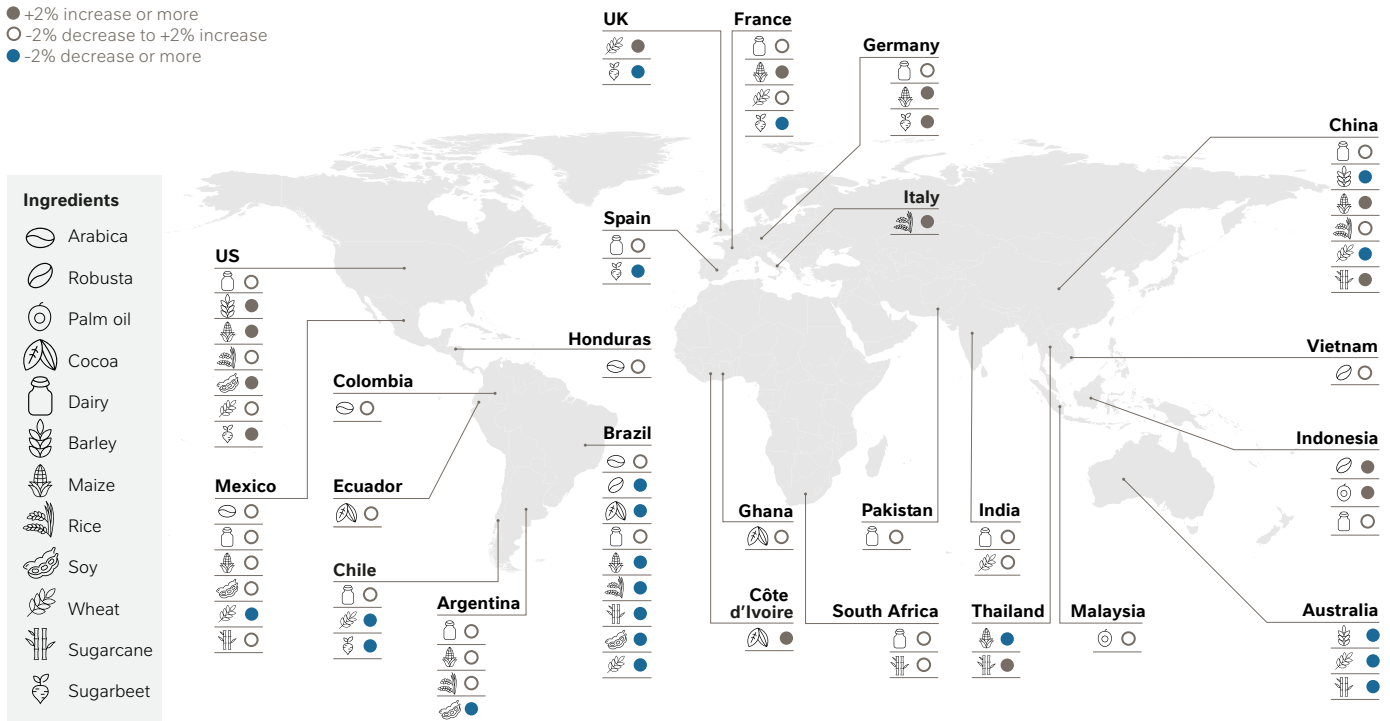
On this basis Nestlé anticipates the following opportunities:

- Increasing the resilience of its supply chain through climate-smart agriculture practices.
- Reducing direct costs from lower-emission sources of energy.
- Limiting exposure to regulatory changes and increased operation costs due to carbon prices via reductions in its emissions.
- Increasing revenues resulting from more demand for low-emission products and services.
- Growing consumer demand for low-carbon products such as plant-based foods and drinks.
- Continually upgrading its plant-based offerings in terms of taste, texture, flavor and nutrition.
- Leveraging its expertise in plant proteins to expand its dairy-alternative offerings.
- Constantly assessing opportunities to reduce its products’ carbon footprint, through changing recipes and by using alternative ingredients.
- Nestlé’s *Good for You, Good for the Planet* strategy demonstrates how climate change is integral to Nestlé’s financial planning and strategy.

### Resilience analysis results – climate-related physical risks impacts

In addition to transition risks, the resilience analysis has also highlighted physical risks over the long term related to Nestlé’s key ingredients, with a potential reduction in commodity yields or geographical shifts of commodities sourcing due to climate change driving changes in growing conditions.

Impact of climate and physical risks on Nestlé’s key ingredient yields by 2040  
 Modeled yield changes by 2040 vs. 2022 based on intermediate emissions scenario.



The results of Nestlé’s resilience analysis provide comprehensive assessments of both physical and transition risks under various climate-related scenarios tied to different emissions pathways. Here is a summary of key outcomes:

#### Raw materials and supply chains

The analysis forecasts increased heatwaves, droughts and water stress up to the year 2040, which are likely to affect the availability and quality of key raw materials that could potentially lead to increased price volatility and input costs. The findings suggest that some raw materials may experience yield reductions which may in turn influence supply chain stability.

#### Operational footprints and facilities

Nestlé’s Global Property Loss Prevention Program involves identifying natural hazard exposures such as floods and windstorms for existing sites and greenfield projects. This proactive approach informs decision-making for future prevention and protection standards.

Nestlé projects an increase in climate-induced disruptions which could damage operational capabilities and assets. A slight increase in losses beyond current levels might occur due to the heightened severity and frequency of extreme weather events, but Nestlé’s current mitigation strategy remains appropriate.



### **Business model adjustments**

As markets evolve with greater emphasis on sustainable practices, shifts in consumer demand toward products with lower environmental footprints are anticipated. This transition, while posing a challenge, also represents an opportunity to adjust product lines and business models to cater for this changing consumer landscape.

### **Business resilience**

Nestlé believes that the Group continues to demonstrate the resilience and agility to transition to a lower-carbon model. It will create new growth opportunities as part of its ambition to help deliver regenerative food systems at scale, for instance, by exploring new sourcing origins. This is due to Nestlé's broad geographic scope, supply chain flexibility, R&D, diversified product portfolio, leading brands and capital strength.

### **Strategic and financial planning**

The resilience analysis not only quantifies risks but also helps in strategic and financial planning to navigate these challenges effectively, aligning closely with broader goals such as those outlined in the Nestlé Net Zero Roadmap. This includes consideration of how climate-related issues will impact on future demand for products and services and potential implications on strategic and financial planning. Investments in areas such as R&D, new technology, business continuity, as well as acquisition and divestment activity, take into account the potential climate-related factors assessed to date.

Nestlé has the capability to adjust its strategic and business model to accommodate the impacts of climate change through various adaptive measures and forward-looking initiatives. These strategic adjustments are deeply rooted in the overall corporate response to climate-related challenges and risks, as well as opportunities.

### **Product innovations**

Nestlé is diversifying and adapting product lines, for example with plant-based and lower carbon-footprint options. This not only reflects shifts in consumer preferences, but also aligns with sustainability targets.

### **Operational efficiencies**

Enhancements in logistics and operational activities are also a key part of Nestlé's adaptive strategy. Investments in low-carbon logistics and shifts toward renewable energy sources in manufacturing processes illustrate proactive measures to mitigate emission levels and optimize operations.

### **R&D initiatives**

Nestlé's R&D strategy includes leveraging science to innovate and respond to the challenges posed by climate risks. This includes the development of products that meet sustainability criteria from their design phase, considering a reduced environmental impact across their lifecycle.

### **Engagement and advocacy**

Nestlé is actively engaging with stakeholders, including governments and industries, to encourage fair and ambitious policies that support the transition to a sustainable low-carbon economy. This engagement is critical to aligning its business strategy with global efforts to combat climate change.

Overall, Nestlé's strategic adaptation to climate change is comprehensive, involving modifications across product development, operational practices and broader corporate engagements. These efforts are in line with its net zero targets.

### **Anticipated financial effects from material physical and transition risks and potential climate-related opportunities**

Nestlé anticipates financial effects for assets and business activities at material physical risks as well as transitions risks by using a qualitative and quantitative modeling process. TCFD recommendations are implemented and climate modeling across the value chain is developed. Climate scenarios are considered as described above and assess the resilience of operations, upstream supply chains and Nestlé's portfolio under different external conditions.

### **Policies**

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

The [Nestlé Net Zero Roadmap](#), [Nestlé Agriculture Framework](#) and the [Nestlé Responsible Sourcing Core Requirements](#) define requirements, practices and plans to enable mitigation and adaptation to climate change.

Nestlé's policies cover the end-to-end value chain (as defined in [General Disclosures](#)) and describe practices by value chain steps and the types of practices in the sourcing of raw material ingredients including requirements on human rights, environmental conservation and restoration, resources management and water, ethics, labor and working conditions.

The key focuses, ambitions and actions of the policies above are as follows:

- Implementation of the Nestlé Responsible Sourcing Core Requirements:
  - Nestlé aims to achieve and maintain 100% assessed deforestation-free primary supply chains: meat, palm oil, pulp and paper, soy, sugar, cocoa,<sup>(7)</sup> and coffee,<sup>(7)</sup> with 93.5% achieved in 2024. This helps to enable Nestlé to lower the carbon intensity of the ingredients it purchases thanks to the statistical land use change (sLUC) discounting methodology.
  - Responsibly sourced verified key commodities volumes (44.5% achieved in 2024) which include certification credentials on coffee, cocoa, palm oil, soy and sugar, and helps to enable Nestlé to lower the carbon intensity of the ingredients it purchases thanks to lower-carbon farm practices implemented.
- Implementation of the Nestlé Net Zero Roadmap and the actions and levers as described in [Strategy and policies](#).
- Implementation of the [Nestlé Agriculture Framework](#). Nestlé’s regenerative agriculture program is designed to enhance farm resilience and, in turn, mitigate climate risk for key ingredients. More details can be found in [Pollution and Biodiversity and ecosystems](#).

## Actions and resources

Actions have been taken along the entire value chain in 2024, with 65% of GHG reductions achieved in sourcing and the remaining across manufacturing, logistics, recipe management, packaging and removals.

The Nestlé Net Zero Roadmap defines the time horizon for when key actions will be completed quantitatively, with milestones for achievements in 2025, 2030 and 2050.

Quantitative and qualitative progress on actions and/or action plans is disclosed on an annual basis.

See [Strategy and policies](#) and the Nestlé Net Zero Roadmap for more details on actions, as well as information on decarbonization levers.

### Reducing dairy farm carbon emissions with manure separation – Zone Latin America

Nestlé is exploring different approaches to reduce dairy’s GHG emissions. It is working with farmers, suppliers, leading universities, industry organizations, start-ups and local governments to research, test, validate and scale up different agricultural solutions and technologies, including for dairy livestock. For example, better manure management can help reduce dairy farm emissions. In Mexico, farmers are separating cow manure into liquids and solids. The solids are composted and returned to the soil while the liquid is incorporated into the irrigation system.

### MMZero Carbon Program – Zone Europe

In Zone Europe, Nestlé’s Manufacturing Masterplan Zero (MMZero) Carbon Program started in 2022. MMZero identifies opportunities for up to 50% energy use reduction and up to 100% carbon reduction (Scope 1 and 2 emissions) in Nestlé’s factories. This led to Nestlé rethinking its factory operations aiming to create more efficient manufacturing lines, recycle more waste energy, and switch to heat pumps instead of fuel-driven steam boilers. In 2023 and 2024, Nestlé has installed in Zone Europe eight industrial heat pumps, which replaced 100 Million kWh per year of natural gas and saves 20 000 tCO<sub>2</sub> per year. At the end of 2024, in Zone Europe, 50 out of 96 factories are included in the MMZero program.

### Driving circularity with biogas production – Zone Europe

Nestlé is partnering with farmers (directly or through fuel providers) to leverage biogas production from manure and agriculture waste. This biogas can then be used as fuel in heavy duty vehicles. In 2024, more than 1500 tonnes of biogas in Europe have been used instead of an equivalent quantity of fuels coming from fossil origins.

(7) By 2025.

### **Libby's pumpkin and regenerative agriculture – Zone North America**

Over the years, Nestlé's strong relationship with the central Illinois farmers that supply for *Libby's* has encouraged the early adoption of regenerative agriculture practices. These pumpkin farmers are using practices that help improve a variety of key environmental outcomes such as soil health, water consumption, productivity and on-farm emissions. For example, during the 2023 crop year, farmers who supply for *Libby's* emitted 2132 fewer tonnes of CO<sub>2</sub>e emissions compared to conventional farming practices.

## **Targets, metrics and performance**

For targets related to climate change mitigation and adaptation, see [Strategy and policies](#).

### **Science-based target setting**

Nestlé has structured its targets to be ambitious and in line with the Paris Agreement objectives to combat climate change effectively. These science-based targets position Nestlé as a leader in aligning with global efforts to help mitigate climate change.

Specifically, the targets contain the following validated aspects:

- Science-based targets: Targets are approved by the SBTi, and are aligned with a pathway to limit global warming to 1.5°C. This alignment is crucial as it ensures targets are not only ambitious but also scientifically grounded to meet international climate goals.
- Company-wide application: Targets apply Company-wide, across all significant scopes of emission – Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and pertinent categories within Scope 3 (other indirect emissions). This comprehensive approach encapsulates emissions from direct operational emissions to those from Nestlé's extended supply chain.

Target setting and coverage: Targets are in absolute value versus the 2018 baseline. Aligned with SBTi rules, certain emissions where Nestlé has very limited reach to decrease have been descoped. They represent 10% of the Nestlé Scope 3 footprint. Accordingly, Nestlé's net zero target is covering 100% of baseline Scope 1 and 2 emissions and 90% of baseline Scope 3 emissions.

### **Nestlé's Net Zero Roadmap: SBTi Corporate Net-Zero Standard Criteria and GHG Protocol Corporate Standard**

The Nestlé Net Zero Roadmap follows the rules established by the SBTi following the GHG Protocol Corporate Standard. Climate targets are based on the latest GHG Protocol yearly releases. The scope is described in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

Acquisitions and divestitures are also treated according to the rules established by the SBTi.

Scope 3 emissions are calculated as per the GHG Protocol categories, in accordance with SBTi rules.

Nestlé includes the following GHG Protocol categories in its Scope 3 GHG emissions inventory:

- Purchased goods and services.
- Capital goods.
- Fuel- and energy-related activities (not included in Scope 1 or 2).
- Upstream transportation and distribution.
- Waste generated in operations.
- Business travel.
- Employee commuting.
- Upstream leased assets.
- Downstream transportation and distribution.
- Use of sold products.
- End-of-life treatment of sold products.
- Investments.

Categories excluded from calculation:

- Processing of sold product.
- Downstream leased assets.
- Franchises.

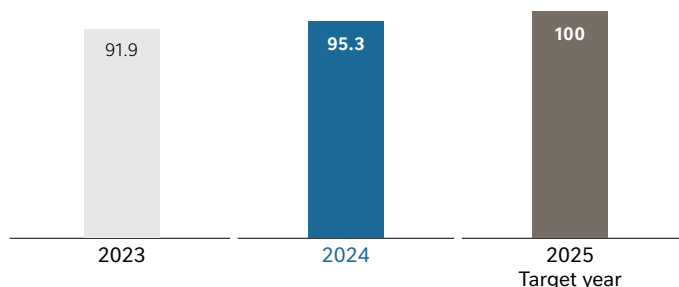
Categories calculated but excluded from SBTi target scope:

- Purchased services.
- Capital goods.
- Upstream leased assets.
- Use of sold products.
- Investments.

These categories have been excluded from Nestlé's Net Zero SBTi target because they are not applicable to Nestlé business or because of the limited ability of Nestlé to address their reductions. However, these categories continue to be monitored in Nestlé's total GHG inventory. Despite this exclusion, 90% of Nestlé's total Scope 3 emissions are included in the net zero scope and target. All other categories as per the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard are included.

### Energy consumption and mix

Renewable electricity sourced in Nestlé's manufacturing sites at year end (percentage)



Nestlé continued to progress toward its target: aim to source 100% renewable electricity in all its manufacturing sites by 2025.

Nestlé Specific KPIs (percentage)

	2023	2024
Global fleet of vehicles switched to lower-emission options	49.3	54.2

Nestlé continues to make progress in turning its fleet of vehicles to lower-emission options.

Energy consumption and mix

	Gigajoules 2023	Gigajoules 2024	MWh 2024
Total energy consumption related to own operations (factories only)	76824313	78784554	21884598
Total energy consumption from renewable sources (factories only)	-	29286167	8135046
Fuel consumption from coal and coal products	-	1415269	393130
Fuel consumption from crude oil and petroleum products	-	6552519	1820144
Fuel consumption from natural gas	-	39688112	11024476
Fuel consumption from other fossil sources	-	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	-	2020047	561124
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	-	22299055	6194182
Consumption of self-generated non-fuel renewable energy	-	52789	14664

The energy consumption shows a slight increase versus 2023 despite the energy savings projects delivered. Production volumes increase and changes in product mix are the main reason for the increase in energy consumption.

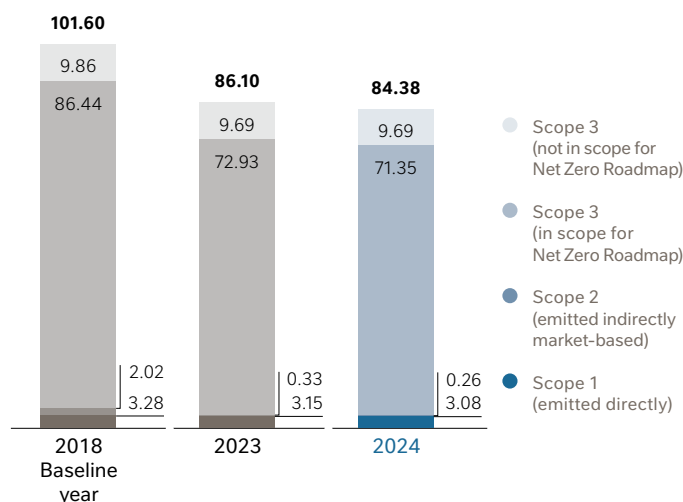
Energy consumption and mix (percentage)

	2024
Percentage of fossil sources in total energy consumption	62.7
Percentage of renewable sources in total energy consumption	37.2

### Gross Scopes 1, 2, 3 and total GHG emissions

Nestlé's Scope 3 emissions are calculated as per the GHG Protocol categories, in accordance with SBTi rules. See [Science-based target setting](#) for details.

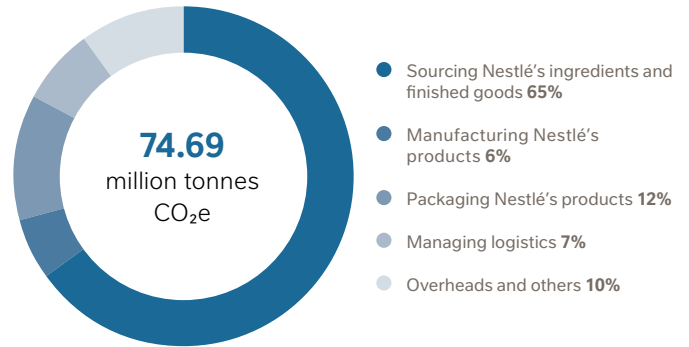
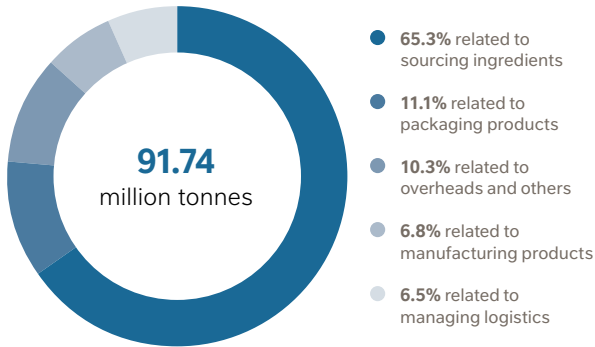
Nestlé GHG footprint breakdown by Scope (million tonnes CO<sub>2</sub>e)



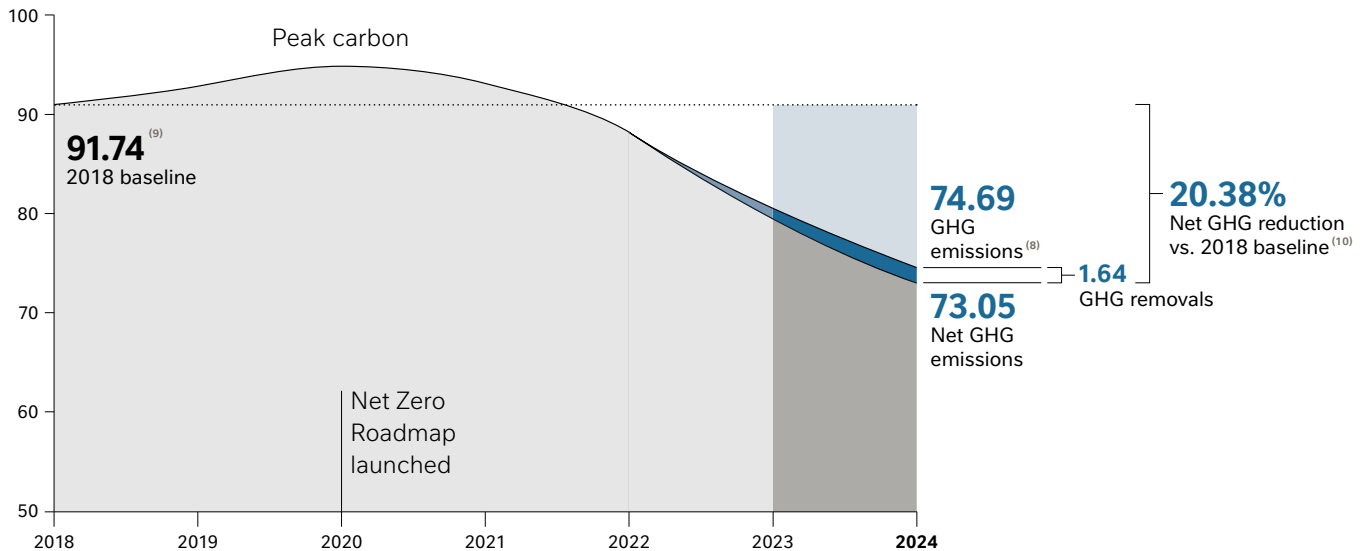
Nestlé net GHG footprint breakdown by value chain steps (SBTi scope) (million tonnes CO<sub>2</sub>e)

In 2018, the baseline year for the SBTi carbon target, Nestlé emitted 91.74 million tonnes of CO<sub>2</sub>e (SBTi scope, corresponds to 2024 rebaselining value), comprising:

The 2024 GHG footprint breakdown is the result of the impact of Nestlé’s climate actions by value chain steps which are focusing on sourcing ingredients. These categories are monitored as part of a comprehensive approach to managing and reporting on emissions across Nestlé’s operations and value chain.



Nestlé GHG emissions,<sup>(8)</sup> GHG removals (million metric tonnes CO<sub>2</sub>e) and percentage net reduction versus 2018 baseline



In 2024, Nestlé achieved a 20.38% net reduction of GHG emissions versus 2018 baseline, meeting Nestlé’s Net Zero SBTi milestone of 20% by 2025 one year ahead of time.

(8) Includes Scopes 1, 2 (market-based) and 3 covered by the Net Zero Roadmap.

(9) Restated baseline due to acquisitions, divestitures, methodological enhancements and more representative emissions factors change.

(10) Net reduction (in %) includes GHG reductions and GHG removals from projects on farms supplying Nestlé and in Nestlé’s sourcing landscapes.

Disaggregation of GHG emissions by GHG category (for ingredients only)

	2018	2024	% reduction vs. 2018
Carbon dioxide (CO <sub>2</sub> )	30.13	24.06	20.19
Methane (CH <sub>4</sub> )	16.46	13.08	20.56
Nitrous oxide (N <sub>2</sub> O)	6.38	5.50	13.74

Scope 3 GHG emissions (million metric tonnes CO<sub>2</sub>e)

	2024
Dairy and livestock	22.41
Soil and forests	17.07
Other	35.21

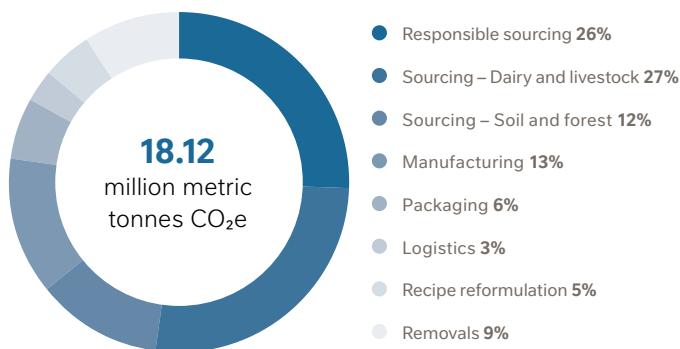
Emissions disclosures

	2024
Percentage of Scope 1 GHG emissions from regulated emission trading schemes <sup>(11)</sup>	33.6
Gross location-based Scope 2 GHG emissions (million metric tonnes CO <sub>2</sub> e)	2.59
Gross market-based Scope 2 GHG emissions (million metric tonnes CO <sub>2</sub> e)	0.26
Total GHG emissions location-based (million metric tonnes CO <sub>2</sub> e)	77.02
Total GHG emissions market-based (million metric tonnes CO <sub>2</sub> e)	74.69
Biogenic emissions from CO <sub>2</sub> from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions (million metric tonnes CO <sub>2</sub> e)	0.74

**GHG removals and GHG mitigation projects financed through carbon credits**

Nestlé has a net zero commitment by 2050 which includes SBTi-approved Forest, Land and Agriculture (FLAG) targets and Energy/Industry targets. Removals projects on farms supplying Nestlé are, in accordance with SBTi, contributing to Nestlé's FLAG target. In 2024, this equates to 1.60 million tCO<sub>2</sub>e, representing 97.3% of the total removals. Pending the publication of the SBTi guidance on approach to neutralization, other removals projects that are in Nestlé's sourcing landscapes are also included in its calculations and contribute to Nestlé's net zero target. In 2024, this equals to 0.04 million tCO<sub>2</sub>e, representing 2.7% of the total removals.

2024 absolute CO<sub>2</sub>e reductions and removals from projects and as percentage of total projects<sup>(12)</sup>



(11) GHG emissions from sites located in countries or states that implemented ETS.

(12) Emissions reductions are assessed relative to a baseline year prior to commencement of a project. These projects contribute to Nestlé's climate KPIs but are separate calculations and therefore not directly comparable. Projects are financed by Nestlé or co-financed with Nestlé's suppliers on farms, in supply sheds from which Nestlé is sourcing agricultural ingredients. Projects typically represent a change in farming practices and/or infrastructure investments. In a small number of cases, this includes preferential sourcing from low-carbon farms, including premium payments to farmers recognizing the improvements already made on these farms.

### Natural climate solutions

These initiatives align with the Nestlé Net Zero Roadmap and form part of the broader strategy to use natural climate solutions like agroforestry, silvopasture and the restoration of forests and peatlands – actions that physically remove CO<sub>2</sub> from the atmosphere. The permanence of those actions and corresponding carbon removals is closely monitored through:

- In-field measurements through soil organic matter sampling, tree-growing measurements and other on-site evaluation methods.
- Remote-sensing methods (such as satellite monitoring) aiming to secure the restoration and check that the trees planted, wetland restored or windbreakers are still standing.

Carbon-removal calculations also integrate a 20% buffer to account for potential loss and non-permanence during the project lifetime. In case the loss is bigger, Nestlé discloses carbon-removal reversal.

### Net zero achievements – no use of offsets

Nestlé does not use offsets (carbon credits disconnected from Nestlé’s value chain) to deliver against its Net Zero Roadmap, or short- and medium-term targets.

In 2024, some Nestlé brands such as *Gerber*, *Nescafé Origins do Brazil* and *Wunda* purchased carbon credits from outside their value chain, totaling 58 000 (from [Verified Carbon Standard \(VCS\)](#) and [American Carbon Registry \(ACR\)](#)) as additional contributions to climate action, supporting carbon-neutral certifications and claims. None of those credits purchased from projects outside the value chain count for net zero purposes.

### Climate Monitoring Reporting Verification – use of Voluntary Carbon Standards

Nestlé uses carbon credits certification standards to demonstrate the monitoring and verification of its various removal projects, notably through nature-based solutions such as reforestation (including tree-planting initiatives) and agroforestry (particularly those involving diverse planting schemes interspersed with agricultural crops and designed to sequester carbon efficiently). Nestlé has not converted removal activities into carbon credits sold on the voluntary market.

Nestlé ensures the quality of carbon credits used, by adhering to high-integrity and quality standards. These criteria include:

- Certification standards: Carbon credits are sourced from projects certified by reputable standards, such as the VCS and [the Gold Standard](#). These standards ensure that the carbon credits represent real, quantifiable, permanent and additional GHG reductions or removals.
- Co-benefits: Preference is given to projects that not only offer GHG reductions but also provide social, economic and environmental co-benefits, such as biodiversity enhancement, improvement in local air quality and socio-economic development of local communities.
- Third-party verification: All carbon credits utilized undergo third-party auditing to ensure that the GHG reductions or removals claimed are accurate and in line with international standards.

Nestlé relies on detailed calculations and methodologies in estimating GHG removals and storage. These calculative methods and frameworks ensure GHG accounting is connected to Nestlé’s initiatives, especially in efforts aimed at achieving net zero emissions. Key aspects include:

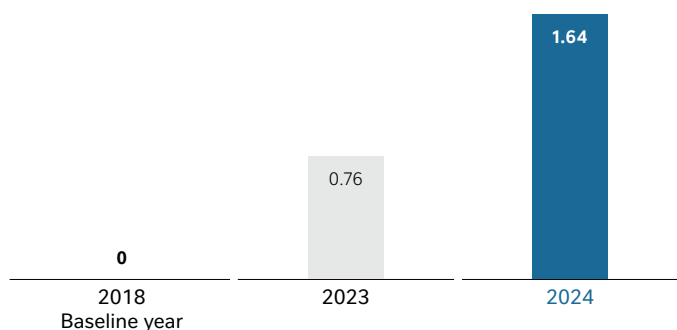
- Methodologies for GHG removals:
  - Nature-based removals involve methodologies that calculate sequestered carbon through tree planting and soil management changes in their multifaceted agroforestry projects. Growth rates and the carbon sequestration capabilities of different tree species and soil types are considered, utilizing science-based models.
  - Regenerative agriculture practices are accounted for by measuring improvements in soil carbon enrichment, using methodologies that specifically quantify changes in soil composition due to enhanced farming practices, based on laboratory analysis and field data collection.
- Frameworks and Standards:
  - By following internationally recognized standards such as the [Intergovernmental Panel on Climate Change \(IPCC\)](#) and the [World Resources Institute’s GHG Protocol for Project Accounting](#), accuracy, reproducibility and alignment with global reporting requirements is ensured.
  - For carbon credits, investments adhere to standards such as the VCS or the Gold Standard, which verify that the credits represent actual, verifiable GHG reductions or removals.



- Assumptions in calculations:
  - Assumptions for growth and soil enhancement are based on empirical data and long-term studies, with adjustment factors applied for site-specific conditions and external influences, such as climatic changes impacting growth rates or carbon maintenance.
  - For carbon credits, assumptions often involve the baseline scenario of emissions (i.e. what the emissions would have been without the project) alongside the projected sequestration or reduction impacts.

Total GHG reversals (million metric tonnes CO<sub>2</sub>e)  
Zero GHG reversals in 2024.

Total GHG removals (million metric tonnes CO<sub>2</sub>e)



GHG removals and GHG mitigation projects financed through carbon credits

	2024
Total amount of carbon credits outside value chain that are verified against recognized quality standards and cancelled (million metric tonnes CO <sub>2</sub> e)	0.053
Total amount of carbon credits outside value chain planned to be canceled in future (million metric tonnes CO <sub>2</sub> e)	0.00503
Carbon credits: share (percentage of volume) of reduction projects	0.0
Carbon credits: share (percentage of volume) of removal projects	100.0
Carbon credits: share (percentage of volume) for each recognized quality standard	100.0
Carbon credits: share (percentage of volume) issued from projects in European Union	0.0

### Internal carbon pricing

Nestlé uses a customized form of carbon pricing mechanism through a Net Impact Value (NIV) metric, calculated as the expected emission reduction divided by the total cost of a project. These prices vary by the type of decarbonization. The cost of decarbonization is also integrated into Nestlé’s M&A due diligence.

Based on the NIV, Nestlé assesses the hundreds of projects (both OPEX and CAPEX) that it commissions each year toward achieving its GHG reduction targets. It is an internal calculation method that assigns a monetary value to emission reduction efforts. This helps evaluate the cost-effectiveness of projects and is a useful benchmark to assess the ‘true’ cost of a project.

### Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

See the [Climate-related transition risk impacts, mitigations and future opportunities, 10-year time horizon table](#) for more information.

### Nestlé Specific KPIs

Nestlé’s Reporting Scope and Methodology for ESG Key Performance Indicators document provides details and definitions. It can be found in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

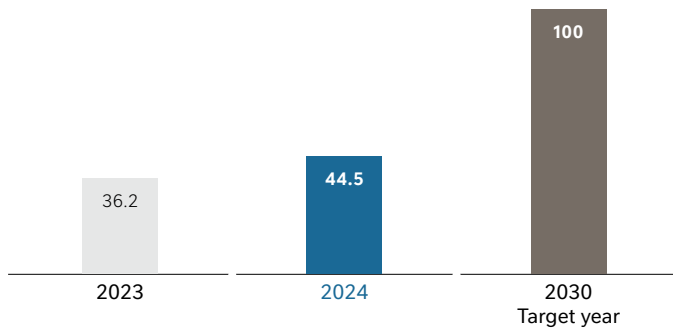
### Responsible sourcing

Sourcing is subject to specific disclosures through specific metrics, mostly by type of raw materials.

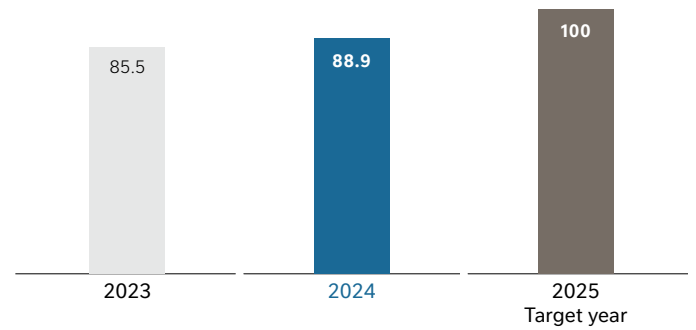
Most metrics relate to ‘responsibly sourced’, which means that the origin of Nestlé’s priority raw materials is known and the way they are produced has been assessed as compliant with the requirements laid out in its Nestlé Responsible Sourcing Core Requirements. Operationally, the criteria to define if a raw material is responsibly sourced are that the material comes from a low risk country with subnational traceability or that the origin of the material is traceable back to the group of farms and Tier 1 suppliers’ volume are compliant with the Nestlé Responsible Sourcing Core Requirements at production level. Nestlé’s responsible sourcing target applies to 14 priority raw materials: cereals and grains; cocoa; coconut; green coffee; dairy (derivatives and fresh milk); fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables. See [Biodiversity and ecosystems](#) for additional information.



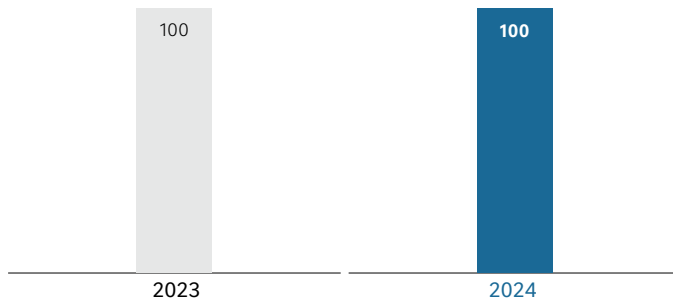
Key ingredients responsibly sourced (percentage)



Cocoa sourced through the *Nestlé Cocoa Plan* (percentage)<sup>(14)</sup>

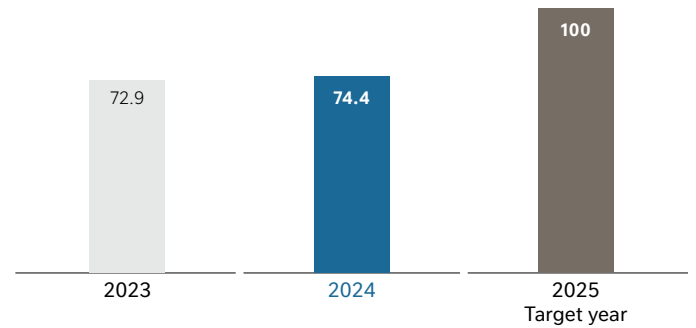


Certified palm oil sourcing (RSPO) (percentage)<sup>(13)</sup>



Nestlé continues to maintain its performance on RSPO, an important certification scheme for its responsibly sourced journey.

Cage-free eggs sourced (percentage)



Progress has been made in key geographies such as Europe, North America and Asia, Oceania and Africa. Nestlé faces unavailability of cage-free supply, particularly in Latin America.

(13) In 2024, 100% of Nestlé's crude palm oil (CPO) and Palm Kernel Oil (PKO) was either from RSPO certified sources or covered by Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel Oil (CSPKO) book and claim credits.

(14) The percentage cocoa sourced through the *Nestlé Cocoa Plan* includes volumes of Rainforest Alliance certified mass balance cocoa. It also includes verified *Nestlé Cocoa Plan* volumes and farm data provided by suppliers.

## Nestlé Specific KPIs

	2023	2024
Percentage of Nespresso Coffee sourced through the <i>Nespresso AAA Sustainable Quality™ program</i>	94.4	91.4 <sup>(15)</sup>
Percentage of coffee supplies responsibly sourced (excluding <i>Nespresso</i> )	92.5	93.0
Farmers trained on practices (number)	497 395	472 732
Number of farmers in the <i>Nestlé Cocoa Plan</i>	179 399	163 643
Number of forest and fruit trees distributed to cocoa farmers	1 386 240	1 737 740

## Methodology and assumptions

Nestlé has made minor changes in the methodology and definition of what constitutes its reporting undertakings and its value chain. Further details on the methodology and assumptions used are included in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#). This represents a continuous improvement approach for which, year-on-year, Nestlé works to have more accurate data and methodologies. Any methodological change, regardless of significance, is applied across all reporting years to ensure like-for-like performance reporting.

Reported GHG emissions: updates to methodology and definitions in 2024

Granular emission factors	More granular emission factors over the years introduced, taking into account variations by country, material, supplier and farm. This new level of detail aligns with the approach to applying emission factors and adheres to SBTi guidelines.
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### Approach to baseline recalculation

More granular emission factors imply recalculations of base year emissions across Scope 1, Scope 2 (both location-based and market-based) and Scope 3 for all reporting years since the 2018 baseline year, including recalculation of SBTi targets. Nestlé ensures that the baseline value for its GHG emissions is representative and reflects the full scope of its activities prone to external factors by following systemic methodologies.

By addressing these changes comprehensively, Nestlé makes sure that the GHG inventory and its reduction targets adhere to the best practices in environmental disclosure, and that progress tracking toward its GHG reduction goals is reliable. This approach also assures stakeholders that the reported GHG reductions are reflective of actual mitigation efforts rather than changes in accounting or reporting methodologies.

### Restatement methodology

Adjustment for structural changes	Previous years and baseline emissions are adjusted to account for significant structural changes, such as acquisitions and divestments, which can affect the scope of operations and, consequently, the GHG emissions profile. This adjustment ensures that the baseline remains representative over time, regardless of changes in Nestlé's structure.
Application of updated methodologies and emission factors	Nestlé ensures consistent reporting over time by restating for any structural, methodological, or more representative emission factors changes. For example, Nestlé receives some supplier-specific emission factors with some delay due to the time required for validation and substantiation of these emission factors with its suppliers and partners. Another example is in relation to database updates that are related to methodological updates. All these emission factors are incorporated over all years for which the data was related to, and the latest version of the emission factor is used in current year calculations. If Nestlé receives emission factors for multiple years it will use the data point for the best year it represents. Nestlé's uses the best available substantiated emission factors at the time of the consolidation and disclosure, however it knows that some of its projects are not yet fully represented and will be incorporated in subsequent years.

(15) The decrease versus 2023 is due to volatility in demand for certain coffee qualities which could not be sourced through the *Nespresso AAA Sustainable Quality program™* after the harvest period ended.

## Pollution

### In this section

- Pollution of water.
- Pollution of soil.

## Water and soil pollution in Nestlé's upstream value chain

### Strategy and policies

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Nestlé has policies and initiatives that aim to mitigate negative impacts related to the pollution of water and soil in its upstream value chain and pollution of water in its operations in line with Nestlé's material impacts, risks and opportunities.

Nestlé has specific requirements in the [Nestlé Responsible Sourcing Core Requirements](#) related to water and soil pollution risks. These include environmental requirements for the management of water and natural resources and the use of agrochemicals such as fertilizers and pesticides. Some of the specific requirements are detailed below.

Water and natural resources management requirements:

- Water resources and water bodies are protected from contamination (e.g. preventing run-off, maximizing water retention and minimizing soil erosion).
- Wastewater is treated before being discharged into the environment.
- Residual water used for cleaning pesticide application devices is released in the field or in a dedicated collecting area.
- Irrigation systems are optimized in order to minimize water use and avoid the transport of chemicals, nutrients or sediment from the soil surface or root zone toward surface or groundwater bodies.
- Documented procedures or processes are in place to ensure the implementation of measures for the sustainable management of water resources and to effectively mitigate negative impacts, including on other water users. This does not apply to small farms or smallholder farmers.

Use of agrochemicals (e.g. fertilizers and pesticides) requirements:

- Only pesticides that are legally approved for use within the relevant country are utilized and they are applied for the sole purpose of controlling weeds, diseases or invasive species and pests.
- The decision to use synthetic pesticides is based on prior monitoring, evaluation and forecasting of pest pressure, rather than on a systematic approach.
- The detailed list of pesticides to be avoided in field applications is included in the Nestlé Responsible Sourcing Core Requirements. These pesticides are named in the Stockholm list of Persistent Organic Pollutants, the Rotterdam Prior Informed Consent Procedure mechanism and/or the Montreal Protocol on Substances that Deplete the Ozone Layer; categorized as 1A and 1B hazardous pesticides by the World Health Organization, as known carcinogens according to the Globally Harmonized System of Classification and Labelling of Chemicals, as 1A carcinogens by the European Chemicals Agency, or Group 1 carcinogens by the International Agency for Research on Cancer.
- Hazardous materials, chemicals and dangerous substances are safely stored, handled, recycled, reused and disposed of in accordance with the manufacturer's recommendations. Only legally approved chemical substances are used. A year-round nutrient management plan is in place to monitor and optimize the application of fertilizers in response to crop needs (when and where). This does not apply to small farms or smallholder farmers.

In 2020, Nestlé announced its target on regenerative agriculture in the context of the [Net Zero Roadmap](#). Regenerative agriculture, by design, aims to improve soil health, biodiversity and water resources. It promotes the adoption of practices such as the reduction of synthetic inputs, agroforestry, cover crops, reduced tillage, riparian buffers, integrated pest management and integrated soil fertilization management. This approach is described in the [Nestlé Agriculture Framework](#). In particular, and in addition to the requirements included in the Nestlé Responsible Sourcing Core Requirements, the Framework also establishes that Nestlé aims to progressively phase out other pesticides and controversial practices.

## Actions and resources

In its supply chain, Nestlé engages suppliers and partners in regenerative agriculture (see [Strategy and policies](#) for more information). In 2020, Nestlé announced its target: aim to source 20% of its volume of key ingredients from farmers adopting regenerative agriculture practices by 2025, and 50% by 2030. See [Biodiversity and ecosystems](#) for details on progress.

Within fresh milk sourcing, Nestlé engages with suppliers and farmers to support the development of advanced manure management technologies.

Nestlé verifies alignment to and compliance with the Nestlé Responsible Sourcing Core Requirements using different methods at different tiers of the supply chain. These include self-declaration, desk-based assessments and second- or third-party site audits or assessments. The tools used to assess compliance depend, at Nestlé's discretion, on the supply chain tier and the level of risk. Risk is assessed taking into consideration different criteria, such as the country(ies) of operation and of origin (for materials and ingredients), the level of spending, and the type of goods or service supplied to Nestlé.

Nestlé has identified priority materials and ingredients that present a higher risk of environmental and/or social issues. In those cases, it works closely with its direct suppliers and other partners to conduct a supply chain mapping and carry out assessments in the upstream supply chain.

Direct suppliers:

- Human Rights and Environmental Due Diligence (HREDD) assessments.
- Site audits carried out by independent audit firms using Sedex best-practice principles and the SMETA methodology.
- Responsible Business Alliance (RBA) audits.
- EcoVadis self-assessment questionnaire.
- Any other means, as may be required by Nestlé.

Origins (for Nestlé's priority materials and ingredients):<sup>(16)</sup>

- Validated certification schemes.
- Validated industry schemes or programs.
- Validated landscape or jurisdictional initiatives.

Nestlé is in the process of assessing water and soil pollution in its upstream supply chain, using secondary data. This is expected to help with potentially setting related targets and with assessing the effectiveness of measures. Specifically with respect to water, Nestlé is one of the companies piloting science-based targets (SBTs) for nature which may provide a future scenario where companies can operationalize the Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework (GBF). The SBTs for nature technical guidance was released in 2024 and Nestlé has been working to define potential targets in line with its requirements and to understand what might be required from an operational perspective. The Science Based Targets Network (SBTN) established two targets which together address the primary impacts on water, as follows:

- Fresh water use.
- Fresh water quality.

(16) Countries of origin categorized as low risk for environmental, social and governance issues using data from Verisk Maplecroft are not subject to verification.

## Water pollution in Nestlé’s operations

### Strategy and policies

The Nestlé Environmental Requirements (NER) Standard applicable to Nestlé’s operations (e.g. factories, R&D centers, head offices and boutiques) addresses water impacts that may be associated with Nestlé’s activities such as increased turbidity, eutrophication, pH/redox change, contamination by hydrocarbon or any hazardous material and over-exploitation.

Any water discharged into waterways must be treated effectively to avoid harming the environment. Nestlé uses various technologies to treat the water it uses prior to reuse or release into the environment. The physico-chemical parameters continuously monitored in its effluents are as follows: pH with defined thresholds, biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), total nitrogen (TN), total phosphorus (TP), oil and grease, and color. For example, Nestlé has set an internal limit of 125 mg O<sub>2</sub>/L for COD that is mandatory in all operations.

NER also covers building standards (e.g. to prevent contaminant spills), the operation of water wells within factories and operations of internal effluent treatment plants.

NER sets requirements for effluent water quality discharged from direct operations and aims to protect the environment in the case of:

- Effluent water discharge to the surface water body.
- Effluent water used for irrigation.

In case of incidents, Nestlé’s Management of Environmental Exceptional Compliance Issues and Analysis & Reporting of SHE Incidents Standards define mandatory practices for the analysis and reporting of events that could or do result in injuries, illnesses and environmental impacts.

## Actions and resources

In Nestlé operated factories and distribution centers, effluent water is managed in on-site treatment plants or diverted to a local third-party facility. Water discharges are monitored in all sites of Nestlé’s factories. Nestlé complies with local regulations as a minimum and monitors all relevant substances specified in NER including nitrates, phosphorus and COD load, as part of its standard internal environmental monitoring and reporting routine. It is consolidated monthly at a factory level and reported in Nestlé’s internal environmental reporting system: SHE-PM. The data is then consolidated at the corporate level. The data is used to track and evaluate Nestlé’s internal water use efficiency as well as the potential impact on the other watersheds’ stakeholders and ecosystems. It is reported to different stakeholders within Nestlé (including executive management) to continuously drive improvement.

### Nestlé Specific KPIs

	2023 <sup>(17)</sup>	2024
Total direct output of chemical oxygen demand (COD) load to the environment (tonnes) <sup>(18)</sup>	1911	4540
Aggregated annual chemical oxygen demand (COD) concentration (mgO <sub>2</sub> /l) <sup>(18)</sup>	81	86
Percentage of effluent water treated internally <sup>(18)</sup>	51	52

(17) 2023 figures considered effluents after internal treatment only; whereas 2024 results account for all effluents, after both internal and external treatment.

(18) Metrics reported only relate to factories.

## Water resources

### In this section

- Water consumption.
- Water withdrawals.
- Water discharges.

### Main targets<sup>(19)</sup>

- Nestlé sets targets of water use reduction in its manufacturing sites, especially in those located in water stressed areas.
- Nestlé is committed to certifying all Nestlé Waters sites to the Alliance for Water Stewardship (AWS) certification by the end of 2025.
- As of 2025, Nestlé Waters will help nature retain more water than the business uses in all its operations.

## Water consumption, withdrawals and discharges in operations

### Strategy and policies

Nestlé is committed to sustainable water use, particularly in water-stressed areas across its operations and supply chains, through the implementation of specific actions tailored to local conditions. Nestlé continuously strives to improve water use in its factories by adopting efficient technologies.

All Nestlé factories, without exception, need water to operate properly and water stress may impact their production capacity through potential restrictions.

Nestlé Waters (Nestlé's bottled water business) follows the Alliance for Water Stewardship (AWS) International Water Stewardship Standard at all its sites; and, since 2021, Nestlé Waters has been identifying and implementing projects designed to help regenerate local water cycles in areas where it operates.

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

The Nestlé Environmental Requirements Standard (NER) is aimed at preventing harm to the environment and local natural resources and defines all mandatory environmental requirements that apply to Nestlé's direct operations, such as sustainable water use or effluent water quality. NER is monitored at local and Group level through an internal tracking system.

The actions below highlight Nestlé's proactive and location-specific approach to water stewardship, as it aims toward sustainability in its operations and the preservation of water resources for future generations.

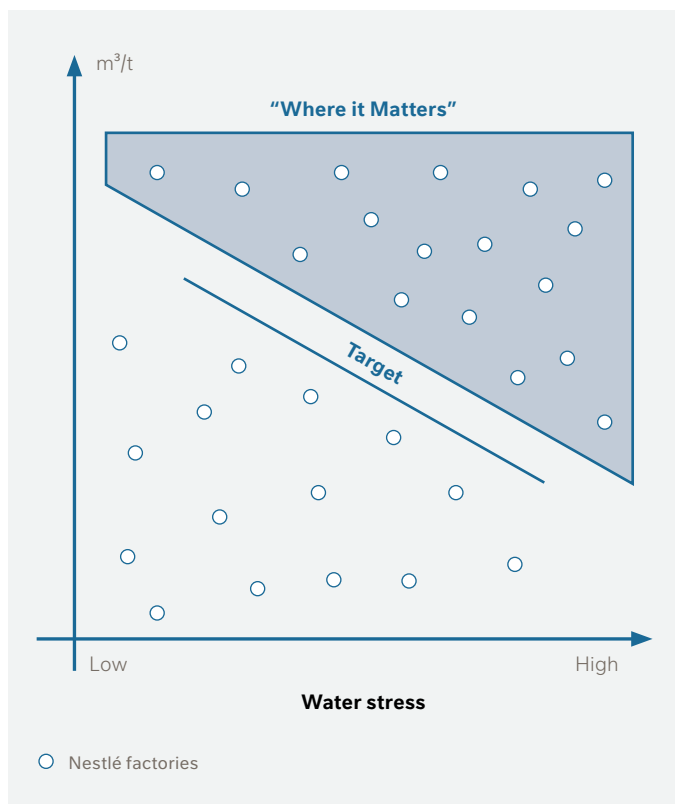
### Actions and resources

Nestlé has been continuously improving water use efficiency in its manufacturing sites. This is achieved through annual quantitative targets, delivered by the implementation of advanced water-reducing innovations and technologies, as well as the promotion of the recycling and reuse of water. Between 2021 and 2023, Nestlé delivered an absolute reduction of 7.6 million m<sup>3</sup> of water, which exceeded the goal Nestlé had set to reduce water use in factories by 6 million m<sup>3</sup>.

Nestlé prioritizes investment in water-reducing initiatives for facilities located in areas of high water risk. Since 2024, the setting of annual site-level water-reducing targets is integrating local water stress. This context-based approach prioritizes actions 'Where it Matters'. The graph shown on the next page is a representative example to explain the 'Where it Matters' approach. Improvements in water efficiency and reductions in water withdrawals can help mitigate local water risks.

(19) The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – Reporting Scope and Methodology](#) for ESG Key Performance Indicators 2024.

Water use per tonne of product



Additionally, Nestlé Waters intends to certify all its sites to the AWS Standard by 2025. The AWS Standard provides a framework to assess and understand the impact and dependencies from Nestlé’s manufacturing water use in a watershed and guide the implementation of water stewardship initiatives within the watershed through collective actions together with local stakeholders. These actions are externally audited and certified following ISEAL requirements (AWS is an ISEAL Community Member).

### Targets, metrics and performance

Nestlé has established measurable targets to minimize its impact on water resources. These targets align with Nestlé’s long-term sustainability goals and regulatory requirements, as outlined below.

- Nestlé sets annual targets of water use reduction in its manufacturing sites, especially in those located in water-stressed areas:
  - This aligns with Nestlé’s efforts in managing the material impacts and risks associated with water use, especially in areas facing water stress. Nestlé’s targets contribute to the management of material impacts, risks and opportunities related to areas at water risk by focusing on water-related actions in locations deemed as higher risk. Since 2024, water use efficiency improvements in direct operations are driven by water risk assessments to focus operations and resources allocation in manufacturing sites located in water-stressed areas. This strategic approach ensures that actions and resources are aligned with the management of material impacts and risks, particularly in areas identified as high-risk for water-related issues. In 2024, total water use reduction in manufacturing sites amounted to 2.72 million m<sup>3</sup>.
- Nestlé Waters is working toward meeting their commitment to have local water stewardship projects delivering more volumetric water benefits than the volume Nestlé Waters withdraws in its operations, by end of 2025:
  - This will be achieved through collaboration with partners to identify and support local solutions that are designed to help regenerate the ecosystems in the areas around each of Nestlé Waters’ sites.
- Nestlé is committed to certifying all Nestlé Waters sites to the Alliance for Water Stewardship (AWS) certification by the end of 2025:
  - The Standard requires water users to understand and act collectively on water challenges. With 25 Nestlé Waters sites certified by AWS, Nestlé Waters is working toward meeting their commitment in 2025.

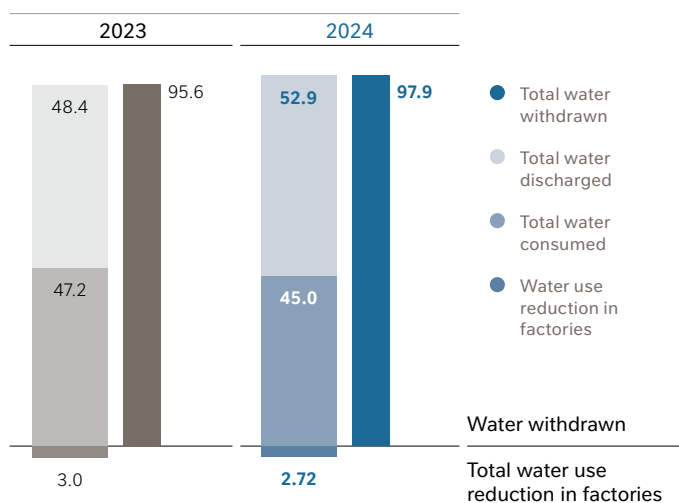
Nestlé Specific KPIs: Alliance for Water Stewardship

	2023	2024
Number of Nestlé Waters sites certified to the Alliance for Water Stewardship’s (AWS) international Standard	23	25

Ecological thresholds have not been considered or evaluated. Nestlé’s targets align closely with various globally recognized and industry-specific guidelines and initiatives, promoting sustainable water use and management practices.

These targets demonstrate Nestlé’s proactive strategy to align with global sustainability norms and contribute to the responsible management of water.

Water use disclosures (million m<sup>3</sup>)



Water use disclosures

	2023	2024
Total water consumption in areas at water risk, including areas of high water stress (million cubic meters)	-	25.0
Water consumed in regions with High or Extremely High Baseline Water Stress (percentage)	48.6	55.5
Water withdrawn in regions with High or Extremely High Baseline Water Stress (percentage)	36.7	44.8

## Water consumption, withdrawals and discharges in the value chain

### Strategy and policies

Nestlé works closely with local stakeholders, particularly in agriculture, to improve water conservation, through engagement and capacity building.

Limited access to water may also disrupt the production of crops or food from Nestlé’s suppliers and business partners, and the availability and affordability of key ingredients. Agriculture accounts for 70% of all water withdrawals worldwide. In some regions, water consumption to produce food is increasing pressure on the water cycle. Agricultural inputs can also affect the quality of water resources.

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Nestlé has several policies that aim at mitigating potential negative impacts of activities on local water resources in its value chain.

The [Nestlé Responsible Sourcing Core Requirements](#) describes the specific requirements related to water in the chapters: Supplier 4.2 and Farmers 3.2.

By design, the regenerative agriculture practices approach as described in the [Nestlé Agriculture Framework](#) helps to reduce the use of synthetic inputs and protect water streams.

### Actions and resources

#### Water in responsible sourcing

The Nestlé Responsible Sourcing Core Requirements call for several actions, some of which are outlined below:

- Water withdrawals are monitored, and volumes allowed by license(s) or permit(s) are not exceeded.
- Local water resources are used efficiently and negative effects on other water users including communities, wildlife and ecosystems within the same watershed are mitigated.
- Wastewater is treated before being discharged into the environment.
- Water resources and water bodies are protected from contamination (e.g. preventing run-off, maximizing water retention and minimizing soil erosion).
- Irrigation systems are optimized in order to minimize water use and avoid the transport of chemicals, nutrients or sediment from the soil surface or root zone toward surface or groundwater bodies.



- Documented procedures or processes are in place to ensure implementation of measures for the sustainable management of water resources and to effectively mitigate negative impacts including on other water users.

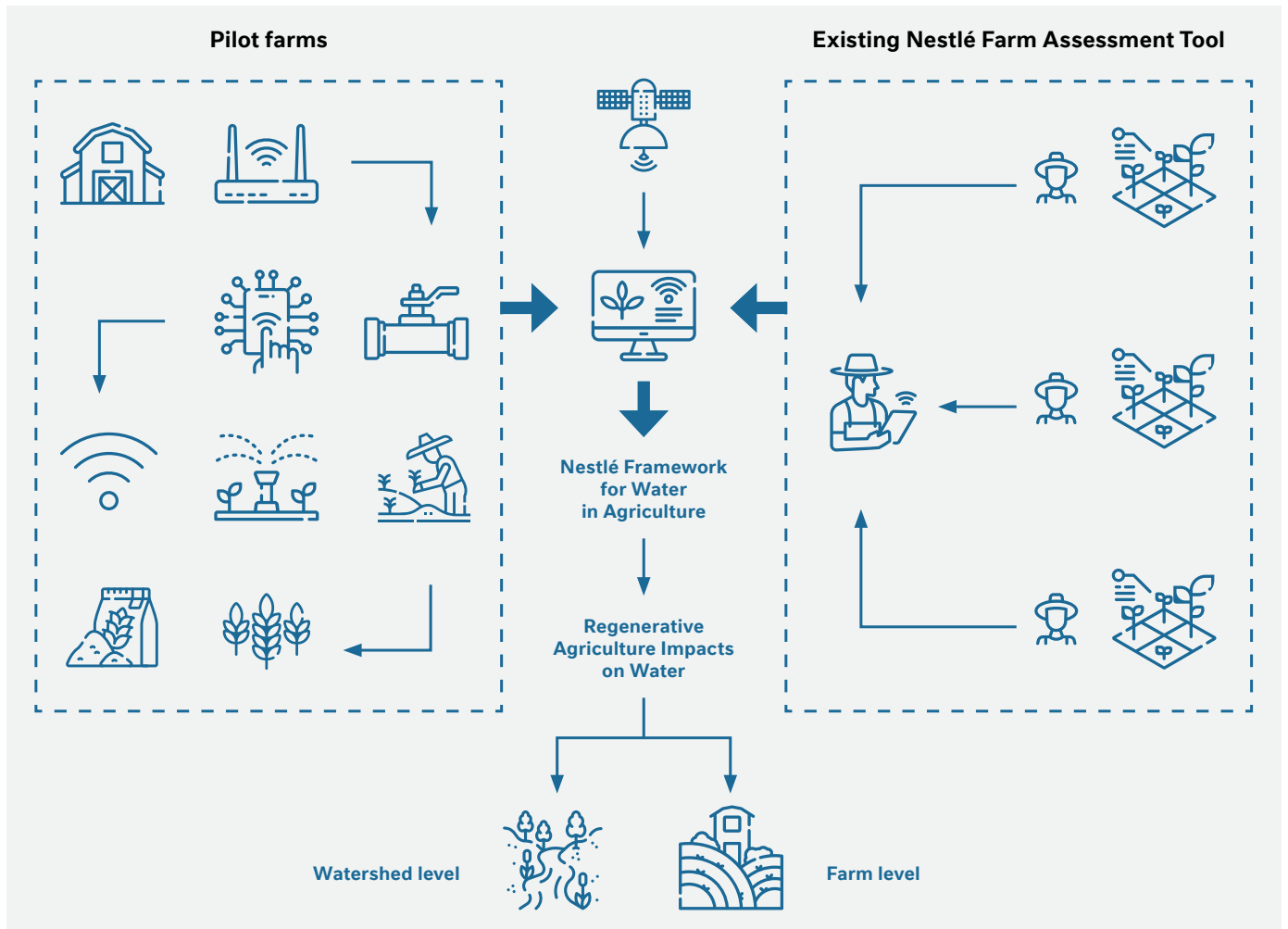
**Water in agriculture**

Nestlé has partnered with the University of Wageningen to identify key proxy metrics for the quantification of water benefits from selected agricultural practices, such as those found in the Nestlé Agriculture Framework. The implementation of such practices can have positive impacts on local water resources.

Regenerative agriculture practices, together with improved irrigation techniques and connected technologies, allow for water use reduction and increased water resilience. These practices are initially implemented and measured at farm level, with benefits expected to improve the overall watershed health as similar practices are implemented at larger scale.

Improved watershed health contributes to the sustainability of local water resources and, in return, improves farmers, communities, nature and supply resilience.

Improving watershed health<sup>(20)</sup>



(20) The impact of regenerative practices is assessed in detail on selected pilot farms. Based on these results, similar practices are promoted on a larger scale and benefits are assessed through existing Nestlé Farm Assessment Tools.

To assess risks and opportunities for the implementation of these activities, Nestlé assesses the water footprint of its key agricultural commodities, such as coffee, cocoa, fresh milk and sugar, and water stress assessments at sourcing locations.

In priority regions, Nestlé works with farmers to implement water-efficient irrigation systems and overall good agricultural and water stewardship practices.

### The Nestlé Waters Regeneration Pledge

The Nestlé Waters Regeneration Pledge aims to lead the regeneration of local water cycles to help create a positive water impact everywhere the business operates by 2025. Positive water impact means that within the watershed it is operating, each Nestlé Waters factory needs to deliver volumetric water benefits corresponding at least to its current year annual withdrawals. The business wants to expand its current efforts around water management beyond Nestlé Waters own bottled-water operations. The aim is to develop projects to help nature retain more water than Nestlé Waters bottled-water business uses.

In collaboration with partners, Nestlé Waters identifies and supports local solutions that help nature retain more water than the category uses in its operations. Outcomes of all projects are quantified using the World Resources Institute's Volumetric Water Benefit Accounting (VWBA) methodology, and an external expert's panel, composed of NGOs, academics and think tanks, reviews all projects ensuring they are addressing current and future water challenges. By delivering 8.2 million m<sup>3</sup> per year of volumetric water benefits, Nestlé Waters exceeded its 2024 target of 8 million m<sup>3</sup>/y.

#### Natural flood management – Zone Europe

The town of Buxton, UK, is located near the headwaters of the River Wye and surrounded by steep hills, making it susceptible to flooding during prolonged and high-intensity rainfall. Flooding of roads and housing has already occurred on several occasions. Nestlé Waters collaborates with the Environment Agency, local authorities and non-governmental organizations (e.g. Moors for the Future, University of Derby and Derbyshire Wildlife Trust) to implement a natural flood management program in the catchment area to reduce the severity of flood events. This work builds on the strong community relationship and complements the broader work of Nestlé Waters that supported the Alliance for Water Stewardship Platinum re-certification of the Buxton factory in 2024.

## Metrics and performance

### Nestlé Specific KPIs

	2023	2024
Percentage of sites where projects started to deliver volumetric water benefits (VWB)	–	67.6
Percentage of total withdrawn water volumes that are 'regenerated'	–	39.8
Nestlé Waters volumetric water benefits delivered by implementing local water stewardship projects (million cubic meters per year)	4.4	8.2

## Biodiversity and ecosystems

### In this section

- Impacts on the state of species.
- Impacts on the extent and condition of ecosystem and dependencies on ecosystem services.
- Climate change.
- Land-use, fresh water-use and sea-use change.
- Direct exploitation.

### Main targets<sup>(21)</sup>

- By 2025, Nestlé aims for 20% of its key ingredients to be sourced from farmers adopting regenerative agriculture practices,<sup>(22)</sup> and 50% by 2030.<sup>(23)</sup>
- By 2030, Nestlé aims for 100% of key ingredient<sup>(24)</sup> volumes to be responsibly sourced.<sup>(25)</sup>
- By 2025, Nestlé aims to achieve and maintain 100% assessed deforestation-free primary supply chains: meat, palm oil, pulp and paper, soy, sugar, cocoa,<sup>(26)</sup> and coffee.<sup>(26)</sup>

## Strategy and policies

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

The [Nestlé Responsible Sourcing Core Requirements](#) sets out the compliance expectations of Nestlé’s upstream supply chains and includes the conservation and protection of High Carbon Stocks and High Conservation Value areas, among other requirements related to ecosystems. This document is the base of Nestlé’s deforestation-free operations and performance which aims to support the conservation of nature.

The [Nestlé Agriculture Framework](#) is a key policy related to action on regenerative agriculture and therefore related with biodiversity and ecosystems. It describes a comprehensive agriculture model which defines the three key resources of any agricultural system: soil, water and biodiversity as the focus of the collective restoration efforts. Priority actions are the use of more diverse production systems, the integration of livestock and actions across landscapes: all supported by science-based agronomical and agroecological principles. In line with the aim to protect pollinators, Nestlé will also prioritize actions on insecticides in accordance with the Framework.

Nestlé’s Salient Issue Action Plan [Indigenous Peoples’ and Local Communities’ \(IPLCs\) Land Rights](#) includes climate ecosystem-related actions. The action plan was assembled and published based on knowledge gathered from IPLCs through a due diligence process. Respecting the rights of and engaging with IPLCs is essential for net zero and nature-related action.

## Actions and resources

Below there is a description of how Nestlé’s policies, framework, requirements and adopted measures have been effectively supporting nature and biodiversity.

### Deforestation

#### Conservation – Deforestation-free in primary supply chains

By 2025, Nestlé aims to achieve and maintain 100% assessed deforestation-free primary supply chains: meat, palm oil, pulp and paper, soy, sugar, cocoa,<sup>(26)</sup> and coffee.<sup>(26)</sup>

(21) The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

(22) <https://www.nestle.com/sites/default/files/2022-07/nestle-agriculture-framework.pdf>.

(23) In 2024, the following ingredients are included in the numerator: dairy (fresh milk and dairy derivatives), coffee (excluding blended green coffee and Blue Bottle Coffee), cocoa, cereals and grains, soy and vegetables. The denominator includes all raw materials in scope: coffee (excluding blended green coffee and Blue Bottle Coffee), cocoa, dairy (fresh milk and dairy derivatives), sugar, cereals and grains, meat, poultry and eggs, palm oil, soy, vegetables, fish and seafood (excluding co and byproducts).

(24) ‘Key ingredients’ refers to 14 key agricultural raw materials that cover 95% of Nestlé’s annual sourcing by volume: cereals and grains; cocoa; coconut; coffee (excluding blended green coffee and Blue Bottle Coffee); dairy (fresh milk and dairy derivatives); fish and seafood (excluding co and byproducts); hazelnuts; meat, poultry excluding pet care and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables.

(25) <https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>.

(26) By 2025.

The Nestlé Responsible Sourcing Core Requirements require that there is no expansion or production on areas converted from natural forests and other natural ecosystems after commodity sectoral cut-off dates where they exist, but in no case later than December 31, 2020. This includes primary forests, protected areas (e.g. IUCN protected areas categories I-IV, UNESCO World Heritage Sites, wetlands on the Ramsar List), High Conservation Values (HCV) lands in and around the producer territory, high carbon stock (HCS) forests, wetlands, savannas, and peatlands regardless of depth (except where farming practices protect peat), and riparian buffers adjacent to aquatic ecosystems (except where it complies with applicable law).

This is measured as a KPI called 'Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free', which is calculated as follows: Total volume of commodities in scope assessed deforestation free, divided by the total volume of commodities in scope, multiplied by 100 (measured in metric tonnes). This KPI is not equivalent to the EU Regulation on Deforestation-free Products (EUDR), and has distinct definition and calculation methodology.

	2023	2024
Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free (%)	93.4	93.5
Meat (%)	99.9	100.0
Palm oil (%)	96.0	96.3
Pulp and paper (%)	98.2	99.0
Soy (%)	97.9	96.1
Sugar (%)	98.1	97.8
Cocoa (%)	42.3	46.4
Coffee (%)	92.8	93.1

Nestlé has made progress and is working on resolving traceability challenges in certain commodities such as cocoa.

Details of the methodology are included in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

### Restoration – Global Reforestation Program

This Program, which implements large-scale reforestation projects in Nestlé's supply chain and sourcing landscapes, supports Nestlé's Net Zero Roadmap. Reforestation and natural landscape restoration are aimed to help reverse biodiversity loss. Forests and natural ecosystems provide habitats for many species, store water, absorb carbon dioxide, and contribute directly to the livelihoods of Indigenous peoples' and local communities. It is important to invest at the landscape level, seeking environmental and socio-economic co-benefits.

With projects in Brazil, Colombia, Côte d'Ivoire, Mexico, Vietnam, Australia, China, Honduras, Nicaragua, and Thailand, the *Global Reforestation Program* has planted 7.04 million trees during 2024 (including *Nespresso's* agroforestry efforts as part of their Net Zero journey in Colombia, Guatemala, Ethiopia, Costa Rica, and Uganda).

### Ecosystem services

#### Regenerative agriculture

Nestlé defines regenerative agriculture as follows:

'Regenerative agriculture is an approach to farming that aims to protect, renew and restore farmland and its ecosystem.'

By 2025, Nestlé aims for 20% of its key ingredients to be sourced from farmers adopting regenerative agriculture practices, and 50% by 2030.

Regenerative agriculture helps improve soil health, sequester carbon and support food security. It helps reduce the impact of agriculture on water and natural resources.

Action is based on five pillars (diverse cropping systems and livestock integration; biodiversity; collective and landscape actions; soil health; and water security and quality) and is guided by the Nestlé Agriculture Framework. More details on the practices are included in [Climate change](#).

### Responsible sourcing

Nestlé aims to continue making progress in sourcing ingredients under the Nestlé Responsible Sourcing Core Requirements. The Requirements enforce conservation practices as well as a ramp up of farm practices that help to reduce the use of fossil fuel-based inputs. This implementation aims to help flora and fauna provide ecosystem services for the agricultural raw material production to thrive. This implementation is tracked through the 'Responsibly sourced' KPI which implies that either the material comes from a low-risk country with subnational traceability or that the origin of the material is traceable back to the group of farms and Tier 1 suppliers' volumes are compliant with the Nestlé Responsible Sourcing Core Requirements at production level. Mass balance schemes are used when physical traceability is not achieved for the volumes in scope of those KPIs.

Nestlé's supplier contracts include a stringent clause requiring the provision of traceability information. Nestlé conducts an annual traceability exercise covering 14 key raw materials, reaffirming its commitment to responsible sourcing and enabling traceability. In addition, Nestlé publishes lists of its suppliers for these key raw materials, as well as their origin.

See [Climate change: Nestlé Specific KPIs](#) for more details.

Details of the methodology are included in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

### Just transition – IPLCs

The IPLCs Salient Issue Action Plan sets out a series of measures that Nestlé is taking between 2023 and 2025 to address its challenges, including impact indicators, in order to:

- Strengthen Nestlé's existing risk assessment approach.
- Engage and build capacity of Nestlé's suppliers on the topics of land rights and human rights defenders.
- Review and strengthen requirements and safeguards on IPLCs' land rights within Nestlé's existing programs (e.g. *Global Reforestation Program*).
- Support IPLCs-centered landscape conservation and restoration projects.
- Collaborate with peers and stakeholders to help address systemic issues and develop common approaches and tools.
- Identify government engagement opportunities to strengthen respect for IPLCs' land rights.
- Support access to remedy and help address systemic issues within Nestlé's operations and supply chains.

### Nestlé Purina PetCare Europe Ocean Restoration Program – Zone Europe

Nestlé Purina PetCare Europe (Purina Europe) launched at the beginning of 2024, its first Ocean Restoration Program. The Purina Europe Ocean Restoration Program is focused on future supply chain resilience by helping to improve and restore the marine habitats which are critical for fish populations. Fish is part of Purina Europe's supply chain because it uses fish by-products. These are parts of fish that are not consumed by humans but provide a valuable ingredient in pet food, so that nothing goes to waste. Seagrass meadows, kelp forests and oyster reefs provide nursery grounds, shelter and food for many species, but they have been affected by overfishing, pollution and climate change and this is impacting the many species that rely on them. Purina Europe's aim is to restore 1500 hectares of marine habitat by 2030 in the region where it sources, by working with expert partners and promoting collaboration to develop the solutions, methodologies and scientific knowledge needed to scale in a cost-effective way. Healthy oceans are not just critical for Purina Europe's supply chain, but also for local communities and businesses. The Program aims to improve ocean health across multiple sites in Europe, bringing back nature and biodiversity to the benefit of all.

## Targets, metrics and performance

See [Actions and resources](#) for more details.

### Piloting science-based targets for nature

Nestlé is one of the companies piloting science-based targets (SBTs) for nature which may provide a future scenario where companies can operationalize the Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework (GBF) which is nature's equivalent to the Paris Agreement for climate change. The SBTs for nature technical guidance was released in 2024 and Nestlé has been working to define potential targets in line with its requirements and to understand what might be required from an operational perspective.

The Science Based Targets Network (SBTN) established three interconnected targets which together address the primary impacts of the land sector, as follows:

- No Conversion of Natural Ecosystems.
- Land Footprint Reduction.
- Landscape Engagement.

### Responsible sourcing

By 2030, Nestlé aims for 100% of key ingredient<sup>(27)</sup> volumes to be responsibly sourced.<sup>(28)</sup> By end of 2024, this figure reached 44.5%.

### Regenerative agriculture

In 2024, Nestlé achieved 21.3% of its key ingredients sourced from farmers adopting regenerative agriculture practices, ahead of its 2025 target of 20%, thus contributing to supply chain resilience as well as reducing GHG emissions.

The performance measure of regenerative agriculture percentage is calculated by: Total volume of categories in scope from farmers qualified as 'engaged in the transition toward regenerative agriculture (Level 1)', 'Advanced (Level 2)' or 'Leading (Level 3)', divided by the total volume of categories in scope (measured in tonnes) during the given year. Level 1 is an entry point in regenerative agriculture and constitutes a transition toward more advanced practices of regenerative agriculture (i.e. Level 2 and Level 3).

The scope of the KPI includes agricultural raw materials coming from the Nestlé Farmer Connect value chain (Nestlé's Farmer Connect program works directly with farmers to ensure supply of certain agricultural raw materials) and from industrial suppliers for the following categories:

- Dairy (fresh milk and dairy derivatives).
- Coffee (excluding blended green coffee and Blue Bottle Coffee).
- Cocoa.
- Cereals and grains.
- Soy.
- Vegetables.
- Sugar.

Details of the methodology are included in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

(27) 'Key ingredients' refers to 14 key agricultural raw materials that cover 95% of Nestlé's annual sourcing by volume: cereals and grains; cocoa; coconut; coffee (excluding blended green coffee and Blue Bottle Coffee); dairy (fresh milk and dairy derivatives); fish and seafood (excluding co and byproducts); hazelnuts; meat, poultry excluding pet care and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables.

(28) <https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/suppliers/nestle-responsible-sourcing-standard-english.pdf>.

## Resource use and circular economy

### In this section

- Resource outflows related to product and services (Packaging).
- Resource outflows related to product and services (Food waste).
- Circular economy (Packaging).

### Main targets <sup>(29)</sup>

- By 2025, Nestlé aims to design above 95% of its plastic packaging for recycling systems and continue to work toward 100% being recyclable or reusable.
- By 2025, Nestlé aims to reduce its use of virgin plastics by one third, versus 2018 baseline.

## Packaging

### Strategy and policies

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Nestlé has developed a set of internal policies including the Nestlé Policy on Environmental Sustainability and the [Rules of Packaging Sustainability](#), with the latter covering all finished products sold by Nestlé. Nestlé’s guidelines and standards are made available to supply chain partners as relevant. In addition, all policies are complemented by the Group’s [Packaging Sustainability Strategy](#) toward 2025.

As a signatory of the [Ellen MacArthur Foundation Global Commitment](#), Nestlé provides voluntary reporting to the public on its plastic packaging.

### Nestlé Rules of Packaging Sustainability

This Policy provides a comprehensive set of up-to-date standards and internal guidelines to ensure Nestlé’s global and local packaging transformation contributes to achieving its commitments in 2025 and beyond.

#### Overview

Packaging vision and commitments	Nestlé’s vision is that none of its packaging ends up in landfill or as litter. It is helping create a future where cleverly designed packaging, innovative new materials, better recycling infrastructure and reusable or refillable packaging can prevent waste on land.
Packaging Sustainability five-pillar strategy	Key initiatives to enable this vision: <ol style="list-style-type: none"> <li>1. Less Packaging (Reduce)</li> <li>2. Less Packaging (Reuse and Refill)</li> <li>3. Better Packaging (Redesign)</li> <li>4. Better System (Recycle)</li> <li>5. Better System (Rethinking Behaviors)</li> </ol>
The Golden Design Rules	These guide current and future packaging design, define the way Nestlé designs its packaging today, and in the future, to ensure its recyclability.
The Negative List	This explains the materials to be removed and by when, including the list of materials, additives, packaging concepts and items which are or will be considered obsolete based on the evolution of recycling technologies and infrastructure and legal/regulatory framework.

(29) The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).



Nestlé follows the guidelines of the Ellen MacArthur Foundation (EMF) ‘New Plastics Economy Commitment – Commitments, Vision and Definitions (Feb. 2020)’, and in preparing Nestlé’s plastic packaging voluntary disclosures it referred to the ‘Global Commitment 2024 Reporting Guidelines (2024)’ of the EMF.

Nestlé’s Packaging Design Rules refer to the voluntary framework developed by the Consumer Goods Forum, called the ‘[Golden Design Rules for Packaging Sustainability](#)’, see table for details.

Consumer Goods Forum: Golden Design Rules for Packaging Sustainability

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**Golden Design Rules for Packaging Sustainability**

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- Increase recycling value in PET bottles.
  - Remove problematic elements from plastic packaging.
  - Eliminate excess headspace.
  - Reduce plastic overwraps.
  - Increase recycling value for PET thermoformed trays and other PET thermoformed packaging.
  - Increase recycling value in flexible consumer packaging.
  - Increase recycling value in rigid HDPE and PP.
  - Reduce virgin plastic use in business-to-business plastic packaging.
  - Use on-pack recycling instructions
- 

## Actions and resources

Nestlé’s packaging sustainability strategy is structured around five pillars of action:

- 1 **Less Packaging (Reduce):** Nestlé wants to use less packaging material, including less virgin plastic, which it aims to reduce by a third by 2025 versus its 2018 baseline.
- 2 **Less Packaging (Reuse and Refill):** To eliminate the need for disposable packaging, Nestlé is working to eliminate non-recyclable plastics and investing in innovative, alternative delivery systems.
- 3 **Better Packaging (Redesign):** Nestlé is collaborating with industrial partners to develop new packaging materials and solutions. It is working to design over 95% of its plastic packaging for recycling systems, while working toward 100% recyclable or reusable packaging.

- 4 **Better System (Recycle):** Nestlé is working to help stop plastic waste entering the environment across its global operations. It engages in the development of collection, sorting and recycling systems wherever it operates, recognizing that optimizing packaging design and use of recyclates are necessary elements.
- 5 **Better System (Rethinking Behaviors):** Addressing the waste management challenge requires fundamental behavioral change from all stakeholders, including Nestlé, retail partners, suppliers and consumers – across all pillars. Nestlé advocates for well-designed regulation that is aligned with the principles of the waste hierarchy.

Nestlé’s scope of key action covers the primary, secondary and tertiary packaging materials for all finished food and beverage products sold by Nestlé, and the time horizon Nestlé is currently working to is 2025.

### Reusable and recyclable plastic packaging

Nestlé has made several commitments on packaging sustainability as part of the Ellen MacArthur Foundation’s (EMF) Global Commitment. In 2018, Nestlé joined the EMF initiative in moving toward making 100% of its plastic packaging reusable or recyclable. Nestlé reports progress against this commitment every year.

Since 2022, although Nestlé has been designing for recycling the infrastructure for plastics recycling is not developing fast enough in many countries around the world. As a result, from 2022, Nestlé has started to report an additional KPI ‘How much of Nestlé’s packaging is designed for recycling’. Nestlé’s aim is for more than 95% of its plastic packaging to be designed for recycling by 2025.

Nestlé’s aim is to reduce its use of virgin plastics in packaging by one third by 2025, and Nestlé is pioneering alternative packaging materials to facilitate recycling. Packaging plays an important role in safely delivering high-quality food and drinks to consumers, and in reducing food loss and waste. Nestlé needs to consider alternatives carefully before making changes to packaging, whether plastic, paper, metal or glass to ensure the safety of its products.



Nestlé engages in the development of post-consumer collection, sorting and recycling systems wherever it operates, and has made progress in taking voluntary actions in this area. Nestlé supports governments in accelerating infrastructure development by supporting the development of well-functioning collection, sorting and recycling schemes wherever it operates, and scaling-up reusable and refillable alternatives where possible. Nestlé has supported over 200 collection projects and activities in over 12 countries. In these activities, Nestlé partners with private local waste management entities and stakeholders to collect, sort, trade, recycle or process post-use materials.

Nestlé is also working to integrate recycled content into all packaging materials, including plastic packaging.

### Investing in recycled plastics

Packaging plays a major role in assuring food quality and safety, areas of paramount importance at Nestlé which drive the current and future financial investment (and other resources) allocated to Nestlé’s action plan on recycled plastics. Some plastics are difficult to recycle for food packaging leading to a limited supply of food-grade recycled plastics. To create a market, Nestlé is therefore committed to sourcing tonnes of food-grade recycled plastics and paying a premium for these materials between now and 2025.

Nestlé’s investment in procuring recycled plastics aims to reverse that trend by making recycled food-grade plastic a more attractive financial proposition to suppliers, which it hopes will help to encourage the adoption of recyclable food-grade plastic in the industry. In addition, Nestlé has committed investments to reconfigure packaging lines in its factories. Regarding sustainability investments, including packaging, these are managed by Nestlé’s venture fund which provides catalytic capital to companies.

In 2019, Nestlé opened the Nestlé Institute of Packaging Sciences to evaluate the safety and functionality of innovative packaging solutions that are recyclable, reusable, biodegradable, or compostable, with the aim to reduce the overall amount of packaging used.

### Waste collection in Malaysia – Zone Asia, Oceania, Africa

Nestlé supports collection, sorting and recycling infrastructure in the countries where its products are sold and, in some countries, aims to collect and recycle the same amount of plastic as it uses in its products under a “one tonne in, one tonne out” principle.

For example, in Malaysia, Nestlé joined forces with Petaling Jaya City to launch a door-to-door collection and recycling program as a voluntary recovery initiative. This pioneering program has been recognized by both the United Nations Environment Program (UNEP) and the Ministry of Environment Malaysia as an example of separation-at-source best practice.

### Targets, metrics and performance

Nestlé’s packaging targets were set as part of its participation as a signatory of the UNEP/Ellen McArthur Foundation co-hosted New Plastics Economy Global Commitment, and scientific-based research on circular economy matters. Performance data is collected every quarter and progress is reviewed by the ESG and Sustainability Council internally.

Nestlé’s targets related to resource use and the circular economy are defined to help with the promotion of sustainable practices across its value chain. The focus is on the efficient use of resources and optimizing waste management through prevention, reuse and recycling. Nestlé’s actions and targets demonstrate proactive engagement in integrating circular economy principles into its business operations, through significant reductions in the use of virgin plastics along with increased use of recycled content in packaging materials.

## Targets

KPI	Packaging Sustainability Pillar	Packaging Sustainability Target	Baseline	Target	Progress	Definition
				year	2024	
Plastic packaging designed for recycling	Pillar 3 Better Packaging – Redesign	By 2025, Nestlé aims to design above 95% of its plastic packaging for recycling systems and continue to work toward 100% being recyclable or reusable.	–	2025	86.4%	A designed for recycling target that involves simplifying and redesigning plastic packaging formats makes recycling easier. By reducing the complexity of packaging, such as eliminating unnecessary mixed materials or components, it increases the likelihood of compatibility with existing recycling systems.
Virgin plastic reduction versus 2018 baseline	Pillar 1 Less Packaging – Reduce	By 2025, Nestlé aims to reduce its use of virgin plastics by one third, versus 2018 baseline.	2018	2025	21.3%	A virgin plastic reduction target, aimed at reducing the use of virgin plastic by a third by 2025 compared to a 2018 baseline, directly addresses environmental impacts by decreasing reliance on non-renewable resources and lowering plastic production-related carbon emissions. By using less virgin plastic and optimizing packaging materials, this measure helps to reduce the overall demand for new plastic.
Percentage of packaging that is recyclable, reusable or compostable	Pillar 2 Less Packaging – Reuse and Refill Pillar 3 Better Packaging – Redesign Pillar 4 Better system – Recycle	Eliminate non-recyclable plastics and investing in innovative, alternative delivery systems. Engage in the development of collection, sorting and recycling systems.	–	2025	89.5%	The target of increasing the percentage of packaging that is recyclable, reusable or compostable helps Nestlé reduce the use of non-recyclable plastics and encourages the adoption of alternative delivery systems. By using more recyclable materials and investing in innovative packaging solutions under the Reuse and Refill, Redesign, and Recycle pillars of Nestlé's packaging strategy, this initiative helps Nestlé to promote the circularity of its packaging. Additionally, engaging in the development of collection, sorting and recycling systems ensures that recyclable packaging is effectively processed and recycled, further helping reduce plastic waste and its environmental impact by 2025 compared to the 2020 baseline.

**Scope and definitions**

Virgin plastic is defined as plastic that has not been previously used or subjected to processing other than for its original production. It includes fossil and bio-based plastics.

Recycled plastic is defined as pre-consumer and/or post-consumer plastic packaging as per the ISO 14021:2016 Standard.

All changes applied in the current reporting period apply in 2018 as well. For example, a company acquired in 2021 is reported in the current period and 2018 baseline is updated accordingly.

**Target and KPI scope**

Nestlé's targets and KPIs cover the primary, secondary and tertiary packaging materials for all finished food and beverage products sold by Nestlé and currently covers 95% of Nestlé sales.

**Performance data preparation**

The main source of data for KPIs is Nestlé's sales data.

Each unit sold has a defined weight of packaging maintained and the corresponding weight is applied to all units sold within the given reporting year.

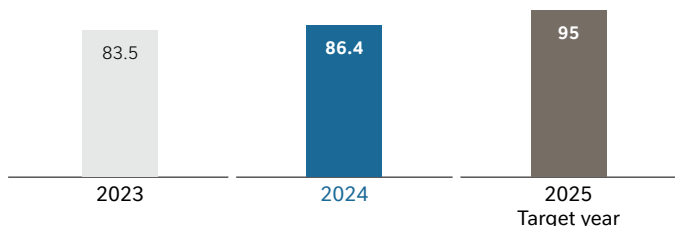
Generally, production data is used to obtain the detailed composition of the packaging sold (e.g. bill of materials, material specifications) with some limited exceptions depending on the relevant KPI listed on the following page.

### Progress vs targets

Plastic packaging designed for recycling (percentage)

Relationship with policy objectives:

Pillar 3 Better Packaging – Redesign.



In 2024, the design of Nestlé’s plastic packaging has improved leading to 86.4% designed for recycling, reflecting the impact of its packaging transformation projects.

### Methodology

Packaging Designed for Recycling (D4R) refers to packaging materials and formats which are compliant with Nestlé’s Negative List and aligned with the Golden Design Rules.

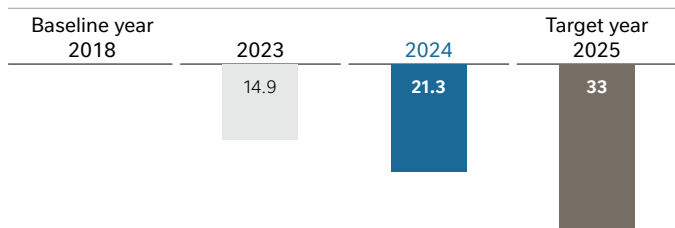
The D4R definition also uses some aspects of the Ellen McArthur Foundation reporting guidelines and Consumer Goods Forum Design Rules to better align with industry views. The KPI reflects the D4R status of the packaging portfolio at the end of the reporting year. The KPI is calculated using the last available material specifications applied to the packaging quantities of the full reporting period.

Additional criteria from the packaging sustainability rules on material specifications will gradually be included in future reporting, including black color and black carbon color, polyethylene terephthalate glycol (PET G) and separability from the other materials constituting the packaging.

Virgin plastic reduction versus 2018 (percentage)

Relationship with policy objectives:

Pillar 1 Less Packaging – Reduce.



In 2024, Nestlé’s usage of virgin plastic reduced by 21.3% versus the 2018 baseline, aligning with Nestlé’s Net Zero Roadmap and demonstrating the positive impact of its virgin plastic reduction projects.

### Methodology

Percentage defined by reduction of usage of virgin plastic between the reporting period and 2018, divided by total virgin plastic volume of 2018. Virgin plastic volume is obtained by deducting the recycled plastic volume from the total plastic packaging volume of the period. Primary, secondary and tertiary packaging are taken into account in the calculation.

Packaging that is recyclable, reusable or compostable (percentage)



### Methodology

Percentage of packaging that is recyclable, reusable or compostable is defined by comparing the weight in kilograms of these materials with the total weight in kilograms of packaging.

Recyclable: As defined in the Ellen McArthur Foundation reporting guideline definitions, a packaging or packaging component is recyclable if it is successfully post-consumer collected, sorted, and recycled with a recycling rate of 30% in multiple regions, collectively representing more than 400 million inhabitants.

Reusable: Reusable is the characteristic of a product or packaging that has been conceived and designed to accomplish within its lifecycle a certain number of trips, rotations or uses for the same purpose for which it was conceived. The weight of reusable packaging is defined by the total weight of reusable packaging, divided by the number of expected rotations over the entire life of the package.

Compostable: Following ISO 18606, a material is compostable (home or industrial compostable) if through microbial activity, its biodegradable components produce compost, (also CO<sub>2</sub> and water), and in the case of anaerobic digestion, also methane.

The KPI follows FB-PF-410A.1 Sustainability Accounting Standard Index (SASB) requirements.

## Resource outflows

The products and materials shown in the table reflect the key categories as outflow of Nestlé’s production process related to plastic packaging. Classification is based on Ellen McArthur Foundation (EMF) reporting rules.

Ellen McArthur Foundation classification of key plastic packaging categories

Rigid plastics	<ul style="list-style-type: none"> <li>– PET bottles</li> <li>– Other PET rigids</li> <li>– HDPE bottles</li> <li>– HDPE other rigids</li> <li>– PP bottles</li> <li>– PP other rigids</li> </ul>
Flexible plastics	<ul style="list-style-type: none"> <li>– &gt;A4 mono-materials PE in B2B context</li> <li>– &lt;A4 flexibles PE</li> <li>– &lt;A4 flexibles PP</li> <li>– &lt;A4 multi-material flexibles</li> <li>– Other &lt;A4 mono-materials flexibles</li> </ul>
Others	<ul style="list-style-type: none"> <li>– Mix of PS, EPS, PVC rigid and flexible</li> </ul>

The rate of recyclable content in product packaging is calculated through the KPI ‘Plastic Packaging Designed for Recycling’, described on the previous page. Methodologies used to calculate data are described in each KPI definition.

## Food waste

### Strategy and policies

Requirements related to the handling of waste, including food waste, are set out in the internal standard called the Nestlé Environmental Requirements (NER) Standard. Specifically, NER states that:

- On-site incineration of waste and by-products is not permitted.
- All waste for disposal and by-products must be disposed of/managed in a legally approved manner, meeting the requirements of the waste contract, including retention of relevant records.

At the Group, Zone, and national level, Nestlé proactively engages with stakeholders to understand their perspectives and incorporate their external worldview into Nestlé’s strategy and policy development. Nestlé engages on an

ongoing basis with stakeholders active in the circular economy value chain, as well as those impacted by the value chains’ activities. This is done on a bi-lateral meeting and collective convening basis.

For downstream informal waste collectors and workers in cooperative settings, Nestlé has partnered and engaged with civil society, waste workers’ representatives, and experts in the UN Guiding Principles for Business in Human Rights to develop the Fair Circularity Initiative, which comprises 10 guiding principles for corporate engagement with waste workers and related programs to ensure their voices and interests are respected and considered.

## Actions and resources

[Champions 12.3](#) states that around one-third of food produced globally is either lost or wasted. Nestlé is working to reduce food waste where it can. Given the global resources that are devoted to food production and distribution – in land, water, fertilizer and fuel costs, as well as in greenhouse gases produced – this inefficiency has profound implications for the environment and the ability of the food sector to operate sustainably. Nestlé is part of Champions 12.3 and is working toward the goal of reducing food waste by 50% by 2030. Nestlé is doing so by implementing a number of practical, technological and educational initiatives designed to help reduce food loss and waste.

For upstream food loss, Nestlé’s initiatives include providing technical assistance to farming communities to avoid pre-harvest losses and optimize the delivery of raw materials to Nestlé factories. Nestlé’s efforts extend down to the farm, where it supports responsible sourcing by working closely with its suppliers to minimize food loss right from the farm level. For example, in Kenya, Nestlé is helping farmers access food preservation systems that allow them to turn surplus fruit and vegetables that would otherwise spoil into less perishable products. By partnering farmers with food processing firms in this way, Nestlé is helping improve farmers’ livelihoods by creating additional income streams throughout the year.

Across all of its operations, Nestlé adheres to country-specific legislation for the handling of food waste. In the majority of its factories and Nestlé owned distribution centers, it has achieved zero waste for disposal, including food waste.

A [study carried out by the European Commission \(2018\)](#), estimates that at the consumer level, poor understanding of sell-by, use-by or best-by dates is thought to be responsible for 10% of all food waste in Europe. Initiatives like Nestlé France’s collaboration with Too Good to Go’s Consumption

Dates Pact help remove consumer confusion around consumption dates and prevent food from being needlessly discarded.

### Supporting waste management workers

Nestlé has established several policies, programs and collective action activities and partnerships, with a focus on streamlining the waste management systems toward a self-sustaining model. At the same time, Nestlé works to help to improve the conditions of waste workers and recognize their contributions to recovery and avoid landfilling and leakage into nature.

The [Nestlé Human Rights Framework and Roadmap](#) sets out the strategy and process for the salient issue action plans, of which several have been deemed relevant to the circular economy such as the salient issues of child labor and access to education, forced labor and responsible recruitment, and safety and health at work.

Nestlé was a founding member and active in the establishment of the Fair Circularity Initiative which developed the 10 Principles on Fair Partnerships, Living Income Assessment methodology and projects, and partnerships with waste collector associations and cooperatives for more

than a dozen capacity building and site assessments for living income in 2024. This partnership also provides a channel for joint advocacy and communication about the respect of waste collector human rights.

## Metrics and performance

### Resource outflows

Concerning the composition of waste, Nestlé has two main streams: packaging and food. For packaging, the waste stream that is both relevant and most importantly material for the purposes of this reporting is plastics. Food loss and waste accounts for a low percentage of Nestlé's volume of waste and emissions, but it is complex to address. Nestlé has measured two dimensions of food loss and waste:

'The weight of waste generated in its factories' and 'The emissions from waste' (reported in Nestlé's climate reporting). For the latter, emissions from waste totaled 710275 tonnes of CO<sub>2</sub>e in Nestlé's 2018 baseline study. Please refer to [General disclosures: Double materiality assessment](#) for details on climate impact. Nestlé is in the process of formalizing how it quantifies food waste in its reporting.

Total weight of waste generated by Nestlé factories and a breakdown of this total by composition of the waste (metric tonnes)

Waste composition	Hazardous waste generated		Non-hazardous waste generated		Total	
	2023	2024	2023	2024	2023	2024
Biomass	3157	631	1 027 439	1 174 624	1 030 596	1 175 255
Other waste	9622	13 506	524 592	581 380	534 214	594 886
Total	12 779	14 137	1 552 031	1 756 004	1 564 810	1 770 141

The increase in total weight of waste generated is mainly driven by the change in product portfolio mix.

### Methodology

For the calculation of waste generated in Nestlé factories, waste for disposal is defined as any material that leaves a site and is destined for final disposal with no economic or ecological value. Conversely, any material diverted from the waste stream that results in a product with potential economic or ecological benefit is classified as a 'by-product'. This KPI includes quantities of waste for disposal and by-products to give the total weight of waste generated from January to December. Waste and by-product data encompass both hazardous and non-hazardous waste streams. Furthermore, each factory is mandated by local regulations to classify and dispose of its own waste.

Each factory reports hazardous and non-hazardous waste types (e.g. organic matter, food, cardboard), which are then consolidated at the Group level into the waste composition categories of 'biomass' and 'other waste'. The KPI 'Total weight of waste generated' is reported on the Safety, Health & Environment Performance Management (SHE-PM) internal reporting tool.

For clarity, 'biomass' includes organic matter such as food waste, while 'other waste' covers all other materials that do not fall under biomass. By-products are included in the total waste generated but are separately identified internally due to their potential economic or ecological benefits.

## Nestlé Specific KPIs

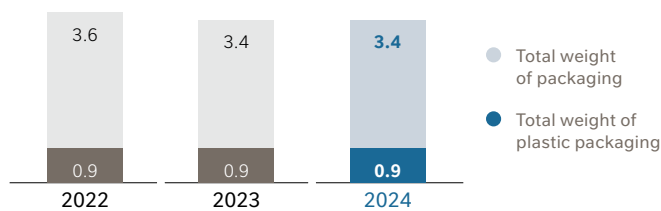
### Total weight of packaging

The total weight of packaging is a key metric to assess holistic policy progress.

Total weight of packaging is the volume of packaging in kilograms.

By tracking the weight of primary, secondary and tertiary packaging, this KPI provides a holistic view of the environmental impact related to packaging. Reducing the total weight of packaging aligns with sustainability standards like SASB and GRI, and helps to minimize resource consumption and waste generation.

Total weight of packaging and plastic packaging (million tonnes)



### Description

The total weight of packaging materials represents the quantity of packaging used to pack and deliver a specific finished product. It covers primary, secondary and tertiary packaging. It provides a specific figure on plastic weight. The KPI follows FB-PF-410A.1 Sustainability Accounting Standard Index (SASB) and 301-2/a Global Reporting Initiative (GRI) Consolidated Set of Standards 2021 requirements.

### Weight of plastic packaging and polymers mix (PET, PE, PO, PP, laminate and other plastic)

The weight of plastic packaging and polymer mix is a key metric to assess holistic policy progress. Total packaging weight is the weight of packaging expressed in metric tonnes. By tracking the use of each polymer, Nestlé is able to identify opportunities to reduce plastic waste, be more selective about material switches and improve its packaging designs to lower the overall plastic consumption.

Global plastic use by weight percentage and type (percentage)

	2023	2024
PET (polyester)	34.2	33.3
PE (polyethylene)	19.1	19.2
PP (polypropylene)	23.7	25.9
PO (polyolefin)	6.5	7.2
Laminates	15.3	13.6
Other plastics	1.2	0.8

### Description

The weight of packaging materials represents the quantity of packaging used to pack and deliver a specific finished product. It covers primary, secondary and tertiary packaging. It provides a specific figure on plastic weight. This definition applies to all types of plastic polymers (PET, PE, PO, PP, laminate and other plastic) as defined in the Ellen McArthur Foundation reporting guideline definitions.

### Packaging made from recycled and/or renewable materials

Packaging made from recycled and/or renewable materials is the volume of packaging that is made from recycled and/or renewable materials expressed as a percentage. By increasing the use of these renewable and recycled materials, Nestlé can reduce reliance on virgin resources and lower associated carbon emissions. This KPI helps to drive the shift toward a circular economy, as it promotes the use of materials that either come from renewable sources or are part of recycling loops.

Packaging made from recycled and/or renewable materials (percentage)



### Description

Recycled plastic and renewable plastic are defined as per the ISO 14021:2016 Standard.

This KPI follows FB-PF-410A.1 Sustainability Accounting Standard Index (SASB) and 301-2/a Global Reporting Initiative (GRI) Consolidated Set of Standards 2021 requirements.

**Percentage of packaging that is reusable**

The percentage of total packaging that is reusable is defined by comparing the weight in kilograms of reusable packaging with the weight in kilograms of total packaging. By tracking the percentage of packaging that is reusable it can help increase the proportion of packaging designed for multiple uses, reducing reliance on single-use plastics and minimizing overall waste. By focusing on packaging that can be reused throughout the supply chain, this KPI encourages more sustainable designs, which contribute to longer-term resource efficiency and a reduction in plastic waste.

Percentage of packaging that is reusable (percentage)



**Description**

Reusable is the characteristic of a product or packaging that has been conceived and designed to accomplish within its lifecycle a certain number of trips, rotations or uses for the same purpose for which it was conceived. The weight of reusable packaging is defined by the total weight of reusable packaging, divided by the number of expected rotations over the entire life of the package.

The KPI follows FB-PF-410A.1 Sustainability Accounting Standard Index (SASB) requirements.

**Recycled content in plastic packaging**

Percentage of packaging that is made with recycled content is defined by comparing the weight in kilograms of packaging made with recycled content with the total weight in kilograms of packaging. This KPI is to be calculated for packaging material that is plastic-based.

Recycled content in plastic packaging (percentage)



**Description**

This KPI represents the proportion, by mass, of recycled material in a product or packaging. Only pre-consumer and post-consumer packaging materials shall be considered as recycled content, consistent with the following usage of terms. Pre-consumer packaging material is material diverted from the waste stream during a manufacturing process. Excluded is reutilization of packaging materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it.

Post-consumer material is packaging material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the packaging material which can no longer be used for its intended purpose. The above definitions are taken from the ISO 14021:2016. It is calculated as a percentage.

The KPI follows FB-PF-410A.1 Sustainability Accounting Standard Index (SASB) and 301-2/a Global Reporting Initiative (GRI) Consolidated Set of Standards 2021 requirements.

**Packaging pieces placed on the market**

Packaging pieces placed on the market are the numbers of packaging pieces used in the products sold. This KPI tracks the number of individual packaging units, offering insights beyond just weight. It captures the prevalence of packaging, highlighting the environmental impact of items like lightweight single-use plastics that might not be significant by weight but still contribute to waste. By focusing on pieces, this KPI provides a view of packaging placed on the market, enabling better strategies to reduce the sheer number of packaging items produced and disposed of.

Packaging pieces placed on the market (billion pieces)



**Description**

Packaging pieces include primary and secondary packaging along with their firmly affixed components but excludes tertiary packaging.



## Part 3 – Social Disclosures

In this section, Nestlé provides disclosures on its material impacts, risks and opportunities relating to social matters.

### Own workforce

#### In this section

- Freedom of association, works councils and rights of workers (employee relations).
- Health and safety.
- Gender equality and equal pay for work of equal value.
- Diversity.

Nestlé's workforce includes its employees, both regular and temporary, and apprentices, both working on a full-time or part-time basis. In addition, it includes Nestlé's non-employees, including temporary agency workers and self-employed workers, working across the different Zones.

Nestlé has identified several material impacts that could affect its own workforce and specific groups within Nestlé, such as:

- Work incidents, including workplace injuries, work-related illnesses and fatalities: These can lead to a high human, economic and social burden, including reliance on benefits, early retirement, exclusion from the labor market, the loss of a breadwinner and poverty.
- Stress and mental workload: These can significantly impact an individual's ability to contribute their full potential, leading to human, economic and social consequences, including decreased productivity, long-term sick leave and social isolation. To mitigate these risks, it is crucial to assess and develop resilience capabilities, ensuring Nestlé's workforce remains supported and able to thrive.
- Gender equality and equal pay for work of equal value: These are essential to maintaining a fair and inclusive workplace. In their absence, Nestlé risks increased turnover and retention issues internally and talent attraction difficulties externally.

- Incidents of discrimination, violence and harassment in the workplace: Discrimination based on characteristics like ethnicity, disability, religious affiliation, and others, can lead to systemic inequalities, restricts access to resources and opportunities, exacerbates social divisions, and can severely impact the mental health and overall well-being of affected individuals.
- Suppression of right to form unions: Compromising freedom of association and collective bargaining can lead to employee dissatisfaction and unrest, impacting overall operational efficiency and stability.

Nestlé's commitments form fundamental components of several key policies applicable to all Nestlé employees globally. Nestlé's non-employees are also covered by these policies to the extent they are legally or contractually applicable to them. Some of these policies are outlined in more details below, related to their specific action area.

### Employee relations

#### Strategy and policies

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

#### Human rights commitments and approach

People and respect for human rights are at the core of Nestlé's culture and values, and form one of its key [Corporate Business Principles](#). Nestlé's commitment to respecting and promoting human rights is critical to its business strategy and a key part of its ambition to enable a just transition to regenerative food systems at scale.

Nestlé's Corporate Business Principles state a zero-tolerance stance on child labor, forced labor and modern slavery. The Principles bring attention to groups at greater risk, including children and migrant workers.

The [Nestlé Human Rights Policy](#) describes Nestlé's human rights principles, approach and governance.

Nestlé provides employees and all external stakeholders with a dedicated hotline [Speak Up](#) for raising grievances and seeking remedy. (See [Actions and resources](#) for more details).



Forced labor and responsible recruitment are governed through Nestlé’s Human Resources Leadership Team and Nestlé’s ESG and Sustainability Council.

Among others, Nestlé engages with its employees and non-employees. Nestlé focuses on supporting vulnerable and marginalized groups such as migrant workers, children, women and girls, sexual and gender minorities, ethnic and racial groups, and indigenous peoples to ensure fair livelihoods and dignified work.

Nestlé also supports the rights of environmental-, land-, and human-rights defenders (HRDs) as defined by the UN Declaration on Human Rights Defenders, with zero tolerance for violence, threats, attacks or intimidation against them or their families, and does not interfere with or retaliate against HRDs.

Nestlé’s Human Rights Framework and Roadmap involves assessing and addressing human rights risks across the value chain, including Nestlé’s own workforce. This is supported by dedicated action plans for the most salient human rights issues.

Nestlé also emphasizes the importance of training, awareness spreading and the development of grievance mechanisms to effectively monitor and respond to human rights concerns. Additionally, Nestlé integrates human rights considerations into broader environmental, social and governance (ESG) strategies.

### **Employee engagement approach**

The topics under this header cover measures to manage risks and impacts related to freedom of association.

Nestlé’s general approach to engagement with people in its own workforce involves encompassing strategies focused on diversity, equity and inclusion (DE&I), proactive employee relations, social dialogue and comprehensive social performance.

Nestlé’s Employee Relations Policy ensures that direct and frequent communication is established between management and employees, for both union members and non-union members. This happens in the form of town-hall meetings, focus groups, opinion surveys and information and consultation meetings. For more on this, see Actions and resources.

While dialogue with trade unions is essential, it does not replace the close relationship that Nestlé’s management maintains with its employees. Regular dialogue with employees and union representatives creates an opportunity to discuss matters of mutual concern and allows employees to acquire a full understanding of the business activities and Nestlé’s objectives. In the spirit of continuous improvement,

Nestlé encourages dialogue with its employees that goes beyond the traditional aspects of collective bargaining, in order to share knowledge and to jointly find opportunities related to other important matters, such as health and safety in the workplace and Nestlé’s concern for the environment.

For more on this, see Actions and resources.

Nestlé also ensures that employees are rewarded and recognized for their contributions with competitive pay and benefits. The Nestlé Total Rewards Policy provides a framework where teams can create programs that attract, motivate and retain talent. Nestlé continues to update rewards and benefits packages to meet the needs of its multinational workforce.

### **Monitoring**

To monitor the application of its policies, Nestlé has put in place measures, such as the following:

- The global CARE Audit program, Nestlé’s bespoke compliance audit process, is designed to ensure that all employees and sites comply with local legislation, Nestlé’s Corporate Business Principles, and its Code of Business Conduct. The CARE audits ensure ongoing evaluation and management of risks to the workforce, aligning Nestlé’s practices with rigorous standards and performance indicators. Nestlé has integrated specific human rights criteria into its CARE audits, which are independently conducted across all global sites, including factories and distribution centers.
- Nestlé enhanced its grievance mechanisms by consolidating internal and external reporting platforms into a unified global system known as *Speak Up*. This unified approach ensures a streamlined and effective process for addressing and resolving grievances, reinforcing Nestlé’s commitment to accountability and continuous improvement in human rights practices.
- International standards are also considered as part of specific analyses, such as the annual living wage assessment, which draws on data references to improve labor market transparency. Nestlé partners with global non-profit organizations, Wage Indicator Foundation and Living Wage for US, to determine countries’ living wage levels. Local requirements and standards are also aligned to them. Nestlé’s living wage commitment is included in the Nestlé Policy on Conditions of Work and Employment and the Nestlé Employee Relations Policy.

## Actions and resources

Nestlé incorporates perspectives from its workforce to manage actual and potential impacts by collaborating with employees, their representatives and external labor stakeholders to uphold employee rights and ensure open communication.

The Nestlé Employee Relations Roadmap 2025 guides global and local teams in fostering employee engagement and upholding human rights. One of the pillars of the Roadmap is ‘Social Dialogue’, which is about engaging with employees and their representatives on topics such as discussions about health, safety, social sustainability and gender equity, and including them as Nestlé evolves.

Direct communication and consultation sessions are held with employees and their representatives at local, regional and global levels to discuss social issues, such as social sustainability and gender equity, as below:

- At local level:
  - Through consultation platforms, as per national legislation requirements.
  - Locally and regionally, Nestlé interacts with works councils, labor federations and other organizations to enhance labor practices.
- At regional level:
  - Through regional platforms such as the Nestlé European Works Council, which includes employee representatives from all 27 EU countries, plus the United Kingdom, Switzerland, Norway and Iceland, and HR Directors from the same countries. It is co-chaired by the Nestlé CEO for Zone Europe.
- At global level:
  - Since 2013, this has been through regular dialogue with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF).
  - Biannual meetings and working groups on the just transition and gender equality go beyond legal consultation requirements.

Nestlé assesses the effectiveness of workforce engagement through various methods and indicators. Engagement levels and outcomes are closely monitored through structured feedback mechanisms, employee opinion surveys and analysis of human resources data.

Key performance indicators (KPIs), such as engagement scores, retention rates and feedback from internal communication platforms are utilized to gauge the effectiveness of activities.

Since 2021, Nestlé has consolidated its internal and external reporting platforms into a unified global system known as *Speak Up*, and, in 2024, Nestlé introduced the supply chain grievance management process to further strengthen the existing processes and establish an effective procedure for addressing grievances associated with any supplier that Nestlé purchases from, whether directly or indirectly.

For more on *Speak Up* see [Business conduct](#).

### Initiatives that positively impact own workforce

Regarding the suppression of right to form unions, Nestlé’s grievance channel *Speak Up*, CARE audits and Nestlé Internal Audits allow it to identify and investigate potential issues. Nestlé also maintains regular dialogue with unions and has in place grievance mechanisms that allow it to receive complaints and signals. In case of any reports on potential risk of restriction of freedom of association, Nestlé conducts the necessary internal investigation to verify the facts.

Nestlé has undertaken numerous initiatives that positively impact both employees and non-employees within its workforce. These include training and development programs, health and well-being campaigns, programs tailored to support young individuals entering the workforce and those that promote diversity and inclusion.

These positive impacts benefit various groups in Nestlé’s workforce, including young employees, apprentices and women in leadership and management roles.

Nestlé initiatives within its workforce (includes Health and Safety, as well as Diversity, Equity and Inclusion)

Initiative area	Benefits and beneficiaries	Initiative details
Health	Identifies health risks and addresses the physical, mental and financial well-being of employees.	<ul style="list-style-type: none"> <li>– <i>My Health Numbers</i> program monitors employee health risks.</li> <li>– <i>Healthy Lives</i> educational sessions and activities.</li> </ul>
DE&I	Provides equal opportunities where everyone is treated with respect and promotes a culture of inclusion for all employees.	<p>Focuses on four areas: gender balance, race and ethnicity, disability and LGBTQI+, all underpinned by generations.</p> <ul style="list-style-type: none"> <li>– Works with partners, such as the ILO Global Business and Disability Network, the Valuable 500, the Partnership for Global LGBTQI+ Equality, and WEF partnering to share best practices.</li> <li>– Creates awareness with leaders, people managers and employees through trainings on diversity, equity and inclusion, inclusive leadership and sexual harassment prevention, to promote a sense of belonging for all.</li> <li>– Uses data for decision-making through the introduction of a voluntary program of self-identification.</li> <li>– Identifies and addresses potential systemic bias within the workforce, such as through gender pay gap analysis.</li> <li>– Invests in the development of employee resource groups, mentoring schemes and peer support.</li> </ul>
	Provides the identification of potential systemic bias on pay based on gender and the trigger for corrective actions.	<ul style="list-style-type: none"> <li>– Assesses on an annual basis and, where applicable, the existence of potential systemic bias on pay based on gender.</li> </ul>
Nestlé needs YOUTH initiative	Aims to empower young people.	<ul style="list-style-type: none"> <li>– Targets apprenticeships and traineeships.</li> <li>– Aims to enhance employability and entrepreneurship, particularly agriprenureship.</li> <li>– Provides skills essential for today's job market.</li> </ul>
Freedom of association	Raising awareness on the importance of freedom of association and maintaining constructive employee relations at Nestlé.	<ul style="list-style-type: none"> <li>– Training on Employee Relations to People Managers and HR professionals.</li> <li>– Employee Relations Strategy to be defined at Market-level, defining the objectives and ways of working with employees and their representatives.</li> </ul>
Health	Identifies occupational safety hazards and implements mitigation measures to eliminate the risk.	<ul style="list-style-type: none"> <li>– New safety routine launched globally for the frontline in Nestlé factories.</li> <li>– Improved Life-Saving Rules compliance, including in-depth compliance assessments and development of action plans to close potential gaps.</li> <li>– Richer virtual reality training catalog to develop safety competencies.</li> <li>– Strengthened leadership competency development for safety professionals.</li> </ul>
Employee giving (Nestlé Cares)	Empowers employees to deliver meaningful social impact through Nestlé's community partners, as well as promoting company culture and personal development.	<ul style="list-style-type: none"> <li>– Provides opportunities for employees to volunteer, donate goods and fundraise.</li> <li>– Employees are able to take one paid day for volunteering each year.</li> </ul>

## Metrics and performance

Nestlé Specific KPIs: CARE audit related (number)

	2023	2024
CARE audits performed	194	245
CARE audit gaps identified <sup>(1)</sup>	298	227
CARE audit gaps closed <sup>(2)</sup>	186	84

In 2024, Nestlé performed more audits than in 2023, but most of them were conducted in the second half of the year, allowing less time to close gaps compared to previous years.

Nestlé Specific KPIs: training related

	2023	2024
Average hours of technical or vocational training provided to workers in the company <sup>(3)</sup>	–	13.8
Average hours of technical or vocational training provided to workers in the company's operations	15.1	–

The average number of hours of technical or vocational training provided to employees in 2024 is 13.8 compared to 15.1 in 2023. The 2024 figure is slightly lower because it includes the entire employee head count of Nestlé, whereas the 2023 figure was based only on the operations workforce.

Total number of employees (head count)

	2023
Total number of employees <sup>(4)</sup>	270 000

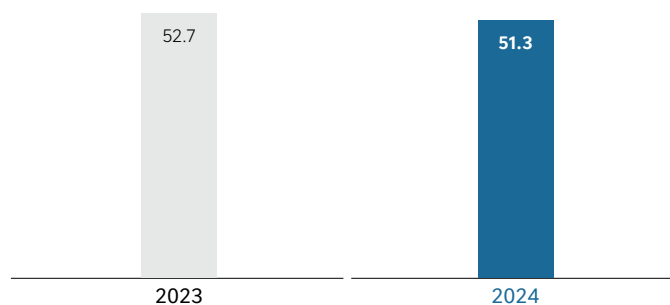
  

	2024
Total number of employees <sup>(4)</sup>	277 000

Total number of employees by employment contract (permanent and temporary), by region <sup>(5)</sup>

Contract type	Zone	Total 2023	Total 2024
Permanent	Asia, Oceania, Africa	58 304	57 276
	Europe	77 222	75 949
	Greater China	18 280	17 495
	Latin America	53 732	54 935
	North America	38 495	37 898
Temporary	Asia, Oceania, Africa	3 781	3 763
	Europe	6 975	7 266
	Greater China	560	608
	Latin America	4 570	4 350
	North America	446	390

Covered by collective bargaining agreements (percentage)



(1) Gaps identified in a calendar year, as defined in the 2024 Care audit guide, excluding observations.

(2) Total number of gaps closed out of the total identified gaps in a calendar year.

(3) The 2024 KPI has been expanded to the entire employee headcount of Nestlé, whereas the previous KPI was based only on the operations workforce.

(4) In 2024, Nestlé changed the methodology used to calculate number of employees.

(5) Breakdown will not add up to the total number of employees as some data breakdowns are not available for some units.

### Methodologies and assumptions

All Nestlé human resources data is recorded in a single information platform (i.e. SAP-Success factors) and KPIs are available via a Power BI platform called Global People KPI. The data includes all employees employed by Nestlé who are maintained on the Global HR information system, covering all contract types (permanent and temporary) but excluding retirees, external workforce and employees not on the Global HR information system, typically due to Nestlé acquisitions.

Reporting segments data is based on employment contract (permanent or temporary), employment type (full-time or part-time) and region. Each person is counted as one head count, regardless of part-time status, with the head count measured as of December 31 each year. Detailed breakdowns by region, employment type (permanent or temporary), and activity rate (full-time or part-time) are provided, capturing the complexity and scale of the Nestlé workforce across various operational geographies.

Nestlé reports employee numbers in terms of both head count and as full-time equivalents (FTEs), which allows it to capture detailed aspects of employment such as contract type (permanent, temporary) and by employment activity rate (full-time, part-time). This approach ensures clarity in employee metrics across its global operations, providing accurate and comparable workforce data that reflects the actual personnel strength within Nestlé at a designated time point. The data includes separating statistics by gender, geographical location and type of contract, providing valuable insights into the diverse nature of its global workforce.

### Methodology consistency

Nestlé commits to maintaining consistency in its reporting processes to ensure the accuracy and comparability of reported data over time. This is particularly indicated where current methodologies are compared to those used in previous years, asserting the integrity and continuous improvement of calculation and reporting practices.

### Cross-reference with financial statements and other publications

Nestlé specifically cross-references employee numbers as accounted in its financial statements. This not only provides clarity and transparency but also reinforces the fidelity and reliability of reporting through adherence to recognized standards and practices. For more information see the [Nestlé Corporate Governance Report 2024](#).

This information is fundamental to understanding the structure and rigor behind Nestlé's data management and reporting processes, particularly as they relate to maintaining consistent methodologies over time for the data reported in its employee and financial statements.

## Health and safety

### Strategy and policies

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

### Workplace incidents prevention approach

[Nestlé's Policy on Safety and Health at Work](#) integrates safety and health in the management of Nestlé in such a way that all activities are considered with a perspective of prevention of all types of accidents and protection of those at work. The Policy is supported by Nestlé's Standard on Analysis and Reporting of SHE incidents, an integrated management system and strategic roadmap, which provides a framework to address high-risk activities and prevent incidents throughout Nestlé.

Nestlé is also committed to ensuring compliance with the 'Eight Life-Saving Rules'. These form the basis for creating a safe and harm-free work environment.

Nestlé has adopted digital solutions to support this goal and enhance safety efforts such as:

- Behavioral root-cause analysis: This provides deeper insights into the reasons behind unsafe employee actions and helps to identify the most effective corrective measures and to further improve safety protocols.
- Predictive modeling: To identify sites with a higher risk-profile and allow for allocation of additional resources to locations where needed. It also ensures comprehensive safety measures are in place.

Nestlé remains dedicated to upholding its Nestlé Policy on Safety and Health at Work and continually improving safety practices to protect the well-being of its employees.

## Stress and mental health

The Nestlé Policy on Conditions of Work and Employment highlights that Nestlé recognizes the potential impact of health on work, and of work on health, and is therefore committed to proactively identifying, assessing and managing preventable risks to physical and mental health, while at the same time protecting the privacy of its employees.

In addition, the Guidance on Stress and Resilience at Nestlé describes stress and its impact on work and encourages all Nestlé sites to implement and develop a program to address the risks of work-related stress.

## Actions and resources

### Health and safety

On work incidents, Nestlé's businesses and functions consistently report their leading and lagging performance on a monthly and quarterly basis through a global reporting system, which focuses on safety, health and environment. Prompt reporting and thorough investigation of incidents is prioritized, including injuries, illnesses, fatalities and irreversible events. This proactive approach enables a comprehensive understanding of the root causes and contributing factors behind these incidents. Through a meticulous investigation process, all available information and data is analyzed to identify the underlying factors that led to an incident. Despite Nestlé's continuous efforts to implement safe practices and provide safe working conditions, the Company deeply regrets that four colleagues lost their lives while working in 2024. Nestlé has taken action to prevent a recurrence and shared the lessons learned across the Company.

On stress and mental health, an essential part of Nestlé's strategic management system includes the monitoring of holistic health and well-being areas, through a standardized global reporting system on all work-related illnesses, which includes mental health. Furthermore, a biannual Employee Health and Well-being Council takes place with key stakeholders in senior management to evaluate progress on mental health and well-being overall KPIs, and an annual management report on employee health and well-being is provided to the Executive Board.

## Metrics and performance

### Health and safety-related (number)

	2023	2024
Recordable injury rate per million hours worked	1.17	1.14
Total irreversible injuries	10	18
Recordable illness rate per million hours worked	0.66	0.50
Total irreversible illnesses	16	10
Total recordable fatalities (injury-related)	1	4
Total recordable fatalities (illness-related)	0	0

### Nestlé Specific KPIs: health related

	2023	2024
Employees having access to <i>My Health Numbers</i> program (number)	233 385	235 396
Employees having participated in <i>My Health Numbers</i> program (number)	118 401	123 592
Number of employees that completed <i>#HealthyLives</i> , a global training on physical activity, mental health, nutrition and sleep (cumulative) <sup>(6)</sup>	37 157	38 924
Number of views of <i>#HealthyLives</i> (global training on physical activity, mental health, nutrition and sleep) videos (cumulative) <sup>(6)</sup>	530 340	564 041
Countries offering a nap room or equivalent to rest (percentage)	38.0	48.0
Canteens offering a healthy meal (percentage)	96.0	95.8
Views of <i>HealthTalks</i> webinars (number)	3 885	2 991
Number of views of the global employee health and well-being communication campaigns ( <i>Healthy Life Days</i> )	227 000	322 319
Activations in <i>Pleaz</i> platform to support mental health and physical activity (number)	123 374	155 589
Countries offering Employee Assistance Program (EAP) to support employees' mental health and well-being (percentage)	93	97
Countries providing supportive measures for employees working with cancer or other critical health conditions (percentage)	93	76
Primary and secondary caregivers having used paid parental leave (number)	58 272	55 119
Retention of primary and secondary caregivers having used paid parental leave after one year (percentage)	92.7	91

(6) Due to a methodology change in the tracking process (removal of curriculum counting), Nestlé can observe a decrease in the total number of employees versus the cumulative numbers reported in 2023.

## Diversity, equity and inclusion

### Strategy and policies

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Nestlé seeks to address and eliminate discrimination based on race, ethnicity, gender, sexual orientation, health, long-term physical, mental/intellectual or sensory impairments, language, age, religion, political opinion, national or social origin within its workforce. Nestlé does so, in particular, through the [Nestlé Code of Business Conduct](#) and the [Nestlé Policy Against Discrimination, Violence and Harassment at Work](#).

Nestlé actively engages in DE&I initiatives based on four global pillars covering the LGBTQI+ community, people with disabilities, race and ethnicity, and gender balance, all underpinned by generations.

Nestlé has specific policies related to inclusion and positive action, wherever legally justified, for people from groups at risk of vulnerability within its workforce, namely:

- The Nestlé Policy Against Discrimination, Violence and Harassment at Work: Mandates zero tolerance and prohibits discrimination, violence and harassment at work.
- The [Nestlé Global Parental Support Policy](#): Sets gender-neutral standards for parental support and employment protection.
- Nestlé’s Global Guidance for Providing Support to Employee Victims of Domestic Violence or Abuse: Raises awareness of domestic violence and provides guidance for locally supporting employees experiencing this issue.
- Nestlé’s Global Guidance on Disability Inclusion: Sets out the foundation and a consistent approach for all Markets, Functions and Business Units seeking to advance their disability inclusion journey. This covers the entire workforce with HR Heads in the Markets holding accountability for guidance implementation.
- Nestlé’s Global Guidance on Menopause/Andropause at Work: Aims to create awareness and provide support to impacted employees, their line managers and colleagues. This covers the entire workforce with HR Heads in the Markets holding accountability for guidance implementation.

### Actions and resources

Nestlé conducts annual global reviews to champion equal pay for equal work and identify any potential systemic gender pay gaps. Nestlé’s Global Equal Pay review was completed in 2024, and no countrywide equal pay gap was found in the 81 countries covered. Nestlé complies with disclosures on equal pay in relevant countries, as required by local legislation and methodologies (e.g. in France, Switzerland and the United Kingdom).

Nestlé’s approach to DE&I covers gender equity, non-discrimination and non-harassment action plans to raise awareness and capacity on these issues among employees and suppliers. Nestlé has been externally recognized through inclusion in the Bloomberg Gender-Equality Index for its approach and actions on empowering women. Nestlé has policies to support people with disabilities as well as membership of the Valuable 500 and the ILO Global Business and Disability Network. Nestlé supports the LGBTQI+ community through adherence to the United Nations Standards of Conduct for Business and collaborations with external organizations to ensure workplace protections that align with local laws. Nestlé was also a founding member of the World Economic Forum Partnering for Racial Justice in Business initiative.

## Metrics and performance

Total number of employees by employment type (permanent and temporary), by gender

Contract type	Gender	Total 2023	Total 2024
Permanent	Male	149 800	147 187
	Female	96 172	96 313
	Other	–	53
Temporary	Male	7 857	7 916
	Female	8 471	8 455
	Other	–	6

Total number of employees by employment type (full-time and part-time), by gender

Contract type	Gender	Total 2023	Total 2024
Total number of full-time employees	Male	154 752	152 722
	Female	98 503	99 064
Total number of part-time employees	Male	2 905	2 381
	Female	6 140	5 704

Gender distribution

	2024
Gender distribution in number of employees in total management level:	
Male	19 781
Female	17 798
Other <sup>(7)</sup>	4
Total	37 583

	2024
Gender distribution in percentage of employees in total management level:	
Male	52.6
Female	47.4
Other <sup>(7)</sup>	0.0
Total	100.0

Bloomberg Gender-Equity Index KPIs<sup>(8)</sup>

Gender	2023	2024
Percentage of management positions held by women <sup>(9)</sup>	46.4	47.4
Percentage of women on Company board	33.3	38.5
Chairperson is a woman (Yes/No)	No	No
Percentage of gender balance in board leadership	20.0	20.0
Chief Executive Officer (CEO) is a woman (Yes/No)	No	No
Woman Chief Financial Officer (CFO) or equivalent (Yes/No)	No	Yes
Percentage of women executive officers	31.2	40.0
Chief Diversity Officer (CDO) (Yes/No)	Yes	Yes
Percentage of women in total management <sup>(9)</sup>	46.4	47.4
Percentage of women in senior management	34.6	36.0
Percentage of women in middle management	47.0	47.9
Percentage of women in non-managerial positions	38.9	39.2
Percentage of women in total workforce	39.8	40.3
Percentage of women total promotions	51.7	51.4
Percentage of women IT/Engineering	14.01 <sup>(10)</sup>	14.6
Percentage of new hires are women	44.7	47.1
Percentage of women attrition	45.8	45.9
Number of weeks of fully paid primary parental leave offered (Integer)	18	18
Number of weeks of fully paid secondary parental leave offered (Integer)	4	4
Percentage of parental leave retention rate	91.9	91.0
Flexible working policy (Yes/No)	Yes	Yes
Employee resource groups for women (Yes/No)	Yes	Yes
Annual anti-sexual harassment training (Yes/No)	Yes	Yes
Unconscious bias training (Yes/No)	Yes	Yes

In 2024, Nestlé increased the percentage of women in management positions from 46.4 in 2023 to 47.4 as a result of its efforts to improve gender balance.

(7) This category refers to persons who legally and voluntarily registered as having a third/neutral gender in their country of employment.

(8) Definitions for these KPIs can be found in the Bloomberg Gender-Equality Index.

(9) Percentage of management positions held by women (Nestlé KPI) and Percentage of women in total management (Bloomberg equality index KPI) follow the same calculation methodology.

(10) 2023 data restated from 31.0%.



Raw gender pay gap measures the difference in average pay between women and men, without adjusting for factors such as job function, level, education, performance, location, and others.

Raw gender pay gap is measured through the difference between the average pay of all males (converted to common currency – CHF) and average pay of females (converted to common currency – CHF) over the average pay of the males, expressed as a percentage.

Global mean (average) raw gender pay gap

	2023	2024
Global mean (average) raw gender pay gap (percentage) <sup>(11)</sup>	6.7	-9.1

(11) In 2024, Nestlé expanded the number of employees included within the scope to also cover those under a collective bargaining agreement. Subsequently, this changed the mix of male and female profiles, significantly altering the final result of the analysis versus 2023.

## Workers in the value chain

### In this section

- Child labor.
- Forced labor.
- Health and safety.
- Water and sanitation.
- Adequate wages.
- Measures against violence and harassment in the workplace.

## Strategy and policies

The types of value chain workers who could be materially impacted through Nestlé’s business relationships include:

- Workers at Nestlé’s direct and indirect suppliers including suppliers of raw materials and packaging, and suppliers of services (e.g. marketing).
- Workers at transport and logistics providers.
- Workers who are particularly vulnerable to negative impacts whether due to their inherent characteristics or to the particular context (e.g. trade unionists, migrant workers, women and young workers).

Concerning value chain workers who could be materially impacted, workers in operations or supply chains of a joint venture or special purpose vehicle are not included.

Geographies or commodities for which there is significant risk of child labor, or of forced or compulsory labor among workers in Nestlé’s value chain <sup>(12)</sup>

Salient issue	Geographies	Raw materials
Child labor	Brazil, Cameroon, Colombia, Côte d’Ivoire, Ecuador, Ghana, Guatemala, Honduras, India, Indonesia, Mexico, Nigeria, Pakistan, Philippines, Thailand, Türkiye, Uganda, US and Vietnam	Cocoa, coffee, hazelnuts, palm oil, sugar, meat, poultry and eggs
Forced labor	Brazil, Colombia, Côte d’Ivoire, Ecuador, Egypt, Guatemala, Honduras, India, Indonesia, Malaysia, Mexico, Nigeria, Pakistan, Philippines, Thailand, Türkiye, US and Vietnam	Fish and seafood, sugar, palm oil, coffee, cocoa

### Child labor

According to the International Labour Organization (ILO), a total of 160 million children are estimated to be in child labor around the world, 70% of which are estimated to be in agriculture and other industries characterized by informality, low levels of regulation and high levels of manual labor. As a result, child labor can be a systemic risk in non-mechanized farming, such as cocoa or coffee.

Nestlé has worked to help address child labor risks and impacts and improve children’s access to education in some of its supply chains, as described in its [Salient Issue Action Plan on Child Labor and Access to Education](#). Nestlé seeks to address the drivers of child labor by collaborating with its suppliers, producers and their communities, civil society and industry peers, so that any child labor cases can be swiftly and effectively remediated where they occur. For example, Nestlé actively participated in the Child Labor Cocoa Coordination Group (CLCCG) negotiation process, which led to the signature of an agreement between the World Cocoa Foundation and the governments of Côte d’Ivoire, Ghana and the United States.

(12) The assessment methodology is explained on [page 77](#), see ‘Understanding risk’.

### **Forced labor**

The ILO also estimates around 28 million people are trapped in forced labor around the world, mostly in unregulated industries dependent on large numbers of manual laborers, such as agriculture. Nestlé can play an important role in helping address this issue.

### **Health and safety**

The ILO reports that globally there are around 340 million occupational accidents and 160 million victims of work-related illnesses annually. Many different factors can affect the implementation of occupational health and safety (OHS). The most fundamental challenge is that OHS does not exist in many geographic areas. According to estimates, only 15% of the total global workforce has access to specialized occupational health services. In addition, in many parts of the world agricultural production remains labor-intensive and involves limited mechanization. Migrant workers, seasonal workers, indigenous workers, women, child and young workers, and smallholders are most likely to be at risk.

### **Water and sanitation**

Safe drinking water and sanitation services are indispensable to sustaining healthy livelihoods and maintaining people's dignity. Yet significant challenges remain to achieving access to water and sanitation for all, as well as to addressing inequalities between and within countries' access to basic water and sanitation services. The United Nations (UN) estimates that one in three people globally lack access to safe drinking water, two out of five lack basic hand-washing facilities with soap and water, and more than 673 million people still practice open defecation.

Nestlé depends on a significant and reliable supply of agricultural raw materials sourced from over six million farmers across 100 countries and many of these supply chains are based in countries where water insecurity is high and access to sanitation and hygiene is low, especially in rural areas. Nestlé's contribution to improving access to drinking water and sanitation services can help make a significant difference to the well-being and resilience of these farming communities.

### **Adequate wages**

The UN estimates more than 700 million people worldwide still live in poverty and 19% of all workers do not earn enough to escape poverty. Due to low wage levels, workers around the world are extremely vulnerable and inequality is worsening. Poverty is recognized as a root cause of many other social and human rights issues, such as gender inequality and forced labor.

### **Understanding risk**

Nestlé has developed an understanding of how workers with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm by implementing a risk assessment approach comprised of four interrelated lenses as described in the following paragraphs. Through this approach, Nestlé seeks to assess both potential and actual adverse human rights impacts.

Nestlé generates a global-level overview of priority countries by seeking information from global datasets (e.g. Verisk Maplecroft), carrying out assessments by the Nestlé Sustainable Sourcing team for specific raw materials,<sup>(13)</sup> and gathering input from stakeholders. The data helps Nestlé to prioritize the countries needing more granular assessments, the business activities, direct suppliers and raw materials requiring engagement, and the support level of relevant staff and suppliers.

Nestlé develops country- or location-specific risk information by consulting subnational datasets, desk-based risk assessments, information from rights holders or their credible representatives, grievance information, and data from Nestlé's Sustainable Sourcing Program (e.g. landscape initiatives or site assessments). Nestlé uses this data to make decisions about where and what action to take at national, subnational, landscape or site levels within priority countries.

Nestlé builds raw material- or business activity-specific risk information through desk-based risk assessments, information from and consultations with rights holders or credible representatives, grievance information and data from its Sustainable Sourcing Program (e.g. landscape initiatives or site assessments) and generates raw material- or business activity-specific risk information. Nestlé uses this data to refine its list of priority countries for specific raw materials or business activities, and to inform decisions about how and why to engage with sectoral actions, whether at global, country or regional levels.

(13) These are the 14 raw materials under the scope of Nestlé's Sustainable Sourcing Program: cereals and grains; cocoa; coconut; coffee; dairy; fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables.

Nestlé generates supplier-specific risk information informed by its Supplier Human Rights and Environmental Due Diligence (HREDD) Assurance Framework,<sup>(14)</sup> grievance information and site assessments. Nestlé uses this data to prioritize suppliers for engagement or support based on the maturity of suppliers' systems for carrying out HREDD.

### **Policies related to value chain workers**

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Nestlé has several policies that aim at mitigating any potential material impacts on its value chain workers.

Nestlé respects and promotes human rights in its operations and entire value chain, in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Ten Principles of the UN Global Compact. Nestlé is committed to the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work. Nestlé is committed to the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Nestlé has due diligence processes in place to assess, address and report transparently on actual and potential human rights risks across its value chain in line with the UNGPs.

Nestlé is committed to providing or supporting access to remedy when it finds or becomes aware of adverse human rights impacts within its value chain and in the landscape/ jurisdictional initiatives and on-the-ground projects it supports. Nestlé provides external stakeholders with a hotline *Speak Up* for raising grievances and seeking remedy. This communication channel is independently operated by a third party to ensure anonymity, when requested. Nestlé investigates all concerns raised and prohibits retaliation for reports made in good faith.

Specific to value chain workers, Nestlé pays particular attention to individuals or groups who may be at greater risk due to their vulnerability or marginalization, such as migrant workers, children, women and girls, sexual and gender minorities, ethnic and racial groups, and indigenous peoples.

For more details see the [Nestlé Human Rights Policy](#).

The Nestlé Human Rights Policy is operationalized through the [Nestlé Human Rights Framework and Roadmap](#). Due diligence is at the heart of the Framework and Roadmap, with dedicated action plans for each of the issues Nestlé has identified as salient in its value chain.

The [Nestlé Responsible Sourcing Core Requirements](#) explicitly include what actions are expected related to the prevention of forced labor (including trafficked labor, prison labor, bonded labor or other forms of forced labor) and child labor, in line with the ILO's Fundamental Conventions including ILO Minimum Age Convention, 1973 (No.138) and ILO Worst Forms of Child Labour Convention, 1999 (No.182).

In line with the UNGPs, the Nestlé Human Rights Salient Issue Action Plans articulate Nestlé's strategy for assessing, addressing, monitoring and reporting on each human rights-related issue identified as salient, defining what Nestlé needs to do across its value chain, as well as what collective action can be taken. The specific action plans for workers in the value chain are the [Salient Issue Action Plan on Child Labor and Access to Education](#), the [Salient Issue Action Plan on Forced Labor and Responsible Recruitment](#), and the [Salient Issue Action Plan on Safety and Health at Work](#).

### **Reporting concerns**

Nestlé investigates all concerns raised and prohibits retaliation for reports made in good faith.

Nestlé is committed to providing or supporting access to remedy when it finds or becomes aware of adverse human rights impacts within its value chain, in the landscape/ jurisdictional initiatives, and the on-the-ground projects it supports. Nestlé engages in collaborative approaches to:

- Manage and address grievances at sector-wide level, including supporting the development of common tools and approaches for identifying and engaging suppliers on grievances.
- Develop protocols to assist vulnerable workers (e.g. referrals to local services when needed).

(14) The ongoing supplier engagement process involving communicating Nestlé's HREDD requirements to suppliers, assessing the maturity level of their management systems and supporting capacity building toward continuous improvement.

## Actions and resources

Nestlé follows a risk-based approach to due diligence and remedy in the event of material negative impacts on value chain workers as described in [Strategy and policies](#).

Nestlé aims to address salient human rights impacts in its supply chains including forced labor, child labor, adequate wages, violence and harassment in the workplace, health and safety, and water and sanitation.

Some of the actions Nestlé takes to provide or strengthen access to grievance mechanisms are outlined in the Nestlé Human Rights Salient Issues Action Plans such as:

- Ensure workers potentially affected by Nestlé operations or supply chains can raise grievances and have access to remedy including through *Speak Up*.
- Ask direct suppliers to have grievance mechanisms and management systems in place.
- Engage in collaborative approaches to develop community-based or government-based grievance mechanisms for use within Nestlé’s supply chains and on-the-ground projects (e.g. landscapes).

If Nestlé identifies actual or potential human rights impacts in its supply chains or other relevant parts of its value chain, then it will take action to address them via two complementary streams:

- 1 Taking action in Nestlé supply chains to assess and address any adverse impacts and monitor and report on activities and their outcomes.
- 2 Using leverage and collaboration to actively support collective engagement in order to address the root causes of impacts.

Based on Nestlé’s understanding of risk, it determines what actions are needed to be taken to address adverse impacts in its supply chains, in production areas, or collectively. Key actions taken may include:

- Strengthening its direct suppliers’ capacity to uphold the Nestlé Responsible Sourcing Core Requirements through raising awareness, training and capacity building.
- Engaging and supporting its prioritized direct suppliers in taking action to address human rights impacts in their own operations and supply chain through co-funding of projects on-the-ground.
- Identifying and prioritizing specific interventions to collectively address human rights impacts at national and subnational levels (e.g. through multi-stakeholder platforms or industry association initiatives).

Nestlé monitors its actions and reports on indicators, overall performance and challenges.

Nestlé has due diligence processes in place to assess, address and report transparently on actual and potential human rights risks across its value chain in line with the UNGPs.

The Executive Board is responsible for the execution of Nestlé’s approach and has set out roles and responsibilities to ensure a coordinated implementation of the Nestlé Human Rights Framework and Roadmap throughout Nestlé’s business categories and geographies. The Human Rights Steering Committee, which is chaired by the Executive Vice President Group General Counsel, oversees the implementation of the Nestlé Salient Issue Action Plans and monitors their progress. The ESG and Sustainability Council provides strategic leadership and execution support, and drives the implementation of Nestlé’s ESG and Sustainability Strategy including on human rights, ensuring focus and alignment.

### Empowering Women Agripreneurs – Zone Asia, Oceania and Africa

To empower rural women in the dairy sector, Nestlé Pakistan is providing them with training and professional development on dairy farming best practices. To date, over 14000 women have received training on best dairy farming practices. This has helped these small-scale milk suppliers increase their milk production.

Salient Issue Action Plan on Child Labor and Access to Education

<p>Actions taken, planned or underway to prevent or mitigate material negative impacts on value chain workers</p>	<p>Nestlé continuously supports actions to assess and address child labor risks in its raw materials supply chains, including:</p> <ul style="list-style-type: none"> <li>– Implementing a Child Labor Monitoring and Remediation System (CLMRS) in its cocoa supply chain in Côte d’Ivoire and Ghana in 2012, in collaboration with the International Cocoa Initiative.</li> <li>– Working with its direct hazelnut suppliers in Türkiye to run summer schools that provide a safe space for the children of seasonal migrant workers during each harvest season.</li> <li>– Providing training to coffee farmers and mills on child labor risks and conducting independent monitoring of coffee farms during harvesting season in Brazil, Honduras, Mexico and Vietnam. Nestlé is implementing the CLMRS to its coffee supply chain in Côte d’Ivoire. As of 2024, this includes implementation of dedicated monitoring and remediation programs with specialized agencies, such as the ILO in Vietnam and Indonesia, and Save the Children in Mexico.</li> <li>– In 2024, Nestlé worked with one of its sugar suppliers in Mexico to raise awareness on child labor risks in the mills they source from. In the Philippines, Nestlé has also established child rights advocates, who work with local government agencies and local non-governmental organizations, to train and support farmer associations on reducing child labor risks.</li> </ul>
<p>Whether and how actions have been taken to provide or enable remedy in relation to an actual material impact</p>	<p>Remediation activities are at the heart of Nestlé’s efforts to tackle child labor as part of its CLMRS. Remediation is about supporting children, their families and communities to remove children from a situation of risk. The purpose is twofold: To try and prevent children from doing hazardous work in the first place, and to help children who are engaged in hazardous work to stop. Since 2012, Nestlé has provided support to more than 200 000 children in Côte d’Ivoire and Ghana. The majority of remediation activities have focused on education, activities to improve family income and assistance with farm-related work.</p>
<p>How the effectiveness of such actions and initiatives in delivering intended outcomes for value chain workers is tracked and assessed</p>	<p>Issue-specific indicators:</p> <ul style="list-style-type: none"> <li>– Percentage of volume of cocoa covered by the CLMRS or other dedicated due diligence systems, including mass balance.</li> <li>– Number of households covered by the CLMRS to prevent and address child labor risks.</li> <li>– Total number of children who have received support through prevention and remediation actions as part of the CLMRS.</li> <li>– Number of children who reported no longer engaging in potentially hazardous activities as part of the CLMRS.</li> </ul> <p>Nestlé measures effectiveness of the CLMRS by collecting the number of children having received support over time, combined with the number of children who are reported as no longer engaging in potentially hazardous activities.</p>

Salient Issue Action Plan on Forced Labor and Responsible Recruitment

<p>Actions taken, planned or underway to prevent or mitigate material negative impacts on value chain workers</p>	<p>Nestlé supports different tools and programs that assess and address forced labor risks in its supply chain including:</p> <ul style="list-style-type: none"> <li>– The implementation of a confidential hotline and the piloting of broker certification in the Thai seafood sector.</li> <li>– Sponsoring the development of an open-source due diligence toolkit for palm oil suppliers globally and seeding a third-party worker hotline in one of its palm oil supplier’s plantations in Malaysia that enables workers to safely report on working conditions, recruitment, safety and other rights abuses.</li> <li>– Providing training to coffee farmers and mills on forced labor indicators and conducting independent monitoring of coffee farms during harvesting season in Brazil, Honduras, Mexico and Vietnam.</li> <li>– Supporting sugarcane mills to implement responsible recruitment initiatives to address child and forced labor risks and improve health and safety conditions as well as living conditions in Mexico.</li> </ul>
<p>Whether and how actions have been taken to provide or enable remedy in relation to an actual material impact How the effectiveness of such actions and initiatives in delivering intended outcomes for value chain workers is tracked and assessed</p>	<p>If an actual material impact is found, Nestlé works with its direct supplier’s to agree on a time-bound action plan to remediate the impact. Issue-specific indicators to be defined, approved and released in 2025.</p>

Salient Issue Action Plan on Safety and Health at Work

<p>Actions taken, planned or underway to prevent or mitigate material negative impacts on value chain workers</p>	<p>Nestlé has programs to help improve the safety and health of workers in its agricultural supply chains including:</p> <ul style="list-style-type: none"> <li>– In collaboration with non-profit organization, Verité, and Nestlé’s seafood supplier, Thai Union, Nestlé funded and developed a demonstration vessel to show how mechanization to deploy and retrieve nets could improve worker safety and reduce overcrowding on board.</li> <li>– In Mexico, Nestlé is supporting sugar suppliers to implement operational health and safety practices together with its partner, Proforest.</li> </ul>
<p>Whether and how actions have been taken to provide or enable remedy in relation to an actual material impact</p>	<p>If an actual material impact is found, Nestlé works with its direct supplier’s to agree on a time-bound action plan to remediate the impact.</p>

## Metrics and performance

### Child Labor Monitoring and Remediation System (CLMRS)

Nestlé's Child Labor Monitoring and Remediation System (CLMRS) helps to identify children at risk, raise awareness and provide remediation. Prevention actions include awareness-raising sessions delivered to cocoa-growing communities, households, and individuals, including children. Remediation actions refer to a range of activities tailored to the needs identified at the community, household or individual level. These include, among others, awareness-raising sessions, the establishment of birth certificates, the distribution of school kits, the registration for tutoring courses or bridging classes, the registration for a formal school built or renovated by Nestlé, the registration for apprenticeship schemes, the distribution of bicycles to facilitate access to school, the creation of income generating activities for household members benefitting children directly, and other remediation activities benefitting children directly.

By the end of 2024, 88.9% volume of cocoa was covered by the CLMRS or other dedicated due diligence systems, with mass balance included.<sup>(15)</sup>

In addition to the volume performance indicator mentioned above, Nestlé also measures the impact of the CLMRS in Côte d'Ivoire and Ghana for cocoa. By the end of 2024, the CLMRS impact in Côte d'Ivoire and Ghana for cocoa included:

- 123 953 households covered by the CLMRS to prevent and address child labor risks.<sup>(16)</sup>
- 96 580 children have received support through prevention and remediation actions as part of the CLMRS.<sup>(17)</sup>
- 26 857 children reported no longer engaging in potentially hazardous activities as part of the CLMRS.<sup>(18)</sup>

### Income accelerator program

Nestlé's income accelerator program aims to improve the livelihoods of cocoa-farming families. It is rewarding cocoa-farming families not just for the quantity and quality of their cocoa beans, but also for practices that benefit the environment and local community. The program's approach aims to deliver a long-lasting impact by incentivizing the enrollment of children in school while advancing regenerative agriculture practices and gender equality. The program rewards practices that increase crop productivity and help secure additional sources of income, which aim to close the gap in living income and help protect children.

According to a progress report published by KIT Institute<sup>(19)</sup> in 2024, the income accelerator program is helping cocoa farmers substantially improve cocoa productivity as well as increase their net income. The report covers activities from January 2022 to June 2023 and looks at the impact of the program on the 10 000 households who participate in Nestlé's test-at-scale phase in Côte d'Ivoire, and largely confirms the encouraging trends identified so far:

- 75% of farmers adopted high-quality cocoa tree pruning, contributing to a 32% increase of the cocoa production.
- Total household income increased by 38% leading to a higher proportion of households achieving a living income (+10 percentage points).
- 79% of women registered in Village Savings and Loans Associations (VSLAs), allowing them to invest in small businesses, such as agro-processing boutiques, barbershops or soap-making.
- 89% of children are now enrolled in school, representing a 10 percentage points increase in the 18-month period between the baseline and midline assessments.

(15) Period is October 2023 to September 2024.

(16) Households who entered between 2012 and 2024 and who are still in the *Nestlé Cocoa Plan* as of December 31, 2024.

(17) Children having received support from January 1 to December 31, 2024. The methodology has changed in 2024 and the data is not comparable with previous years.

(18) Since the beginning of CLMRS implementation in 2012. Hazardous activities include using machetes, carrying heavy loads, applying pesticides, and any further tasks qualified as hazardous under local law.

(19) *Nestlé Cocoa Plan* Income accelerator program Progress Report Summary Test-at-scale | April 2024.



## Affected communities

### In this section

- Adequate food.
- Water and sanitation.
- Land-related impacts.

### Main targets <sup>(20)</sup>

- By 2030, Nestlé’s ambition is to help 10 million young people around the world have access to economic opportunities through the Nestlé Needs YOUth Initiative.
- Nestlé is committed to certifying all Nestlé Waters sites to the Alliance for Water Stewardship (AWS) certification by the end of 2025.

This section covers the communities with whom Nestlé has a direct relationship through its own operations and value chain activities. Therefore, the following types of affected communities are not included:

- Communities affected by the operations of Nestlé suppliers’ facilities or by the activities of logistics or distribution providers.
- Communities living around Nestlé’s downstream supply chain (e.g. communities around waste or recycling sites).

The following types of communities are subject to potential or actual material impacts:

- Communities living or working around Nestlé sites, in particular its factories and distribution centers.
- Communities living or working where the harvesting of Nestlé ingredients takes place (i.e. around the farms and plantations that are part of Nestlé’s agricultural supply chains).
- Communities of indigenous peoples, in particular those living around Nestlé factories and the farms and plantations that are part of Nestlé’s supply chains.

## Adequate food

### Strategy and policies

The coexistence of overnutrition, undernutrition and micronutrient deficiencies is referred to as the triple burden of malnutrition. The number of people who suffer from overweight and obesity has nearly tripled since 1975 and keeps rising. At the same time, micronutrients such as iron, vitamin A, vitamin D, iodine, folate and zinc are fundamental to full physical and mental development, yet they are often lacking in people’s diets in many parts of the world – meaning over two billion people globally suffer from deficiency of at least one micronutrient.

Food and good nutrition are fundamental to everyone’s health, well-being and enjoyment, as well as being part of people’s cultural identity. Yet too many people around the world are either not getting enough food or eating too much food with limited nutrients. As such, there is an increasing demand for more nutritious products. Nestlé is working to help unlock the power of food and meet those requirements. As a food innovator, Nestlé aims to make safe, enjoyable and sustainable products that are nutritious, accessible and affordable.

Affordability of nutrient-dense food is a key concern, as billions of people are unable to afford a nutrient adequate diet. Economic downturns have led to a worsening of world hunger, contributing to a significant increase in undernourishment and increasing the need for affordable nutrition products. Nestlé wants to play its part by expanding its offering of affordable, nutritious foods and beverages.

As part of the transition to a regenerative food system, Nestlé wants to play a role in supporting people to access the key nutrients they need as part of a balanced diet.

Increasing climate change and political factors are directly affecting emergency food needs and long-term food insecurity in communities world-wide.

The World Food Programme estimates that 783 million people go to bed on an empty stomach.

As part of Nestlé Community Giving, it tackles food insecurity through regular food donations via local foodbanks, complimented by its global relationship with Global FoodBanking Network (GFN) and regional collaborations with Feeding America and the European Foodbanks Federation (FEBA).

(20) The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

Nestlé helps its communities when disasters strike through emergency front-line support and assistance via its global partners the International Federation of the Red Cross and Red Crescent Societies (IFRC) and World Central Kitchen (WCK), and local partners.

In 2024, the total global value of Nestlé product donations was CHF 110 219 000.

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Content of the [Nestlé Human Rights Policy](#) is described in [Workers in the value chain](#).

In line with the Nestlé Human Rights Policy, Nestlé values dialogue with stakeholders in its value chain, including employees, on-site contactors, suppliers, business partners, workers and farmers in its supply chains, local communities, as well as consumers. Nestlé pays particular attention to individuals or groups who may be at greater risk due to their vulnerability or marginalization, such as migrant workers, children, women and girls, sexual and gender minorities, ethnic and racial groups, and indigenous peoples. Nestlé respects and promotes the rights of environmental, land and human rights defenders (HRDs) as defined by the UN Declaration on HRDs. Nestlé has no tolerance for violence, threats or attacks, or intimidation on them or their families, and is committed to not interfering with the work of HRDs nor tolerating retaliation against them.

In addition to Nestlé's commitment to providing or supporting access to remedy when it finds or becomes aware of adverse human rights impacts within its value chain and in the landscape/jurisdictional initiatives and on-the-ground projects it supports, Nestlé requires all its suppliers to have grievance mechanisms and management systems in place, and engage in collaborative approaches to manage and address grievances at sector-wide level. This includes supporting the development of common tools and approaches for identifying and engaging suppliers on grievances; and engaging in collaborative approaches to develop community- or government-based grievance mechanisms for use within Nestlé supply chains and on-the-ground projects (e.g. landscapes).

## Actions and resources

Regarding farmers' diets, Nestlé believes the health of farming families is intrinsically tied to their resilience and that a good diet is key to well-being. Nestlé's interventions at the farm level aim to improve the lives and well-being of smallholder farmers' families by increasing food availability and diet diversity among their communities in Nestlé's priority sourcing locations (e.g. Kenya, Côte d'Ivoire, Mexico, the Philippines and Indonesia). For example, Nestlé does this by improving nutrition at household level with nutrition education programs, helping farmers to set up their own kitchen gardens, and providing entrepreneurial training to sell surpluses if available.

## Water and sanitation

### Strategy and policies

Access to water, sanitation and hygiene (WASH) is indispensable to sustaining healthy livelihoods and maintaining people's dignity. The human right to WASH is also essential for eradicating poverty, building peaceful and prosperous societies, and ensuring inclusive sustainable development. The right to WASH is important to Nestlé's operations and supply chains. Nestlé relies on workers being able to access safe water, sanitation and hand-washing facilities. Without this, Nestlé would be unable to staff its facilities and meet the basic needs of employees. Nestlé also needs to make sure these sites do not have a negative impact on local communities' ability to access safe water and sanitation. This is a key element of Nestlé's license to operate locally.

In addition, Nestlé depends on a significant and reliable supply of agricultural raw materials sourced from over six million farmers across 100 countries. Many of these supply chains are based in countries where water insecurity is high and access to sanitation and hygiene is low, especially in rural areas. Nestlé's contribution to improving access to WASH can help make a significant difference to the well-being and resilience of these farming communities.

As such, respecting the right to WASH in Nestlé's own operations while seeking to address any adverse impacts to which it may contribute, or to which it may be linked through its business relationships, is deeply connected to achieving both Nestlé's water stewardship agenda and the Nestlé Waters Pledge, as well as a key element of Nestlé's plans to support and accelerate the transition to a regenerative food system in a way that leaves no one behind.

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

See the Nestlé Human Rights Policy as described in [Workers in the value chain](#).

### **Nestlé Waters: Engaging with affected communities**

Nestlé Waters, Nestlé’s bottled water business, works closely with local communities through a dedicated Community Relations Process (CRP). Through mapping, context analysis and interviews with neighbors, authorities, water users and other local stakeholders, the CRP helps capture potential concerns from local stakeholders regarding water resource management at Nestlé Waters level and at a broader watershed level. It also allows Nestlé Waters to identify current and foreseen issues related to access to water (including drinking water) in terms of quantity or quality. The output of the CRP is a tailored action plan that addresses any local issues and helps develop collective actions. In many cases, Nestlé Waters provides access to water and sanitation to local communities near its factories.

## **Actions and resources**

Nestlé has worked with local and global organizations to increase access to WASH. To date, these projects have benefited more than 1.4 million people in areas surrounding its sites, including:

- Helping to improve water quality and infrastructure for 27000 people around its bottling facility in Benha, Egypt.
- Supporting the Africa WASH Coronavirus grant to provide access to clean water and hygiene during the COVID-19 pandemic, establishing community water supplies and handwashing points to aid hygiene in public areas in Kenya, Burkina Faso, Côte d’Ivoire, Ethiopia, Ghana, Mozambique, Senegal and South Africa, working alongside the International Federation of Red Cross and Red Crescent Societies (IFRC) and the Kenya Red Cross Society.
- Providing access to water and sanitation to school children through the installation of water tanks in 58 schools and 39 toilets for girls in Bangladesh.
- Providing access to drinking water to more than 4100 community members around Nestlé’s factories in Veracruz and Chiapas in Mexico.

## **Targets, metrics and performance**

In addition, all Nestlé Waters sites are on track to obtain the Alliance for Water Stewardship (AWS) certification by the end of 2025; as of 2024, Nestlé Waters has 25 sites AWS certified. The AWS standard requires sites to identify potential water-related challenges that affect or will affect communities, and to build action plans accordingly. Step five of the AWS standard is totally dedicated to communication and disclosure of the identified challenges, the action plan and the results to local communities. It means Nestlé Waters sites have received feedback from communities on water-related topics (to do so, the sites use the CRP, as per described above).

## **Land-related impacts**

### **Strategy and policies**

Nestlé relies on land for the sourcing of raw materials, so it has a responsibility to ensure that land and natural resource rights are respected in its operations, that it does not contribute to adverse impacts in its supply chains or through its business relationships, and that it addresses any impacts to which it may be linked.

Moreover, Indigenous Peoples and local communities (IPLCs) have long been the stewards of precious land resources. As such, respecting and promoting the land rights of IPLCs is also critical for net zero and nature-related action as well as a key element of Nestlé’s plans to support and accelerate the transition to a regenerative food system.

Nestlé understands the value of using multiple tools to assess its exposure to water and sanitation and land-related impact issues, as well as the importance of a dynamic system that periodically updates its understanding of risks and issues.

At a global-level, Nestlé generates an overview of priority countries informed by global datasets such as Verisk Maplecroft, assessments done by Nestlé Sustainable Sourcing and ESG Water teams at watershed level for specific raw materials, the World Resources Institute (WRI) Aqueduct tool, and information from stakeholders. Nestlé uses the data to prioritize countries for more granular assessments, business activities and raw materials for engagement, and support levels to relevant staff and suppliers.

At a country- or location-specific level, Nestlé generates risk information informed by sub-national datasets, desk-based risk assessments, information from rights holders or their credible representatives, grievance information, data from Nestlé's Sustainable Sourcing Program (e.g. landscape initiatives or site assessments) or site assessments using the WASH Pledge self-assessment tool. It uses this data to make decisions about where and what action to take at national, subnational, landscape or site levels within priority countries.

Nestlé generates raw material- or business activity-specific risk information informed by desk-based risk assessments, information from and consultations with rights holders or credible representatives, grievance information, data from the Sustainable Sourcing Program (e.g. landscape initiatives or site assessments) or site assessments using the WASH Pledge self-assessment tool. It uses this data to refine its list of priority countries for specific raw materials or business activities and to inform decisions about how and why to engage with sectoral actions whether at global, country or regional levels.

Nestlé generates supplier-specific risk information informed by its Supplier Human Rights and Environmental Due Diligence (HREDD) Assurance Framework,<sup>(21)</sup> grievance information and site assessments, including using the WASH Pledge self-assessment tool. It uses this data to prioritize suppliers for engagement or support based on the maturity of suppliers' systems for carrying out HREDD.

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

The [Nestlé Responsible Sourcing Core Requirements](#) describes specific requirements on respect for the land and resources of Indigenous Peoples and local communities (IPLCs). It specifically requires that any activity that may affect IPLCs' rights, lands, resources, territories, livelihoods and food security, such as agricultural and forestry developments, are subject to their free, prior and informed consent (FPIC) and that when FPIC has not been applied or respected, any harm caused must be resolved and remediated.

Nestlé's Salient Issue Action Plan [Indigenous Peoples' and Local Communities' \(IPLCs\) Land Rights](#) includes related actions to affected communities. Nestlé also aims to support access to remedy via safe and effective grievance

mechanisms for IPLCs affected by its operations, business relationships and agricultural supply chains, and address the land rights grievances linked to Nestlé through its supply chains and help remediate such grievances when relevant.

## Actions and resources

Nestlé supports programs in several high-risk sourcing landscapes that aim to strengthen the rights of IPLCs such as:

- Supporting the land rights of the Tsay Keh Dene Nation impacted by forest company operations in British Columbia, Canada.
- Supporting forest-dependent communities in Aceh, Indonesia to develop participatory land use plans and achieve strengthened land tenure security.
- Supporting Earthworm Foundation's Centre of Social Excellence Brazil which has been actively collaborating with pulp and paper suppliers to deliver FPIC training in different country areas.

### Biodigesters – Zone Asia, Oceania, Africa

Through the installation of biodigesters, Nestlé is reducing GHG emissions and creating shared value for farmers. To reduce carbon emissions in dairy farming, Nestlé India has promoted the use of a manure management technology: Biodigesters. This technology converts cow manure into biogas and organic fertilizer. Biodigesters offer several advantages for India's small-scale dairy farmers: Avoidance of land pollution and odours as cow manure is now directed to the biodigesters; source of free renewable biogas used by households for cooking and heating (seven people can be supplied from a small 2m<sup>3</sup> biogas plant); avoidance of household cost to purchase the non-renewable energy alternatives for cooking like oil, liquid petroleum gas or firewood; and biogas-based cooking and heating helps also to improve the indoor air quality and overall well-being of the family. The biodigesters left over or residues can then be used as an organic fertilizer on the family garden to grow cash crops, or be sold in the marketplace, providing additional income revenue.

(21) The on-going supplier engagement process involving communicating Nestlé's HREDD requirements to suppliers, assessing the maturity level of their management systems and supporting capacity building toward continuous improvement.

## Targets, metrics and performance

Nestlé Community Giving is a crucial component of Nestlé's commitment to making a positive impact on society, as Nestlé has engaged in giving programs since its inception over 155 years ago.

Focusing on areas where employees live and work, Nestlé's community giving activities bring its corporate purpose to life by actively supporting partners and communities around the world.

These acts of giving fall into Nestlé's pillars: disaster relief, food access, community life and employee giving. In 2024, total community giving investment amounted to CHF 152 322 000.

### Community-giving investment KPIs (CHF)

	2023	2024
Financial aid	39 265 000	38 532 000
Product donations	135 490 000	110 219 000
Others	2 716 000	3 571 000
<b>Total</b>	<b>177 471 000</b>	<b>152 322 000</b>

In 2024, Nestlé and global disaster relief partners responded to the devastation caused by multiple storms and extreme weather in the southeastern US and coastal Mexico, the worst since 2005. Many Nestlé US employees near Nestlé facilities in Gaffney (South Carolina) and Savannah (Georgia) were significantly affected.

Nestlé's disaster relief partners World Central Kitchen (WCK) and the International Federation of the Red Cross and Red Crescent Societies (IFRC) ensured that Nestlé funds were directed to the front line of the emergency. In addition, Nestlé donated water and food for families and emergency personnel and facilitated an employee fundraising campaign with corporate match.

### Nestlé Specific KPIs: youth-related (million)

	2023	2024
Young people around the world with access to economic opportunities since 2017 (cumulative)	7.7	10.2
Young people around the world with access to economic opportunities (annual)	2.1	2.5

In 2024, we helped provide 2.5 million young people around the world with access to economic opportunities, which cumulatively helped achieve our Nestlé's ambition six years ahead of schedule.

### Nestlé Specific KPIs: youth-related (number)

	2023	2024
Apprenticeship and traineeship opportunities	10 807	10 612
Young farmers trained through agripreneurship program	8 464	9 574
Young people impacted through digital events (e.g. career fairs, educational webinars, e-learning programs) that focus on upskilling young people for employability	1 393 147	1 648 290
Young entrepreneurs who have received some basic but tangible benefit from Nestlé	72 630	70 838
Nestlé employees hired under 30-years-old, on unlimited or temporary contracts	23 804	23 238

## Consumers and end-users

### In this section

- Supporting balanced diets.
- Ensuring compliance with Nestlé marketing policies.
- Consumption of safe and quality products.
- Protecting consumers' personal data.

### Main targets<sup>(22)</sup>

- Nestlé has the ambition to grow the sales of its more nutritious products<sup>(23)</sup> by CHF 20–25 billion by 2030.<sup>(24)</sup>

Nestlé's consumers and end-users cover a wide spectrum of the population across:

- All life stages: from pre-conception to healthy longevity.
- All socio-economic conditions, including lower income and financially vulnerable people.
- All health conditions, including calorie conscious consumers and people under specific medical conditions.

All Nestlé consumers who can be materially impacted are included in scope under this section.

Nestlé provides consumers with high-quality, nutritious products and transparent communication, regardless of where they are distributed and at which price point they are sold. Therefore, Nestlé has developed specific strategies and policies to understand and serve the needs of all its consumers. These include:

- A new nutrition strategy *Good for You* with the ambition to bring tasty and balanced diets within reach for billions of people, providing a wide range of foods, beverages and services for all life stages.
- A business model called Popularly Positioned Products (PPPs) which focuses on the specific needs of around three billion lower-income consumers worldwide. PPPs offer these consumers the opportunity to consume food products that provide nutritional value at an affordable cost and in an appropriate format.

Concerning the vulnerable groups of infants and children, Nestlé has strengthened its responsible marketing practices, including providing portion guidance for the indulgent categories of confectionery and ice cream as well as updated policies implementing the World Health Organization International Code of Marketing of Breast-milk Substitutes (the WHO Code), and marketing communication to children.

## Supporting balanced diets

### Strategy and policies

Across all life stages, food and good nutrition are fundamental to everyone's health, well-being and quality of life. People of all conditions want to enjoy a balanced diet, but for many this is not easy. They face several challenges, including affordability, lack of time or nutrition knowledge and insufficient or unclear information on how to consume food in a balanced manner.

Nestlé's success is dependent on its product portfolio consistently providing value and relevance to consumers. Innovation and speed to market are crucial factors, as failing to meet consumer expectations could lead to lower trust and missed growth opportunities. In addition, guiding people toward balanced consumption with transparent information and services is a key opportunity to gain consumer trust and grow sales of more nutritious products.

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all Nestlé policies disclosed in the Non-Financial Statement 2024.

Nestlé policies related to consumers and end-users include the nutrition strategy *Good for You*, the [Nestlé Quality Policy](#), the Popularly Positioned Products (PPP) business model and the [Nestlé Privacy Policy](#). These policies are shaped by input from stakeholders to ensure they meet both internal and external requirements. Nestlé actively engages with key stakeholders active in the field of nutrition, quality and sustainability, including international organizations, non-governmental organizations, policymakers, academics and consumers to understand their needs and expectations, ensuring that their interests are considered in Nestlé's decision-making processes. By doing so, Nestlé strives to build trust and maintain strong relationships with all its stakeholders.

(22) The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – Reporting Scope and Methodology for ESG Key Performance Indicators 2024](#).

(23) Products that have Health Star Rating 3.5 or above are specialized nutrition, excludes pet care and infant formula for babies 0–12 months.

(24) The target assumes constant foreign exchange rates. Should any material acquisitions or divestitures take place, the target may be adjusted accordingly.



The Nestlé Executive Board is accountable for implementation of all policies. Policies are publicly available via the [Nestlé website](#).

All over the world, diet recommendations are often not met, resulting in different kinds of malnutrition. Often people lack access to nutritionally adequate and affordable diets. In parallel, there is an urgent need to shift to more sustainable food systems that will ensure the future supply of nutritious food products within planetary limits.

Nestlé's (PPP) is an affordable nutrition portfolio which targets the specific needs of around three billion lower-income consumers worldwide. PPP makes products accessible to these consumers at affordable prices and in appropriate formats. Relevant PPP product categories are fortified with the 'Big 4' micronutrients found deficient in lower income groups (i.e. vitamin A, iron, zinc, iodine) in order to deliver affordable nutrition.

The adequate and appropriate dietary intake of essential vitamins, minerals and trace elements (collectively referred to as micronutrients) is necessary for maintaining health at all life stages. To fight against micronutrient deficiencies, Nestlé has specifically defined a policy, the [Nestlé Policy on Micronutrient Fortification of Foods & Beverages](#).

Nestlé's nutrition strategy *Good for You* is based on the principle that all products can play a role in a balanced diet. It guides Nestlé's actions to deliver products and services that help people enjoy tasty and balanced diets. *Good for You* applies to all consumers and covers all human food products from each Strategic Business Unit (e.g. Nutrition, Confectionery) and Globally Managed Businesses (e.g. *Nespresso* and *Nestlé Health Sciences*), as well as pet food.

Material impacts, risks and opportunities are addressed in the *Good for You* Council by ensuring that the nutritional profiles of Nestlé's products are adapted to consumer needs and expectations, and that Nestlé's communication delivers transparent and supportive information. This reduces the risks of over- or unbalanced consumption of Nestlé foods and beverages, and builds consumer trust.

Overall, *Good for You* contributes to:

- Make nutrition a Group-wide focus, fostering a purpose-driven mindset across Nestlé.
- Ensure nutrition is integrated into all processes from product innovation and renovation to communication and services.

- Ensure Nestlé engages with consumers placing transparency at the core, through all relevant communication channels, such as television, print, digital media, consumer relationship marketing and point of sale.
- Continuously challenge Nestlé to understand the evolving needs of consumers and permanently adapt its actions as a consequence.

The evaluation of the nutritional profile of Nestlé's global portfolio is based on the Health Star Rating (HSR) system, which is recognized as a global external benchmark.<sup>(25)</sup>

The percentage of the indulgent portfolio based on the HSR system is monitored and transparently reported.

## Actions and resources

Consumers are looking for help in their journey to a tasty and balanced diet, with food options addressing their daily needs, as well as transparent information and guidance. Addressing this in a credible and supportive manner helps Nestlé build trust with them.

Overall, the Nestlé *Good for You* strategy represents a strong opportunity for Nestlé to create value for its consumers by addressing their key nutritional needs and aspirations, while creating value for its stakeholders including investors through improved trust and portfolio expansion.

It comprises two strategic priorities aiming at helping consumers enjoy tasty, balanced and sustainable diets:

- Portfolio and products: Delivering better options in categories Nestlé chooses to serve and ensuring the right products for most consumers' needs and incomes.
- Communication and services: Delivering transparent information and services to encourage responsible consumption and nutritious choices.

The *Good for You* Council, a cross-functional Group including senior representatives from marketing and communication, Zones, R&D, legal and corporate communications, defines global as well as category-specific strategies and ensures the relevance and effectiveness of its actions are continually assessed and reports back to the Executive Board.

(25) Excludes pet care and non-food products.

Strategies and related actions are defined based on knowledge developed by each of these functions, including consumer insight to understand consumers aspirations and barriers related to healthy eating, scientific insight to capture nutritional gaps and ways to address them in product development and stakeholder insight to ensure relevance to investors or non-governmental organizations.

## Targets, metrics and performance

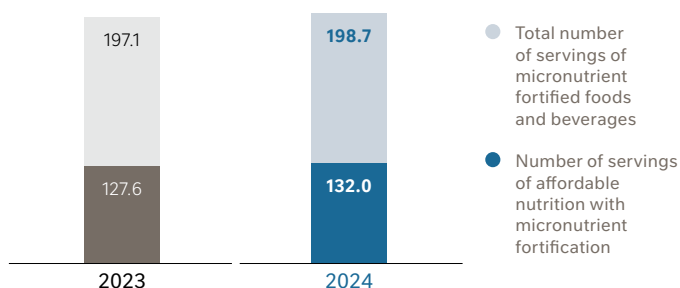
Actions are in place to deliver on these two strategic priorities, portfolio and products, and communication and services. These include:

- Nestlé has the ambition to grow the sales of its more nutritious products<sup>(26)</sup> by CHF 20–25 billion by 2030.<sup>(27)</sup>
- Continuing to invest in R&D to innovate and renovate Nestlé products, including through micronutrient fortification.
- Expanding Nestlé’s nutritious product offerings including its affordable nutrition range, plant-based foods, as well as products for children and healthy ageing.
- Guiding people toward balanced consumption with information and services ranging from transparent nutrition labeling and nutritious recipes, to nutrition education programs.

For example, *Nestlé for Healthier Kids* and *Nutriplato*, promote healthy lifestyles in an engaging format. In 2024, Nestlé piloted the launch in the Philippines of Nestlé’s global digital service platform, Nestlé Goodnes, to guide consumers through nutritious recipes, menu planning and AI-powered nutrition coaching.

In 2023, Nestlé set two new commitments related to portion sizes for its confectionery and ice cream products, where local regulations allowed: All children’s portions will be 110 kcal or less and all multi-serve products will have front-of-pack portion guidance.

Nestlé Specific KPIs: total and affordable servings of micronutrient<sup>(28)</sup> fortified foods and beverages (billions)



In 2024, the provision of foods fortified with essential micronutrients has further increased overall, and specifically in the affordable nutrition sections, based on good growth of the affordable food category in Zone AOA and Nestlé’s strong brands.

Nestlé Specific KPIs: Health Star Ratings

Products with Health Star Ratings <sup>(29)</sup>	Percentage of 2024 net sales without pet care and non-food products	Percentage of 2024 net sales with pet care and non-food products
Health Star Rating of 3.5 and above	38	30
Health Star Rating of between 1.5 and 3.5	20	16
Health Star Rating of less than 1.5	21	17
Specialized nutrition <sup>(30)</sup>	21	37
Percentage of global NNS covered by the assessment	73	92

The percentage of sales from Nestlé’s more nutritious products has remained stable this year, demonstrating a consistent consumer preference for products which support a tasty and balanced diet. Nestlé remains committed to growing its offering of more nutritious products, ensuring that it continues to meet the evolving needs of health-conscious consumers.

(26) Products that have Health Star Rating 3.5 or above and specialized nutrition, excludes pet care and infant formula for babies 0–12 months.

(27) The target assumes constant foreign exchange rates. Should any material acquisitions or divestitures take place, the target may be adjusted accordingly.

(28) The ‘big four’ micronutrients are iron, vitamin A, iodine and zinc.

(29) Health Star Rating is an independent nutrient profiling system. Calculations are based on the recipe for each product and are not necessarily included on the product label. Excludes 8% of net sales from non-food items and some entities where the recipes were not available this year.

(30) Specialized nutrition includes products sold by Nestlé’s Nutrition and Nestlé Health Science (NHS), which provide nutrition benefits and for which the HSR system generally does not apply.



## Ensuring compliance with Nestlé marketing policies

### Strategy and policies

The responsible marketing of Nestlé’s infant formulas is based on its firm belief that breastfeeding provides the best nutritional start in life for babies. Nestlé complies with the regulation implementing the WHO Code and its own Policy on the matter. Nestlé relies on a compliance system encompassing internal monitoring, internal audits, external audits commissioned to an international certification agency or external verifications by external stakeholders (e.g. FTSE4Good). This compliance system also includes *Speak Up*.

Regarding marketing to children, Nestlé strengthened its policy in 2023 by placing additional restrictions to its marketing communication for children under the age of 16 and developed a new methodology to verify compliance with the Nestlé Marketing Communication to Children Policy. Nestlé commissions independent third-party auditors to review the adherence to this Policy in selected markets on an annual basis. Data is collected on a yearly basis and the Marketing Communication to Children Compliance Rate published externally.

Compliance with marketing policies is mandatory and embedded in Nestlé’s Corporate Business Principles.

The Nestlé Marketing Communication to Children Policy provides specific rules and guidance related to marketing communication for children. The Policy’s objective is to help children and gatekeepers have the best possible opportunity to make informed decisions on their choices of food and protect children from being exposed to advertising without the oversight of their caregiver. It includes age and product requirements, scope and communication measurement, communication channels, and monitoring.

The Policy includes the following provisions:

- It applies to all controlled affiliates of the Nestlé Group, in all geographies.
- It specifically includes marketing communication using television, radio, print, cinema, outdoor/places where children gather, digital media including social media and video sharing platforms (digisphere), influencers, native online marketing, mobile, games, consumer relationship marketing, viral marketing, apps, e-mail/SMS, Nestlé owned websites, movie tie-ins, promotions, premiums, contests, product sponsorships, sampling, and point of sale.

Beyond complying with applicable local regulations as a minimum, the Policy respects local industry pledges such as the EU Pledge, the Children’s Food & Beverage Advertising Initiative in the US, and other regional pledges.

### Responsible marketing of breastmilk substitutes

Guided by the WHO Code and Nestlé’s support for breastfeeding during the first six months of life, the Nestlé Policy for implementing the WHO Code provides specific guidance and rules related to the responsible marketing of infant formulas.

The Policy reiterates the importance of breastfeeding and implementing the right measures to protect and support it.

The Policy provides a comprehensive set of measures for example on labeling, interactions with the healthcare system, on the general public and mothers, and covers the following scope of implementation:

- The Policy applies to the entire Nestlé Group.
- Compliance with the Policy is mandatory for all Nestlé employees and third parties acting under Nestlé’s authorization.
- Nestlé respects the limitations set by local regulations and anti-trust laws.
- Nestlé has no direct influence on third-party businesses with no direct-service relationship with Nestlé.
- Wherever the Policy refers to the provision of information, it applies to all tangible and electronic forms of communication, including digital platforms such as e-commerce and social media.
- The provisions apply globally to:
  - All infant formulas designed to satisfy the nutritional requirements of healthy infants from birth to six months.
  - Bottles and teats.
- In many countries, the provisions are even stricter and apply to:
  - All follow-on formulas designed to satisfy the nutritional requirements of healthy infants from six to 12 months.
  - Complementary foods and drinks for infants younger than six months.
- In all countries, Nestlé complies both with local regulation implementing the WHO Code and the provisions of its Policy.

### Consumer concerns

Nestlé has a system for collecting consumer complaints related to Nestlé branded products and services to ensure they address any issues effectively.

Nestlé makes sure that the channels chosen are easily available to consumers and promoted through multiple contact points such as on-pack or digital. Nestlé assesses that the channels are adequate by considering the activity of each channel, and it tracks the number of users to make sure all channels remain useful. The owner of each channel tracks complaints and makes sure consumers receive satisfactory answers.

The Nestlé channels in place for consumers to raise complaints include:

- Consumer engagement services: Nestlé has a dedicated consumer services team in each Market where it operates. Consumers can contact the teams via telephone, email or social media. The contact details are usually available on product labels and the Nestlé website.
- Online contact forms: Consumers can submit their complaints through online contact forms available on Nestlé’s website. These forms allow consumers to provide detailed information about their concerns.
- Compliance reporting system: Nestlé’s *Speak Up* system is available 24/7 for reporting any concerns. Consumers can use a web form or call a toll-free number to leave a message.
- Social media: Nestlé also monitors social media channels for consumer feedback and complaints. It has dedicated handles like @NestléCare on X to address consumer issues. These methods ensure that Nestlé can promptly address consumer complaints and continuously improve its product quality.

### Actions and resources

Infants and children are among the most vulnerable consumer segments. Nestlé has defined a strategic priority related to communication aiming at delivering transparent information and services to encourage responsible consumption and nutritious choices. Nestlé’s two industry-leading policies include the Nestlé Policy for implementing the WHO Code, and the Nestlé Marketing Communication to Children Policy, which provide a strict frame of reference for Nestlé’s marketing and communication practices. This includes:

- The Nestlé Policy for implementing the WHO Code: Nestlé does not promote infant formula for babies under six months, as a minimum, anywhere. In addition, Nestlé does not promote follow-on formula suitable for infants 6–12 months of age as a minimum in about 160 countries. In these countries, Nestlé also refrains from marketing complementary foods and drinks for infants younger than six months. Compliance with this policy is mandatory and embedded in the Nestlé Corporate Business Principles.
- The Nestlé Marketing Communication to Children Policy: This Policy prohibits direct advertising of sweet and savory biscuits and baked goods, sugar confectionery, chocolate confectionery, water-based beverage products with added sugars and ice cream products to young people under the age of 16.

Nestlé has tracking and monitoring systems in place for the commitments related to the WHO Code implementation and marketing to children, which allows it to define corrective actions.

Responsible marketing is at the core of Nestlé values. Addressing this for Nestlé’s most vulnerable consumers, including parents and caregivers of infants and children, helps Nestlé build trust with stakeholders by protecting these populations from harmful communication practices.

## Metrics and performance

Nestlé Specific KPIs: responsible marketing related

	2023	2024
Number of countries with audits on the Nestlé Policy for implementing the WHO Code	39	33
Instances of detected non-compliances with the Nestlé Policy for implementing the WHO Code	125	186

The number of countries where audits including the Nestlé Policy for Implementing the WHO Code were performed (39 in 2023 and 33 in 2024) are based on Global Audit Plan according to annual risk assessments. See [page 96](#) for further discussion of the results.

Compliance with Nestlé Marketing Communication to Children Policy (percentage)

	2023
TV	98.4
Websites	100.0
Social media	100.0
Influencers	88.9
Average total	96.8

Compliance with Nestlé Marketing Communication to Children Policy<sup>(31)</sup> (percentage)

	2024
TV	100.0
Digital media	92.3
Social media	89.6
Average total	96.9

(31) The methodology has been updated from 2023 to 2024 to reflect Nestlé's new policy commitments thus the data is not comparable over the two years. Nestlé achieved 96.9% compliance in the current year and will continue to monitor and expand its scope of coverage in future years with testing.

## Consumption of safe and quality products

### Strategy and policies

Nestlé is committed to ensuring the safety of all its consumers, including the most vulnerable groups such as children, undernourished populations, the elderly, and individuals with medical conditions. To achieve this, Nestlé employs the globally recognized Hazard Analysis and Critical Control Point (HACCP) system. This method systematically identifies, assesses and manages food safety hazards, including microbiological, chemical, physical contaminants and allergens, with a particular focus on those that could impact sensitive consumers.

The Nestlé Quality Policy guides Nestlé's actions to deliver safe, compliant and preferred products and services. It underscores Nestlé's unwavering commitment to product safety, compliance and quality. This policy applies to all consumer products and encompasses both human and pet food products. By addressing material impacts, risks and opportunities, the policy ensures product safety and compliance, reducing incidents that could lead to contamination, adulteration, mislabeling or other critical quality issues. It fosters consumer trust and minimizes recall risks. Additionally, it mitigates non-compliance risks and regulatory penalties while enhancing operational efficiency and market competitiveness through a quality management system.

Overall, the Nestlé Quality Policy contributes to achieve a zero-defect, no-waste attitude throughout the Group by making quality a Group-wide objective integrated into all processes from farm to fork.

The policy includes the essential elements of Nestlé's commitment to excellence, such as:

- Fostering a quality mind-set with the objective of developing, manufacturing and providing products and services with zero defects that are trusted and preferred by individuals and families, and deliver on Nestlé's promise to enable healthier and happier lives.
- Complying with relevant laws and regulations as well as internal requirements.
- Continuously challenging Nestlé to improve the quality management system to guarantee product safety, prevent quality incidents and eliminate defects through the review of quality objectives and results.
- Encouraging participation and promotion of quality responsibilities amongst all Nestlé employees and third parties through standards, education, training and coaching, supervision and effective communication.

Monitoring of the Policy includes regular audits and inspections by independent certification bodies, the use of tools like Hazard Analysis and Critical Control Points (HACCP) to identify and address product vulnerabilities, and continuous improvement through internal and external assessments.

Nestlé's risk mitigation strategy is for all its manufacturing plants to become compliant with the strict requirements of the Food Safety Systems Certification (FSSC 22000). This internationally recognized certification scheme builds on the ISO 22000 standard, setting a benchmark for quality, safety and processes in the food industry. FSSC 22000 is endorsed by the Global Food Safety Initiative (GFSI) to deliver the highest safety standards and is consistently monitored and certified by third-party institutions. The certification is renewed every three years following a rigorous audit by an independent certification body. Nestlé tracks its performance using the KPI: Percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for human and pet (cats and dogs) consumption.

Nestlé's quality and food safety management system extends to the upstream supply chain, ensuring that suppliers have a food safety management system in place. Nestlé monitors the percentage of ingredients sourced from Tier 1 supplier facilities certified to a GFSI-recognized food safety certification program to demonstrate its commitment to sourcing safe and high-quality ingredients.

Nestlé encourages consumers to share their feedback through various channels, including consumer service hotlines, social media and online forms.

Where Nestlé has caused or contributed to an impact, remedial processes include analyzing the voice of the consumer (VOC) to capture the true cause of dissatisfaction, triggering relevant actions for continuous improvement by key functions, and collaborating with retailers and customers to improve storage and handling practices. As part of the FSSC 22000 and ISO 22000 certification scheme, Nestlé is required to establish and maintain an effective system for collecting and addressing consumer complaints, including corrective actions to prevent recurrence.

Systematic quantitative and qualitative reporting of consumer feedback is a key means of measuring quality and keeping consumer satisfaction and trust in all Nestlé products, brands and services. This information is used for continuous quality improvement.

## Actions and resources

Nestlé develops, manufactures and provides products and services that are trusted and preferred in order to enhance quality of life and contribute to a healthier future. Nestlé maintains high food safety standards in all countries in which it operates. Nestlé challenges itself to continuously improve management systems to guarantee product quality and safety, aiming for zero defects. Nestlé inspires ownership of product quality and safety by all employees and third parties in its value chain.

Nestlé has implemented a comprehensive quality management system to prevent, mitigate or remediate material negative impacts on consumers and end-users by ensuring that all products meet internal and external food safety, regulatory, and quality requirements, and by providing consumers with safe and high-quality products. This system is continuously improved to adapt to new standards and consumer expectations.

Nestlé leverages consumer feedback to refine and enhance its products, ensuring they meet customer needs and preferences. This feedback also fuels innovation, leading to the development of new and improved offerings. Additionally, it helps Nestlé maintain high-quality standards and boosts overall customer satisfaction.

Consumer feedback is reviewed by a cross-functional team to determine the root cause of any issue. If a design change is necessary, the product development team works on creating a new design or improving the existing one. This new design is then tested to ensure it resolves the issue and meets quality standards.

Nestlé has a structured complaint management system that tracks and addresses consumer complaints efficiently. This system ensures that all complaints are logged, investigated and resolved in a timely manner.

In the event of a product safety issue, Nestlé has established product recall procedures to quickly and effectively remove affected products from the market which minimizes potential harm to consumers. To ensure the effectiveness of its processes, Nestlé undergoes regular internal audits as well as third-party audits and maintains certifications from recognized food safety and quality organizations. These audits aim at verifying that the complaint management system is adequate to communicate with its consumers.

Nestlé is enhancing its consumer engagement strategies by using advanced data analytics to understand consumer needs and preferences better. This includes monitoring product reviews, consumer interactions and feedback to identify new opportunities and improve existing products.

## Metrics and performance

Nestlé Specific KPIs: quality and food safety

	2023	2024
Percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for human and pets (cats and dogs) consumption	98.4	95.3
Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	92.9	94.4

In 2024, 95.3% of Nestlé's manufacturing and R&D sites were certified to FSSC 22000. The difference versus 2023 is attributed to the change of scope, which involves the removal of joint ventures, and the inclusion of new acquisitions certified under alternate programs. Of Tier 1 supplier facilities, 94.4% were certified to a similar program.

As a precautionary measure, in 2024, Nestlé initiated 5 voluntary product recalls compared to 13 in 2023. This significant decrease reflects the effectiveness of Nestlé's comprehensive food safety and quality strategy.

## Protecting consumers' personal data

### Strategy and policies

Nestlé's approach in protecting personal data is tied to the fundamental human right to privacy. Personal data breaches may impact people's rights and integrity, lead to fines, reputational impacts and indemnification obligations. Data breaches can occur due to individual incidents or specific relationships. These breaches may result from cybersecurity threats or human errors. They can occur within Nestlé's internal operations or externally, such as involving service providers who handle personal data on behalf of Nestlé.

Nestlé strives to be transparent with individuals, including consumers, in relation to how it processes their data and to provide consumers with meaningful control over how their personal data is collected and used, including responding to consumer requests and complaints. Nestlé values and protects the personal data of everyone who interacts with the company.

Consumers can learn more about Nestlé's approach to privacy on its website by reading the privacy notice (the Notice). The Notice applies to individuals who interact with Nestlé services as consumers. It also sets out how consumers can access and update their personal data and make certain choices about how it is used.

The Notice covers both Nestlé online and offline data collection activities, including personal data that Nestlé collects through various channels such as websites, apps, third-party networks, consumer engagement services, points of sale and events.

The Notice also includes specific terms regarding the personal data of children.

Specifically, the Notice provides important information for understanding how Nestlé handles personal data. This includes information about where the personal data that Nestlé handles comes from, the different types of personal data collected, including specific provision for the personal data of children, as well as cookies and other similar technologies. The Notice also describes the different ways Nestlé can use consumers' personal data, how this information can be disclosed, how long it can be retained, the measures put in place to protect personal data and transfer of such data to other countries. Then, it contains important information for consumers on how to contact Nestlé to exercise privacy rights.

Nestlé Internal Audit conducts audits regularly in Markets in order to ensure that the Notice and the Nestlé Privacy Policy and the Nestlé Privacy Standard are complied with. The Nestlé Privacy Notice is also regularly reviewed by the Group Data Protection Office to ensure it stays up to date and in line with evolving legislations and new technologies or use of consumer personal data. Data protection and privacy matters are led by the Group Data Protection Office and the Group Data Protection Officer, who both sit in Group Legal and Compliance.

Nestlé believes that maintaining the trust of its consumers, employees and business partners, including managing their data responsibly, is of critical importance.

Nestlé aims to prevent and address data privacy issues within the Group and at its vendors. As soon as Nestlé receives reports of personal data incidents, it investigates allegations and takes action to assess whether there is evidence of wrongdoing and/or harm.

Nestlé is committed to better understand and help tackle the root causes of these data privacy issues in close collaboration with internal information security teams and vendors (if applicable) as well as local authorities.

Depending on the circumstances of each incident, Nestlé’s team of data protection experts will analyze and assess the level of risk an incident may cause to affected consumers. Based on this assessment, and where applicable in accordance with applicable laws, Nestlé will then ensure to provide and/or enable appropriate remedy to affected consumers as a priority.

Nestlé has put in place grievance mechanisms for consumers to submit their concerns to Nestlé at any time. If consumers are concerned about how their personal data is used by Nestlé, they can contact the Nestlé Group Data Protection Office or local markets’ data protection champions by using contact details included in Nestlé’s privacy notice available on all Nestlé websites. Concerns can also be raised via the *Speak Up* platform, also available from Nestlé websites.

Nestlé’s contact channels are regularly audited from a data privacy standpoint to make sure that they are always available and that there are effective procedures in place to respond to consumers privacy-related requests and complaints. Nestlé’s internal audit procedure includes an operational audit manual specific to data privacy, which aims to ensure that there is an effective process to respond to consumers privacy-related requests and complaints.

## Actions and resources

Despite having the appropriate and necessary data privacy and security controls in place, a potential data breach can happen. In order to mitigate the risk, Nestlé uses the following tools and takes the following actions:

- Data Privacy Maturity self-assessment to be carried out by each Nestlé market.
- Privacy Impact Assessments required as part of the privacy-by-design principle.
- Regular Vendor Privacy Risk Assessment as part of the due diligence.
- Internal and external audits.
- Close collaboration on data breaches with its vendors (if applicable) as well as local authorities.
- The data breach procedure with the internal security team includes root cause analysis of every data incident.
- Trainings for employees on how to protect personal data and report potential data breaches.

## Metrics and performance

Nestlé Specific KPIs: number of data breaches notified to authorities

	2023	2024
Number of data breaches notified to authorities	8	16

## Nestlé Specific KPIs

This section complements the two indicators in relation to the WHO Code compliance. It aims at providing an additional level of transparency on the reported KPIs in order to meet the criteria necessary to maintain Nestlé’s inclusion in FTSE4Good BMS Index, that it has consistently secured since its first inclusion in 2011. These require making annual summary reports publicly available on adherence to policy, non-compliance, and corrective action taken.

From a standalone report available on [nestle.com](https://www.nestle.com), going forward, Nestlé will fully integrate these reporting and transparency requirements into the Nestlé Non Financial Reporting – which is the reason for this subsection having more content compared to the other S4 subsections.

In 2024, Nestlé observed 186 instances of non-compliance. Of these, 86% (160 cases) were attributed to third parties that have a direct service relationship with Nestlé, while 14% (26 cases) were attributed to Nestlé.

Of the 186 total cases of non-compliance, 91% (169 cases) were detected via internal monitoring, internal audits and Nestlé’s grievance mechanisms, which include its whistleblowing system *Speak Up* and the WHO Code Ombudsperson system. The remaining 9% (17 cases) were reported by external stakeholders.

Nestlé also supports verification by external stakeholders. In 2024, the Access to Nutrition Initiative (ATNI) assessed Nestlé’s practices in China, Germany, Indonesia, Vietnam and the US. No instance of non-compliance was identified in relation to the Policy or local regulation.

In 2024, digital and e-commerce-related instances of non-compliance represented 52% of cases, mainly related to advertisements or promotion of products to consumers. Out of the digital and e-commerce-related instances of non-compliance, 92% (89 cases) were attributable to third parties; 8% were attributable to Nestlé. The root cause was often due to algorithm parameters on e-commerce, which failed to exclude promotional schemes, and operated without Nestlé’s consent.

### **Nestlé’s non-compliance**

Of the 186 cases outlined in this report, 26 cases (14%) were attributed to Nestlé. 35% of these were identified through Nestlé’s grievance mechanisms, followed by internal audit (31%), internal monitoring (19%) and external allegations (15%).

The highest number of cases was related to Healthcare Workers (Article 7), representing 31% of cases of non-compliance (8 cases). 23% of cases attributed to Nestlé related to The General Public and Mothers (Article 5) and another 23% of cases related to Persons Employed by Manufacturers (Article 8).

85% of cases (22 cases) attributable to Nestlé were due to lack of attention to the rules. Other reasons included deliberate breach for personal interest (3 cases). Nestlé proactively mitigates the causes of non-compliance by providing its employees working on maternal and early childhood activities with training upon hire, as well as reinforcing compliance on certain topics and internal reminders via Nestlé’s WHO Code Compliance Manager network. Furthermore, for verified repeat cases, disciplinary measures up to and including termination may be taken against employees depending on the nature of the breach.

### **Third-party non-compliance**

In 2024, 86% of cases of non-compliance (160 cases) were attributable to third parties with a direct contractual relationship with Nestlé. Of these 160 cases, the instances were mostly detected through Nestlé’s internal monitoring system (86%), followed by external allegations (8%), internal audit (4%) and grievance mechanisms (2%). The largest share of cases (90%) was related to The General Public and Mothers (Article 5). These were mostly related to promotion at point of sale, including discounts and rebates (68%), advertisements to the general public (16%) and special displays (15%). To mitigate, Nestlé includes the WHO Code compliance clauses in its formal agreements with third parties involved in BMS marketing.

The most common root cause of third-party non-compliance was lack of attention to the rules (41%), followed by lack of awareness (29%). To help mitigate these causes of non-compliance, Nestlé continues to raise awareness of, and compliance with, Nestlé’s Policy among third-party partners.

14% of third-party non-compliance cases (22 cases) were due to the use of e-commerce system algorithms, the majority of which were caused by an error or the underlying programming that did not prevent discounts on products covered by the Policy. 13% of third-party non-compliance (22 cases) were associated with absence of legislation, no regulation enforcement or interpretation of the law. The remaining 3% of cases (5 cases) were due to deliberate breach for personal interest.

### **Continuously improving Nestlé practices and compliance**

Short-term actions:

- Explore the opportunity to use digital tools more broadly to monitor and reinforce compliance with the Policy.

Actions for continuous improvement:

- Continue to strengthen the internal compliance reporting system to ensure consistent market reporting with the ability to provide real-time reporting of several key performance indicators: The governance, monitoring and reporting system have been updated and rolled out throughout 2024.
- Continue to raise awareness of, and compliance with Nestlé’s Policy among third-party partners: This is an ongoing activity that includes trainings, sending annual reminder letters, contract clauses and monitoring physical/online activities.



## Part 4 – Governance Disclosures

In this section, Nestlé provides disclosures on its material impacts, risks and opportunities relating to governance matters.

### Business conduct

#### In this section

- Corporate culture.
- Protection of whistle-blowers.

Nestlé's vision for its products is set out in its 'Good Food, Good Life' concept. Nestlé's purpose is to unlock the power of food to enhance quality of life for everyone, today and for generations to come. In pursuing this purpose, Nestlé is guided by its values, rooted in respect, and a profound commitment to upholding the highest standards of business conduct and creating shared value everywhere it operates.

Nestlé's business culture is shaped by its leadership, including the Board of Directors and the Executive Board. The Board of Directors oversees Nestlé's overall strategy regarding business conduct and ethical practices, while the Executive Board, led by the CEO, is responsible for implementing and enforcing them throughout the organization. Both the Board and the Executive Board discuss and approve changes to the Nestlé Corporate Business Principles and the Nestlé Code of Business Conduct. These documents serve as a compass which direct Nestlé's actions and decisions to ensure they align with its commitment to integrity, respect and responsible business practices.

Beyond the Board of Directors, Nestlé also has five committees: the Chair's and Corporate Governance Committee, the Compensation Committee, the Nomination Committee, the Sustainability Committee, and the Audit Committee. The latter supports the Board of Directors in its supervision of financial controls and oversees Nestlé's reporting. It also receives and reviews the consolidated results from Nestlé's reporting channel Speak Up on a yearly basis and is informed about compliance through the Compliance Report prepared by Group Compliance, which includes aspects of business conduct across Nestlé.

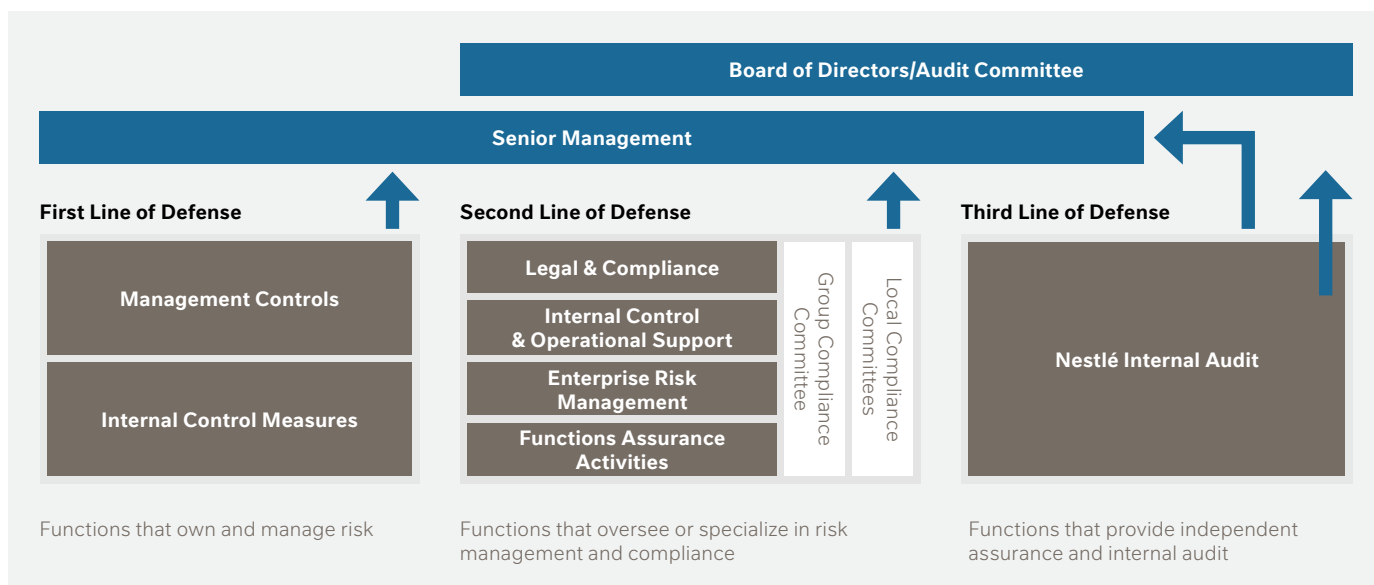
The heads of the markets where Nestlé operates, known as 'Market Heads', oversee and protect operations and act as the ultimate custodians of business conduct locally. They receive support from relevant departments both locally and at the corporate level. Markets have implemented a local Compliance Program and established a Compliance Committee in alignment with the Group model. They have also designated Compliance Officers who ensure adherence to Nestlé's standards. This structured approach ensures that Nestlé's commitment to ethical practices and regulatory compliance is maintained consistently across all levels of the organization.

Nestlé's management and supervisory bodies possess extensive expertise in business conduct matters, which is also reflected in the following areas:

- 1 Group Compliance Committee: This Committee is chaired by the Group Chief Compliance Officer and has as permanent members Group functional heads like Legal and Compliance, Human Resources, Regulatory, Safety and Health, Quality Management, Risk Management, IT, Public Affairs and Audit. It reviews and progresses Nestlé's Group Compliance Program and its governance and compliance activities. As such, this Committee monitors communication and training on Nestlé's business conduct culture.
- 2 Control and Assurance Framework: This Framework ensures an integrated and comprehensive risk and control management strategy, including on business conduct. At Nestlé, three lines of defense are in place to manage risk and controls:
  - First line of defense: Business ethics and compliance are a line management and leadership responsibility throughout Nestlé. This makes Market Heads the ultimate custodians of controls in the Markets and responsible for any escalation and implementation of corrective actions.
  - Second line of defense: Functions that oversee and are specialized in risk management, business ethics and compliance provide support and the implementation strategy, including policies and procedures, and are functionally responsible for business ethics and compliance. Based on the monitoring activities of the second line, the operational and management control processes are continuously improved.
  - Third line of defense: Nestlé Internal Audit exercises an independent assurance activity and proposes measures to improve risk and control management as well as measures to close operational gaps on control and compliance.



Control and Assurance Framework at Nestlé



By leveraging the expertise of its management and supervisory bodies, Nestlé ensures that its business conduct practices are transparent and aligned with its core values.

### Corporate culture

Business ethics and compliance are essential for sustainable business growth and are non-negotiable requirements for everything Nestlé does. Nestlé is committed to act with honesty, integrity and respect for its own values, principles and policies, and for the laws and regulations where it operates. Nestlé’s Compliance Management System (CMS) comprises policies, processes, controls and tools. Each year, Nestlé reinforces its CMS to ensure a risk-based approach which considers external factors such as society’s expectations and the increasing regulatory requirements. The CMS also considers internal factors such as the behaviors and findings observed in Nestlé’s audit programs, trends emerging from its *Speak Up* reporting channel, and insights provided by the Internal Audit and the Enterprise Risk Management functions.

At the heart of Nestlé’s CMS lies the Group Compliance Program which provides a comprehensive framework to ensure Nestlé conducts business in an ethical and principles-based manner.

The Group Compliance Program is executed following the four pillars shown on the next page. The first pillar ‘Governance and Culture’ sets the tone on business conduct and relies on Nestlé’s values, which are rooted in respect, the Nestlé Corporate Business Principles and the Nestlé Code of Business Conduct.

Group Compliance Program Pillars



To foster a strong compliance culture, Nestlé promotes global mandatory trainings. These trainings cover essential topics including the Nestlé Code of Business Conduct, the Nestlé Corporate Business Principles, data privacy, human rights, security and prevention of sexual harassment. By addressing these crucial subjects, Nestlé ensures a comprehensive approach to compliance and ethical practices throughout its organization. Most of these trainings are applicable for all employees. Additionally, tailored trainings address specific topics relevant to a target audience, such as antitrust, sanctions and transacting ethically and responsibly with a focus on anti-money laundering.

The Code of Business Conduct is the foundation of Nestlé’s stance against bribery and corruption, and it is enforced universally, even in regions where local laws might be more lenient.

Nestlé strictly prohibits its employees, service providers, and agents from engaging in bribery and corruption. The risks of corruption include the potential for employees to offer, promise, or accept improper advantages to gain business or preferential treatment.

Additionally, employees in certain roles must complete specialized mandatory training focused on anti-bribery and corruption. To identify and address potential risks or non-compliant behavior, the *Speak Up* program, as outlined in ‘Whistleblowing’, is promoted both within the organization and externally. Nestlé continues to enhance its anti-corruption measures through a risk-based approach, providing updated and specific guidance for functions that are more exposed to such risks.

At Nestlé, everyone is responsible for making decisions in Nestlé’s best interests. This means avoiding situations where personal interests and relationships, outside activities, or any other actions that may cause there to be a perceived or actual conflict with the interests of Nestlé. Nestlé implements mandatory conflict of interest declaration campaigns, as required by its Code of Business Conduct, and everyone is encouraged to disclose any potential conflict of interest in a timely manner to protect both the employee’s and Nestlé’s reputation.

## Whistleblowing

In line with the Nestlé Corporate Business Principles, Nestlé encourages everyone in the organization to speak openly on any matter, including concerns or suspicion of unlawful behavior including incidents of harassment, discrimination, abuse of power, bullying, fraud, corruption or conflict of interest, or any other potential non-compliance, and any incident and/or behaviors that go against Nestlé's values, Corporate Business Principles or Code of Business Conduct and the laws and regulations where it operates.

Nestlé encourages communication via various teams, including line managers, human resources, legal and compliance.

In 2021, Nestlé enhanced its grievance mechanisms by consolidating internal and external reporting platforms into a unified global system known as *Speak Up*. This unified approach ensures a streamlined and effective process for addressing and resolving grievances, reinforcing Nestlé's commitment to accountability and continuous improvement in human rights practices.

Building on this commitment, in 2024, Nestlé introduced the supply chain grievance management process to further strengthen the existing processes and establish an effective procedure for addressing grievances associated with any supplier that Nestlé purchases from, whether directly or indirectly.

*Speak Up* is a global hotline that is accessible to both Nestlé employees and external stakeholders. *Speak Up* allows issues to be raised confidentially, and anonymously if desired, ensuring that concerns are professionally handled. *Speak Up* provides both Nestlé employees and any external stakeholders with the opportunity to raise non-compliance concerns.

*Speak Up* can be accessed via corporate websites, QR codes, web forms, or through a phone line, and the system is independently operated by a third party to maintain the confidentiality and anonymity of the reporter when requested. In addition, *Speak Up* is regularly communicated across Nestlé to encourage its use and increase its visibility as a reliable grievance mechanism.

Furthermore, Nestlé prohibits any retaliation against an employee, individual or entity who has made a report in good faith. Measures to protect against retaliation include implementation of trackers in the *Speak Up* Case Management System, providing adequate visibility on the execution of Nestlé's commitment.

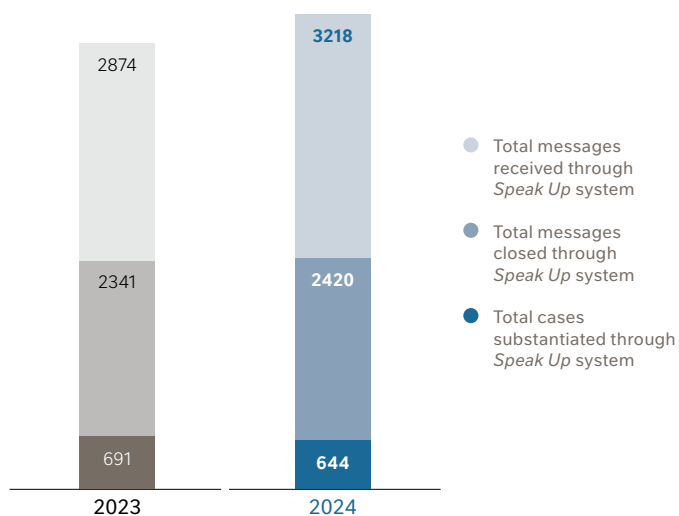
Each report received through *Speak Up* is handled professionally and confidentially. Substantiated cases from these reports lead to appropriate disciplinary actions, including termination of employment or contracts, reflecting the seriousness with which Nestlé approaches these investigations.

Nestlé has developed a toolkit, which is supported by training, on how to conduct investigations on behavior-related allegations in order to provide guidance and share best practices on the topic. Nestlé continues to promote this toolkit and training among human resources and compliance teams in the Markets involved in investigations, ensuring prompt and objective investigation practices throughout Nestlé.

Once submitted, the process for reported incidents is as follows:

- 1 Response: Acknowledgement of report within five working days.
- 2 Triage: Each report is reviewed carefully and an investigation is usually conducted by the Market Compliance Officer in the region/country where the incident is said to have taken place. A number of categories of reports are escalated to Group Compliance.
- 3 Confidentiality: To ensure the investigation is confidential, Nestlé will only involve people who need to be involved. As a general practice, it takes around 90 days for an investigation to be concluded. However, for complex matters more time may be needed.
- 4 Decision: After reviewing all the findings of the investigation, Nestlé will decide if any further action needs to be taken, including disciplinary measures, and provide a final reply to the reporter.

Total messages and cases *Speak Up* (number)



In 2024, Nestlé received 12% more messages than in 2023, while the number of substantiated cases decreased by 7%.

Non-compliance concerns raised through *Speak Up* selected sub-categories (number)

	Messages received 2024	Cases substantiated 2024
Labor practice	292	37
Harassment (excluding sexual harassment)	216	42
Fraud (misappropriation or misconduct on accounting/financial statement)	130	46
Safety and health	155	28
Bribery and corruption (including conflicts of interest) <sup>(1)</sup>	189	33
Violence and discrimination	146	35
Sexual harassment	72	26
Confidential information, privacy policy (data privacy, trade secrets, intellectual property)	44	5
Human rights (child labor, forced labor and modern slavery)	3	0

(1) Messages substantiated did not involve government officials.

## Nestlé Specific KPIs

Financial political contributions KPI

	2023	2024
Total monetary value of financial political contributions made by the organization in Switzerland (CHF)	225 000	225 000

# About this Report

## Independent assurance

Nestlé engaged a single third party provider, Ernst & Young Ltd (EY), to provide independent assurance on its 2024 Non-Financial Statement. EY provided limited assurance on select environmental, social and governance Key Performance Indicators (KPIs) and non-financial matters. This assurance engagement was performed by EY in accordance with the International Standard on Assurance Engagements (ISAE 3000) to provide limited assurance. Read the independent assurance statement: see [Appendix 9 – Assurance statement](#) and the [Appendix 1 – 2024 Reporting Scope and Methodology for ESG Key Performance Indicators](#) that provides details and definitions of the selected key KPIs.

## Forward-looking statements

This Non-Financial Statement 2024 reflects Nestlé's current views and estimates based on the data and information available at the time of publication. Changes in circumstances or new information may have occurred since the Non-Financial Statement 2024 publication, which could impact the accuracy of certain details.

Nestlé has undertaken the requisite efforts to ensure the accuracy and reliability of the information in this Non-Financial Statement 2024. This Non-Financial Statement 2024 includes metrics that are subject to measurement uncertainties due to inherent limitations in the nature and methods for data collection and measurement. The precision of different collection and measurement techniques may also vary. This Non-Financial Statement 2024 includes data or information obtained from external sources or third parties. This Non-Financial Statement 2024 contains forward-looking statements regarding Nestlé's sustainability commitments, targets, outlook and plans. These statements are based on numerous assumptions and estimates which can vary over time. This could cause actual results to differ materially from those contained in the forward-looking statements. Factors that may cause discrepancies include changes in circumstances, assumptions not being realized, scientific or technological developments, evolving sustainability strategies and governmental regulations, market conditions and other risks, uncertainties and factors.

## Disclaimer

The Non-Financial Statement 2024 is prepared in good faith and is based on the information available during the reporting period. While Nestlé endeavors to ensure the accuracy and completeness of the information in the Non-Financial Statement 2024, certain disclosures are subject to ongoing review and refinement as sustainability reporting standards and methodologies evolve. There have been no material events subsequent to December 31, 2024 to the best of Nestlé's knowledge, which require adjustment of the reported amounts or additional disclosure in its Reports at that date or for the January 1, 2024 to December 31, 2024 period.

By accessing this Non-Financial Statement 2024, each reader of this Non-Financial Statement 2024 acknowledges and agrees that Nestlé shall not be liable for any direct, indirect, incidental, consequential, or any other loss or damage that may result from the use of the information contained in this Non-Financial Statement 2024.

# Appendix 1 – 2024 Reporting Scope and Methodology for ESG Key Performance Indicators (KPIs)

## Introduction

This document explains the definition, scope, methodology, and assumptions used to calculate and report each of the metrics with limited assurance by the external auditor (the “Selected ESG KPIs”) that were used to evaluate performance and effectiveness in relation to the identified material impacts, risks, or opportunities.

For the design of the Selected ESG KPIs, Nestlé considered voluntary reporting frameworks and standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the World Economic Forum (WEF) Stakeholder Capitalism Metrics. Nestlé also considered the requirements of the Article 964a-c of the Swiss Code of Obligations, and the European Corporate Sustainability Reporting Directive (CSRD).




This Methodology Note is applicable for the 2024 reporting. Nestlé may review the methodology and the Selected ESG KPIs annually to reflect changes to its business priorities, regulatory requirements, materiality assessments, industry best practices and standards, and stakeholder feedback.



The general scoping rules are described in the Non-Financial Statement 2024, ‘Part-2 General Disclosures’. All Selected ESG KPIs will follow these rules except when expressly stated otherwise in this document.

## Data collection

The data reported is covering the 2024 calendar year unless mentioned otherwise in the Selected ESG KPI details. Each KPI has its own internal guideline which defines processes, tools, roles, and responsibilities – a summary of which is provided in this document. All data is extracted from Nestlé systems or systems from third parties with their authorization when relevant. Data not available in the systems is construed in good faith according to best practice and industry standards.

## Selected ESG KPI List

#	Name of KPI	Related topics
 <b>General</b>		
1	Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts	General – Cross cutting
2	Total number of employees (head count)	General – Cross cutting
 <b>Environment</b>		
3	Percentage net reduction of greenhouse gas (GHG) emissions vs 2018 baseline	Climate change
4	Total energy consumption related to own operations (factories only)	Climate change
5	Gross Scope 1 greenhouse gas (GHG) emissions	Climate change
6	Gross market-based Scope 2 greenhouse gas (GHG) emissions	Climate change
7	Gross Scope 3 greenhouse gas (GHG) emissions	Climate change
8	Quality of effluents discharged to the environment	Pollution
8-1	Total direct output of chemical oxygen demand (COD) load to the environment	Pollution
8-2	Aggregated annual chemical oxygen demand (COD) concentration	Pollution
9	Water use reduction in factories	Water resources
10	Nestlé Waters sites certified to the Alliance for Water Stewardship (AWS) Standard	Water resources
11	Nestlé Waters volumetric water benefits delivered by implementing local water stewardship projects	Water resources
11-1	Nestlé Waters volumetric water benefits (VWB) delivered by implementing local water stewardship projects (m <sup>3</sup> /year)	Water resources
11-2	Percentage of total withdrawn volumes that are 'regenerated'	Water resources
11-3	Percentage of sites where projects started to deliver volumetric water benefits (VWB)	Water resources
12	Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	Biodiversity and ecosystems
13	Percentage of key ingredients sourced from farmers adopting regenerative agriculture practices	Biodiversity and ecosystems
14	Percentage of key ingredients responsibly sourced	Climate change
15	Plastic packaging designed for recycling	Resource use and circular economy
16	Virgin plastic reduction versus 2018 baseline	Resource use and circular economy
17	Total weight of packaging	Resource use and circular economy
18	Total weight of waste generated in tonnes and a breakdown of this total by composition of the waste	Resource use and circular economy
 <b>Social</b>		
19	Percentage of management positions held by women	Own workforce
20	Percentage of women executive officers	Own workforce
21	Recordable injury rate per million hours worked	Own workforce
22	Total recordable fatalities (injury related)	Own workforce
23	Total irreversible injuries	Own workforce
24	Recordable illness rate per million hours worked	Own workforce
25	Total recordable fatalities (illness related)	Own workforce
26	Total irreversible illnesses	Own workforce
27	Global mean (average) raw gender pay gap	Own workforce
28	Total number of employees with breakdown	Own workforce
28-1	Total number of employees by employment type (permanent and temporary) by gender	Own workforce
28-2	Total number of employees by employment type (permanent and temporary) by region	Own workforce
28-3	Total number of employees on a full-time or part-time employment by gender	Own workforce
29	Average hours of technical or vocational training provided to workers in the company	Own workforce
30	Young people around the world with access to economic opportunities since 2017	Affected communities

#	Name of KPI	Related topics
 <b>Social (continued)</b>		
31	CARE audits performed	Own workforce
32	Number of households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labor risks	Workers in the value chain
33	Percentage of volume of cocoa covered by the CLMRS or other dedicated due diligence systems, including mass balance	Workers in the value chain
34	Community giving investment: total amount	Affected communities
35	Percentage of Food Safety System Certification (FSSC) Certified Manufacturing and R&D units that produce food and pet food for human and pet (cats and dogs) consumption	Consumers and end users
36	Percentage of ingredients sourced from Tier-1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Consumers and end users
37	Nutritional value transparency: Health Star Rating (HSR)	Consumers and end users
37-1	Health Star Rating: less than 1.5 (without pet care)	Consumers and end users
37-2	Health Star Rating: between 1.5 and 3.5 (without pet care)	Consumers and end users
37-3	Health Star Rating: 3.5 and above (without pet care)	Consumers and end users
37-4	Specialized nutrition: without pet care (HSR)	Consumers and end users
37-5	Percentage of global Net Net Sales (NNS) covered by the assessment: without pet care (HSR)	Consumers and end users
37-6	Health Star Rating: less than 1.5 (with pet care)	Consumers and end users
37-7	Health Star Rating: between 1.5 and 3.5 (with pet care)	Consumers and end users
37-8	Health Star Rating: 3.5 and above (with pet care)	Consumers and end users
37-9	Specialized nutrition: with pet care (HSR)	Consumers and end users
37-10	Percentage of global Net Net Sales (NNS) covered by the assessment: with pet care (HSR)	Consumers and end users
38	Number of countries with audits on the Nestlé Policy for implementing the WHO Code	Consumers and end users
39	Instances of detected non-compliances with the Nestlé Policy for implementing the WHO Code	Consumers and end users
40	Compliance with Nestlé Marketing Communication to Children Policy	Consumers and end users
41	Number of servings of affordable nutrition with micronutrient fortification	Consumers and end users
42	Total number of servings of micronutrient fortified foods and beverages	Consumers and end users
 <b>Governance</b>		
43	<i>Speak Up</i> system	Business conduct
43-1	Total messages received through <i>Speak Up</i> system	Business conduct
43-2	Total messages closed through <i>Speak Up</i> system	Business conduct
43-3	Total cases substantiated through <i>Speak Up</i> System	Business conduct



## General



### KPI #1

## Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts

#### Definition

The KPI aims to establish the percentage of variable pay related to sustainability targets (or impact) related to members of Nestlé’s management and supervisory bodies.

The KPI reported is comprised of two values as variable remuneration targets are distinguished between short-term incentive (STI) and long-term incentive (LTI), which include management and supervisory bodies.

Nestlé’s Board of Directors is the supervisory body and the Executive Board is the management body.

#### Assumptions, scope and exclusions

The KPI’s upon which the STI remuneration is based upon are:

- Percentage net reduction of greenhouse gas emissions vs 2018 baseline.
- Virgin plastic reduction versus 2018 baseline.
- Cubic meters of water use reduced in factories.
- Number of servings of affordable nutrition with micronutrient fortification.
- Percentage of management positions held by women.

The KPI upon which the LTI remuneration is based upon is: Percentage net reduction of greenhouse gas emissions vs 2018 baseline.

#### Methodology, calculation and data collection

For the Executive Board (management body, including CEO) the target percentage of the variable pay of STI and LTI are reported in the Nestlé Compensation Report in the section of the total compensation package elements of STI and LTI.

The data for the two groups (i.e. supervisory body and management body) will be collected and reported in alignment to those reports referred above.



### KPI #2

## Total number of employees (head count)

#### Definition

The KPI aims to measure the number of employees in each one of the regions by employment types and genders.

Power BI. This data is then merged with the manually collected Headcount data from our non-system integrated entities, which then gives the Total Headcount for the Group. The head count will be disclosed as a year-end (December, 31 of respective reporting period) metric: One head count equals one person (irrespective of full-time or part-time).

#### Assumptions, scope and exclusions

Head counts represent only own employees (excludes temporary agency workers, third-party employees, self-employed workers and co-manufacturer employees).

## Environment



### KPI #3

## Percentage net reduction of greenhouse gas (GHG) emissions vs 2018 baseline

#### Definition

This KPI aims to measure the reductions in greenhouse gas (GHG) emissions<sup>(1)</sup> across all three Scopes of Nestlé activities versus base year 2018, in order to achieve net zero emissions by 2050.

Benefits from the climate projects implemented by Nestlé related to GHG reductions and GHG removals are contributing to improve Nestlé's climate performance and are accounted for in Nestlé's GHG accounting. Project's reductions and removals are calculated with support of Nestlé's third-party project partners. The results are monitored, reported and evidenced in Nestlé's ESG Project Portfolio Management system, which is set up to track and optimize investments and non-financial outcomes. For carbon removals, the calculations are made as per the GHG Protocol standards and SBTi requirements, and other established project carbon accounting methodologies (e.g. Verra, VCI, Gold Standard).

#### Methodology, calculation and data collection

$$\text{Percentage net reduction of GHG emissions vs 2018 baseline} = \frac{\left( \text{Net GHG emissions}_N - \text{Net GHG emissions}_{2018} \right)}{\text{Net GHG emissions}_{2018}}$$

$$\text{Net GHG emissions}_N = \left( \text{GHG emissions}_N - \text{GHG delivered removals}_N \right)$$

$$\text{Net GHG emissions}_{2018} = \left( \text{GHG emissions}_{2018} - \text{GHG delivered removals}_{2018} \right)$$

#### Assumptions, scope and exclusions

Nestlé follows the standards and guidance provided by the GHG Protocol and the SBTi for its corporate GHG accounting and reporting. Removals projects on farms supplying Nestlé are, in accordance with SBTi, contributing to Nestlé's FLAG target. In 2024, this equated to 1.60 million tonnes CO<sub>2</sub>e, representing 97.3% of the total removals. Removals projects in Nestlé's sourcing landscapes are contributing to Nestlé's Net Zero target. In 2024, this equals to 0.04 million tonnes CO<sub>2</sub>e, representing 2.7% of the total removals.<sup>(2)</sup>

(1) Refer to KPIs #5, #6 and #7 for GHG emissions definition.

(2) Pending the publication of the SBTi guidance on Neutralization.



**KPI #4**

**Total energy consumption related to own operations (factories only)**

**Definition**

This KPI includes energy directly consumed by Nestlé in its factories during the reporting period; energy coming from all sources: energy purchased from external sources; and energy produced by the entity itself.

In calculating energy consumption from fuels and biofuels, Nestlé uses lower heating values (LHV), also known as net calorific value (NCV), which are provided by the supplier or taken from the Intergovernmental Panel on Climate Change (IPCC).

**Assumptions, scope and exclusions**

Estimation methods in case of data unavailability vary by factory and production activity. In these cases, Nestlé either uses the previous year’s data, benchmarked versus previous year’s, or the average of other month’s consumption for periods with similar production.

Values are for Nestlé processes (i.e. excluding consumption for operations from third parties in Nestlé sites and energy sold externally).

**Methodology, calculation and data collection**

Energy consumption data is reported in Nestlé’s manufacturing IT system (SHE-PM), which centralizes activity data from all factories that are in-scope. Data comes from energy suppliers’ invoices, and when these are not available (e.g. self-generation) from Nestlé’s metering.



**KPI #5, #6 and #7**

**Greenhouse gas emissions Scopes 1, 2 and 3**

**Definition**<sup>(3)</sup>

**KPI #5:** Gross Scope 1 greenhouse gas emissions.

**KPI #6:** Gross market-based Scope 2 greenhouse gas emissions.

**KPI #7:** Gross Scope 3 greenhouse gas emissions.

GHG emissions. GPS pulls data from Scope 1 and Scope 2 directly from SHE-PM. For Scope 3 emissions, GPS uses activity data directly from Nestlé’s central data systems (e.g. purchasing data from SAP, packaging data from Nestlé’s packaging tracker, etc.) which is updated on a quarterly basis.

The main data sources used for Nestlé’s GHG emissions calculation are listed below in Table A.

**Assumptions, scope and exclusions**

In 2024, Nestlé will disclose for GHG reporting, as follows:

- If a company is fully consolidated in the financial statements, 100% of the emissions of the company.
- If Nestlé has a 50% shareholding of a company, 50% of the emissions of Nestlé non-consolidated joint ventures CPW and Lotte.
- If Nestlé has less than a 50% shareholding of a company, 0% of the emissions of the company.

You can find the details of emission categories used for calculation and used for Nestlé SBTi target in the Table B on the following page.

**Methodology, calculation and data collection**

Annual greenhouse gas (GHG) emissions from Scope 1 and Scope 2 (Market-based), and Scope 3, are calculated following the latest version of GHG Protocol Corporate Standard and guidance provided by the Science Based Targets initiative (SBTi).

Actual GHG emissions for Scopes 1, 2 and 3 are tracked through Nestlé’s internal GHG accounting system, GPS. The GPS system was developed internally for GHG accounting and reporting and the methodology governing the system is aligned with the GHG Protocol Corporate Standard. Scope 1 and 2 GHG emissions are accounted in Nestlé’s manufacturing IT system, SHE-PM. With the activity data and emission factors collected in the system, Nestlé performs the calculation of the Group Scope 1 and Scope 2

(3) KPIs are defined as in the GHG Protocol Corporate Standard.

For a limited number of recently acquired entities, while they are fully integrated into the company internal ERPs, GHG emissions are extrapolated based on the entities' annual net sales and an emissions intensity factor (expressed in tonnes of CO<sub>2</sub> equivalent per sales) which is calculated based on Nestlé's other entities integrated into internal ERPs.

Table A

GHG scope	Main activity data sources	Main emission factors sources
<b>General</b>		
Scope 1	Factories (and other site types) energy consumption reporting	Latest available versions of: GHG Protocol Stationary Combustion Tools 'Greenhouse Gas Protocol V1.3' (AR5 Applied), Department for Business, Energy & Industrial Strategy (BEIS) – 2024 v1.1 (AR5 Applied) and Refrigerant-related emissions taken from IPCC (AR5).
Scope 2	Factories (and other site types) purchased electricity, heat and steam consumption reporting	Latest available versions of International Energy Agency (IEA) emissions factors database, US Environmental Protection Agency eGRID database, Green-e database, Association of Issuing Bodies (AIB) European residual mix database. Market-based emissions are partially calculated with residual mix emission factors (in Europe and US only).
Scope 3	Data from internal Enterprise Resource Planning systems (ERPs)	Latest available version of various recognized sources depending on categories: World Food Life Cycle Analysis (LCA) Database, DEFRA, IEA, EcoInvent. External EcoTransIT calculator for upstream and downstream transportation and distribution.

Table B

GHG Protocol scope	GHG Protocol emissions category	Calculated and disclosed in total Nestlé scope?	Included in Nestlé SBTi target scope?
Scope 1	Direct GHG emissions	Yes	Yes
Scope 2	Indirect GHG emissions	Yes	Yes
Scope 3	1. Purchased goods and services (excluding Purchased services)	Yes	Yes
Scope 3	1. Purchased goods and services (Purchased services)	Yes	No
Scope 3	2. Capital goods	Yes	No
Scope 3	3. Fuel- and energy-related activities not in Scope 1 or 2	Yes	Yes
Scope 3	4. Upstream transportation and distribution	Yes	Yes
Scope 3	5. Waste generated in operations	Yes	Yes
Scope 3	6. Business Travel	Yes	Yes
Scope 3	7. Employee commuting	Yes	Yes
Scope 3	8. Upstream leased assets	Yes	No
Scope 3	9. Downstream transportation and distribution	Yes	Yes
Scope 3	10. Processing of sold products	No	No
Scope 3	11. Direct use of sold products	Yes	No
Scope 3	12. End-of-life treatment of sold products	Yes	Yes
Scope 3	13. Downstream leased assets	No	No
Scope 3	14. Franchises	No	No
Scope 3	15. Investments	Yes	No
Optional	Indirect use of sold products	Yes (separately)	No



**KPI #8-1 and #8-2**

**Quality of effluents discharged to the environment**

**Definition**

**KPI #8-1:** Total direct output of Chemical Oxygen Demand (COD) load to the environment.

**KPI #8-2:** Aggregated annual Chemical Oxygen Demand (COD) concentration.

The selected KPIs to represent the quality of effluents is the total direct output of COD load of any effluent volumes originating from Nestlé’s factories at point of discharge to the environment (e.g. surface water or irrigation).

The direct output of COD load to the environment is calculated as follows:

$$\text{Direct output of COD load [T]} = \frac{\left( \text{COD [mgO}_2\text{/l]} \times \text{Total water discharge [m}^3\text{]} \right)}{1000000}$$

Where the total direct output results from:

$$\text{Total direct output COD load [T]} = \left( \begin{array}{l} \text{Total direct output COD load from internal treatment [T]} \\ + \\ \text{Total direct output COD load from third-party treatment [T]} \\ + \\ \text{Total direct output COD load from clear water [T]} \end{array} \right)$$

**Methodology, calculation and data collection**

COD concentration in [mgO<sub>2</sub>/l] of treated effluents is measured daily (working days) by the factory using globally recognized methods. The data is recorded locally along with volumes of treated effluent discharged to the environment. The average monthly COD concentration (direct average or weighted average) in [mgO<sub>2</sub>/l] is then reported monthly internally along with effluent volumes in m<sup>3</sup>.

For effluents treated by third parties, the factory reports the effluent volumes along with the COD concentration [mgO<sub>2</sub>/l] of the treated effluent. In this case the COD concentration value is a yearly average provided by the third-party effluent treatment plant or, in its absence, the applicable legal COD discharge limit. This value is then converted into direct load of COD, in tonnes. This conversion allows for aggregation at Market, Zone and Company level.

$$\text{Aggregated annual COD concentration [T]} = \left( \begin{array}{l} \text{Aggregate weighted average concentration for internal effluent treatment} \\ + \\ \text{External effluent treatment plant} \\ + \\ \text{Clear water discharge} \end{array} \right)$$

**Assumptions, scope and exclusions**

The KPIs are measured for all Nestlé factories in scope for ESG reporting, discharging effluents directly, or via third-party effluent treatment plants to the environment (e.g. surface water or irrigation) after treatment.

Effluent quality parameters are regulated by threshold values, issued locally. Additionally, Nestlé Environmental Requirements (NER) define COD threshold limits, based on internationally recognized water quality standards, such as Urban Waste Water Treatment Directive (UWWTD) ‘Directive 91/271/EEC’ and the International Finance Corporation (IFC) World Bank general environmental, health and safety (EHS) guidelines.

The COD concentration of Once-Through-Cooling (OTC) water is assumed to be zero. OTC water represents 4.6% of the total water discharge.



## KPI #9

### Water use reduction in factories

#### Definition

Annualized reduction of water use from Nestlé factories obtained from qualifying improvement projects delivering benefits in the reporting year and measured in m<sup>3</sup> of water usage reduced.

#### Assumptions, scope and exclusions

KPIs are measured for all Nestlé factories in scope for ESG reporting.

A project contributes to the KPI only when it meets the qualifying criteria: a) Existing Withdrawal: the project relates to an actual, existing and ongoing water withdrawal by the factory; b) Direct Cause: the project is the direct cause to the water use reduction; and c) Permanent: the water use reduction achieved by the project is permanent.

Annual water use reductions count toward the reporting year only when the reductions have been realized in that year. Water usage and reduction cannot be offset, assigned nor transferred between factories or third parties. Each water use and reduction is subject to the party that claims it. A difference of usage arising as a result of a change of meter readings is not a certain indication of a water savings project.

#### Methodology, calculation and data collection

This KPI is the consolidated sum of reductions from each project.

Project reductions are calculated based on the projected annualized reductions following the realization of the project.

The annualized reductions are calculated using the actual representative performance of the project over the first full period of delivery (e.g. full week, month), extrapolated for a 12-month period, using a rigorously documented projection of performance.

Annualized reductions contribute to the KPI only for the months of contribution in the current year. Any balance is carried forward in the following year for the remaining months.



## KPI #10

### Nestlé Waters sites certified to the Alliance for Water Stewardship (AWS) Standard

#### Definition

This KPI reports on the number of Nestlé Waters sites that have been certified or re-certified to the Alliance for Water Stewardship (AWS) standard. The AWS standard is available here: [AWS Standard 2.0](#).

#### Assumptions, scope and exclusions

The scope comprises all entities that are (or were) Nestlé Waters factories during the reporting calendar year and are in scope for ESG reporting.

#### Methodology, calculation and data collection

In order to be certified, sites must follow and comply with the AWS standard requirements, available here: [AWS Certification Requirements V3.1](#). The AWS Certification Requirements detail all processes and expectations.

Sites are audited by Water Stewardship Assurance Services (WSAS) against the AWS standard.



**KPI #11-1, #11-2 and #11,3**

**Nestlé Waters volumetric water benefits delivered by implementing local water stewardship projects**

**Definition**

These KPIs report on the volumes of water annually ‘regenerated’ by projects implemented within the same watershed where Nestlé Waters operates. It is expressed in three sub-KPI’s.

**KPI #11-1:** Nestlé Waters volumetric water benefits (VWB) delivered by implementing local water stewardship projects [m<sup>3</sup>/year].

**KPI #11-2:** Percentage of total withdrawn volumes that are ‘regenerated’.

**KPI #11-3:** Percentage of sites where projects started to deliver volumetric water benefits (VWB).

**Methodology, calculation and data collection**

Each Nestlé Waters factory is required to implement projects delivering a volume of water equal to its annual water withdrawal, through relevant water stewardship initiatives that address local shared water challenges.

This volume of water regenerated is tracked as volumetric water benefit (VWB) measured in m<sup>3</sup>/year. VWBs are the volume of water resulting from water stewardship activities, relative to a unit of time, that modify the hydrology in a beneficial way and (or) contribute toward reducing shared water challenges. This approach and the methodological underpinnings of ‘water regeneration’ follow the rules defined in the Volumetric Water Benefit Accounting method.

Nestlé Waters tracks the total VWB delivered through water stewardship projects; the number of sites (i.e. watersheds) where Nestlé Waters operates, that have projects delivering VWBs; and the percentage of total annual water withdrawal that are regenerated through the delivery of VWBs.

**KPI #11-1 calculation**

$$\text{Nestlé Waters volumetric water benefits (VWB) delivered by implementing local water stewardship projects [m}^3\text{/year]} = \left( \frac{\text{Sum of all VWBs delivered per local water stewardship project [m}^3\text{/year]}}{\text{Total Nestlé Waters annual water withdrawal [m}^3\text{/year]}} \right)$$

**KPI #11-2 calculation**

$$\text{Percentage of total withdrawn volumes that are 'regenerated'} = \left( \frac{\text{The sum of all VWBs delivered per local water stewardship project [m}^3\text{/year]}}{\text{Total Nestlé Waters annual water withdrawal [m}^3\text{/year]}} \right)$$

**KPI #11-3 calculation**

$$\text{Percentage of sites where projects started to deliver volumetric water benefits (VWB)} = \left( \frac{\text{The number of Nestlé Waters sites where VWBs have started to deliver}}{\text{Total number of Nestlé Waters sites in scope (per the pledge)}} \right)$$

**Assumptions, scope and exclusions**

The scope comprises all entities that are (or were) Nestlé Waters factories during the reporting calendar year and are in scope for ESG reporting.

VWBs are subject to the site that claims them and cannot be transferred between factories.

Each site can only claim a volume that amounts to its yearly withdrawals or that is lower.

VWBs are aggregated at Nestlé Waters level on a quarterly basis. Once the end-date of a local water stewardship is reached, the VWB’s delivered are maintained and will continue to count toward future years reporting (provided that the project is monitored and effectively continues delivering VWBs). Nestlé Waters accounts for VWB’s from projects with start dates from 2016 onwards.





**KPI #12**

**Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free**

**Definition**

'Deforestation-free' means that commodities in scope were assessed as produced on land that has not been subject to deforestation after commodity sectoral cut-off dates where they exist, but in no case later than December 31, 2020.

Sourced volume is assessed deforestation-free when it is one of the following:

- Traceable to low-risk origin.
- Assessed on the ground.
- Assessed from the sky.

This toolkit risk-based approach aims at ensuring that the commodities in scope that Nestlé buys do not originate from certain areas, including:

- High Carbon Stock forests.
- Natural ecosystems including wetlands and savannas.
- Peatlands of any depth, except where farming practices protect peat.
- International Union for Conservation of Nature (IUCN) protected areas categories I-IV.
- UNESCO World Heritage Sites and wetlands on the Ramsar List.

Volumes are in tonnes and come from datasets such as SAP, third parties (including suppliers declarations), Legendairy for fresh milk, and from GCQC systems for green coffee, covering the reporting year as described below:

- January – December year N for soy and coffee.
- Exceptions:
  - October N-1 – September N for meat, cocoa and sugar.
  - April N-1 – March N for palm oil.
  - January – December N-1 for pulp and paper.

To implement the KPI, Nestlé applies a toolkit risk-based approach. Nestlé maps its supply chains to know where the commodities in scope are bought from. In at-risk origins, Nestlé takes steps to verify that purchases are not contributing to deforestation or conversion of natural habitats.

Based on this approach, the following volumes of commodities in scope are assessed as deforestation-free:

- Traceable to low-risk origin: Volumes have been traced back to national or subnational regions classified as at low risk of deforestation using tools like, but not restricted to, Maplecroft. The traceability exercise is carried out in collaboration with Nestlé's partners (e.g. Earthworm Foundation, Global Risk Assessment Services (GRAS) and Proforest) and, because of its low-risk nature, does not require segregation.
- Assessed on the ground: Volumes have been assessed through on-the-ground assessments with required traceability back to the first aggregator (e.g. mill, cooperative). The assessment includes, but is not restricted to, assessment on High Carbon Stock (HCS) and High Conservation Value (HCV) areas, by Nestlé partners (e.g. Earthworm Foundation, Proforest, Société Générale de Surveillance (SGS)) and (or) through certification such as the Round Table on Responsible Soy (RTRS) and Proterra (i.e. soy), Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC) (paper), and the Roundtable on Sustainable Palm Oil (RSPO) (i.e. palm oil), and the Rainforest Alliance (i.e. coffee and cocoa).
- Assessed from the sky: Volumes have been assessed through satellite monitoring of production sites (e.g. farms, mills or supply area) in Nestlé's supply chain, identified through traceability exercise.

**Methodology, calculation and data collection**





**Assumptions, scope and exclusions**

The commodities in scope include the direct supplies of palm oil, pulp and paper (excluding office paper and paper labels, and volumes from Eurasia as they were not in the 2024 scope due to the situation in Ukraine (for these volumes, 2023 data is reported), soy (including lecithin and oil), meat (excluding by-products and seafood meats), green coffee (excluding blended green coffee, as well as Blue Bottle Coffee), cocoa (including cocoa beans, cocoa powder,

cocoa liquor, cocoa butter and chocolate), and sugar (excluding caramel).

Estimation methods in case of inconsistent data or unavailability of the data vary by key commodity. In these cases, Nestlé i) either uses the previous year’s data, benchmarked versus the previous years to demonstrate consistency of supply or accuracy, or ii) uses the industry average for translating unit of sourcing into consistent unit of measures (this is particularly applicable for paper).



**KPI #13**

**Percentage of key ingredients sourced from farmers adopting regenerative agriculture practices**

**Definition**

‘Regenerative agriculture’ is an approach to farming that aims to protect, renew, and restore farmland and its ecosystem. The techniques associated with regenerative agriculture aim to improve the resilience of farmland to climate change and can contribute to improve livelihoods, while reducing greenhouse gas emissions. They include, among others, enhancement of biodiversity, soil conservation, regeneration of water cycles and integration of livestock.

The Nestlé Agriculture Framework released in September 2022 describes Nestlé’s corporate vision for agriculture as a central building block for a regenerative food system.

Volumes are in tonnes, covering the reporting year.

Nestlé has created crop-specific assessment tools (Nestlé Regen. Ag. Farm Assessment Tools) which include checklists of regenerative agriculture practices and a scoring system. These assessment tools allow Nestlé to classify the level of regenerative agriculture practices implementation at farms as Engaged (Level 1), Advanced (Level 2) or Leading (Level 3) and to report accordingly part of the sourced volumes. This ranking of farm maturity levels is done through individual farm assessments carried out by Nestlé Agronomists or third-party partners.

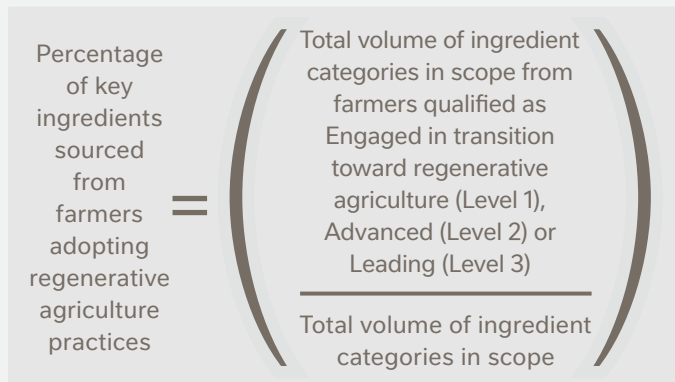
Level 1 is an entry point in regenerative agriculture and constitutes a transition toward more advanced practices of regenerative agriculture (Level 2 and Level 3). Farm assessments results have a validity of three years.

The farmers who are not falling in any category are considered as practicing conventional agriculture.

The Nestlé Agriculture Framework provides more detailed information on the criteria for the regenerative agriculture classification of farms.

For the Nestlé Farmer Connect value chain, Nestlé collects and manages information directly at farm level. For indirect sourcing, farm level data is collected first by suppliers or a third party and then shared with Nestlé in aggregated form. Each supplier assessment tool, issued from its specific supplier framework with its own requirements, is benchmarked against Nestlé’s requirements. National legislation equivalence to Level 1, Level 2 or Level 3 is reviewed every two years.

**Methodology, calculation and data collection**



### **Assumptions, scope and exclusions**

The scope of denominator of this KPI includes the following ingredient categories: dairy (i.e. fresh milk and milk derivatives); coffee; cereals and grains; soy; vegetables (including leguminous seeds); cocoa; palm oil; sugar; fish and seafood; meat, poultry and eggs (co- and by-products excluded). The volumes in scope include the purchased quantities of the above ingredients from the following systems: SAP, Legendairy for fresh milk, and GCQC for green coffee.

The scope of numerator in 2024 includes agricultural raw materials coming both from the Nestlé Farmer Connect value chain (Nestlé's Farmer Connect program works directly with farmers to ensure supply of certain agricultural raw materials) and from industrial suppliers for the following categories: dairy (i.e. fresh milk and dairy derivatives); coffee (excluding blended green coffee and Blue Bottle Coffee); cocoa; cereals and grains; soy; vegetables; and sugar.

Volumes from non-SAP entities, as well as blended green coffee, are excluded from the scopes. Volumes of dairy derivatives, vegetables, and eggs have been converted into their fresh equivalents. Volumes of cocoa ingredients have been converted into bean equivalents.

For the annual reporting, the total volume used is the actual volume delivered at factory level or its best estimate when closing data are not available. These volumes are aligned with the volumes of the KPI 'Percentage of key ingredients responsibly sourced', for the same categories in scope.

Estimation methods in case of inconsistent data or unavailability of the data vary by commodity. In these cases, solutions can span from using the previous year's calendar year data or using the 12-month's rolling averages. In these cases, the assumption is that volumes delivered to Nestlé are comparable from one-year to the next year.

In most of the markets, the volume of individual farmers was recorded as per individual farmer statement during the farm assessment. Some discrepancies have been observed between those annual best estimates and the year-end SAP volumes, but overall, the assumption is that this is in-line with the actual volumes delivered by the farmers.



**KPI #14**

**Percentage of key ingredients responsibly sourced**

**Definition**

This KPI measures the performance of volumes at origin level against the requirements of the Nestlé Responsible Sourcing Core Requirements.

It is part of Nestlé’s Responsible Sourcing framework designed to enable continuous improvement across Nestlé’s supply chain to achieve full implementation of Human Rights and Environmental Due Diligence (HREDD) and delivery of positive impacts on people, nature, and climate in Nestlé’s sourcing origins.

**Methodology, calculation and data collection**

$$\text{Percentage of key ingredients responsibly sourced} = \frac{\text{Total volume of priority ingredients in scope that are responsibly sourced}}{\text{Total volume of priority ingredients in scope (measured in tonnes) during the given year}}$$

Volumes come from the following systems: SAP, third parties (including suppliers declarations), Legendairy for fresh milk and, from GCQC for green coffee.

The reporting period of raw material volumes consumption used by default is October 2023 to September 2024, except for certain categories using either the previous calendar year volumes (i.e. pulp and paper) or current calendar year volumes (i.e. coffee, soy and fresh milk) for various practicality reasons.

Ingredients are assessed as responsibly sourced when they have been either: mapped to sub-national production origins in a low-risk country for human rights and environmental risks<sup>(4)</sup> or have been mapped to group of

farms/first aggregator and assessed as compliant with the Nestlé Responsible Sourcing Core Requirements through one of the following means:

- Selected sustainability related certifications (e.g. Rainforest Alliance, Roundtable on Sustainable Palm Oil (RSPO)). For certain ingredients, only segregated certification is considered due to constraints in those supply chains. In general, mass balance chain of custody is accepted for other commodities, if traceability to group of farms/first aggregator can be validated.
- Second- or third-party farm selected sustainability assessments (e.g. Farm Sustainability Assessment).
- On-the-ground programs in which Nestlé directly works with producers (e.g. *Nestlé Cocoa Plan*, *Nescafé Plan* or *Nespresso AAA Sustainable Quality™ Program*).

These assessments are carried out within the farming supply shed of the primary processor or first aggregator which supplies Nestlé (directly or indirectly).

For each key ingredient in scope, specific criteria have been defined to detail what certification, assessments and programs are accepted.

**Assumptions, scope and exclusions**

In scope for this KPI are Nestlé’s 14 priority key ingredients: cereals and grains; cocoa; coconut; green coffee; dairy (derivatives and fresh milk); fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables.

Estimation methods in case of inconsistent data or unavailability of the data vary by key commodity. In these cases, Nestlé i) either uses the previous year’s data, benchmarked versus the previous years to demonstrate consistency of supply or accuracy, or ii) uses the industry average for translating unit of sourcing into consistent unit of measures (this is particularly applicable for paper).

(4) The level of risk is based on the [Maplecroft](#) database for country risks and the final score is an average of a social, rule of law and environmental scores. This is the list of countries that have been categorized as ‘low risk’ across these criteria:

Andorra	Austria	Belgium	Canada	Denmark	Estonia
Finland	France	Germany	Iceland	Ireland	Latvia
Liechtenstein	Luxembourg	Monaco	New Zealand	Netherlands	Norway
San Marino	Sweden	Switzerland	United Kingdom		

**KPI #15****Plastic packaging designed for recycling****Definition**

Nestlé has developed its publicly available Rules of Packaging Sustainability, which is composed of the 'The Golden Rules' and 'The Negative List' that are driving the packaging sustainability transformation of the Group.

Packaging Designed for Recycling (D4R) refers to packaging materials and formats which are compliant with the Negative List and aligned with the Golden Rules.

The D4R definition also uses some aspects of the Ellen McArthur Foundation reporting guidelines and Consumer Goods Forum Design Rules to better align with industry views.

The D4R does not systematically correspond to packaging 'recyclable in practice and at scale', as per Ellen MacArthur Foundation's definition, nor to packaging being 'effectively recycled'.

polyethylene terephthalate glycol (PET G), metalized materials, and separability from the other materials constituting the packaging.

The KPI reflects the status of the packaging portfolio at the end of 2024. The KPI is calculated using the last available material specifications applied to the packaging quantities of the full reporting period.

The main source of data for this KPI is Nestlé's main enterprise resource planning (ERP) system:

- Sales data is used to calculate packaging quantities sold to consumers which are reflected in the KPI. Each unit sold has a defined weight of packaging maintained in the global master data, and the corresponding weight is applied to all units sold within the given year.
- Production data is used to obtain the detailed composition of the packaging sold (e.g. bill of materials, material specifications).

**Methodology, calculation and data collection**

$$\text{Plastic packaging designed for recycling} = \left( \frac{\text{Total volume of plastic packaging designed for recycling}}{\text{Total volume of plastic packaging}} \right)$$

Plastic packaging includes all plastic packaging Nestlé puts on markets as finished goods. Primary, secondary and tertiary packaging are taken into account in the calculation.

To date, given the very large number of products and material specifications covered by the KPI and the limitations of the current information systems, the applicable criteria used to assess if a plastic packaging is Designed for Recycling (D4R) and to compute the indicator during the 2024 reporting are as follows:

- **Rigid plastics:** polyethylene terephthalate (PET), polyethylene (PE), polypropylene (PP) and polyolefins (PO), are considered as D4R.
- **Flexible plastics:** PP, PE, PO, and laminates compatible (i.e. compatible polymers in recycling stream) based films are considered as D4R.

Additional criteria from the packaging sustainability rules on material specifications will gradually be included in future reporting, including black color and black carbon color,

Five exceptions are to be noted:

- For Nestlé Waters: the KPI is exclusively based on production data (i.e. packaging used to pack and deliver its products).
- For the biggest businesses not using the ERP system: the data collection is manually done using an Excel template designed by Nestlé or estimated based on the materials split of the product category; the remaining non-SAP ERP businesses represent less than 0.7% of the Net Net Sales (NNS) of the Nestlé Group and are not reported.
- Nestlé does not report packaging of its machines (e.g. *Nespresso* machines).
- Nestlé does not report quantities of packaging that are used for samples, donations or sponsorship.
- Nestlé does not report tapes and adhesives.

**Assumptions, scope and exclusions**

This KPI covers all finished products sold by Nestlé, produced by Nestlé's factories or by co-manufacturers for Nestlé.

The KPI includes the sales of all entities using Nestlé's main ERP system, plus its 17 biggest businesses manually reported, such as the Nestlé Waters business.

Globally, the packaging report covers 95% of Nestlé's sales.

When production detailed data is not available (e.g. co-manufacturers), packaging weight and composition is estimated based on similar internal finished products in the same category, country and brand (6.5% of Nestlé products' packaging weight). Nestlé is working on including this data in the future.



**KPI #16**

**Virgin plastic reduction versus 2018 baseline**

**Definition**

'Virgin plastic' is defined as plastic that has not been previously used or subjected to processing other than for its original production. It includes fossil and bio-based plastics.

'Recycled plastic' is defined as pre-consumer and (or) post-consumer plastic packaging as per the ISO 14021:2016 standard.

The main source of data for this KPI is SAP:

- Sales data is used to calculate packaging quantities sold to consumers which are reflected in the KPI. Each unit sold has a defined weight of packaging maintained in the global master data, and the corresponding weight is applied to all units sold within the given year.
- Production data is used to obtain the detailed composition of the packaging sold (e.g. bill of materials, material specifications).

**Methodology, calculation and data collection**

$$\text{Virgin plastic reduction versus 2018 baseline} = \left( \frac{\text{Reduction of usage of virgin plastic between 2024 and 2018}}{\text{Total virgin plastic volume of 2018}} \right)$$

$$\text{Virgin plastic volume} = \left( \text{Total plastic packaging volume of the period} - \text{recycled plastic volume} \right)$$

Primary, secondary and tertiary packaging are taken into account in the calculation.

The KPI reflects the actual recycled content tonnage of the packaging portfolio at the end of the reporting period.

Controls are in place on a regular basis to ensure accurate recycled content quantity accounting.

Any significant discrepancy to the actual progress is properly compensated for the given business affected, reflecting the projects implemented by the end of the reporting period.

Five exceptions are to be noted:

- For Nestlé Waters: the KPI is exclusively based on production data (i.e. packaging used to pack and deliver its products).
- For the biggest businesses not using the ERP system: the data collection is manually done using an Excel template designed by Nestlé or estimated based on the materials split of the product category; the remaining non-SAP ERP businesses represent less than 0.7% of the Net Net Sales (NNS) of the Nestlé Group and are not reported.
- Nestlé does not report packaging of its machines (e.g. *Nespresso* machines).
- Nestlé does not report quantities of packaging that are used for samples, donations or sponsorship.
- Nestlé does not report tapes and adhesives.

**Assumptions, scope and exclusions**

This KPI covers all finished products sold by Nestlé, produced by Nestlé's factories or by co-manufacturers for Nestlé.

The KPI includes the sales of all entities using Nestlé's main ERP system, plus its 17 biggest businesses manually reported, such as the Nestlé Waters business.

Globally, the packaging report covers 95% of Nestlé's sales.

When production detailed data is not available (e.g. co-manufacturers), packaging weight and composition is estimated based on similar internal finished products in the same category, country and brand (6.5% of Nestlé products' packaging weight).

Nestlé is working on including this data in the future.



## KPI #17

### Total weight of packaging

#### Definition

Weight of packaging materials represents the quantity of packaging used to pack and deliver a specific finished product. It covers primary, secondary and tertiary packaging.

#### Assumptions, scope and exclusions

This KPI covers all finished products sold by Nestlé, produced by Nestlé's factories or by co-manufacturers for Nestlé.

The KPI includes the sales of all entities using Nestlé's main ERP system, plus Nestlé's 17 biggest businesses manually reported, such as Nestlé Waters business.

Globally, the packaging report covers 95% of Nestlé Sales.

When production detailed data is not available (e.g. Co-Manufacturers), packaging weight and composition is estimated based on similar internal finished products in the same category, country and brand.

Nestlé is working on including this data in the future.

#### Methodology, calculation and data collection

This KPI is volume of packaging in kilograms.

The main source of data for this KPI is SAP:

- Sales data is used to calculate packaging quantities sold to consumers which are reflected in the KPI. Each unit sold has a defined weight of packaging maintained in the global master data, and the corresponding weight is applied to all units sold within the given year.
- Production data is used to obtain the detailed composition of the packaging sold (e.g. bill of materials, material specifications).

Five exceptions are to be noted:

- For Nestlé Waters: the KPI is exclusively based on production data (i.e. packaging used to pack and deliver its products).
- For the biggest businesses not using the ERP system: the data collection is manually done using an Excel template designed by Nestlé or estimated based on the materials split of the product category; the remaining non-SAP ERP businesses represent less than 0.7% of the Net Net Sales (NNS) of the Nestlé Group and are not reported.
- Nestlé does not report packaging of its machines (e.g. Nespresso machines).
- Nestlé does not report quantities of packaging that are used for samples, donations or sponsorship.
- Nestlé does not report tapes and adhesives.



## KPI #18

# Total weight of waste generated in tonnes and a breakdown of this total by composition of the waste

### Definition

Metric tonnes of waste generated from Nestlé factories, including:

- Any material leaving the factory, destined for final disposal with no economic or ecological value (referred to as, 'Waste for Disposal').
- Any material diverted from the waste stream which results in a certain product with potential economic or ecological benefit (referred to as, 'By-Product').
- Any material where the final destination is imposed by law (referred to as, 'Waste for Disposal by Law').

Waste categories are classified and reported as two types:

- Biomass, which includes the waste types of food, sludge, non-conforming goods, market returns, organic material, and spent coffee grounds.
- Mixed waste, which includes all other waste types.

### Methodology, calculation and data collection

The data for total weight of waste generated from Nestlé factories is reported by factories on a monthly basis on the Nestlé manufacturing IT system, SHE-PM.

Factories classify each waste type with hazardousness (i.e. hazardous and non-hazardous) based on local regulation, and specify the waste destination.

An annual figure is obtained for the subject reporting year by extracting the total waste reported (which includes all waste types) and categorization is made into 'biomass' or 'mixed waste' waste types.

### Assumptions, scope and exclusions

All Nestlé factories that are in scope following financial consolidation rules.

## Social



### KPI #19

## Percentage of management positions held by women

#### Definition

Management positions are the positions at Grade A-H pay grades (or local equivalent where applicable) as per the global grading system and methodology in Nestlé which is based on Mercer (international position evaluation methodology).

Included in the KPI:

- All contract types; permanent, temporary.
- Employees holding a management grade (Grade A-H), including senior management positions (Grade A-E) and middle-management positions (Grade F-H).

Basis for the calculation are reports from Nestlé Human Resources Information System (i.e. Success Factors). The data is brought into Nestlé's Global KPIs Dashboard.

The gender of employees is informed by employees themselves and recorded in Nestlé's Human Resources Information System (HRIS) based on official identification (such as a passport or national identity card).

#### Assumptions, scope and exclusions

The entities which are not on the grading system of Nestlé are excluded unless there is an agreed grading mapping solution in place.

For the units within markets which started and completed the grading mapping exercise during the year they will be added after the approval of the grading mapping process.

#### Methodology, calculation and data collection

$$\text{Percentage of management positions held by women} = \left( \frac{\text{Number of management positions held by women}}{\text{Total population of professionals currently holding management positions}} \right)$$

In scope are all employees employed by Nestlé who are maintained on Nestlé's Global HR information system.



### KPI #20

## Percentage of women executive officers

#### Definition

This KPI aim is the count of percentage of women on the Executive Board.

#### Methodology, calculation and data collection

$$\text{Percentage of women executive officers} = \left( \frac{\text{The count of women}}{\text{Total number of employees on the Executive Board}} \right)$$

#### Assumptions, scope and exclusions

The Executive Board is officially published on the [Nestlé website](#).





**KPI #21**

**Recordable injury rate per million hours worked**

**Definition**

This KPI is the number of recordable injuries (in a monthly and annual basis) multiplied by one million and divided by the total hours worked in the given time period.

A ‘recordable injury’ at Nestlé is one that meets all of the three criteria below:

- The affected person was within scope for reporting.
- The incident was work-related (work-relatedness is presumed if an event or exposure in the work environment caused or contributed to the incident).
- The severity was ‘medical treatment beyond first aid’ or greater.

All sites are required to report every injury, when it happens, in the Nestlé internal platform, SHE-PM. These injuries are reviewed on a weekly basis by the site concerned.

On a monthly basis, the worked hours data for the given time period is generated by the HR function of the site and shared with the Safety function. This is reported in SHE-PM in the defined categories: [number] total hours worked (regular and temporary employees, non-employees, and contractors).

Monthly reports are created to analyze the Recordable Injury Rate (RIR) by Market, Zone, Globally Managed Businesses, and for the entire Company in persons per million.

**Methodology, calculation and data collection**

$$\text{Recordable injury rate per million hours worked} = \frac{\left( \text{Number of recordable injuries} \times 1000000 \right)}{\text{Number of hours worked in the given time period}}$$

**Assumptions, scope and exclusions**

The KPI covers Nestlé-managed sites where all employees (regular employees hired by Nestlé on permanent or temporary contracts), non-employees and contractors (including third-party workers providing services to Nestlé and visitors) are conducting work as part of their employment. Also, non-Nestlé-managed sites that involve a Nestlé employee (e.g. travel, sales-related activities, distribution centers) are included. The scope does not include stand-alone businesses except for *Nespresso* and *Nestlé Health Science*.

Total recordable injuries include: fatalities, irreversible cases, lost time cases, restricted work cases, and medical treatment cases beyond first aid cases.

**KPI #22****Total recordable fatalities (injury related)****Definition**

This KPI is the number of recordable injuries classified as fatalities in the given time period.

A fatality is a person's death resulting from a work-related incident or exposure; in general, from an injury caused by or related to a workplace hazard.

A recordable fatality is an injury that meets all of the 3 criteria below:

- The affected person was within scope for reporting.
- The incident was work-related (work-relatedness is presumed if an event or exposure in the work environment caused or contributed to the incident).
- The severity was classified as a 'fatality' (as defined above).

**Methodology, calculation and data collection**

The performance measure of the KPI is an absolute number.

All sites are required to report every injury (under the fatality classification) when it happens, in the Nestlé internal platform SHE-PM. On a monthly basis this is compared versus previous years to establish a percentage of variation.

Monitoring of the KPI is performed on a monthly basis initially by the markets, which validate every reported recordable fatality in the Nestlé internal platform SHE-PM.

Global monitoring is performed on a monthly basis by Corporate Operations Manufacturing, Engineering, Logistics & Safety (CO-MELS).

The tool used to calculate and prepare the performance data is the Nestlé internal platform SHE-PM, and everything is readily available in the system.

Investigation reports are created after the event occurs, to analyze the root causes and action plans by Market, Zone, Globally Managed Business (GMB), and the Corporate Safety Function.

Major incidents, both recordable and non-recordable, must be announced immediately to Nestlé senior management by the senior Market manager of the function involved (e.g. Technical Manager, Supply Chain Manager, Sales Manager, HR Manager).

The announcement must be made to the equivalent member of the Zone/GMB management team via a standardized email, using the announcement form, and cc'ing the distribution list: [major.incident@nestle.com](mailto:major.incident@nestle.com).

Major incident cases with fatalities require immediate announcement to the Zone/GMB Head and Nestlé CEO: this includes all work-related on-site deaths and all work-related deaths of Nestlé employees (on-site and off-site).

**Assumptions, scope and exclusions**

The KPI covers Nestlé-managed sites where all employees (regular employees hired by Nestlé on permanent or temporary contracts), non-employees and contractors (including third party workers providing services to Nestlé and visitors) are conducting work as part of their employment. Also, non-Nestlé-managed sites that involve a Nestlé employee (e.g. travel, sales-related activities, distribution centers) are included. The scope does not include stand-alone businesses except for *Nespresso* and *Nestlé Health Science*.



**KPI #23**

**Total irreversible injuries**

**Definition**

This KPI is the number of recordable injuries classified as irreversible in the given time period.

An ‘irreversible injury’ is any injury that results in an impairment of function, or disfigurement,<sup>(5)</sup> that the affected person is likely to have for the rest of their life.<sup>(6)</sup>

Examples include:

- Amputation: loss of part of a body that involves loss of bone, even if bone removal occurs during surgery after the incident, and even after a re-attachment of the amputated part.
- Permanent scarring for example from severe burns, or impact injuries.
- Musculo-skeletal trauma causing permanent restriction of motion.
- Loss of vision.
- Permanent damage to internal organs.

A recordable irreversible injury is an injury that meets all of the three criteria below:

- The affected person was within scope for reporting.
- The incident was work-related (work-relatedness is presumed if an event or exposure in the work environment caused or contributed to the incident).
- The severity was classified as ‘irreversible’ (as defined above).

**Methodology, calculation and data collection**

The performance measure of the KPI is an absolute number. On a monthly basis it is compared versus previous years to establish a percentage of variation.

Monitoring of the KPI is performed on a monthly basis initially by the markets, who validate every reported recordable fatality in the Nestlé internal platform SHE-PM.

Global monitoring is performed on a monthly basis by Corporate Operations Manufacturing, Engineering, Logistics & Safety (CO-MELS).

The tool used to calculate and prepare the performance data is the Nestlé internal platform SHE-PM, and everything is readily available in the system.

Investigation reports are created after the event occurs to analyze the root causes and action plans by Market, Zone, Globally Managed Business (GMB), and the Corporate Safety Function.

All sites are required to report every injury (under the irreversible classification) when it happens in the Nestlé internal platform SHE-PM.

**Assumptions, scope and exclusions**

The KPI covers Nestlé-managed sites where all employees (regular employees hired by Nestlé on permanent or temporary contracts), non-employees and contractors (including third-party workers providing services to Nestlé and visitors) are conducting work as part of their employment. Also, non-Nestlé-managed sites that involve a Nestlé employee (e.g. travel, sales-related activities, distribution centers) are included. The scope does not include stand-alone businesses except for *Nespresso* and *Nestlé Health Science*.

(5) Significant and extensive harm to the affected person’s appearance.

(6) If it is unclear whether the effects will be irreversible, the relevant Safety and Health Manager must classify based on the most likely outcome, taking advice from a health professional and Corporate Operations Manufacturing, Engineering, Logistics & Safety (CO-MELS) where appropriate.



**KPI #24**

**Recordable illness rate (per million hours worked)**

**Definition**

This KPI provides a snapshot of the health performance over the analyzed time period.

The KPI is defined as the number of recordable illnesses multiplied by one million then divided by the total hours worked in the given time period.

A recordable illness is one that meets all of the three criteria below:

- The affected person was within scope for reporting.
- The health incident was work-related (work-relatedness is presumed if an event or exposure in the work environment caused or contributed to the incident).
- The severity was ‘medical treatment beyond first aid’ or greater.

The recordable illnesses and the worked hours<sup>(8)</sup> for the given period are reported by each site in the Nestlé global platform SHE-PM.

Monthly reports are created to analyze the recordable illness rate by Market, Zone, Globally Managed Business (GMB), and for the entire Company in person’s per million.

Global monitoring is performed by the Corporate Employee Health and Well-being (EHW) function and by the Human Resources Leadership Team (HRLT).

**Assumptions, scope and exclusions**

The KPI covers Nestlé-managed sites where all employees (regular employees hired by Nestlé on permanent or temporary contracts, temporary workers hired through an agency and contractors including visitors) are conducting work as part of employment. Also, non-Nestlé-managed sites that involve a Nestlé employee (e.g. travel, sales-related activities, distribution centers) are included. The scope does not include stand-alone businesses except for *Nespresso* and *Nestlé Health Science*.

**Methodology, calculation and data collection**

$$\text{Recordable illness rate per million hours worked} = \frac{\left( \text{Number of recordable illnesses}^{(7)} \times 1000000 \right)}{\text{Number of hours worked in the given period}^{(7, 8)}}$$

(7) In a monthly/annual basis.

(8) Generated by the HR function of the site in the defined categories: [#] Total hours worked (reg. & temp. employees + contractors).



## KPI #25

### Total recordable fatalities (illness related)

#### Definition

An 'illness-related fatality' is defined as a person's death resulting from a work-related incident or exposure; in general, from an illness caused by or related to a workplace hazard.

A recordable fatality (illness-related) is one that meets all of the three criteria below:

- The affected person was within scope for reporting.
- The incident was work-related (work-relatedness is presumed if an event or exposure in the work environment caused or contributed to the incident).
- The severity was classified as a 'fatality' (as defined above).

#### Methodology, calculation and data collection

The recordable illness-related fatalities is a KPI expressed as an absolute number.

Each case is reported by the respective site in the Nestlé global platform SHE-PM.

The data is readily available and used for the analysis by markets, zones, Globally Managed Business (GMB), and the entire Company.

Global monitoring is performed by the Corporate Employee Health and Well-being (EHW) function and by the Human Resources Leadership Team (HRLT).

#### Assumptions, scope and exclusions

The KPI covers Nestlé-managed sites where all employees (regular employees hired by Nestlé on permanent or temporary contracts), non-employees and contractors (including third-party workers providing services to Nestlé and visitors) are conducting work as part of their employment. Also, non-Nestlé-managed sites that involve a Nestlé employee (e.g. travel, sales-related activities, distribution centers) are included. The scope does not include stand-alone businesses except for *Nespresso* and *Nestlé Health Science*.



## KPI #26

### Total irreversible illnesses

#### Definition

A recordable Irreversible Illness is defined as any work-related illness that results in an impairment of function, or disfigurement, that the affected person is likely to have for the rest of their life and meets all of the 3 criteria below:

- The affected person was within scope for reporting.
- The health incident was work-related (Work-relatedness is presumed if an event or exposure in the work environment caused or contributed to the incident).
- The severity was classified as irreversible (as defined before).

Examples include:

- Noise-induced hearing loss, arising from noise exposure.
- Musculo-skeletal diseases (MSD) causing permanent restriction of motion.

#### Methodology, calculation and data collection

The recordable irreversible illnesses is a KPI expressed as an absolute number.

Each case is reported by the respective site in the Nestlé global platform SHE-PM.

The data is readily available and used for the analysis by markets, zones, Globally Managed Business (GMB), and the entire Company.

Global monitoring is performed by the Corporate Employee Health and Well-being (EHW) function and by the Human Resources Leadership Team (HRLT).

#### Assumptions, scope and exclusions

The KPI covers Nestlé-managed sites where all employees (regular employees hired by Nestlé on permanent or temporary contracts), non-employees and contractors (including third-party workers providing services to Nestlé and visitors) are conducting work as part of their employment. Also, non-Nestlé-managed sites that involve a Nestlé employee (e.g. travel, sales-related activities, distribution centers) are included. The scope does not include stand-alone businesses except for *Nespresso* and *Nestlé Health Science*.



**KPI #27**

**Global mean (average) raw gender pay gap**

**Definition**

The raw gender pay gap measures the difference in the average pay between women and average pay of men, without adjusting for factors such as job function, level, education, performance, location, and others.

**Methodology, calculation and data collection**

$$\text{Global mean (average) raw gender pay gap} = \frac{\left( \begin{array}{c} \text{Average pay in CHF} \\ \text{for male} \end{array} - \begin{array}{c} \text{Average pay in CHF} \\ \text{for female} \end{array} \right)}{\text{Average pay in CHF for male}}$$

**Assumptions, scope and exclusions**

Excluded from scope:

- Individuals classified as CBE Expat, HBE Expat, Regional Expat, Mission Inpat, Exempt/Early Retire, Partial Retirement, Retired, and External.
- All cases where gender is not declared or falls in the category of 'others' are not in scope (they are insignificant numbers making immaterial impact on the outcome).
- In principle, the majority of the benefits are standard and (or) linked to the level or annual base pay, and gender neutral therefore excluded from the calculation.

Pay for this calculation includes the annual base pay plus the bonus at target.

The KPI includes the following data elements:

- The employees recorded in Nestlé’s global standard Human Resources Information System (HRIS) and SuccessFactors.
- Compensation (i.e. pay) components of basic salary and the annual bonus at target, converted to one common currency (CHF) using the Nestlé Treasury as at December 31 of the reported year.
- Gender of employees (male or female) is as informed by the employees themselves and recorded in HRIS.



**KPI #28-1, #28-2, #28-3**

**Total number of employees with breakdown**

**Definition**

This set of KPIs measures the number of people employed by Nestlé Group-wide with the following breakdown:

**KPI #28-1:** Total number of employees by employment contract (permanent and temporary), by gender.

**KPI #28-2:** Total number of employees by employment contract (permanent and temporary), by region.

**KPI #28-3:** Total number of employees by employment type (full-time and part-time), by gender.

**Assumptions, scope and exclusions**

In scope are all employees employed by Nestlé who are maintained on its Global HR information systems.

Included are all contract types (i.e. permanent, temporary).

Excluded are:

- Retirees.
- External workers.
- Employees not maintained on Nestlé’s Global HR information systems (the most common reason for companies not to be integrated on Nestlé’s HR systems is that they have been acquired).

**Methodology, calculation and data collection**

Reporting will provide the following segmentation options:

- Employment type: regular and temporary.
- Full-time/part-time employment.
- Region: Nestlé currently has five geographical zones: Asia, Oceania and Africa, Greater China, Europe, Latin America and North America.

Assumptions:

- One person counts as one head count, irrespective if they work part-time, or not.
- The head count will be provided as of year-end (December 31 of respective reporting year).
- The total number of employees for KPIs that have a breakdown (by contract type, gender, zone, etc.) will not add up to the total number of employees as some of the data breakdowns are not available for some of the units and are therefore not shown for this year. This level of granularity should be available in future years as the reporting processes are developed and all employee KPIs should have the same people base.





**KPI #29**

**Average hours of technical or vocational training provided to workers in the company**

**Definition**

This KPI measures the average hours of technical or vocational training provided to workers in the Company.

**Assumptions, scope and exclusions**

The scope of this KPI only includes employees who work in the entities that are registered in Nestlé’s HRIS, and only for trainings available on the learning and development digital platform iLearn.

In 2024, Nestlé will report the average hours per employee spent on training, and per gender will start in 2025.

**Methodology, calculation and data collection**

$$\text{Average hours of technical or vocational training provided to workers in the company} = \left( \frac{\text{Total number of hours of completed training}}{\text{Total number of employees working in Nestlé at the date of reporting}} \right)$$

The data is extracted from the Nestlé iLearn system, which is a learning and development digital platform, at the end of each year, which contains the completed trainings (i.e. mandatory trainings, online and in person trainings) per employee, using a unique identifier. iLearn uses a real-time copy of all the employee data from the Nestlé global standard Human Resources Information System (HRIS).

**KPI #30****Young people around the world with access to economic opportunities since 2017****Definition**

This KPI is the number of opportunities offered to young people – defined as individuals below 30-years-old – which include jobs or the essential skills to prepare them for economic opportunities.

The data provided is collected at the country level across the three pillars during 2024. Each country then reports centrally the data across the three defined pillars in order to be aggregated centrally.

**Assumptions, scope and exclusions**

For all categories, the participants should not be counted if they declare themselves above the age of 30.<sup>(9)</sup>

For 2024, the reporting cut-off date for data to be entered into the data capture SharePoint is December 31.

The type of data collected and processed is adjusted for compliance with local regulations (e.g. age of participants may not be collected).

As mentioned above, it is not always possible to check the age of attendees/participants due to local regulations in some countries. Further, even in countries where it is possible to collect the information, some participants do not disclose their age. Therefore, as there is a possibility that some of the attendees are above the age of 30, a global reduction coefficient of 5% is applied centrally to the overall result. The reduction coefficient was determined by reviewing data for countries where collecting the age was possible, where approximately 5% of participants were over the age of 30.

The assumption is that each opportunity is linked to one person, although some people may have had access to more than one opportunity (e.g. training and internship).

**Methodology, calculation and data collection**

The KPI is measured based on three pillars of activities:

- 1) Employment and Employability
- 2) Agripreneurship
- 3) Entrepreneurship

The three pillars have the following sub-groups:

- Employment and Employability:
  - Get Hired (e.g. permanent and temporary positions).
  - Get Skilled (e.g. internships and apprenticeships).
  - Get Support (in-person) (CV clinics, job fairs).
  - Get Support (digital) (e.g. live streams, digital career fairs).
- Agripreneurship:
  - (No sub-categorization).
- Entrepreneurship:
  - Entrepreneurs supported.
  - Entrepreneurs as part of Nestlé’s value chain.
  - Young culinary talents.
  - Young veterinarians.
  - Young pediatricians.
  - Young entrepreneurs who completed at least one learning activity on Nestlé YOUth Entrepreneurship Platform (YEP) (i.e YEP Academy module or one YEP webinar, minimum 15 minutes of learning).

(9) For young pediatricians and veterinarians, a maximum age of 35 is acceptable due to the time taken to become qualified and receive the necessary certifications to practice pediatrics and veterinary medicine. In many parts of the world, this is a process that can take between 11 and 15 years (after high school) depending on licensing requirements and standards.



**KPI #31**

**CARE audits performed**

**Definition**

This KPI is the total number of CARE audits performed in a calendar year.

Two other sub-KPIs disclosed alongside this KPI are defined as follows:

- 1 **CARE audit gaps identified:** gaps identified in a calendar year, as defined in the 2024 CARE audit guide, excluding observations.
- 2 **CARE audit gaps closed:** Total number of gaps closed out of the total identified gaps in a calendar year.

**Methodology, calculation and data collection**

The KPI 'CARE audits performed' comprises every CARE audit performed in 2024 and reported in Nestlé's CARE IT system.

Every audit confirmation entered into the system is approved by Group Compliance at global headquarters.

**Assumptions, scope and exclusions**

The CARE audits cover all sites owned/operated by Nestlé in all markets, including head offices, factories, distribution centers, sales offices, R&D centers, and *Nespresso* boutiques.

The data collection is the static data considering the date when the reports were extracted from the available tools.



**KPI #32**

**Number of households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labor risks**

**Definition**

This KPI addresses the number of households within a Child Labor Monitoring and Remediation System (CLMRS) which have been visited by an agent. CLMRS is a system designed to identify children in child labor, or at risk of child labor, and put in place support to effectively prevent and address it. A household is considered covered, and included in the KPI, from the first time a household receives a visit from an agent.

Households are those within the *Nestlé Cocoa Plan* (NCP) CLMRS in Cote d'Ivoire and Ghana who entered between 2012–2024 and who are still in NCP as of December 15, 2024.

CLMRS is built around proximity agents who visit households, raise awareness of the dangers of child labor, and identify children engaged in hazardous work. If a child is found in or at risk of child labor, support is provided to the child, their family and (or) community. After a child is identified as being in child labor, agents conduct regular follow-up visits to monitor the child's situation, until the child declares not being involved in any hazardous activities such as carrying heavy loads, spraying pesticides, and using sharp tools at their last two follow-up visits.

'Households' refers to all the occupants of the same dwelling who share meals, without the occupants necessarily being related to each other. In many cases, the occupants are under the responsibility of one of members, considered the 'Head of Household'. However, a household may consist of only one member.

'Household visit' is an in-person visit to a specific household where information related to the risk of child labor is collected, including through an interview with each child aged between 5-years-old to 17-years-old present at the time of the visit. The aim is to visit household each year, but at a minimum it must be at least once since the household entered the CLMRS.

'Proximity agents' are agents which are members of local cocoa producing communities who have received special training. They are hired on a part-time basis and receive a lump-sum payment if they complete a minimum number of monitoring visits per month. Agents could be hired and paid by the co-operatives, or by the suppliers. Agents could have formal contract with salaries, or written agreements with allowance. Agents could be dedicated to CLMRS, or work part time. Agents have numerous different agreements within the CLMRS.

### **Methodology, calculation and data collection**

Nestlé follows the guidelines set up by the International Cocoa Initiative (ICI). ICI aggregates the data from suppliers using the ICI app and using their own systems. ICI performs controls and data checks, but not audits, and then provides the data to Nestlé.

For CLMRS using suppliers' data management systems, ICI receives data from suppliers on a monthly basis, using a standardized 'CLMRS data sharing template', which allows suppliers to share anonymized CLMRS data on households visits, children (i.e. follow up) visits, and support provided to children, households, and communities.

Upon receiving the datasets, qualitative and quantitative data checks are performed. The date of visit is recorded, but not the remediation provided.

Validation of calculation per the suppliers is as follows:

- For CLMRS using ICI data management system, automated checks are embedded in the app and database to ensure robustness and consistency of data recorded by the CLMRS field agents during their visits. Both datasets (coming from suppliers and ICI data management systems) are then computed and performance KPIs are calculated and shared with suppliers and Nestlé on a monthly basis.
- In country meetings are held regularly between Nestlé, ICI and suppliers to improve performance and resolve issues.

In addition, ICI performs supplier assessments, including sharing tools, questionnaires, definitions, anonymized raw data, guiding documents and SOPs, to ensure alignment with CLMRS core functions as defined in the ['Benchmarking study: Overview and definition of Child Labour Monitoring and Remediation Systems | ICI Cocoa Initiative'](#) which has been endorsed by the sector in 2021. These were done once in 2024.

Data period is January 1 to December 31.

To ensure prompt reporting, data is taken at December 15.

There is very little activity between December 15 to December 31 due to the holiday period, so Nestlé estimates no change during this period.

### **Assumptions, scope and exclusions**

Scope is currently the *Nestlé Cocoa Plan* (NCP) cooperatives in Côte d'Ivoire and Ghana.

Data from cooperatives who have left the NCP are excluded.



**KPI #33**

**Percentage of volume of cocoa covered by the CLMRS or other dedicated due diligence systems, including mass balance**

**Definition**

Nestlé is committed to helping address child labor. Nestlé’s identification and assessment of risks indicated that the risk of child labor is particularly prevalent in the cocoa supply chain.

‘CLMRS’ is any type of system (e.g. community-based, supply-chain, farmer organization-based or national systems) that identifies and monitors child labor risks and helps remediate and prevent cases of child labor. Systems set up by suppliers must be verified by a third party. For full details on CLMRS, see: [Benchmarking study: Overview and definition of Child Labour Monitoring and Remediation Systems | ICI Cocoa Initiative \(cocoainitiative.org\)](#).

This KPI is measured by the percentage volume of Nestlé’s cocoa sourced, which is covered by dedicated due diligence systems for child labor.

Several types of systems that monitor child labor risks and help remediate cases of child labor are possible under the *Nestlé Cocoa Plan* (NCP):

- Rainforest Alliance (RA) certification: the RA requirements for child labor are from P.61 of the RA Code with further details in the Annex Chapter 5 Social: [2020 Sustainable Agriculture Standard: Farm Requirements | Rainforest Alliance \(rainforest-alliance.org\) and SA-S-SD-23-V1.1-Annex-Chapter-5-Social.pdf \(rainforest-alliance.org\)](#). Traceability types included: mass balance (MB),<sup>(10)</sup> segregated, mixed identity preserved, and identity preserved.
- Child Labor Monitoring and Remediation System (CLMRS): Nestlé has a CLMRS in place in some high-risk countries, as a specific way to address child labor risks appropriate to the context. This is in addition to RA certification. Examples of CLMRS inclusion are Côte d’Ivoire and Ghana.

**Methodology, calculation and data collection**

$$\text{Percentage of volume of cocoa covered by the CLMRS or other dedicated due diligence systems, including mass balance} = \left( \frac{\text{Tonnes cocoa under the scope of the KPI}}{\text{Tonnes total cocoa supplied}} \right)$$

In Nestlé cooperatives located in Ghana and Côte d’Ivoire, volumes are covered by RA and CLMRS, and the CLMRS is used as the proof point under this KPI.

*Nestlé Cocoa Plan* (NCP) verified volumes covered by a due diligence system:

- Volumes from Ecuador, Venezuela and Mexico are verified by an external body according to Nestlé’s code of conduct under the NCP.
- Volumes from Brazil are verified by an external body according to Cargill’s or OFI’s code of conduct or according to Nestlé’s code of conduct under the NCP for Gencau and Barry Callebaut.
- Child labor is included as a priority point. It is checked by the supplier and verified by an external body. Any non-compliance will be actioned upon by the Nestlé local team or supplier as relevant. Any further system to be added should be validated internally by the KPI owner and human rights team.
- Audits should be done once every three years at minimum.

(10) Mass balance is a sourcing method that allows for certified and non-certified ingredients to become mixed during the shipping and manufacturing processes. The Rainforest Alliance traceability systems ensure that the volumes of certified ingredients bought for products with their seal were grown on certified farms.

### **Assumptions, scope and exclusions**

Scope is for all Nestlé businesses in SAP. Only cocoa is considered for 2024 reporting, as it represents the highest risk for child labor.

It includes all of the following cocoa categories: cocoa beans, cocoa butter, cocoa powder, cocoa liquor, and chocolate.

Only beans have the origin associated with them in the data.

Products and chocolate are converted back to bean equivalent using following ratios: cocoa butter: 1.33; cocoa powder: 1.18; cocoa mass: 1.25; chocolate milk and white: 0.4; chocolate dark: 0.7; and chocolate other: 0.2.

Data is collected by Peterson, a third-party consultant, from suppliers, checked and correlated with SAP data, and volume KPIs are calculated from this.

Reporting Period: October 2023 to September 2024.

The same origin of the figures is used as for the KPI: 'Percentage of key ingredients responsibly sourced'.

The numerator the sum of: all volumes with CLMRS in place plus RA volumes (i.e. segregated and mass balance) plus NCP verified volumes that are directly purchased by Nestlé in Ecuador, Venezuela, and Mexico plus NCP verified volumes purchased by Nestlé from suppliers in Brazil (i.e. Olam, Cargill, Barry Callebaut, and Gencau).

Any countries or suppliers without dedicated due diligence systems or verification adequate evidence are excluded, and their volumes removed from the numerator.

The denominator is the total volume of cocoa purchased from all countries.

The data is from a supplier declaration consolidated by a third party, and where certified, it is backed up by traceability in the Rainforest Alliance assurance system.



**KPI #34**

**Community giving investment: total amount**

**Definition**

Nestlé’s voluntary contributions to non-profit organizations, foundations, associations, or other charitable causes related to charitable purpose or for improving Nestlé corporate brand image awareness across Community Giving pillars: Disaster Relief, Food Access and Community life, and programs such as Nestlé for Healthier Kids, Nestlé Needs YOUth, and Nestlé Cares.

The sum of the four areas of Community Giving tracked by Nestlé are the following:

- Financial aid: grants and sponsorships.
- Product donations: finished goods and salvage stock.
- Volunteering: employee time donated.
- Gift-in-kind services and logistics: infrastructure.

The KPI provides insights into:

- The total contributions in CHF made to support community organizations.
- A breakdown in CHF of financial aid and production donations, which constitute the majority of the total contributions.

The amount reported is the actual amounts paid in cash to the third party.

Product donations cover:

- Donation of finished products.
- Donation of salvage stock.

The amount should be the full cost (i.e. variable and fixed) and recorded in other product fixed expenses.

The Market finance teams capture the amounts working in collaboration with the community giving teams to cross check and confirm the figures to ensure accuracy.

The total amount in the reporting currency of each legal entity for each type of giving (i.e. financial aid, product donation, gift-in-kind services, logistics, and volunteering) is reported.

The data is consolidated and reviewed by the Group Accounting and Reporting Team in collaboration with the Global Community Giving Team.

**Assumptions, scope and exclusions**

The KPI does not include:

- Sponsorships related to increase brand-related awareness other than the Nestlé Corporate brand.
- Brand-related items which have been captured under product fixed marketing expenses (PFME).

**Methodology, calculation and data collection**

The four areas of Community Giving are tracked at Market level and reported on a yearly basis to the finance team.

Financial Aid covers:

- All voluntary external grants (formally labelled as donations in cash) where the primary purpose is not commercial, such as humanitarian aid, grants to cultural and social programs, and others.
- Contributions related to corporate sponsorships are related to charitable purpose or improving Nestlé corporate brand image awareness within the community.



**KPI #35**

**Percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for human and pet (cats and dogs) consumption**

**Definition**

With its commitment to food safety management, Nestlé ensures that manufacturing and R&D sites that produce food and pet food for humans and pets (i.e. dogs and cats) consumption are certified to the Food Safety System Certification (FSSC) FSSC 22000, a GFSI recognized program.

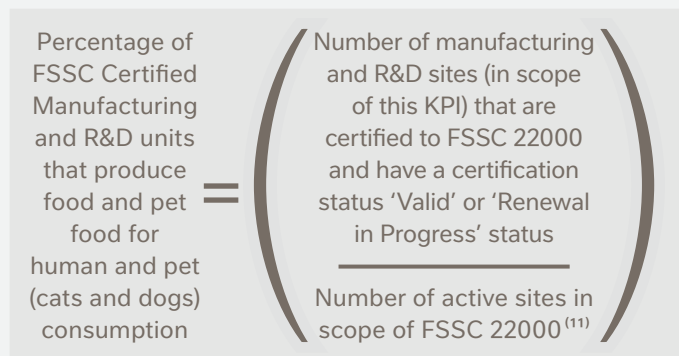
This KPI data is reflecting the percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for humans and pets (cats and dogs) consumption on December 31 of each year.

FSSC 22000 is a certification scheme for Food Safety Management Systems that is aligned with the International Organization for Standardization (ISO) Management System approach and the ISO Harmonized Structure.

A governance model is in place to ensure accurate performance data preparation. This governance model is safeguarded through clearly defined roles and responsibilities, is driven by governance reviews with internal stakeholders, certification bodies and involvement in industry associations, and is enabled through a digital ecosystem.

The KPI is calculated based on 'number of active sites in scope of FSSC 22000'. Nestlé experts review and update the list of 'active sites' in an internal database called 'NCMS Certification management module' on a regular basis (ad hoc or at least once a year). These experts are updating the 'In Scope of FSSCC 22000' field in the database accordingly. They also manage changes to administrative and editor roles in response to changes in the Nestlé organization, ensuring reporting continuity and accuracy. This database automatically monitors the certificates' validity dates and has preset notifications that alert editors in due time.

**Methodology, calculation and data collection**



**Assumptions, scope and exclusions**

In scope:

- All entities that are consolidated into Nestlé’s consolidated financial statements.
- The following *Nestlé Health Science* (NHS) categories are also in scope: Food for Special Medical Purposes (FSMP); meal replacements; and food for special dietary needs (i.e. weight control).

Excluded from scope:

- NHS and Vitamins, Minerals, Herbal, Supplements (VMHS) category.

(11) Certified sites: The number of Nestlé manufacturing and R&D sites certified to FSSC 22000 with a certification status of 'Valid' or 'Renewal in Progress'.  
 Active sites: The total number of active sites in scope of FSSC 22000.  
 Valid certificate: This status means that the site is currently meeting the FSSC 22000 requirements.  
 Renewal in Progress: This status indicates that the organization is in the process of renewing its certification.





**KPI #36**

**Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program**

**Definition**

The Global Food Safety Initiative (GFSI) is a coalition of action from the Consumer Goods Forum (CGF), bringing together food retailers and manufacturers from across the CGF membership and an extended food safety community to oversee third-party food safety standards for food business operators globally. GFSI certifications (GFSI-Recognised Certification Programme Owners – MyGFSI) are recognized, and in many cases are required, by many global and local buying companies, as certification drives standardization and confidence in food safety management systems.

Through GFSI-recognized certification, suppliers improve their food safety processes, share food safety competence and knowledge, while gaining new business and growth.

Nestlé requires its suppliers to be GFSI certified.

Nestlé’s aim is that Tier 1 suppliers that produce raw materials are certified to a GFSI-recognized food safety certification program.

The spend is allocated per main vendor. The spend is divided equally among the vendor sites linked to this main vendor, which means that the spend of each vendor site is an estimate.

The KPI is available for internal purposes through PowerBI. The KPI is monitored quarterly and reported annually.

**Assumptions, scope and exclusions**

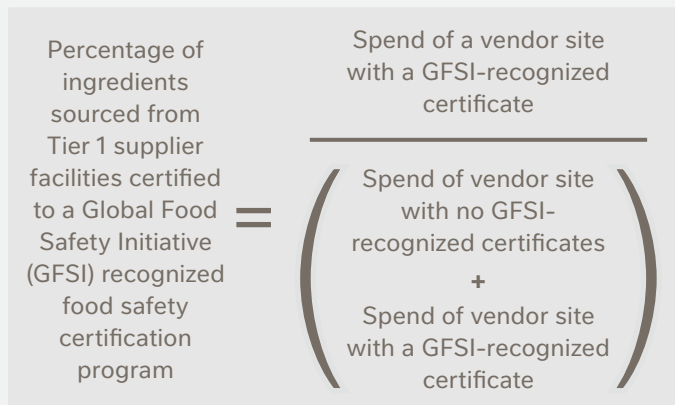
The scope of the KPI is Tier 1 active suppliers for raw materials. Tier 1 active suppliers are vendors with whom purchase orders have been placed in the past 12 months.

Excluded from scope:

- Vendor sites supplying exclusively to Nestlé Purina PetCare (NPP).
- Vendors sites supplying exclusively *Nestlé Health Science* (NHS).
- Contract manufacturers.
- Vendors supplying gas.
- Vendors supplying packaging materials.
- Vendors of primary material such as cocoa beans, coffee beans, fresh milk, fresh fruits and vegetables, and fresh eggs.

**Methodology, calculation and data collection**

The calculation for the KPI percentage of ingredients sourced from Tier 1 supplier facilities certified to a GFSI-recognized food safety certification program is dependent upon the inbound SAP checks of active sites in scope of GFSI certification.



**KPI #37****Nutritional value transparency: Health Star Rating (HSR)****Definition**

Health Star Rating (HSR) system is a nutrient profiling system used by the Access to Nutrition Index (ANI) and on front-of-pack nutrition labels in some countries. HSR considers the total energy of a food, the amount of positive nutrients and ingredients, such as fiber, protein, and legumes, as well as the amount of nutrients of concern, such as sugar, saturated fat, and salt per 100g or 100ml of product. The resulting score is then translated into a rating of between 0.5 and 5 stars and enables the grouping of products into one of three scoring segments:

- **Occasional Indulgence:**  
HSR of less than 1.5 [0.5-1 stars].
- **Mindful Enjoyment:**  
HSR of 1.5 to less than 3.5 [1.5-3 stars].
- **Daily Goodness:**  
HSR of 3.5 stars or above [3.5-5 stars].

**Methodology, calculation and data collection**

$$\text{Nutritional value transparency: Health Star Rating (HSR)} = \frac{\text{Sum of the net sales from the HSR grouping of products and specialized nutrition}}{\text{Total net sales of food and beverage products in scope}}$$

The main sources of data for this KPI are SAP system database. HSR scores are calculated centrally for each Food and Beverage product using Nestlé's recipe data, setting common rules for groups of related products, and defining standardized rules for products that need a reconstitution step prior consumption with the exception of several recipes that have been calculated by local markets. As per HSR guidelines, only products reconstituted with water were assessed 'as prepared'. Standardized reconstitution rules have been applied with a reference serving size for each product group to define the required powder content to make one serving, and a reference for the quantity of added water.

Entities where Nestlé does not have recipes stored centrally have assessed their products separately.

The [official guidelines](#) of the HSR system and the official HSR calculator used are: [Health Star Rating Excel Calculator](#).

**Assumptions, scope and exclusions**

Scope includes all Nestlé Food and Beverage products.

Some products are excluded from the HSR assessment in-line with the official HSR guidelines as they are not for human consumption or are products with specialized nutrition items. These are:

- Nestlé Nutrition products for children < 3 years of age.
- *Nestlé Health Science* products.
- Pet food products.

These products were assigned as 'specialized nutrition' for reporting purposes but were not assessed as per HSR guidelines.

Nestlé's final results are reported with and without pet care to better reflect products for human consumption versus pet care.

Items not meant for human or pet consumption are considered out of scope of the KPI, including but not limited to accessories, coffee machines, dispensers, cups, non-food promotional items, pet litter, and other revenues. These items are completely excluded from the assessment and are not included in the total sales figures.

The HSR calculation guidelines were followed, with the following specificities:

- Roast and ground coffee, whole beans, pure coffee capsules and pod products are assessed generically and rated with a Health Star Rating of 3.5 stars.
- Generic rules were used to extrapolate for any missing nutritional data (e.g. chocolate products with HSR of 0.5 stars).



**KPI #38**

**Number of countries with audits on the Nestlé Policy for implementing the World Health Organization Code (WHO Code)**



**KPI #39**

**Instances of detected non-compliances with the Nestlé Policy for implementing the WHO Code**

**Definition**

Nestlé is committed to protecting and promoting breastfeeding. As part of this commitment, Nestlé markets and sells breast milk substitute (BMS) responsibly. Nestlé has published the [Nestlé Policy for implementing the WHO Code](#) (on the responsible marketing of BMS), and, since 2009, Nestlé has reported annually on its compliance with this Policy, which applies to the Nestlé Group and third parties with a direct contractual relationship with Nestlé.

Compliance with the law and with the Nestlé Policy for implementing the WHO Code is fundamental to Nestlé’s approach and its values as a company. Nestlé has put in place a set of mechanisms to ensure compliance and to quickly detect and address any instances of non-compliance that may occur.

**KPI #38:** Number of countries with audits on the Nestlé Policy for implementing the WHO Code

This KPI refers to the number of countries in which an internal<sup>(12)</sup> or external<sup>(13)</sup> audit including an assessment on the Nestlé Policy for implementing the WHO Code was conducted in a calendar year.

**KPI #39:** Instances of detected non-compliances with the Nestlé Policy for implementing the WHO Code

This KPI refers to the number of substantiated instances of non-compliance with the Nestlé Policy for implementing the WHO Code reported in any of the monitoring systems, auditing and verifications by independent stakeholders (the ‘WHO Monitoring System’), as well as the internal and external grievance mechanisms (including WHO Code Ombudsperson System, *Speak Up* system,<sup>(14)</sup> and allegations made in third-party documents and reports) (i.e. the ‘Grievance Mechanisms’).

**Methodology, calculation and data collection**

Data reported in the sources comprising the Grievance Mechanisms are consolidated on a yearly basis and processed into a single data base. Instances of substantiated non-compliance reported in the WHO Monitoring System are assessed and grouped based on identified patterns (i.e. similar products or customers within a country).

**Assumptions, scope and exclusions**

**KPI #38** is tracked and reported annually.

**KPI #39** is tracked on a quarterly basis and consolidated and reported annually.

**For KPI #38** the internal and external audits covered within a risk-based defined strategy and timeframe, and all sites owned/operated by Nestlé in all markets, including Head Offices, Sales Offices, Distribution Centers and Factories.

**For KPI #39** the number of instances of substantiated non-compliance with the Nestlé Policy for implementing the WHO Code are those reported in the internal monitoring system and the Grievance Mechanisms and attributable to Nestlé Group and third parties with a contractual relationship with Nestlé, excluding third parties with no direct relationship.

Assuming the data is reported accurately in the internal monitoring system and the Grievance Mechanisms. The data collection is the static data considering the date when the reports were extracted from the available tools.

(12) Internal audit following Nestlé Internal Audit Manual.

(13) Audits performed by third parties.

(14) *Speak Up* platform operated by People inTouch, with the Case Management system, and the *Speak Up* tool.



## KPI #40

# Compliance with Nestlé Marketing Communication to Children Policy

### Definition

This KPI is the percentage compliance with Nestlé's Responsible Marketing Communication to Children Policy. This Policy restricts marketing communications to children for specific product categories (such as sweet and savory biscuits, baked goods, sugar confectionery, chocolate confectionery, water-based beverages with added sugars, and ice-cream products) through paid media channels.

Sub-KPIs within this KPI are defined for each media channel (i.e. TV, online video and display, social media, and influencers) based on audience and content compliance. These sub-KPIs are then weighted by media spend to calculate the final KPI.

### Assumptions, scope and exclusions

Exclusions include organic content and Nestlé-owned media. The compliance assessment is conducted annually, and markets in scope for Media Sense testing are rotated on an annual basis. The countries in scope for 2024 are Germany, Brazil, and the UK, with MediaSense reviewing a representative sample of campaigns for each media channel. Internal and external audits are conducted to ensure adherence to the policy.

### Methodology, calculation and data collection

Performance data preparation involves calculating the compliance percentage KPIs. This is done by the independent third-party agency, MediaSense, which tests a sample of campaigns for each media channel:

- Audience compliance sub-KPIs are determined based on campaigns setting, whether a specific percentage of the audience is below the age threshold (e.g. less than 25% of the audience below the age of 16).
- Content compliance sub-KPIs assess if the marketing content is directed at gatekeepers and supports a healthy and active lifestyle.

A final compliance percentage is calculated for each media channel, and these are weighted by media spend to provide an overall compliance score. Various tools, such as TV monitoring systems, online video and display tools, social media tools, and influencer platforms, are used for data collection and analysis.



**KPI #41**

**Number of servings of affordable nutrition with micronutrient fortification**



**KPI #42**

**Total number of servings of micronutrient fortified foods and beverages**

**Definition**

These KPIs focus on the number of total micronutrient fortified servings and those of affordable nutrition in emerging countries (see Country Classification P.133).

For each KPI, the sales that meet the below criteria are counted:

- Total products: Products which are fortified with at least one of the following micronutrients: iron, iodine, vitamin A, zinc (i.e. ‘The Big Four’) in accordance with the Nestlé Policy on Micronutrient Fortification of Foods and Beverages (i.e. fortified at 15% of the respective Nutrient Reference Value (NRV) per serving and sold in emerging markets).
- Affordable Nutrition Products: Products which meet the definition for Popularly Positioned Products (PPP) Affordable Nutrition and the ‘Total products’ criteria above.

Affordable Nutrition Products are quality products with enhanced nutrition credentials (e.g. for protein or fiber content, or micronutrient fortification) that meet the price point suitable for the target consumer.

**Methodology, calculation and data collection**

These two KPIs focus on the number of total micronutrient fortified servings and those of affordable nutrition in emerging countries based on the quantity sold, connected to the sales in a calendar year.

Fortified servings are based on the quantity sold maintained in SAP for the Group during the given year.

Calculations are made in accordance with the following formula:

$$\text{Number of Fortified Servings sold} = \frac{\left( \text{Volumes sold [kg]} \times 1000 \right)}{\text{Serving size [g/serving]}}$$

Nestlé applies a rule-based approach by using a serving size pattern to determine serving sizes. The serving size used is the one most represented across the markets, or nearest approximate weighted average for the product.

Serving size per specific product group or product type is standardized and equal across markets.

**Assumptions, scope and exclusions**

The geographical scope is restricted to emerging countries based on the classification provided by the United Nations Emerging countries.<sup>(15)</sup>

For entities not on SAP, where it was not possible to collect detailed servings data, Nestlé has used proxies. These entities account for approximately 1% of the KPI. Only Nutrition, Dairy, and Food categories are part of the scope.

For the number of servings of affordable products, the scope is further limited to PPP Affordable Nutrition products.

Products for animals/pets, supplements and foods for special medical purposes are exempted from Nestlé’s reporting.

(15) As defined by UN: [https://desapublications.un.org/file/1113/download?\\_ga=2.62011628.1115476274.1700035209-69145977.1674482054.https://unstats.un.org/unsd/methodology/m49/historical-classification-of-developed-and-developing-regions.xlsx](https://desapublications.un.org/file/1113/download?_ga=2.62011628.1115476274.1700035209-69145977.1674482054.https://unstats.un.org/unsd/methodology/m49/historical-classification-of-developed-and-developing-regions.xlsx).

## Governance



### KPI #43

### *Speak Up* system

#### Definition

**KPI #43-1:** Total messages received through *Speak Up* system

**KPI #43-2:** Total messages closed through *Speak Up* system

**KPI #43-3:** Total cases substantiated through *Speak Up* system

These KPIs refer to the total messages received, total messages closed, and total cases closed as substantiated, through the *Speak Up* system.

#### Assumptions, scope and exclusions

The scope is all messages received in the markets where Nestlé operates. The platform is accessible to both internal and external stakeholders.

The exclusions are general complaints (i.e. commercial complaints not related to a non-compliance allegation) and confirmed duplicated messages are excluded from the scope. 'Confirmed duplicated messages' are those which can be confirmed that they have been submitted multiple times by the same person with the same content. Other types of linked or similar messages remain in the report. Supplier Grievance Mechanisms are consolidated separately.

The assumptions are that the data is reported accurately in the *Speak Up* system.

#### Methodology, calculation and data collection

The methodology comprises every message received through *Speak Up* and (or) uploaded in the Case Management System in 2024. The Legal and Compliance Function at the global headquarters and in the markets is responsible for the management of the *Speak Up* system. They insert non-compliance concerns received outside of *Speak Up* (e.g. verbally or per email), in the *Speak Up* Case Management System.

The calculation is the count/sum of the messages received through the *Speak Up* system/other means as well as the count/sum of the cases substantiated and closed. This count is based on the data extracted from the *Speak Up* system (i.e. CMS).

The data collection is the static data considering the date when the reports were extracted from the *Speak Up* Case Management System.

## Appendix 2 – Statutory Non-Financial Matter Report Index (Article 964b CO)

The information contained in the pages referenced in this Appendix 2 on the right<sup>(1)</sup> constitutes the non-financial matter report pursuant to Article 964b of the Swiss Code of Obligations (“CO”). The shareholder vote on the non-financial matter report required by Article 964c CO at the 2025 Annual General Meeting of Nestlé S.A. is on the information contained in such referenced standards.<sup>(2)</sup>

### Description of the business model

Disclosure in Non-Financial Statement/Nestlé 2024 Annual Review	Page reference
General disclosures	4
Nestlé 2024 Annual Review	9–29

### Environmental matters pursuant to the Swiss Federal Ordinance on Climate Disclosures and the Recommendations<sup>(3)</sup> of the Task Force on Climate-related Financial Disclosures (TCFD) (including its annex<sup>(4)</sup>)

	Disclosures in Non-Financial Statement 2024	Page reference
<b>Governance</b>		
Board’s oversight	General Disclosures, Environmental Disclosures	5, 28
Management’s role	General Disclosures, Environmental Disclosures	5, 28
<b>Strategy</b>		
Climate-related risks and opportunities	General Disclosures	5
Impacts of climate-related risks and opportunities	General Disclosures, Environmental Disclosures	5, 28
Resilience of the organization’s strategy	General Disclosures, Environmental Disclosures	5, 28
<b>Risk Management</b>		
Processes for identifying and assessing climate-related risks	General Disclosures, Environmental Disclosures	5, 28
Processes for managing climate-related risks	General Disclosures, Environmental Disclosures	5, 28
Integration into the organization’s overall risk management	General Disclosures, Environmental Disclosures	5, 28
<b>Targets</b>		
Targets used to manage climate-related risks, opportunities and performance	Environmental Disclosures	28
<b>Metrics</b>		
Metrics used to manage climate-related risks, opportunities and performance	Appendix 5 – TCFD Index, Appendix 4	164, 150

(1) References are to the first page of the relevant section.

(2) The topic chapters referenced in the index with respect to a particular non-financial matter pursuant to Article 964b CO primarily contain disclosures relating to such non-financial matter. We note, however, that the disclosures contained in such chapters may also be relevant to other non-financial matters pursuant to Article 964b CO. Disclosures on the business model, the policies, the measures taken to implement these policies and an assessment of the effectiveness of these measures, the main risks, and the performance indicators can be found in the ESRS chapters for each matter pursuant to Article 964b CO.

(3) Recommendations of the Task Force on Climate-related Financial Disclosures, version of June 2017 (the text can be downloaded at [www.fsb-tcfid.org](http://www.fsb-tcfid.org) > Recommendations).

(4) Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, version of October 2021 (the text can be downloaded at [www.fsb-tcfid.org](http://www.fsb-tcfid.org) > Publications > Implementing guidance).

**Environmental matters**

	<b>Disclosures in Non-Financial Statement 2024</b>	<b>Page reference</b>
<b>Environmental matters</b>		
	Climate change	28
	Pollution	45
	Water resources	48
	Biodiversity and ecosystems	53
	Resource use and circular economy	57
<b>Metrics</b>		
Metrics used to manage environmental-related risks, opportunities and performance	Appendix 4 – Nestlé’s sustainability key performance indicators	150

**Social matters**

	<b>Disclosures in Non-Financial Statement 2024</b>	<b>Page reference</b>
<b>Social matters</b>		
	Own workforce	66
	Workers in the value chain	76
	Affected communities	83
	Consumers and end-users	88
<b>Metrics</b>		
Metrics used to manage social matters-related risks, opportunities and performance	Appendix 4 – Nestlé’s sustainability key performance indicators	150

**Employee-related matters**

	<b>Disclosures in Non-Financial Statement 2024</b>	<b>Page reference</b>
<b>Employee-related matters</b>		
	Business conduct	98
	General Disclosures	4
	Own workforce	66
<b>Metrics</b>		
Metrics used to manage employee-related risks, opportunities and performance	Appendix 4 – Nestlé’s sustainability key performance indicators	150



**Respect for human rights**

	<b>Disclosures in Non-Financial Statement 2024</b>	<b>Page reference</b>
<b>Respect for human rights</b>		
	Workers in the value chain	76
	Business conduct	98
	Own workforce	66
	Affected communities	83
	Consumers and end-users	88
	Resource use and circular economy	57
<b>Metrics</b>		
Metrics used to manage human rights-related risks, opportunities and performance	Appendix 4 – Nestlé’s sustainability key performance indicators	150

**Combatting corruption**

	<b>Disclosures in Non-Financial Statement 2024</b>	<b>Page reference</b>
<b>Combatting corruption</b>		
	Business conduct	98
<b>Metrics</b>		
Metrics used to manage corruption-related risks, opportunities and performance	Appendix 4 – Nestlé’s sustainability key performance indicators	150

**Material risks**

<b>Disclosure in Non-Financial Statement 2024/Nestlé 2024 Annual Review</b>	<b>Page reference</b>
General disclosures	4
Nestlé 2024 Annual Review	48–51
In addition, material risks relevant to a specific non-financial matter for which information is required to be disclosed pursuant to Article 964b of the CO are included in the topic chapters referenced in this index with respect to such specific non-financial matter.	–

## Policies

<b>Disclosure in Non-Financial Statement 2024</b>	<b>Page reference</b>
Appendix 7 – Key policies and documents	178
In addition, policies relevant to a specific non-financial matter for which information is required to be disclosed pursuant to Article 964b of the CO are included in the topic chapters referenced in this index with respect to such specific non-financial matter.	–

## Reference to national, European or international frameworks <sup>(5)</sup>

<b>Disclosure in Non-Financial Statement 2024</b>	<b>Page reference</b>
General Disclosures	4
Global Reporting Initiative Content Index	167
Sustainability Accounting Standards Board Index	176

## Coverage of subsidiaries

<b>Disclosure in Non-Financial Statement 2024</b>	<b>Page reference</b>
General Disclosures	4

(5) KPIs referenced in this Non-Financial Statement 2024 follow the criteria as specified in Appendix 1.

## Appendix 3 – Nestlé’s Report Pursuant to Article 964I of the Swiss Code of Obligations and the Ordinance Promulgated Thereunder Regarding Child Labor<sup>(1)</sup>

The above-mentioned provisions of Swiss law require Nestlé S.A. to prepare and publish an annual report in compliance with its statutory due diligence obligations with respect to child labor. Nestlé’s child labor report consists of the information contained in the following documents.<sup>(2)</sup>

- 
1. The information contained in – Workers in the value chain, which is available [here](#).
  2. Nestlé Human Rights Policy, which is available [here](#).
  3. Nestlé’s Human Rights Framework and Roadmap, which is available [here](#).
  4. Nestlé’s Responsible Sourcing Core Requirements, which is available [here](#).
  5. Nestlé’s Corporate Business Principles, particularly section 6 thereof, which is available [here](#).
  6. Nestlé’s Salient Issue Action Plans: Child labor and access to education, which is available [here](#).
- 

(1) Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO) of 3 December 2021.

(2) In each case together with any of the policies, frameworks or other documents referenced in these documents. Items 2. to 6. constitute Nestlé’s supply chain policy on child labor.

# Appendix 4 – Nestlé’s Sustainability Key Performance Indicators

For definitions and calculations methodology of these indicators please refer to [Appendix 1 – 2024 Reporting Scope and Methodology for ESG Key Performance Indicators \(KPIs\)](#).

## General disclosures

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
Number of executive members	Number					15	2-9/c-i		
Number of non-executive members	Number					276 505	2-9/c-i		
Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts							2-19/b		
Short-term Incentive – Management	%					15			
Long-term Incentive – Management	%					20			
Total number of employees (head count)	Number		276 000	275 000	270 000		2-7/a		
Total number of employees (head count)	Number					277 000	2-7/a		In 2024, Nestlé changed the methodology used to calculate number of employees. For more information to refer to Appendix 1.

## Environment

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Climate change</b>									
Percentage reduction of GHG emissions versus 2018 baseline	%				17.54	20.38			Disclosed in the 2023 report as 13.58, this was restated using the latest available data.
Percentage of fossil sources in total energy consumption	%					62.7	302-1/a		
Renewable electricity sourced in Nestlé’s manufacturing sites at year end	%		63.7	78.4	91.9	95.3		FB-PF-130A.1(3)	
Total energy consumption related to own operations (factories only)	Gigajoules		82 779 476	80 131 120	76 824 313	78 784 554	302-1/e	FB-PF-130A.1	
Total energy consumption related to own operations (factories only)	MWh					21 884 598	302-1/e	FB-PF-130A.1(1)	
Total energy consumption from renewable sources (factories only)	Gigajoules					29 286 167	302-1/b	FB-PF-130A.1(3)	
Total energy consumption from renewable sources (factories only)	MWh					8 135 046	302-1/b	FB-PF-130A.1(3)	
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	Gigajoules					22 299 055	302-1/c		
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh					6 194 182	302-1/c		

**Environment (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Climate change (continued)</b>									
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	Gigajoules					2020047			
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh					561124			
Consumption of self-generated non-fuel renewable energy	Gigajoules					52789	302-1/c	FB-PF-130A.1	
Consumption of self-generated non-fuel renewable energy	MWh					14664	302-1/c	FB-PF-130A.1	
Percentage of renewable sources in total energy consumption	%		25.3	30.6	35.0	37.2	302-1/b	FB-PF-130A.1(3)	
Fuel consumption from coal and coal products	Gigajoules					1415269	302-1/a		
Fuel consumption from coal and coal products	MWh					393130	302-1/a		
Fuel consumption from crude oil and petroleum products	Gigajoules					6552519	302-1/a		
Fuel consumption from crude oil and petroleum products	MWh					1820144	302-1/a		
Fuel consumption from natural gas	Gigajoules					39688112	302-1/a		
Fuel consumption from natural gas	MWh					11024476	302-1/a		
Fuel consumption from other fossil sources	Gigajoules					0	302-1/a		
Fuel consumption from other fossil sources	MWh					0	302-1/a		
Global fleet of vehicles switched to lower emission options	%		27.2	41.0	49.3	54.2			
Gross Scope 1 greenhouse gas emissions	Million tonnes CO <sub>2</sub> e	3.28	3.42	3.33	3.15	3.08	305-2/a		2021 and 2022 restated due to acquisitions, divestitures, emissions factor restatements and adjusted scope.
Gross market-based Scope 2 greenhouse gas emissions	Million tonnes CO <sub>2</sub> e	2.02	1.48	0.78	0.33	0.26	305-2/b		
Gross Scope 3 greenhouse gas emissions	Million tonnes CO <sub>2</sub> e	86.44	88.91	83.99	72.93	71.35	305-3/a		In scope for Net Zero Roadmap
Total GHG emissions	Million tonnes CO <sub>2</sub> e	91.74	93.81	88.09	76.41	74.69			

**Environment (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Climate change (continued)</b>									
Disaggregation of GHG emissions by GHG category (for ingredients only)	Million metric tonnes CO <sub>2</sub> e								
Carbon dioxide (CO <sub>2</sub> )	Million metric tonnes CO <sub>2</sub> e	30.13				24.06	305-5/b		
Methane (CH <sub>4</sub> )	Million metric tonnes CO <sub>2</sub> e	16.46				13.08	305-7/a-iv		
Nitrous oxide (N <sub>2</sub> O)	Million metric tonnes CO <sub>2</sub> e	6.38				5.50	305-7/a-i		
Percentage reduction of GHG emissions versus 2018 baseline (for ingredients only):	%						305-5/b		
Carbon dioxide (CO <sub>2</sub> )	%				11.89	20.19	305-5/b		
Methane (CH <sub>4</sub> )	%				15.32	20.56	305-5/b		
Nitrous oxide (N <sub>2</sub> O)	%				11.36	13.74	305-5/b		
Scope 3 GHG emissions dairy and livestock	Million metric tonnes CO <sub>2</sub> e					22.41	305-3/d		
Scope 3 GHG emissions soil and forests	Million metric tonnes CO <sub>2</sub> e					17.07	305-3/d		
Scope 3 GHG emissions other	Million metric tonnes CO <sub>2</sub> e					35.21	305-3/d		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%					33.6	305-1/2.1.1		
Gross location-based Scope 2 greenhouse gas emissions	Million metric tonnes CO <sub>2</sub> e					2.59	305-2/a		
Total GHG emissions location-based	Million metric tonnes CO <sub>2</sub> e					77.02	305-1, 305-2, 305-3		
Total GHG emissions market-based	Million metric tonnes CO <sub>2</sub> e					74.69	305-1, 305-2, 305-3		
Gross other indirect (Scope 3) GHG emissions	Million metric tonnes CO <sub>2</sub> e					81.04			Total Scope 3 inventories.
Biogenic emissions from CO <sub>2</sub> from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions	Million metric tonnes CO <sub>2</sub> e					0.74	305-1/c		

**Environment (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Climate change (continued)</b>									
Total GHG removals	Million metric tonnes CO <sub>2</sub> e				0.76	1.64	305-5		
Total GHG reversals	Million metric tonnes CO <sub>2</sub> e					0			
Total amount of carbon credits outside value chain that are verified against recognized quality standards and cancelled	Million metric tonnes CO <sub>2</sub> e					0.053	305-1/2		
Total amount of carbon credits outside value chain planned to be cancelled in future	Million metric tonnes CO <sub>2</sub> e					0.00503			
Carbon credits: share (percentage of volume) of reduction projects	%					0.0			
Carbon credits: share (percentage of volume) of removal projects	%					100.0			
Carbon credits: share (percentage of volume) for each recognized quality standard	%					100.0			
Carbon credits: share (percentage of volume) issued from projects in European Union	%					0.0			
Percentage <i>Nespresso</i> coffee sourced through the <i>Nespresso AAA Sustainable Quality™ Program</i>	%		92.6	93.1	94.4	91.4			
Percentage of coffee supplies responsibly sourced (excluding <i>Nespresso</i> )	%		81.5	87.0	92.5	93.0			
Percentage of key ingredients responsibly sourced	%		16.3	22.0	36.2	44.5		FB-PF-430A.1	Key ingredients refers to 14 key agricultural raw materials that cover 95% of Nestlé’s annual sourcing by volume: cereals and grains; cocoa; coconut; coffee; dairy; fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables. Data before 2022 are not comparable since definition changed.
Percentage certified palm oil sourcing (RSPO)	%		71.1	71.0	100.0	100.0		FB-PF-430A.1	2022 data comprises Roundtable on Sustainable Palm Oil certifications and credits as follows: 20.0% segregated, 1.6% mass balance, 45.6% book and claims without including credits from independent smallholders, 3.7% book and claims from independent smallholders only.

**Environment (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Climate change (continued)</b>									
Percentage cocoa sourced through the <i>Nestlé Cocoa Plan</i>	%		50.6	68.3	85.5	88.9		FB-PF-430A.1	The percentage cocoa sourced through the <i>Nestlé Cocoa Plan</i> includes volumes of Rainforest Alliance certified mass balance cocoa that are not accounted for in the global Responsibly Sourced indicator above. Nestlé also includes verified <i>Nestlé Cocoa Plan</i> volumes and farm data provided by suppliers.
Percentage cage-free eggs sourced	%		76.3	71.7	72.9	74.4			
Number of forest and fruit trees distributed to cocoa farmers	Number		1 038 904	1 470 614	1 386 240	1 737 740			
Farmers trained on practices	Number		435 500	419 228	497 395	472 732	404-2		
Number of farmers in the <i>Nestlé Cocoa Plan</i>	Number		152 236	157 157	179 399	163 643			
<b>Pollution</b>									
Total direct output of chemical oxygen demand load to the environment	Tonnes				1911	4540			
Aggregated annual chemical oxygen demand concentration	mgO <sub>2</sub> /l				81	86			2023 figures considered effluents after internal treatment only; whereas 2024 results account for all effluents, after both internal and external treatment.
Percentage effluent water treated internally	%				51	52			Metrics reported only relate to factories.
<b>Water resources</b>									
Nestlé Waters volumetric water benefits (VWB) delivered by implementing local water stewardship projects	Million cubic meters			2.3	4.4	8.2			
Percentage of sites where projects started to deliver volumetric water benefits (VWB)	%					67.6			
Percentage of total withdrawn volumes that are 'regenerated'	%					39.8			
Nestlé Waters sites certified to the AWS Standard	Number		19	21	23	25	303-1	FB-PF-140A.1	
Total water consumption	Million cubic meters		39.0	43.9	47.2	45.0	303-5/a	FB-PF-140A.1(3)	
Total water consumption in areas at water risk, including areas of high-water stress	Million cubic meters		–	–	–	25.0	303-5/b	FB-PF-140A.1(4)	
Water consumed in regions with High or Extremely High Baseline Water Stress	%		49.1	51.5	48.6	55.5	303-5/b	FB-PF-140A.1(4)	
Water withdrawn in regions with High or Extremely High Baseline Water Stress	%		35.4	36.1	36.7	44.8	303-3/b	FB-PF-140A.1(4)	



**Environment (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Water resources (continued)</b>									
Total water withdrawn	Million cubic meters		98.0	97.1	95.6	97.9	303-3/a	FB-PF-140A.1	
Total water discharges	Million cubic meters		59.0	53.2	48.4	52.9	303-4/a		
Water use reduction in factories	Million cubic meters		2.30	2.38	3.00	2.72		FB-PF-140A.3(5.4)	
<b>Biodiversity and ecosystems</b>									
Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free:	%				93.4	93.5	101-6/e		
Meat	%				99.9	100.0	101-6/e		
Palm oil	%				96.0	96.3	101-6/e		
Pulp and paper	%				98.2	99.0	101-6/e		
Soy	%				97.9	96.1	101-6/e		
Sugar	%				98.1	97.8	101-6/e		
Cocoa	%				42.3	46.4	101-6/e		
Coffee	%				92.8	93.1	101-6/e		
Percentage of key ingredients sourced from farmers adopting regenerative agriculture practices	%			6.8	15.2	21.3			The scope of numerator in 2024 includes agricultural raw materials coming both from Nestlé Farmer Connect value chain (Nestlé Farmer Connect program works directly with farmers to ensure supply of certain agricultural raw materials) and from industrial suppliers for the following categories: dairy (fresh milk and dairy derivatives); coffee (excluding blended green coffee and blue bottle); cocoa; cereals and grains; soy; vegetables, sugar. Please refer to the <a href="#">Appendix 1 – 2024 Reporting Scope and Methodology for ESG Key Performance Indicators (KPIs)</a> for full details.
Number of trees planted under GRP	Number				6 826 000	7 039 421			Commitment is cumulative, however, all numbers provided here are annual achievements.

**Environment (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Resource use and circular economy</b>									
Plastic packaging designed for recycling	%		74.9	81.9	83.5	86.4	306-2 Management of significant waste-related impacts	FB-PF-410A.1	Based on the Ellen MacArthur Foundation Global Commitment reporting rules.
Virgin plastic reduction versus 2018 baseline	%		8.1	10.5	14.9	21.3	306-2 Management of significant waste-related impacts		
Percentage of packaging that is recyclable, reusable or compostable	%		85.4	85.8	86.6	89.5	306-2 Management of significant waste-related impacts	FB-PF-410A.1	Based on the Ellen MacArthur Foundation Global Commitment reporting rules.
Total weight of waste generated	Metric tonnes			1 811 947	1 564 810	1 770 141	306-3/a		
Hazardous waste generated – biomass	Metric tonnes			839	3 157	631	306-3/a		Changes in the classification of waste in 2022 mean that prior year data is not comparable.
Non-hazardous waste generated – biomass	Metric tonnes			1 414 716	1 027 439	1 174 624	306-3/a		
Hazardous waste generated – other waste	Metric tonnes			33 061	9 622	13 506	306-3/a		
Non-hazardous waste generated – other waste	Metric tonnes			3 633 331	5 245 92	5 813 80	306-3/a		
Global PET (Polyester) use	%		32.1	34.8	34.2	33.3			
Global PE (Polyethylene) use	%		18.1	19.1	19.1	19.2			
Global PP (Polypropylene) use	%		19.4	21.6	23.7	25.9			
Global PO (Polyolefin) use	%		5.4	6.6	6.5	7.2			
Global laminates use	%		24.1	17.2	15.3	13.6			
Global use, other plastics	%		0.8	0.7	1.2	0.8			
Total weight of packaging	Million tonnes		3.8	3.6	3.4	3.4	301-1/a	FB-PF-410A.1	
Total weight of plastic packaging	Kilotonnes			927.0	896.6	872.9			
Packaging made from recycled and/or renewable materials	%		39.5	36.0	41.5	43.2	301-2/a	FB-PF-410A.1	
Packaging that is reusable	%			1.00	0.84	0.49		FB-PF-410A.1	
Recycled content in plastic packaging	%		4.3	7.7	9.3	14.7	306-2	FB-PF-410A.1	
Packaging pieces placed on the market	Billions		344	330	320	321	306-2	FB-PF-410A.1	2021 data restated due to acquisitions, divestitures and packaging changes.

**Social**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Own workforce</b>									
Employees having access to <i>My Health Numbers</i> program	Number		227 640	233 385	233 385	235 396			
Employees having participated in <i>My Health Numbers</i> program	Number		49 687	108 830	118 401	123 592			
Number of employees that completed <i>#HealthyLives</i> , a global training on physical activity, mental health, nutrition and sleep (cumulative)	Number		31 636	33 136	37 157	38 924			Due to a methodology change in the tracking process (removal of curriculum counting), Nestlé can observe a decrease in the total number of employees versus the cumulative numbers reported in 2023.
Number of views of <i>#HealthyLives</i> (global training on physical activity, mental health, nutrition and sleep) videos (cumulative)	Number		445 776	509 974	530 340	564 041			
Countries offering a nap room or equivalent to rest	%		53.0	54.5	38.0	48.0			
Canteens offering a healthy meal	%		94.4	94.6	96.0	95.8			
Number of views of <i>HealthTalks</i> webinars	Number		14 480	4 066	3 885	2 991			
Number of views of the global employee health and wellbeing communication campaigns (Healthy Life Days)	Number		130 063	156 600	227 000	322 319			
Activations in <i>Pleaz</i> platform to support mental health and physical activity	Number		26 193	60 452	123 374	155 589			
Countries offering Employee Assistance Program (EAP) to support employee’s mental health and wellbeing	%				93	97	403-6/a		
Countries providing supportive measures for employees working with cancer or other critical health conditions	%				93	76	403-6/a		
Number of primary and secondary caregivers having used paid parental leave	Number				58 272	55 119	401-3/b		
Retention of primary and secondary caregivers having used paid parental leave after one year	Number				92.7	91	401-3/e		
CARE audit gaps closed	Number		161	283	186	84	2-16b		
CARE audits performed	Number		247	264	194	245	2-16b		
CARE audit gaps identified	Number		333	511	298	227	2-16b		
Average hours of technical or vocational training provided to workers in the company	Hours				–	13.8	404-1/a		The 2024 KPI has been expanded to the entire employee headcount of Nestlé, whereas the previous KPI was based only on the operations workforce.
Average hours of technical or vocational training provided to workers in the Company’s operations	Hours		15.8	9.3	15.1		404-1/a		
Nestlé employees hired under 30 years old, unlimited and temporary contract	Number		23 899	26 610	23 804	23 238			

**Social (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Own workforce (continued)</b>									
Total number of employees by employment type (permanent and temporary), by gender:	Number					259 930	2-7		
Permanent male	Number		155 175	147 310	149 800	147 187	2-7/b-i		
Permanent female	Number		94 337	94 072	96 172	96 313	2-7/b-i		
Permanent other	Number					53	2-7/b-i		
Temporary male	Number		8 632	7 883	7 857	7 916	2-7/b-ii		
Temporary female	Number		8 779	8 335	8 471	8 455	2-7/b-ii		
Temporary other	Number					6	2-7/b-ii		
Total number of employees by employment type (full-time and part-time), by gender:	Number						2-7		
Full-time employees: male	Number		160 649	152 629	154 752	152 722	2-7		
Full-time employees: female	Number		96 382	95 991	98 503	99 064	2-7		
Part-time employees: male	Number		3 158	2 564	2 905	2 381	2-7		
Part-time employees: female	Number		6 734	6 416	6 140	5 704	2-7		
Total number of employees by employment contract (permanent and temporary), by region:	Number						2-7		
Permanent Asia, Oceania, Africa	Number			55 034	58 304	57 276	2-7/b-i		
Permanent Europe	Number			76 618	77 222	75 949	2-7/b-i		
Permanent Greater China	Number			19 366	18 280	17 495	2-7/b-i		
Permanent Latin America	Number			55 125	53 732	54 935	2-7/b-i		
Permanent North America	Number			35 267	38 495	37 898	2-7/b-i		Data not available for prior years due to restructure of geographical zones.
Temporary Asia, Oceania, Africa	Number			3 868	3 781	3 763	2-7/b-ii		
Temporary Europe	Number			7 152	6 975	7 266	2-7/b-ii		
Temporary Greater China	Number			276	560	608	2-7/b-ii		
Temporary Latin America	Number			4 512	4 570	4 350	2-7/b-ii		
Temporary North America	Number			412	446	390	2-7/b-ii		
Percentage of total employees covered by collective bargaining agreements	%		54.4	56.3	52.7	51.3	2-30/a		
Gender distribution in number of employees (head count) at top management level:	Number						405-1/b-i		
Male	Number					19 781	405-1/b-i		
Female	Number					17 798	405-1/b-i		
Other	Number					4	405-1/b-i		
Total	Number					37 583	405-1/b-i		

**Social (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Own workforce (continued)</b>									
Gender distribution in percentage of employees at top management level:	%						405-1/a-i		
Male	%					52.6	405-1/b-i		
Female	%					47.4	405-1/b-i		
Other	%					0.0	405-1/b-i		
Total	%					100.0	405-1/b-i		
Percentage of management positions held by women	%				46.4	47.4	405-1/b-i		
Percentage of women on company board	%				33.3	38.5	405-1/b-i		
Chairperson is a woman	Yes/No				No	No			
Gender balance in board leadership	%				20.0	20.0			
Chief Executive Officer (CEO) is a woman	Yes/No				No	No			
Woman Chief Financial Officer (CFO) or equivalent	Yes/No				No	Yes	405-1/b-i		
Percentage of women executive officers	%				31.2	40.0			
Chief Diversity Officer (CDO)	Yes/No				Yes	Yes			
Percentage of women in total management	%				46.4	47.4	405-1/b-i		
Percentage of women in senior management	%				34.6	36.0	405-1/b-i		
Percentage of women in middle management	%				47.0	47.9	405-1/b-i		
Percentage of women in non-managerial positions	%				38.9	39.2	405-1/b-i		
Percentage of women in total workforce	%				39.8	40.3	405-1/b-i		
Percentage of women total promotions	%				51.7	51.4			
Percentage of women IT/Engineering	%				14.01	14.6			2023 data restated from 31.0%.
Percentage of new hires are women	%				44.7	47.1	401-1/a		
Percentage of women attrition	%				45.8	45.9			
Number of weeks of fully paid primary parental leave offered	Number				18	18	401-2		
Number of weeks of fully paid secondary parental leave offered	Number				4	4	401-3		
Parental leave retention rate	%				91.9	91.0	401-3/e		
Flexible working policy	Yes/No				Yes	Yes			
Employee resource groups for women	Yes/No				Yes	Yes			
Unconscious bias training	Yes/No				Yes	Yes			
Annual anti-sexual harassment training	Yes/No				Yes	Yes			

**Social (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Own workforce (continued)</b>									
Recordable injury rate per million hours worked	Number		1.33	1.21	1.17	1.14	403-9/a-iii		
Total recordable fatalities (injury related)	Number		3	6	1	4	403-9/a-i		
Total irreversible injuries	Number		13	22	10	18	403-9/a-iii		
Recordable illness rate per million hours worked	Number		0.71	0.66	0.66	0.50			
Total recordable fatalities (illness related)	Number		0	0	0	0	403-10/a		
Total irreversible illnesses	Number		20	20	16	10	403-10/a		
Global mean (average) raw gender pay gap	Percentage				6.7	-9.1	405-2		In 2024, Nestlé expanded the number of employees included within the scope to also cover those under a collective bargaining agreement. Subsequently, this changed the mix of male and female profiles, significantly altering the final result of the analysis versus 2023.
<b>Workers in the value chain</b>									
Number of households covered by the CLMRS to prevent and address child labor risks	Number			87 422	108 810	123 953	408-1/c		
Total number of children who have received support through prevention and remediation actions as part of the CLMRS	Number					96 580	408-1/c		The methodology has changed in 2024 and the data is not comparable with previous years.
Total number of children who have received support through prevention and remediation actions as part of the CLMRS	Number			15 035	28 583				2022 and 2023 data only includes children helped for the first time.
Number of children who reported no longer engaging in potentially hazardous activities as part of the CLMRS	Number			8 974	12 135	26 857	408-1/c		Cumulative number since the implementation of the CLMRS in 2012.
Percentage volume of cocoa covered by the CLMRS or other dedicated due diligence systems, including mass balance	%				70.6	88.9	408-1/c		
<b>Affected communities</b>									
Young people around the world with access to economic opportunities since 2017:	Million						401-2		
Cumulative	Million		3.8	5.6	7.7	10.2	401-2		
Per year	Million				2.1	2.5	401-2		
Apprenticeship and traineeship opportunities	Number		11 598	11 495	10 807	10 612	401-2		
Young farmers trained through agripreneurship program	Number		7 422	5 121	8 464	9 574			
Young people impacted through digital events (e.g. career fairs, educational webinars, e-learning programs) that focus on upskilling young people and make them more employable	Number		1 291 306	1 415 687	1 393 147	1 648 290			

**Social (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Affected communities (continued)</b>									
Young entrepreneurs who have received some basic but tangible benefit from Nestlé	Number			64977	72630	70838			
Community giving investment:	CHF								
Financial aid	CHF				39 265 000	38 532 000	201-1/a-ii		
Product donations	CHF				135 490 000	110 219 000	201-1/a-ii		
Others	CHF				2 716 000	3 571 000	201-1/a-ii		
Total amount	CHF				177 471 000	152 322 000	201-1/a-ii		
<b>Consumers and end-users</b>									
Number of servings of affordable nutrition with micronutrient fortification	Billions		128.4	129.2	127.6	132.0			
Total number of servings of micronutrient fortified foods and beverages	Billions		196.4	202.1	197.1	198.7			The 'big four' micronutrients are iron, vitamin A, iodine and zinc. 2021 data corrected to adjust for some products that were reclassified. This KPI is excluding CPW in line with the scope of reporting.
Health Star Rating – Less than 1.5 – without pet care	%			21	21	21			Covers 73% of total net sales in 2024. Excludes products that are not foods or beverages for consumption and some entities where the recipes were not available this year. Health Star Ratings are calculated based on the recipe for each product and are not necessarily included in the product label.
Health Star Rating – Between 1.5 and 3.5 – without pet care	%			22	20	20			
Health Star Rating – 3.5 and above – without pet care	%			37	38	38			
Specialized nutrition – without pet care (HSR)	%			20	21	21			
Percentage of global NNS covered by the assessment – without pet care (HSR)	%			79	76	73			
Health Star Rating – Less than 1.5 – with pet care	%			17	17	17			
Health Star Rating – Between 1.5 and 3.5 – with pet care	%			18	16	16			
Health Star Rating – 3.5 and above – with pet care	%			30	31	30			Covers 92% of total net sales in 2024. Excludes products that are not foods or beverages for consumption and some entities where the recipes were not available this year. Health Star Ratings are calculated based on the recipe for each product and are not necessarily included in the product label.
Specialized nutrition – with pet care (HSR)	%			35	36	37			
Percentage of global NNS covered by the assessment – with pet care (HSR)	%			97	95	92			
Number of countries with audits on the Nestlé Policy for implementing the WHO Code	Number			32	39	33			
Instances of detected non-compliance with the Nestlé Policy for implementing the WHO Code	Number			96	125	186	416-2	FB-PF-270A.3	

**Social (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Consumers and end-users (continued)</b>									
Compliance with Nestlé Marketing Communication to Children policy:							417-3		
TV	%		98.7	98.4	98.4				
Websites	%		100.0	100.0	100.0				
Social media	%		83.4	100.0	100.0				
Influencers	%		100.0	37.5	88.9				100% of the audited influencers' posts were assessed as not appealing to children below 13 years. Following a change in methodology, breaches for posts not targeted to children are also included.
Average total	%		95.5	84.0	96.8				
Compliance with Nestlé Marketing Communication to Children policy:	%						417-3		Updated methodology to reflect Nestlé's new Policy commitments.
TV	%					100.0			
Digital media	%					92.3			
Social media	%					89.6			
Average total	%					96.9			
Number of food safety recalls issued	Number		9	10	13	5		FB-PF-250A.4	
Number of data breaches notified to authorities	Number			8	8	16	418-1/b		The number of data breaches reported here for 2024 only includes breaches that have affected consumers and excludes any other category of individuals. The reason the 2023 number is marked as '-' is because in 2023, Nestlé only reported the total number of data breaches, including those affecting consumers, employees and other individuals. Therefore, the KPI that was reported in 2023 is not comparable to the 2024 KPI that relates solely to consumers.

**Governance**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Business conduct</b>									
Percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for human and pet (cats and dogs) consumption	%		97	98	98.4	95.3			
Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	% by cost		88.0	91.9	92.9	94.4		FB-PF-250A.2	



**Governance (continued)**

Indicator	Unit	Baseline value (2018)	2021	2022	2023	2024	GRI index	SASB index	Notes on the data
<b>Business conduct (continued)</b>									
Total messages received through <i>Speak Up</i> system	Number		2475	2516	2874	3218	2-26/a-ii		
Selected messages received through <i>Speak Up</i> system by sub-category:	Number								
Labor practice	Number		373	272	249	292	2-26/a-ii		
Harassment (excluding sexual harassment)	Number		108	168	214	216	2-26/a-ii		
Fraud (misappropriation or misconduct on accounting/ financial statement)	Number		137	128	131	130	2-26/a-ii		
Safety and health	Number		156	122	88	155	2-26/a-ii		
Bribery and corruption (including conflict of interest)	Number		55	88	47	189	2-26/a-ii		Messages received did not involve government officials.
Violence and discrimination	Number		78	86	172	146	2-26/a-ii		
Sexual harassment	Number		59	81	104	72	2-26/a-ii		
Human rights (child labor, forced labor and modern slavery)	Number		49	16	1	3	2-26/a-ii		
Confidential information, privacy policy (data privacy, trade secrets, intellectual property)	Number		49	65	51	44	2-26/a-ii		
Total cases substantiated through <i>Speak Up</i> system	Number		580	578	691	644	2-26/a-ii		
Selected cases substantiated through <i>Speak Up</i> system by sub-category:	Number								
Labor practice	Number		77	69	69	37	2-26/a-ii		
Harassment (excluding sexual harassment)	Number		37	52	44	42	2-26/a-ii		
Sexual harassment	Number		22	36	29	26	2-26/a-ii		
Fraud (misappropriation or misconduct on accounting/ financial statement)	Number		28	35	43	46	2-26/a-ii		
Bribery and corruption (including conflict of interest)	Number		4	22	5	33	2-26/a-ii		Cases substantiated did not involve government officials.
Safety and health	Number		29	21	21	28	2-26/a-ii		
Violence and discrimination	Number		19	16	53	35	2-26/a-ii		
Human rights (child labor, forced labor and modern slavery)	Number		1	0	1	0	2-26/a-ii		
Confidential information, privacy policy (data privacy, trade secrets, intellectual property)	Number		11	8	18	5	2-26/a-ii		
Total messages closed through <i>Speak Up</i> system	Number		1944	1758	2341	2420	2-16b		
Total monetary value of financial political contributions made by the organization in Switzerland	CHF				225 000	225 000	415-1/a		

## Appendix 5 – TCFD Index <sup>(1)</sup>

### Governance

	<b>Disclosure in the Nestlé Non-Financial Statement 2024</b>	<b>Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)</b>
Board's oversight	Page 5	Oversight of climate-related risks and opportunities is embedded at the highest level. The Board has oversight of climate-related matters and monitors progress toward related goals. The Board is responsible for the strategy and organization and provides oversight of its financial and non-financial performance and reporting. The Board approves the Company's ESG/sustainability strategy and approves its Non-Financial Statement for submission to the Annual General Meeting.
Management's role	Page 5	The Executive Board is responsible for executing sustainability strategies, including the Nestlé Net Zero Roadmap, through an ESG & Sustainability Council.

### Strategy

	<b>Disclosure in the Nestlé Non-Financial Statement 2024</b>	<b>Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)</b>
Climate-related risks and opportunities	Pages 21–24 and 32–33	<p>Climate change is considered a material risk for Nestlé. Within Nestlé's Enterprise Risk Management framework, an annual assessment of climate change risks is conducted and strategy and plans to mitigate them are reviewed. Nestlé assesses related financial risks using a discounted cash flow methodology.</p> <p>The assessment establishes:</p> <ul style="list-style-type: none"> <li>– Transition risks: Nestlé has assessed transition risks over 10 years, based on analysis of risk impacts from Low – Paris Ambition, Intermediate – RCP 4.5 and High – RCP 8.5. Modeling results show a degree of exposure, but the Nestlé Net Zero Roadmap could materially reduce this.</li> <li>– Physical risks: changing temperatures and weather extremes can affect Nestlé's operations. For 12 key ingredients covering 90% of Nestlé's spend, Nestlé estimated the yield change in 2040 versus today in a 'steady-state', intermediate climate scenario (+2 to 3°C by 2100), discounting the unpredictable impacts of extreme events.</li> </ul> <p>Nestlé is well positioned to implement nature-based solutions for less resource-intensive and more resilient food production.</p>
Impacts of climate-related risks and opportunities	Pages 21–24 and 32–33	
Resilience of the organization's strategy	Pages 21–24 and 32–33	

(1) Nestlé has prepared disclosures referenced in this appendix according to the TCFD Recommendations published in 2017 and 2021.

## Risk management

	<b>Disclosure in the Nestlé Non-Financial Statement 2024</b>	<b>Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)</b>
Processes for identifying and assessing climate-related risks	Pages 21–24	<p>The process for assessing and addressing climate-related risks in Nestlé's operations and along the value chain involves a comprehensive approach integrated throughout the organization. These assessment processes are conducted annually and cover all stages of the value chain including direct operations, upstream and downstream. Nestlé's approach to assessment includes the following:</p> <ul style="list-style-type: none"> <li>– Top-down climate assessments are formally incorporated into the annual strategic portfolio reviews for Strategic Business Units and Globally Managed Businesses. Each unit considers how climate-related risks may affect strategy and future business projections.</li> <li>– Bottom-up scenario analyses are used to assess the resilience of Nestlé's strategy under different climate scenarios. The relevant operational teams, including procurement, agriculture, and supported by quantitative third-party modelling, review the most significant climate-related risk, develop mitigation strategies and identify opportunities.</li> <li>– The Nestlé Global Property Loss Prevention Program conducts in-depth assessments of natural catastrophe risks (such as precipitation, flood, hail, heat and drought) for existing sites and greenfield projects. The process is based on the use of quantitative third-party models to generate a baseline for current expected losses and future expected losses. Where appropriate, remedial action including associated capital expenditure at site level is defined. It also supports decision-making for future standards prevention and protection.</li> </ul> <p>The insights and findings of the climate-risk analysis are presented yearly to executive management and the Board of Directors to integrate risk considerations into corporate governance and strategic planning. The outcomes are incorporated into Nestlé's strategic planning and fully integrated into Nestlé's overall risk management processes across all levels of the organization.</p>
Processes for managing climate-related risks	Pages 21–24	
Integration into the organization's overall risk management	Pages 21–24	

## Targets

	<b>Disclosure in the Nestlé Non-Financial Statement 2024</b>	<b>Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)</b>
Targets used to manage climate-related risks, opportunities and performance	Pages 32–33, 166	Nestlé reviews its progress against the Net Zero Roadmap to validate that its activities are keeping it on the path to net zero and are helping mitigate and adapt to climate risk throughout its value chain.

**Key selected metrics**

	Unit	2021	2022	2023	2024	Related target	
Achieved reduction of GHG emission vs. 2018 baseline	%			17.54 <sup>(2)</sup>	20.38	Nestlé's Net Zero Roadmap with intermediate targets: – Reduce by 20% by 2025 and 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest	
Gross Scope 1 greenhouse gas emission (CO <sub>2</sub> e)	Million metric tonnes	3.38	3.27	3.16	3.08		
Gross market-based Scope 2 greenhouse gas emissions (CO <sub>2</sub> e)	Million metric tonnes	1.44	0.74	0.31	0.26		
Gross Scope 3 greenhouse gas emissions (CO <sub>2</sub> e)	Million metric tonnes	98.75	93.79	84.08	71.35		
Total (Scopes 1, 2 & 3) GHG emissions (CO <sub>2</sub> e)	Million metric tonnes	103.58	97.80	87.54	74.69		
Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	%			93.4	93.5		
Key ingredients sourced from farmers adopting regenerative agriculture practices	%		6.8	15.2	21.3		
Renewable electricity sourced in Nestlé's manufacturing sites at year end	%	63.7	78.4	91.9	95.3		
Total energy consumption from renewable sources (factories only)	Gigajoules				29286167		
Total energy consumption from renewable sources (factories only)	MWh				8135046		
Virgin plastic reduction vs. 2018 baseline	%	–	–	14.9	21.3		Part of Nestlé's packaging sustainability strategy. Nestlé is committed to 33% virgin plastic reduction by 2025 compared to 2018.
Water use reduction in factories	Million cubic meters				2.72		Nestlé sets annual targets of water use reduction in its manufacturing sites, especially in those located in water stressed areas.

(2) Disclosed in the 2023 report as 13.58, this was restated using the latest available data.

# Appendix 6 – Global Reporting Initiative and Sustainability Accounting Standards Board Indexes 2024

## About this index

This content index accompanies Nestlé's Non-Financial Statement 2024, which has been produced with reference to the Global Reporting Initiative (GRI) Consolidated Set of Standards 2021 and the Sustainability Accounting Standards Board (SASB) Standard for the Processed Foods sector.

It is designed to help stakeholders locate the relevant disclosures against each reporting standard.

In addition to these reporting standards, Nestlé's disclosures reflect the results of a comprehensive materiality assessment undertaken by an independent third party.

Nestlé includes all material disclosures in its index.

For a detailed explanation of the indicators included in this index, visit the GRI website or the SASB website.

The data in this report relate to the fiscal year ending December 31, 2024, unless otherwise stated.

## Global Reporting Initiative Content Index

Nestlé has reported the information cited in this GRI content index for the period calendar year ending December 2024, with reference to the GRI Standards. Nestlé used GRI 1: Foundation 2021.

Disclosure	Disclosure in Nestlé Non-Financial Statement 2024	Further information
<b>GRI 2: General disclosures 2021</b>		
<b>General disclosures</b>		
2-1 Organizational details	Introduction, page 3	<a href="#">Annual Review 2024</a>
2-2 Entities included in the organization's sustainability reporting	About this Non-Financial Statement 2024, page 4	
2-3 Reporting period, frequency and contact point	About this Non-Financial Statement 2024, page 4	
2-4 Restatements of information	Climate change, page 28 Pollution, page 47 Employee relations, page 66 Diversity, equity and inclusion, page 73 Consumption of safe and quality products, page 93	
2-5 External assurance	About this report, page 103	
2-6 Activities, value chain and other business relationships	About this Non-Financial Statement 2024, page 4	<a href="#">Annual Review 2024</a>
2-7 Employees	Own workforce, page 70	
2-9 Governance structure and composition	Governance, page 6	<a href="#">Annual Review 2024</a>
2-10 Nomination and selection of the highest governance body		<a href="#">Corporate Governance Report 2024</a>
2-11 Chair of the highest governance body		<a href="#">Corporate Governance Report 2024</a>

**Global Reporting Initiative Content Index (continued)**

<b>Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>	<b>Further information</b>
<b>GRI 2: General disclosures 2021 (continued)</b>		
<b>General disclosures (continued)</b>		
2-12 Role of the highest governance body in overseeing the management of impacts	Governance, page 6	
2-13 Delegation of responsibility for managing impacts	Governance, page 6	
2-14 Role of the highest governance body in sustainability reporting	Governance, page 6	
2-15 Conflicts of interest	Business conduct, Corporate culture, page 99	<a href="#">Code of Business Conduct</a>
2-16 Communication of critical concerns	Business conduct, Whistleblowing, page 101	
2-17 Collective knowledge of the highest governance body		<a href="#">Corporate Governance Report 2024</a>
2-19 Remuneration policies	Governance, page 8	<a href="#">Compensation Report 2024</a>
2-20 Process to determine remuneration	Governance, page 8	<a href="#">Compensation Report 2024</a>
2-22 Statement on sustainable development strategy	CEO letter	Creating Shared Value at Nestlé, page 3
2-23 Policy commitments	Nestlé Policies Overview, page 26 Appendix 7 – Key Policies and Documents, page 178	
2-24 Embedding policy commitments	Business conduct, page 98 and throughout the Non-Financial Statement 2024 under relevant individual sustainability matters	
2-25 Processes to remediate negative impacts	Business conduct, page 98	
2-26 Mechanisms for seeking advice and raising concerns	Business conduct, Whistleblowing, page 101	
2-27 Compliance with laws and regulations	Business conduct, page 98	
2-28 Membership associations	Governance, page 8	<a href="http://www.nestle.com/sustainability/responsible-business/leadership-advocacy">www.nestle.com/sustainability/responsible-business/leadership-advocacy</a>
2-29 Approach to stakeholder engagement	Governance, page 8	
2-30 Collective bargaining agreements	Employee relations, page 66	

**Global Reporting Initiative Content Index (continued)**

<b>Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>	<b>Further information</b>
<b>GRI 3: Material topics 2021</b>		
<b>Material topics</b>		
3-1 Process to determine material topics	Double materiality assessment, page 11	
3-2 List of material topics	Double materiality assessment, page 11	
3-3 Management of material topics	Double materiality assessment, page 11 and through the Non-Financial Statement 2024	
<b>GRI 200: Economic performance</b>		
<b>GRI 201: Economic performance 2016</b>		
201-1 Direct economic value generated and distributed		<a href="#">Annual Review 2024</a>
201-2 Financial implications and other risks and opportunities due to climate change	Assessing and addressing climate-related risks, page 21 Assessing a climate-related opportunities, page 24	
<b>GRI 203: Indirect economic impacts 2016</b>		
203-1 Infrastructure investments and services supported	Actions and Resources section in each of the sustainability matters throughout the Non-Financial Statement 2024	
203-2 Significant indirect economic impacts		
<b>GRI 205: Anti-corruption 2016</b>		
205-1 Operations assessed for risks related to corruption	Business conduct, page 98	
205-2 Communication and training about anti-corruption policies and procedures	Business conduct, page 98	
205-3 Confirmed incidents of corruption and actions taken	Business conduct, page 102	
<b>GRI 206: Anti-competitive behavior 2016</b>		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business conduct, page 98	

**Global Reporting Initiative Content Index (continued)**

<b>Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>	<b>Further information</b>
<b>GRI 200: Economic performance (continued)</b>		
<b>GRI 207: Tax 2019</b>		
207-1 Approach to tax		<a href="http://www.nestle.com/sustainability/responsible-business/tax-management-strategy">www.nestle.com/sustainability/responsible-business/tax-management-strategy</a>
207-2 Tax governance, control, and risk management		<a href="http://www.nestle.com/sustainability/responsible-business/tax-management-strategy">www.nestle.com/sustainability/responsible-business/tax-management-strategy</a>
207-3 Stakeholder engagement and management of concerns related to tax		<a href="http://www.nestle.com/sustainability/responsible-business/tax-management-strategy">www.nestle.com/sustainability/responsible-business/tax-management-strategy</a>
207-4 Country-by-country reporting		<a href="http://www.nestle.com/sustainability/responsible-business/tax-management-strategy">www.nestle.com/sustainability/responsible-business/tax-management-strategy</a>
<b>GRI 300: Environmental disclosures</b>		
<b>GRI 301: Materials 2016</b>		
301-1 Materials used by weight or volume	Packaging, page 64 Appendix 4, page 156	
301-2 Recycled input materials used	Packaging, page 64 Appendix 4, page 156	
301-3 Reclaimed products and their packaging materials	Packaging, page 64 Appendix 4, page 156	
<b>GRI 302: Energy 2016</b>		
302-1 Energy consumption within the organization	Climate change, page 38 Appendix 4, page 150	
302-2 Energy consumption outside of the organization	Climate change, page 38 Appendix 4, page 150	



**Global Reporting Initiative Content Index (continued)**

<b>Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>	<b>Further information</b>
<b>GRI 300: Environmental disclosures (continued)</b>		
<b>GRI 303: Water and Effluents 2018</b>		
303-1 Interactions with water as a shared resource	Water resources, page 48 Appendix 4, page 154	
303-2 Management of water discharge-related impacts	Water resources, page 48	
303-3 Water withdrawal	Water resources, page 50 Appendix 4, page 154	
303-4 Water discharge	Water resources, page 50 Appendix 4, page 155	
303-5 Water consumption	Water resources, page 50 Appendix 4, page 154	
<b>GRI 304: Biodiversity 2016</b>		
304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and ecosystems, page 53	
304-3 Habitats protected or restored	Biodiversity and ecosystems, page 53	
<b>GRI 305: Emissions 2016</b>		
305-1 Direct (Scope 1) GHG emissions	Climate change, page 39 Appendix 4, page 151	
305-2 Energy indirect (Scope 2) GHG emissions	Climate change, page 39 Appendix 4, page 151	
305-3 Other indirect (Scope 3) GHG emissions	Climate change, page 39 Appendix 4, page 151	
305-5 Reduction of GHG emissions	Climate change, page 39 Appendix 4, page 151	
<b>GRI 306: Waste 2020</b>		
306-1 Waste generation and significant waste-related impacts	Resource use and circular economy, page 57	
306-2 Management of significant waste-related impacts	Resource use and circular economy, page 57 Appendix 4, page 156	
306-3 Waste generated	Resource use and circular economy, page 57 Appendix 4, page 156	

**Global Reporting Initiative Content Index (continued)**

<b>Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>	<b>Further information</b>
<b>GRI 400: Social disclosures</b>		
<b>GRI 401: Employment 2016</b>		
401-3 Parental leave	Diversity, equity and inclusion, page 73	
<b>GRI 403: Occupational health and safety 2018</b>		
403-1 Occupational health and safety management system	Health and safety, page 71	
403-2 Hazard identification, risk assessment, and incident investigation	Health and safety, page 71	
403-3 Occupational health services	Health and safety, page 71	
403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety, page 71	
403-5 Worker training on occupational health and safety	Health and safety, page 71	
403-6 Promotion of worker health	Health and safety, page 71 Appendix 4, page 157	
<b>GRI 403: Occupational health and safety 2018 (continued)</b>		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety, page 71	
403-9 Work-related injuries	Health and safety, page 71 Appendix 4, page 160	
403-10 Work-related ill health	Health and safety, page 71 Appendix 4, page 160	

**Global Reporting Initiative Content Index (continued)**

<b>Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>	<b>Further information</b>
<b>GRI 400: Social disclosures (continued)</b>		
<b>GRI 404: Training and education 2016</b>		
404-1 Average hours of training per year per employee	Employee relations, page 66 Appendix 4, page 157	
404-2 Programs for upgrading employee skills and transition assistance programs	Employee relations, page 66 Appendix 4, page 157	
<b>GRI 405: Diversity and equal opportunity 2016</b>		
405-1 Diversity of governance bodies and employees	Diversity, equity and inclusion, page 73 Appendix 4, page 158	
405-2 Ratio of basic salary and remuneration of women to men	Diversity, equity and inclusion, page 73 Appendix 4, page 160	
<b>GRI 406: Non-discrimination 2016</b>		
406-1 Incidents of discrimination and corrective actions taken	Business conduct, page 98	
<b>GRI 408: Child labor 2016</b>		
408-1 Operations and suppliers at significant risk for incidents of child labor	Workers in the value chain, page 76	
<b>GRI 409: Forced or compulsory labor 2016</b>		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Workers in the value chain, page 77	

**Global Reporting Initiative Content Index (continued)**

Disclosure	Disclosure in Nestlé Non-Financial Statement 2024	Further information
<b>GRI 400: Social disclosures (continued)</b>		
<b>GRI 413: Local communities 2016</b>		
413-1 Operations with local community engagement, impact assessments, and development programs	Workers in the value chain, page 77	
<b>GRI 415: Public policy 2016</b>		
415-1 Political contributions	Appendix 4, page 163	
<b>GRI 416: Customer health and safety 2016</b>		
416-1 Assessment of the health and safety impacts of product and service categories	Consumption of safe and quality products, page 93	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Consumption of safe and quality products, page 93 Business conduct, page 98	

**Global Reporting Initiative Content Index (continued)**

<b>Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>	<b>Further information</b>
<b>GRI 400: Social disclosures (continued)</b>		
<b>GRI 417: Marketing and labeling 2016</b>		
417-1 Requirements for product and service information and labeling	Ensuring compliance with Nestlé marketing policies, page 91	
417-2 Incidents of non-compliance concerning product and service information and labeling	Ensuring compliance with Nestlé marketing policies, page 91 Business conduct, page 98	
417-3 Incidents of non-compliance concerning marketing communications	Ensuring compliance with Nestlé marketing policies, page 91 Business conduct, page 98	
<b>GRI 418: Customer privacy 2016</b>		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protecting consumers' personal data, page 95 Business conduct, page 98	

**SASB Index**

<b>Accounting metric</b>	<b>Code</b>	<b>Relevant GRI Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>
<b>Energy management</b>			
1) Total energy consumed	FB-PF-130a.1	302-1	Climate change, page 38
2) Percentage renewable	FB-PF-130a.1	302-1	
<b>Water management</b>			
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	FB-PF-140a.1	303-1, 303-2, 303-3, 303-5	Water resources, page 50
Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-PF-140a.3	303-1, 303-2, 303-3, 303-5	Water resources, page 50
<b>Food safety</b>			
Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-PF-250a.1	416-2	Consumers and end-users, page 95
Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-PF-250a.2	416-2	Consumers and end-users, page 95
(1) Total number of notices of food safety violation received, (2) percentage corrected	FB-PF-250a.3	416-2	Not disclosed
(1) Number of recalls issued and (2) total amount of food product recalled	FB-PF-250a.4	416-2	Consumers and end-users, page 95
<b>Health and nutrition</b>			
Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-PF-260a.2	–	Consumers and end-users, page 88

**SASB Index (continued)**

<b>Accounting metric</b>	<b>Code</b>	<b>Relevant GRI Disclosure</b>	<b>Disclosure in Nestlé Non-Financial Statement 2024</b>
<b>Product labeling and marketing</b>			
Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	FB-PF-270a.1	–	Consumers and end-users, page 93
Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	FB-PF-270a.2	–	Not disclosed
Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-PF-270a.3	417-2	Consumers and end-users, page 93
Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	FB-PF-270a.4	417-3	Not disclosed
<b>Packaging lifecycle management</b>			
1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	FB-PF-410a.1	301-1, 301-2, 301-3	Resource use and circular economy, page 64
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-PF-410a.2	301-1, 301-2, 301-3	Resource use and circular economy, page 57
<b>Environmental and social impacts of ingredient supply chain</b>			
Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	FB-PF-430a.1	308-1, 414-1	Responsible sourcing, page 43
Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-PF-430a.2	308-1, 414-1	Not disclosed
<b>Ingredient sourcing</b>			
Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-PF-440a.1	303-1, 303-2, 303-3	Not disclosed
List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	FB-PF-440a.2	308-1, 414-1	Responsible sourcing, page 43 Resilience analysis study, page 34

## Appendix 7 – Key Policies and Documents

### Nestlé Agriculture Framework

The Nestlé Agriculture Framework describes Nestlé’s vision for agriculture as a central building block for advancing regenerative food systems at scale.

‘Regenerative agriculture’ is defined as an outcome-based farming approach that protects and improves soil health, biodiversity, climate, and water resources while supporting farming business development, according to the Sustainable Agriculture Initiative Platform.

Nestlé’s comprehensive regenerative agriculture model defines the three key resources of any agricultural system: soil, water and biodiversity.

The Framework’s primary audience is Nestlé’s internal agriculture and sourcing community; however, it can also be used to explain Nestlé’s approach and expectations in broader contexts, including suppliers.

The Framework is available via the Nestlé website. Nestlé encourages the application of a combination of practices and impact-based indicators to monitor the progress of farms on the regenerative journey.

The Nestlé Executive Board is accountable for implementation of this Policy.

### Nestlé Corporate Business Principles

The Nestlé Corporate Business Principles set out expectations for the actions and behaviors of everyone at Nestlé, reflecting Nestlé’s culture which has developed over more than 150 years.

The Principles provide a strong ethical framework, ensuring integrity of action and compliance with laws, regulations and with Nestlé’s own commitments. On the foundation of strong business ethics and compliance, Nestlé does business sustainably and in a way that creates shared value.

Nestlé conducts business in an ethical and principles-based manner even in the absence of legal or regulatory frameworks.

Where Nestlé’s own principles and policies are stricter than local legislation, the higher standard applies. This helps Nestlé meet societal expectations and distinguishes it in the marketplace.

Specifically, the Principles focus on consumers, employees, the value chain, business integrity, transparent interaction and communication, and compliance.

The Policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### Nestlé Employee Relations Policy

The Nestlé Employee Relations Policy provides a frame of reference for the collective relationships with trade unions and other employee representatives based on the human rights and labor practices chapter of the Nestlé Corporate Business Principles and the Nestlé Human Resources Policy.

This Policy reinforces Nestlé’s commitment to long-term business development through an open dialogue with its employees and external stakeholders in line with its Creating Shared Value concept. The Policy not only requires strict compliance with the law, but it guides Nestlé’s actions even if the law is more lenient or where there is no applicable law at all.

The present Policy replaces the Nestlé Industrial Relations Policy issued in 2000. The policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### Nestlé Global Guideline on Disability Inclusion

Through membership of the International Labour Organization’s Global Business and Disability Network, Nestlé promotes the inclusion of people with disabilities across its global workforce.

In 2020, Nestlé signed The Valuable 500, committing to:

- Provide equal opportunities for all, and continuously advance accessibility for people with disabilities within its operations.
- Promote awareness and understanding of the experience of people living with disabilities, in order to mitigate unconscious bias and create an even more inclusive workplace.
- Leverage the Nestlé Needs YOUth initiative to positively impact the lives of young people living with disabilities, helping them develop the skills they need to thrive.

The Guideline seeks to provide a solid foundation and consistent approach for all Markets and Business Units seeking to advance their disability inclusion journey. This journey is about recognizing the value of diversity and embracing its richness. It is also about creating an environment where individuals with disabilities feel respected, empowered and understood, and have access to equal opportunities and rights in the workplace. The Guideline applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Guideline.



### **Nestlé Global Parental Support Policy**

This Policy defines minimum standards to be applied across Nestlé to support its employees as new parents, helping provide a healthy start in the life of their children, and promote their own well-being as working parents.

The Policy specifically promotes and sets out minimum standards on the following:

- Paid leave for primary and secondary caregivers.
- Employment protection and non-discrimination.
- Health protection in the workplace.
- Conducive work environment to breastfeed.
- Flexible work arrangements.

This Policy supersedes the Global Maternity Protection Policy. The Policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé's Good for You Strategy**

Food and good nutrition are fundamental to everyone's health, well-being and quality of life, as well as their cultural identity. With Nestlé's global presence, extensive portfolio, as well as research and development capabilities, it is well placed to deliver on its ambition to bring tasty and balanced diets within the reach of billions of people today and for generations to come. The *Good for You* strategy sets out how to bring this to life via two pillars: 'Portfolio and products' and 'Communication and services'. It aims to enable better options in categories. Nestlé chooses to serve and develop the right products for most needs and incomes, as well as deliver information and services to encourage responsible consumption and nutritious choices. *Good for You* covers Nestlé's global portfolio including food and beverage, specialized nutrition, and pet care. Nestlé's priority is to grow its portfolio segments with a Health Star Rating (HSR)  $\geq$  3.5 and specialized nutrition products, and it is committed to doing so with transparency, responsible marketing and reduced sodium in key categories of its portfolio.

The Nestlé Executive Board is accountable for implementation of this Strategy.

### **Nestlé Human Rights Framework and Roadmap**

The Framework has two aims:

- To strengthen the level of due diligence across Nestlé's value chain.
- To support enabling environments for the respect and promotion of human rights.

Human rights at Nestlé supports a particular set of people:

- Farmers in the supply chains and their families.
- Workers in the supply chains, including at the farm level.
- Communities in and around Nestlé operations and supply chains, including women and children.
- Nestlé employees and on-site contractors.
- Consumers.

The Nestlé Human Rights Framework and Roadmap incorporates stakeholder recommendations and inputs and has been developed to anticipate upcoming regulatory developments. In addition, Nestlé has included recommendations from various organizations, including business and human rights experts and benchmarks.

Due diligence is at the heart of Nestlé's Human Rights Framework and Roadmap. Nestlé has developed dedicated action plans that articulate Nestlé's strategy for assessing, addressing, monitoring and reporting on each human rights-related issue identified as salient (see [Nestlé's Human Rights Salient Issue Action Plans](#)). These efforts cover Nestlé's own operations and supply chains across all countries where it works.

### **Nestlé Human Rights Policy**

Nestlé respects and promotes human rights in its operations and entire value chain, in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Ten Principles of the UN Global Compact. Nestlé is committed to the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work. Nestlé is committed to the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Nestlé has due diligence processes in place to assess, address and report transparently on actual and potential human rights risks across its value chain in line with the UNGPs.

Nestlé values dialogue with stakeholders in its value chain, including employees, on-site contactors, suppliers, business partners, workers and farmers, local communities, as well as consumers. Nestlé pays particular attention to individuals or groups who may be at greater risk due to their vulnerability or marginalization, such as migrant workers, children, women and girls, sexual and gender minorities, ethnic and racial groups, and indigenous peoples to provide resilient, fair livelihoods and dignified work for people across the world to support themselves and their families. Nestlé respects and promotes the rights of environmental, land and human rights defenders (HRDs) as defined by the UN Declaration on HRDs.<sup>(1)</sup>

This Policy is operationalized through the Nestlé Human Rights Framework and Roadmap and the Salient Issue Action Plans.

Nestlé’s Board is responsible for Nestlé’s strategy, organization and oversight including on matters related to human rights and through the Sustainability Committee it monitors progress, goals and targets. The Executive Board is responsible for the execution of Nestlé’s approach and has set out roles and responsibilities within Nestlé to ensure a coordinated implementation of Nestlé’s Human Rights Framework and Roadmap throughout Nestlé’s business categories and geographies. Nestlé’s Human Rights Steering Committee, which is chaired by the Group General Counsel, oversees the implementation of Nestlé’s salient issue action plans and monitors progress. The Policy, the Framework and Roadmap, and the Salient Issue Action Plans apply to all employees and are available via the Nestlé website.

### **Nestlé’s Human Rights Salient Issue Action Plans**

Nestlé’s salient issues are the areas it has identified as those human rights at risk of the most severe negative impact on people through its activities or business relationships. Nestlé has developed dedicated action plans to address its salient human rights issues. These action plans sit at the heart of Nestlé’s approach to human rights and put the Nestlé Human Rights Framework and Roadmap into practice. They help Nestlé enhance its level of human rights due diligence throughout the value chain and across priority countries. The action plans articulate Nestlé’s strategy for embedding, assessing, addressing and reporting on each salient issue, defining what it needs to do across Nestlé’s business activities, as well as what collective action can be taken.

The action plans harness Nestlé’s strengths and capacities that have been developed over the years, with those of its value chain partners and external partners and stakeholders. The action plans are informed by human rights impact assessments (HRIAs) carried out between 2009 and 2017 and the human rights risk assessment (HRRRA) methodology that Nestlé developed over the course of 2020 and 2021, as well as its audit, monitoring and grievance mechanisms and processes. Nestlé’s Human Rights Steering Committee oversees and guides the strategic direction and implementation of the Salient Issue Action Plans. The 10 salient issues are:

- Child labor and access to education.
- Forced labor and responsible recruitment.
- Living income and living wage.
- Gender equity, non-discrimination and non-harassment.
- Safety and health at work.
- Freedom of association and collective bargaining.
- Right to water and sanitation.
- Indigenous Peoples and local communities land rights.
- Data protection and privacy.
- Right to food and access to nutritious, affordable and adequate diets.

### **Nestlé Marketing Communication to Children**

Since 2023, as part of Nestlé’s efforts to help bring tasty and balanced diets within reach for people around the world, Nestlé has been strengthening its industry-leading responsible marketing practices, by placing restrictions on its marketing communication for children under the age of 16.

These new commitments go beyond the EU Pledge, the Children’s Food and Beverage Advertising Initiative in the US, and other regional pledges; and Nestlé complies with applicable regulations wherever it operates, as a minimum.

The Policy applies to all controlled affiliates of the Nestlé Group. Nestlé works with its joint-venture partners to ensure they follow similar principles of this Policy. The Policy sets out age and product requirements, scope and communication measurement, characters, celebrity endorsement and premiums, on-pack communication and at point of sales, marketing communication and sales in primary and secondary schools, and compliance with national laws and regulations.

(1) Human rights defenders are individuals or groups who act to promote, protect or strive for the protection and realization of human rights and fundamental freedoms through peaceful means.

Marketers in Nestlé are required to be trained on the Marketing Communication to Children Policy as part of their onboarding and take regular refresher training. In addition, Nestlé’s marketing practices, including for children, are regularly assessed by independent third parties such as the Access to Nutrition Initiative (ATNI)’s Global Index.

The Policy is targeted at Nestlé legal and compliance, marketing and sales globally, corporate communications and public affairs globally, regulatory and scientific affairs, NHW managers, and nutritionists. The Policy is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé Net Zero Roadmap**

Nestlé’s Net Zero Roadmap outlines the ambition to achieving net zero greenhouse gas emissions by 2050. It involves transformations across Nestlé’s entire value chain, such as collaboration with suppliers, farmers and communities to increase use of regenerative agriculture practices; investment in logistics, packaging and manufacturing activities; and actions aimed at reducing the risk of deforestation. The Roadmap includes the implementation of natural climate solutions. Key milestones include aiming to achieve a 20% reduction in emissions by 2025 and a 50% reduction by 2030 (versus a 2018 baseline).

### **Nestlé Policy Against Discrimination, Violence and Harassment at Work**

Nestlé is committed to providing its employees with an inclusive, safe and healthy work environment. Nestlé respects the personal dignity, privacy and personal rights of every employee, as set out in the UNGPs and the Ten Principles of the UN Global Compact. Nestlé has zero tolerance for any kind of discrimination, violence and harassment at work.

Recognizing that discrimination, violence and harassment at work are incompatible with the Nestlé purpose and values, Nestlé’s Corporate Business Principles, as well as with the Nestlé Leadership Framework behaviors, this Policy sets out the core principles of respectful behavior, equality, zero tolerance, proportionality and fairness, privacy and confidentiality, and non-retaliation.

The Policy applies to:

- Nestlé employees, regardless of their contractual status, but also their job position or other status, and to any other person working for or at Nestlé’s sites and facilities (such as interns, contractors and consultants) and/or interacting with a Nestlé employee and/or under a business relationship with Nestlé.
- In situations occurring in their employment environment or related to business activities and in the business context only, including but not limited to:
  - In the workplace, comprising public and private spaces which are a place of work.
  - In places where the worker is paid, takes a rest break or a meal, or uses sanitary, washing and changing facilities.
  - During work-related trips, travel, training, events or social activities
  - Through work-related communications, including those enabled by information and communication technologies.
  - In employer-provided accommodation, such as company dormitories and transportation.
  - When commuting to and from work.

In addition to local provisions on the prevention and elimination of discrimination, violence and harassment at work, this Policy sets out the standards to be applied across Nestlé on discrimination, violence and harassment at work. Where the above standards are stricter than local legislation, the higher standards will apply. In accordance with local laws and regulations, workers and their representatives may participate, when appropriate, in prevention, awareness and training actions on discrimination, violence and harassment at work.

Markets are expected to adopt this Policy locally or integrate it into the existing policies, programs and procedures, in consultation with workers and their representatives as required locally. The Market Heads are responsible for the implementation of this Policy. Local programs and procedures against discrimination, violence and harassment must be reviewed with the local Compliance Committee annually, to assess whether changes or adaptations need to be made. The Policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé Policy for Implementing the WHO Code**

Guided by the WHO Code and Nestlé's support for breastfeeding during the first six months of life, the Nestlé Policy for implementing the WHO Code provides specific guidance and rules related to the responsible marketing of infant formulas.

This Policy applies to the entire Nestlé Group. Compliance with the Policy is mandatory for all Nestlé employees and third parties acting under Nestlé's authorization.

The provisions of this Policy apply globally to:

- All Infant Formulas designed to satisfy the nutritional requirements of healthy infants from birth to 6 months.
- Bottles and teats.

In Higher Risk countries, the provisions of this Policy additionally apply to:

- All Follow-on Formulas designed to satisfy the nutritional requirements of healthy infants from 6 to 12 months.
- Complementary foods and drinks for infants younger than 6 months.

Nestlé is committed to working constructively with parents, governments, healthcare providers, civil society and others. The Policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé Policy on Conditions of Work and Employment**

Nestlé is committed to providing employees all over the world with good working conditions, a safe and healthy work environment, and flexible employment possibilities that support a better balance of private and professional life consistent with its ambition as a global leader in nutrition, health and wellness.

As such, Nestlé provides flexible working conditions whenever possible and encourages employees to have outside interests, especially community involvement. Those with line management responsibilities are required to take personal ownership of safety and health within their area of responsibility and are encouraged to develop their capability in this area.

Nestlé's commitment however goes beyond its own employees. Nestlé cares about all people working inside or outside its premises under contractual obligations with service providers and it insists that they also take steps so that adequate working conditions are made available to them. Nestlé believes that it is essential to build a relationship based on trust and respect for employees at all levels.

Nestlé does not tolerate any form of harassment or discrimination. Therefore, managers are committed to building and sustaining, with their teams, an environment of mutual trust. Nestlé human resources ensures that a respectful dialogue is present, and the voice of the employees is heard.

The Policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé Policy on Environmental Sustainability**

The Nestlé Policy on Environmental Sustainability is committed to full compliance with all applicable legal environmental requirements and Nestlé's internal requirements:

- Where specific environmental legislation is non-existent or insufficient.
- The continual improvement of the environmental performance of Nestlé's activities, products and services and prevention of pollution through the Nestlé Environmental Management System (NEMS) which complies with the international ISO 14001 standard.
- The systematic assessment and optimization of environmental impacts in the design of new and renovated products.
- The responsible sourcing of ingredients, packaging materials and other goods and services from suppliers.

The Policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé Policy on Micronutrient Fortification of Foods and Beverages**

The aim of this Policy is to promote the micronutrient fortification of foods and beverages at levels that help to improve and maintain health, in amounts that do not increase the risk of developing adverse consequences from excessive consumption.

Nestlé uses the latest micronutrient deficiency data from international or national health authorities in order to target the fortification of its foods and beverages accordingly. Nestlé complies with applicable local regulations. In the absence of local regulations, Nestlé complies with the latest applicable Codex Alimentarius Guidelines.<sup>(2)</sup> Nestlé sets the target for its voluntary fortification at 15% of the nutrient reference value (NRV) of the relevant micronutrient(s) per individual serving. Exceptions are only made if necessary to comply with local regulations. In addition, Nestlé places an upper limit on fortification levels at 20% of the age-specific tolerable upper intake level (UL) per serving. A comprehensive internal standard for the implementation of this Policy guarantees its application throughout Nestlé.

This Policy applies to those foods and beverages that meet the following conditions:

- Contribute to meeting the requirements of a large part of the population at risk of developing a specific micronutrient deficiency.
- Are consumed widely and regularly, should contribute to a balanced and varied diet, should be affordable for and likely to be purchased by the population at risk.

The Policy applies to foods and beverages for human consumption that are sold under brands owned by Nestlé.<sup>(3)</sup> Food supplements, products for infants and young children (below 36 months of age) and food for special medical purposes or for special dietary needs (e.g. maternal nutrition products) are not covered by this Policy. The Policy is targeted at Nestlé R&D, application groups, marketing, communications, NHW managers, nutritionists, public affairs, regulatory affairs, legal and compliance, and quality management.

The Policy is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé Policy on Safety and Health at Work**

The Nestlé Policy on Safety and Health at Work is based on the Nestlé Corporate Business Principles and the Nestlé Leadership Framework, which are binding for the whole Nestlé Group.

Nestlé devotes all the necessary energy and attention to protecting employees, contractors and any other people involved with it along the value chain, including suppliers, customers and the public.

Nestlé implements in all its sites the mandatory Nestlé Occupational Safety and Health Management System, which meets or exceeds the requirements of the health and safety laws applicable in the countries in which it operates.

Nestlé builds a proactive safety culture by driving the implementation and continual improvement of the Nestlé Occupational Safety and Health Management System through:

- Communication with employees, contractors and other stakeholders.
- Educating, training and equipping employees to ensure that they are empowered to avoid unsafe situations and to respond rapidly to unexpected events.
- Influencing training and education of contractors, suppliers and community.

Nestlé implements this Policy through the Nestlé Occupational Safety and Health Management System, which includes periodic self-assessments and specific audits. Local management is accountable for the Policy's implementation. To ensure a consistent and coherent implementation worldwide, Nestlé submits all its manufacturing sites to OHSAS 18001 certification by independent accredited bodies.

The Policy applies to all employees and is available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of this Policy.

(2) Guidelines on nutrition labelling (cxg 2–1985), general principles for the addition of essential nutrients to foods (CAC/GL 9–1987), guidelines for use of nutrition and health claims (CAC/GL 23–1997).

(3) Subject to the terms of the relevant license agreements when brands are licensed to third parties.

### **Nestlé’s Popularly Positioned Products (PPP) Strategy**

As a global leader in nutrition, health and wellness, Nestlé has a responsibility to provide consumers with high-quality, nutritious products, regardless of where it sells them and the price point at which it sells them. Therefore, Nestlé has developed a specific business model called ‘Popularly Positioned Products’ (PPPs) which focuses on the specific needs of around three billion lower-income consumers worldwide. PPPs offer these consumers the opportunity to consume high-quality food products that provide nutritional value at an affordable cost and appropriate format. By leveraging Nestlé’s global footprint and expertise along the value chain, including its global R&D network and expertise, it ensures continuous innovation across a range of nutritious and affordable foods. Nestlé has grown to be the world’s biggest food and beverage PPP Company in both the developed and emerging economies. Nestlé’s current PPPs spread from culinary products to beverages, to dairy and confectionery: with 4000+ products overall, sold under a number of major global brands including *Maggi*, *Nido* and *Nescafé*.

The Nestlé Executive Board is accountable for implementation of this Strategy.

### **Nestlé Quality Policy**

Nestlé products and brands are trusted and chosen by millions of people all over the world to fulfil their nutrition, health and wellness needs, at every moment of the day and across their lifetime.

The Quality Policy summarizes the essential elements of Nestlé’s commitment to excellence and includes:

- Fostering a quality mindset with the objective of developing, manufacturing and providing products and services with zero defects that are trusted and preferred by individuals and families and delivering on Nestlé’s promise to enable healthier and happier lives.
- Complying with relevant laws and regulations as well as internal requirements.
- Continuously challenging Nestlé to improve the quality management system to guarantee product safety, prevent quality incidents and eliminate defects through the review of quality objectives and results.
- Encouraging participation and promotion of quality responsibilities among all employees and third parties through standards, education, training and coaching, supervision and effective communication.

The Quality Policy, which applies across the complete Nestlé Group, and which is complemented by unit-specific quality policies, is achieved through the implementation of the Nestlé Quality Management System (NQMS). All functions across the value chain are responsible for achieving Quality objectives and continuously improving quality performance.

The Quality Function acts as the guardian and the challenger of the NQMS. Management by process is an essential principle of NQMS. It provides the framework for attaining and maintaining compliance, measuring performance and continuing to achieve consumer and customer delight. Nestlé ensures full alignment of NQMS to ISO Quality standards. NQMS is implemented across the organization and verified by independent third-party certification bodies.

Nestlé expects that its external business partners (vendors, contract manufacturers, licensees, joint ventures and customers) demonstrate their alignment with its requirements to achieve food safety and compliance.

Nestlé fosters a quality culture by developing quality awareness throughout the organization and encouraging a management attitude that anticipates potential quality issues.

All Nestlé personnel are empowered with the necessary competencies and tools in order to consistently fulfil policies, principles and standards.

Nestlé enhances the effectiveness of NQMS through the use of the management tools and methods provided by Nestlé Continuous Excellence (NCE) and GLOBE data management solutions.

The Quality Policy is reviewed annually and communicated to employees and third parties.

The Nestlé Executive Board is accountable for implementation of this Policy.

### **Nestlé Responsible Sourcing Core Requirements**

Nestlé’s aim is to ensure that the Nestlé Responsible Sourcing Core Requirements (the Requirements) are systematically put into effect throughout its supply chain, thereby helping to transform production practices in a way that will impact positively on people, nature and climate.

This approach is helping Nestlé build the foundations necessary to advance regenerative food systems at scale.

The Requirements need to be complied with by all actors forming, directly or indirectly, part of Nestlé’s supply chain.

The Requirements constitute an integral part of Nestlé’s contracts with its direct suppliers.

Nestlé verifies alignment to and compliance with the Requirements using different methods at different tiers of the supply chain.

The Nestlé Responsible Sourcing Core Requirements 2024 version replaces and supersedes the Nestlé Responsible Sourcing Standard adopted in 2018.

The Nestlé Executive Board is accountable for implementation of the Requirements.

### **Nestlé Rules of Packaging Sustainability**

The Nestlé Rules of Packaging Sustainability are aimed at changing the way Nestlé interacts with packaging. Nestlé's vision is that none of its packaging, including plastics, ends up in landfill or as litter.

The Rules are applied to all packaging innovations and renovations, in order to improve design for recycling and overall environmental performance and are defined by:

- The Golden Rules: confirmed attributes that define the way Nestlé designs its packaging today and in the future to ensure recyclability.
- The Negative List: a list of materials, additives, packaging concepts and items which are or will be considered obsolete based on the evolution of recycling technologies and infrastructure and legal/regulatory framework.

The Rules follow industry standards for design for recycling where the product is marketed, such as 7 EPBP for PET, 4evergreen for the EU, CEFLEX for Flexibles and APR in the United States.

The Rules apply to all employees and are available via the Nestlé website.

The Nestlé Executive Board is accountable for implementation of the Rules.



## Appendix 8 – Glossary

The Nestlé glossary supplements the EU published [ESRS glossary](#).

Defined term	Definition
3 Horizons' futures-mapping methodology	The 3 horizons mapping offers companies a way to assess opportunities, technologies and initiatives for future growth, while preserving present-day performance.
8 Life-Saving Rules	A set of critical standards reflecting Nestlé's strong Zero Harm vision, designed to help its employees and contractors instantly recognize and understand the rules that help keep everyone safe.
10 Principles on Fair Partnerships	The 10 Principles of Fair Partnerships specify the ways that Fair Trade Enterprises are set up and behave to ensure they put people and the planet first. The World Fair Trade Organization (WFTO) carries out verification and monitoring to ensure these principles are upheld.
<u>Access to Nutrition Initiative (ATNI)</u>	ATNI is a global non-profit organization which drives market transformation for improved access to nutrition. It aims to see healthier and more affordable food products available for all.
Advancing regenerative food systems at scale	Nestlé's intention to advance regenerative food systems at scale marks a profound development in its thinking. Each word in this phrase is important and addresses how Nestlé is accelerating its activities: <ul style="list-style-type: none"> <li>– <i>Advancing</i> by raising Nestlé's voice and using its influence to drive progress, in collaboration with others.</li> <li>– <i>Regenerative</i> to help protect, renew and restore farmland and landscapes.</li> <li>– <i>Food systems</i> encompassing every actor, activity, process and product involved in growing, raising, making, packaging, delivering and consuming food and the management of food and food-related waste.</li> <li>– <i>At scale</i> because the planet, communities and individuals need global, systems-level change.</li> </ul>
<u>Alliance for Water Stewardship (AWS)</u>	AWS is a global membership collaboration comprising businesses, NGOs and the public sector. Its members contribute to the sustainability of local water-resources through their adoption and promotion of a universal framework for the sustainable use of water – the International Water Stewardship Standard, or AWS Standard – that drives, recognizes and rewards good water stewardship performance.
Audit Committee	Nestlé's Audit Committee has oversight over the accuracy of the Company's financial and non-financial reporting, and internal controls, and reviews reports regarding compliance, fraud and risk management.
CARE Social Audit Program	The Nestlé CARE Program aims to verify that all employees and Nestlé-operated sites comply with international standards and local legislation, as well as Nestlé's own Corporate Business Principles and Code of Business Conduct.
Cash-generating units (CGUs)	CGUs are the smallest identifiable group of assets that generate cash inflows from continuing use. They are largely independent of the cash inflows from other assets or groups of assets.
Community Relations Process (CRP) 2.0	Nestlé Waters has introduced the Community Relations Process 2.0 in an effort to assess and to address impacts from Nestlé Waters operations. Nestlé Waters assesses, on the basis of a number of KPIs, the performance of all factories with regard to community relations on an annual basis. Activities that were conducted in the scope of Nestlé Waters' Community Relations Process 1.0 prior to 2015 will incorporate the content of these guidelines with the CRP 2.0 when reassessed in future.
Compensation Committee (CC)	The Compensation Committee (CC) recommends to the Board of Directors the compensation policy and the fees to be paid to the Members of the Board of Directors, including the compensation of the Chair of the Board. The CC proposes to the Board the remuneration system and principles for the Group for approval. The CC reviews and approves compensation and benefits policies and programs as proposed by the CEO together with the Chair of the Board, reviews performance relevant to compensation and determines individual compensation and benefit conditions for designated senior executives.
Creating Shared Value (CSV) Council	The Creating Shared Value (CSV) Council is an external advisory council formed in 2009. The CSV Council helps ensure the sound development of long-term sustainability and positive social and economic impacts of Nestlé's CSV business strategy.
Corporate Sustainability Reporting Directive (CSRD)	The Corporate Sustainability Reporting Directive (CSRD) issued by the European Union.
EcoVadis self-assessment questionnaire	The EcoVadis sustainability assessment is a paid service that assesses Company's material sustainability impacts based on documented evidence.



<b>Defined term</b>	<b>Definition</b>
Employee Assistance Program	The Nestlé Employee Assistance Program is a support service provided to employees that offers confidential counseling, resources, and guidance to help them address personal and work-related challenges, promoting their well-being and mental health.
Enterprise Risk Management (ERM)	Nestlé's Enterprise Risk Management (ERM) is a framework designed to identify, assess and mitigate risks to minimize their potential impact and support the achievement of Nestlé's long-term business strategy.
ESG Finance Function	The ESG Finance Function is responsible for ensuring the accuracy and due diligence of the Non-Financial Reporting metrics. It supports the Group functions in data processes, management and control.
<u>Fair Circularity Initiative</u>	The Fair Circularity Initiative brings businesses together around the aim of ensuring the human rights of workers within the informal waste sector are respected and their critical role in circular value chains is recognized.
FTSE4Good	The FTSE4Good Index Series is designed to measure the performance of companies demonstrating specific environmental, social and governance (ESG) practices.
<u>Global Food Safety Initiative (GFSI)</u>	The Global Food Safety Initiative (GFSI) collaborates with the world's leading consumer goods companies, across borders and barriers to help ensure safe food for people everywhere. GFSI is a Coalition of Action from the Consumer Goods Forum (CGF), bringing together food retailers and manufacturers from across the CGF membership and an extended food safety community to oversee third-party food safety standards for food business operators globally.
Global Guidance on Disability Inclusion	This Guidance seeks to provide a solid foundation and consistent approach for all Markets and Business Units seeking to advance their disability inclusion journey. It provides guidance on how to create a culture of inclusion, training on disability awareness, accessibility and accommodation, inclusive acquisition, retention and development of employees with disabilities, and whenever possible, collect and analyze disaggregated data related to disability inclusion, in compliance with local legislation, principles of confidentiality, and right to privacy of persons with disabilities.
Global Guidance on Menopause/ Andropause at Work	Nestlé promotes a supportive and respectful workplace culture that embraces the unique needs of employees. The Guidance offers a general understanding of menopause/andropause for all employees and assists managers in creating a healthier, more supportive and forward-thinking work environment where everyone can thrive.
Global Reforestation Program (GRP)	In support of Nestlé's Net Zero Roadmap, the GRP implements large-scale reforestation projects in Nestlé's supply chains and sourcing landscapes.
<u>Global Reporting Initiative (GRI)</u>	GRI is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.
Globally Harmonized System (GHS) of Classification and Labelling of Chemicals	The GHS addresses classification of chemicals by types of hazards and proposes harmonized hazard communication elements, including labels and safety data sheets. It aims at ensuring that information on physical hazards and toxicity from chemicals be available in order to enhance the protection of human health and the environment during the handling, transport and use of these chemicals. The GHS also provides a basis for harmonization of rules and regulations on chemicals at national, regional and worldwide level, an important factor also for trade facilitation.
Group Compliance Report	The Group Compliance Report prepared by Group Compliance includes aspects of business conduct across Nestlé.
Hazard Analysis and Critical Control Point (HACCP) system	HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.
Health Star Rating (HSR) system	The Health Star Rating (HSR) is a front-of-pack labelling system that rates the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars. It provides a quick, easy, standard way to compare similar packaged foods. The more stars, the more nutritionally valuable the food.

<b>Defined term</b>	<b>Definition</b>
High Carbon Stocks area	A High Carbon Stocks (HCS) area refers to a region or land area that contains a significant amount of carbon stored in its vegetation and soil. These areas are typically characterized by dense forests or vegetation that play a crucial role in carbon sequestration and mitigating climate change. Identifying and protecting HCS areas is important for preserving biodiversity, maintaining ecosystem services, and reducing greenhouse gas emissions.
High Conservation Values	From endemic species to sacred sites, all natural habitats – especially forests – inherit conservation values. Those biological, ecological, social or cultural values of outstanding significance are known as ‘high conservation values,’ or HCVs.
Human Rights Steering Committee	Nestlé’s Human Rights Steering Committee oversees and guides the strategic direction and implementation of Nestlé’s Human Rights Policy and Framework and its Salient Issue Action Plans.
Impacts, risks and opportunities (IROs)	Impacts, risks and opportunities (also referred to as IROs) aid the understanding of what a businesses impact is in terms of environmental, social and governance matters, from the perspective of impact materiality, financial materiality, or both.
<u>ISEAL Code</u>	ISEAL’s Code of Good Practice for Sustainability Systems provides a globally recognized framework, defining practices for effective and credible sustainability systems.
Long-term incentive (LTI) plan	Nestlé’s LTI plan remunerates eligible senior members of the organization on long term objectives.
<i>My Health Numbers</i>	Nestlé’s <i>My Health Numbers</i> program aims to help employees assess their health, know their personal risks and get support on what they can do to reduce them. The program includes three steps: 1) Biometrics health check with an online health risk assessment; 2) Short consultation with a health professional; and 3) Use of aggregated statistics to design targeted interventions. The program includes an initial anonymous screening and, while none of the data collected are connected to individual employees, the aggregated statistics are key to developing effective well-being programs and interventions going forward.
Nationally determined contributions (NDCs)	Nationally determined contributions (NDCs) are at the heart of the Paris Agreement and the achievement of its long-term goals. NDCs embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. The Paris Agreement (Article 4, paragraph 2) requires each Party to prepare, communicate and maintain successive nationally determined contributions (NDCs) that it intends to achieve.
Nestlé Analysis and Reporting of SHE Incidents Standard	This Standard provides mandatory practices for the analysis and reporting of events that could or do result in injuries, illnesses and environmental impacts, referred to as incidents. Markets must also ensure compliance with local legal requirements.
Nestlé Annual Report	The Annual Report contains Nestlé’s Annual Review including Creating Shared Value highlights, the Corporate Governance and Compensation Reports, and the Financial Statements.
Nestlé’s Code of Business Conduct	Nestlé’s Code of Business Conduct helps the implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards.
Nestlé Environmental Requirements (NER) Standard	This Standard applies to all product categories and the following Nestlé plants: production plants under Nestlé’s operational control, distribution centers operated by Nestlé, R&D facilities, specialized laboratories, Nestlé-owned milk collection centers and data centers. It aims to ensure proper environmental protection and minimize the environmental impact of Nestlé’s operations.
Nestlé European Council for Information and Consultation (NECIC)	In 1996, Nestlé management and employee representatives established a Nestlé European Council for Information and Consultation (NECIC) to maintain a meaningful dialogue at the European level between Nestlé and employee representatives on significant European transnational matters of importance to employees.
Nestlé Farmer Connect	Nestlé Farmer Connect focuses on training farmers in good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient, sustainable farms.

<b>Defined term</b>	<b>Definition</b>
Nestlé's Global Equal Pay review	Nestlé's Global Equal Pay review is an assessment conducted to ensure equal compensation for all employees, regardless of gender. The review aims to address any potential pay gaps within the organization. It involves analyzing compensation data, controlled for job roles, and performance to ensure that employees are remunerated fairly and in line with their skills, experience, and contributions. The Global Equal Pay review demonstrates Nestlé's commitment to promoting gender equality and ensuring equitable treatment in the workplace.
Nestlé Global Property Loss Prevention Program	The Nestlé Global Property Loss Prevention Program is managed centrally by Nestlé's corporate Group Risk Services department which provides an in-depth identification of exposures to property risks including potential risks such as floods, windstorms, interruption of supply, and others.
<u>Nestlé Institute of Packaging Sciences</u>	The Nestlé Institute of Packaging Sciences enables Nestlé to accelerate its efforts to bring functional, safe and environmentally friendly packaging solutions to the market and to address the global challenge of plastic packaging waste.
Nestlé's management and supervisory bodies	Nestlé's Board of Directors is the supervisory body and the Executive Board is the management body. Nestlé's Board of Directors is responsible for the Company's strategy and organization and provides oversight over its financial and non-financial performance and reporting and the Executive Board is responsible for, among other matters, the execution of the Company's ESG and Sustainability Strategy, which includes ensuring compliance with mandatory reporting obligations. The implementation of Nestlé's ESG and Sustainability Strategy is delegated to the ESG and Sustainability Council, chaired by the Executive Vice President (EVP), Head of Strategic Business Units and Marketing and Sales. The Sustainability Committee has oversight over the structure and content of Nestlé's ESG and Sustainability reporting and validates that the overall approach is in line with Nestlé's strategy. Nestlé also has the Chair's and Corporate Governance Committee, the Audit Committee, the Compensation Committee, and the Nomination Committee.
Nestlé's Management of Environmental Exceptional Compliance Issues Standard	This Standard provides mandatory process and makes reference to associated documents (further mandatory) for the management and reporting of environmental exceptional compliance issues when, on rare occasions, compliance with legal environmental requirements and Nestlé Environmental Requirements (NER) may not be achieved immediately.
Nestlé Management System (NMS) for Quality and Safety, Health and Environment (SHE)	The Nestlé Management System (NMS) for Quality and Safety, Health and Environment (SHE) allows Nestlé to record work-related illnesses. Through the data collected, Nestlé has identified the following health risks: Musculoskeletal disorders, stress, unhealthy eating, lack of physical activity and excess weight. The program is designed to mitigate these risks including long-term actions such as education, awareness and intervention elements.
Nestlé Roadmap for Employee Health	The Nestlé Roadmap for Employee Health outlines Nestlé's priorities and summarizes the Employee Health Vision, Principles and Pillars, provides key milestones and deliverables to serve as a reference for Markets when developing their employee health strategies.
Nestlé's Sustainable Sourcing Program	Nestlé's Sustainable Sourcing Program is an initiative implemented by Nestlé to ensure that the raw materials and ingredients used in its products are sourced in a responsible and sustainable manner. The Program applies the Nestlé Responsible Sourcing Core Requirements. The Program focuses on various aspects, including environmental sustainability, social welfare and economic viability. It involves working closely with suppliers and partners to promote sustainable agricultural practices, protect natural resources, support local communities, and ensure fair working conditions throughout the supply chain. The Program reflects Nestlé's commitment to ethical sourcing, transparency and the long-term sustainability of Nestlé's supply chain.
Nestlé Total Rewards Policy	Nestlé focuses on fixed pay, variable pay, benefits, personal growth and development and work life environment as the key elements that define Total Rewards.
Nestlé's Voice of Consumer	Nestlé's seven-point mission aims to engage consumers in a friendly and caring dialogue, in order to create beneficial products and services together.

<b>Defined term</b>	<b>Definition</b>
Paris Agreement	The Paris Agreement is the international treaty on climate change adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on December 12, 2015.
Power BI platform	Power BI is a collection of software services, apps, and connectors that work together to help companies create, share, and consume business insights in the most effective way possible.
Responsible Business Alliance (RBA) audits	The RBA Code of Conduct is at the core of member requirements. Members are required to commit to the Code of Conduct, spread that commitment to their supply chains, and must undertake a range of assessment activities to ensure they are accountable to their commitment to the Code.
Rotterdam Prior Informed Consent (PIC) Procedure mechanism	The PIC procedure is a mechanism for formally obtaining and disseminating the decisions of importing Parties as to whether they wish to receive future shipments of those chemicals listed in Annex III of the Convention and for ensuring compliance with these decisions by exporting Parties.
SAP SuccessFactors	The SAP SuccessFactors HCM suite is changing the way employees work, managers manage, and organizations adapt. Fueled by AI, it is a cloud HR solution that can help quickly and confidently turn the latest innovations into real-world results.
<u>Science Based Targets initiative (SBTi)</u>	The SBTi is a corporate climate action organization.
<u>Science Based Targets Network (SBTN)</u>	The SBTN is a group of organizations working to shape private sector and city impacts on nature by using science-based targets.
Sedex Members Ethical Trade Audit (SMETA)	SMETA is an audit, which helps organizations to understand standards of labour, health and safety, environmental performance, and ethics within their own operations or at a supplier site.
<u>Sustainability Accounting Standard Index (SASB)</u>	SASB Standards help companies disclose relevant sustainability information to their investors. Available for 77 industries, the SASB Standards identify the sustainability-related risks and opportunities most likely to affect an entity's cash flows, access to finance and cost of capital over the short, medium or long term and the disclosure topics and metrics that are most likely to be useful to investors.
Sustainability Committee	Nestlé's Sustainability Committee has oversight over the structure and content of Nestlé's ESG and sustainability reporting and validates that the overall approach is in line with Nestlé's strategy.
The Consumer Goods Forum (CGF)	The CGF is the only organization that brings consumer goods retailers and manufacturers together globally.
Tier 1 suppliers	A Tier 1 supplier is any legal business entity from which any Nestlé entity or affiliate purchased a service or material.
<u>Too Good to Go's Consumption Dates Pact</u>	<i>Too Good to Go's Pact</i> brings together industry, retail, NGOs, trade organizations and digital operators in the fight against food wastage.
UN Global Compact 10 Principles	The UN Global Compact is a call to companies to align strategies and operations with ten universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals – including the Sustainable Development Goals.
<u>WASH Pledge Self-Assessment Tool</u>	The WASH Pledge Self Assessment Tool helps companies to measure, set targets and monitor progress based on the compliance score – supporting decision making regarding investment and priority action.
Where it Matters	In the context of water usage, the concept of 'Where it Matters' refers to the strategic allocation and prioritization of resources to areas or activities where they are most needed or have the greatest impact. It involves identifying and focusing on critical areas, such as water-stressed regions or essential processes, where efficient and responsible water management can make a significant difference in terms of sustainability, conservation, and social impact. By directing attention, resources, and efforts to these priority areas, organizations can optimize their water usage and contribute to addressing water scarcity challenges effectively.
Workforce Disclosure Initiative (WDI)	The WDI aims to improve corporate transparency and accountability on workforce issues, provide companies and investors with comprehensive and comparable data and help improve access to decent work worldwide.

Defined term	Definition
World Resources Institute's (WRI) Volumetric Water Benefit Accounting (VWBA) methodology	WRI and partners at Quantis, LimnoTech and Valuing Nature have developed a new approach for implementing and valuing water stewardship activities. The VWBA meets a critical need in corporate water stewardship: a common method for assessing the benefits of water stewardship activities in a comparable way and ensuring they address current or projected water challenges and contribute to public policy priorities.
Zones <sup>(1)</sup>	Nestlé is organized into five geographical Zones: <ul style="list-style-type: none"> <li data-bbox="523 462 1206 482">– Zone North America (NA) comprised of the United States and Canada.</li> <li data-bbox="523 491 1294 511">– Zone Latin America (LATAM) including Brazil, Mexico and the Caribbean region.</li> <li data-bbox="523 521 735 540">– Zone Europe (EUR).</li> <li data-bbox="523 550 1445 570">– Zone Asia, Oceania and Africa (AOA) including the Middle East and North Africa (MENA) region.</li> <li data-bbox="523 580 783 599">– Zone Greater China (GC).</li> </ul>

(1) In October 2024, the Nestlé Board of Directors approved changes to the company's organization, effective as of January 1, 2025, to merge Zone Latin America (LATAM) and Zone North America (NA) to Zone Americas (AMS). Further, Zone Greater China (GC) became part of Zone Asia, Oceania and Africa (AOA).

# Appendix 9 – Assurance Statement



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To the Board of Directors of Nestlé S.A.

Lausanne, 12 February 2025

## Independent Assurance Report on selected Sustainability Key Performance Indicators (KPIs) of Nestlé S.A.

We have been engaged to perform assurance procedures to provide limited assurance on the selected environmental, social and governance KPIs and non-financial information (including GHG emissions) listed in Annex 1 of this assurance report and included in Nestlé S.A. and its consolidated subsidiaries' (the Group's) Non-Financial Statement for the reporting period from 1 January 2024 to 31 December 2024 (the Report).

Our limited assurance engagement focused on the selected KPIs and non-financial information (including GHG emissions) presented in Appendix 1 of the Report, as well as on the non-financial matters disclosures as referenced in Appendix 2 of the Report.

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express a conclusion on that information.



### Applicable criteria

The Group defined as applicable criteria (the Applicable Criteria):

- The Group's "2024 Reporting Scope and Methodology for ESG Key Performance Indicators" in Appendix 1 of the Report and
- Art. 964b of the Swiss Code of Obligations in Appendix 2 of the Report.



### Inherent limitations

The accuracy and completeness of the selected KPIs and non-financial information (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with the Group's "2024 Reporting Scope and Methodology for ESG Key Performance Indicators", its definitions and procedures on non-financial matters reporting therein.



### Responsibility of the Board of Directors

The Board of Directors is responsible for the selection of the Applicable Criteria and for the preparation and presentation, in all material respects, of the selected KPIs and non-financial information (including GHG emissions) in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the KPIs and non-financial information (including GHG emissions) that are free from material misstatement, whether due to fraud or error.

This responsibility includes the duty on transparency and accountability on non-financial matters according to Art. 964b CO and the related preparation of the disclosures as referenced in Appendix 2 of the Report.



### Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### Our responsibility

Our responsibility is to express a conclusion on the selected KPIs and non-financial information (including GHG emissions) based on the evidence we have obtained.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected KPIs and non-financial information (including GHG emissions) are free from material misstatement, whether due to fraud or error.



### Summary of work performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the Applicable Criteria in terms of their relevance, comprehensiveness, reliability, neutrality and understandability and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management



- Interviews with the Group's key personnel to understand the sustainability or non-financial reporting system during the reporting period, including the process for collecting, collating and reporting the KPIs and Non-financial Information (including GHG emissions)
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Applicable Criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data
- Conducting site visits in the USA, UK, Switzerland, France, Philippines, Nigeria, India, and Mexico based on quantitative and qualitative criteria:
  - Inquiring of personnel responsible for internal non-financial reporting and inspection of documents on a sample basis at the sites we visited
- When data originated from third parties, evaluating the competence, capabilities and objectivity of the third party and concluding, based on our review of the data provided, whether the results of the third parties work were adequate for our purposes
- Assessing the aggregation process of data at Nestlé Group level
- Critically reviewing the Report for plausibility and consistency of qualitative and quantitative information related to the KPIs and Non-financial Information (including GHG emissions)
- For the KPI "% virgin plastic reduction," reviewing the 2018 baseline calculation by performing analytical review procedures and checking organizational boundaries
- For the KPI "% net reduction of GHG emission vs 2018 baseline," reviewing the 2018 baseline calculation by checking that organizational boundaries and emission factors were applied consistently
- Assessing that the Report contains the information required by Art. 964b para. 1 and para 2 CO.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.



### Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected KPIs and non-financial Information (including GHG emissions) in the Report of the Group have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Ernst & Young Ltd

Jeanne Boillet  
Executive in charge

Laura Meadwell  
Partner

### Enclosure

- ▶ Annex 1: Selection of consolidated environmental, social and governance KPIs




**Annex 1: Selection of consolidated environmental, social and governance KPIs**

Selected KPIs	Reported Value
<b>Environmental</b>	
1. Percentage net reduction of greenhouse gas (GHG) emissions vs 2018 baseline	20.38%
2. Gross Scope 1 greenhouse gas (GHG) emissions	3.08 million tonnes of CO <sub>2</sub> e
3. Gross market-based Scope 2 greenhouse gas (GHG) emissions	0.26 million tonnes of CO <sub>2</sub> e
4. Gross Scope 3 greenhouse gas (GHG) emissions	71.35 million tonnes of CO <sub>2</sub> e
5. Total energy consumption related to own operations (factories only)	78 784 554 gigajoules
6. Percentage of key ingredients responsibly sourced	44.5%
7. Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	93.5%
8. Percentage of key ingredients sourced from farmers adopting regenerative agricultural practices	21.3%
9. Total weight of packaging	3.4 million tonnes
10. Virgin plastic reduction versus 2018 baseline	21.3%
11. Plastic packaging designed for recycling	86.4%
12. Total weight of waste generated in tons and a breakdown of this total by composition of the waste	1 770 141 metric tonnes
13. Water use reduction in factories	2.72 million cubic meters
14. Total direct output of chemical oxygen demand (COD) load to the environment	4 540 tonnes
15. Aggregated annual chemical oxygen demand (COD) concentration	86 mgO <sub>2</sub> /l
16. Nestlé Waters volumetric water benefits delivered by implementing local water stewardship projects	8.2 million cubic meters
16.1 Percentage of total withdrawn volumes that are 'regenerated'	39.8%
16.2 Percentage of sites where projects started to deliver volumetric water benefits (VWB)	67.6%
17. Nestlé Waters sites certified to the Alliance for Water Stewardship (AWS) Standard	25



Selected KPIs	Reported Value
<b>Social &amp; Governance</b>	
18. Number of servings of micronutrient fortified affordable nutrition	132.0 billion
19. Total number of servings of micronutrient fortified foods and beverages	198.7 billion
20. Young people around the world with access to economic opportunities since 2017	10.2 million
21. Percentage of management positions held by women	47.4%
22. Percentage of women executive officers	40%
23. Recordable injury rate per million hours worked	1.14
24. Recordable illness rate per million hours worked	0.5
25. Total recordable fatalities (injury related)	4
26. Total recordable fatalities (illness related)	0
27. Total irreversible injuries	18
28. Total irreversible illnesses	10
29. Percentage of Food Safety System Certification (FSSC) Certified Manufacturing & R&D units that produce food and pet food for human and pet (cats and dogs) consumption	95.3%
30. Percentage of ingredients sourced from Tier-1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	94.4%
31. Speak Up system	
31.1 Total messages received through Speak Up system	3 218
31.2 Total cases substantiated through Speak Up System	644
31.3 Total messages closed through Speak Up system	2 420
32. Nutritional value transparency: Health Star Rating (HSR)	
32.1 Health Star Rating: less than 1.5 (without PetCare)	21%
32.2 Health Star Rating: between 1.5 and 3.5 (without PetCare)	20%



Selected KPIs	Reported Value
<b>Social &amp; Governance</b>	
32.3 Health Star Rating: 3.5 and above (without PetCare)	38%
32.4 Specialized nutrition: without PetCare (HSR)	21%
32.5 Percentage of global Net Net Sales (NNS) covered by the assessment: without PetCare (HSR)	73%
32.6 Health Star Rating: less than 1.5 (with PetCare)	17%
32.7 Health Star Rating: between 1.5 and 3.5 (with PetCare)	16%
32.8 Health Star Rating: 3.5 and above (with PetCare)	30%
32.9 Specialized nutrition: with PetCare (HSR)	37%
32.10 Percentage of global Net Net Sales (NNS) covered by the assessment: with PetCare (HSR)	92%
33. Total number of employees (head count)	277 000
33.1 Total number of employees by employment type (permanent and temporary) by gender	96 313 (Permanent, female) 147 187 (Permanent, male) 53 (Permanent, other) 8 455 (Temporary, female) 7 916 (Temporary, male) 6 (Temporary, other)
33.2 Total number of employees by employment type (permanent and temporary) by region	57 276 (Permanent, Asia, Oceania, Africa) 17 495 (Permanent, Greater China) 54 935 (Permanent, Latin America) 37 898 (Permanent, North America) 75 949 (Permanent, Europe) 3 763 (Temporary, Asia, Oceania, Africa) 608 (Temporary, Greater China) 4 350 (Temporary, Latin America) 390 (Temporary, North America) 7 266 (Temporary, Europe)
33.3 Total number of employees on a full-time or part-time employment by gender	99 064 (Full-time, female) 152 722 (Full-time, male) 5 704 (Part-time, female) 2 381 (Part-time, male)



Selected KPIs	Reported Value
34. Average hours of technical or vocational training provided to workers in the company	13.8 hours
35. Percentage of volume of cocoa covered by the Child Labor Monitoring and Remediation System (CLMRS) or other dedicated due diligence systems, including mass balance	88.9%
36. Number of households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labor risks	123 953
37. Number of countries with audits on the Nestlé Policy for implementing the WHO Code	2023: 39 2024: 33
38. Instances of detected non-compliances with the Nestlé Policy for implementing the WHO Code	2024: 186
39. CARE audits performed	245
40. Global mean (average) raw gender pay gap	9.1% in favor of women
41. Community giving investment: total amount	152 322 000 CHF
42. Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts	Management Short-term incentive: 15% Long-term incentive: 20%
43. Compliance with Nestlé Marketing Communication to Children Policy	96.9%