



**Nestlé**

Good food, Good life

# Non-Financial Statement 2025



<b>Table of Contents</b>	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
--------------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

# Table of Contents

## **3 About this Non-Financial Statement 2025**

## **5 Executive Summary**

## **8 Part 1 – General Disclosures**

## **34 Part 2 – Environmental Disclosures**

35 Climate change

60 Pollution

66 Water resources

73 Biodiversity and ecosystems

83 Resource use and circular economy

## **95 Part 3 – Social Disclosures**

96 Own workforce

107 Workers in the value chain

117 Affected communities

125 Consumers and end-users

## **140 Part 4 – Governance Disclosures**

141 Business conduct

## **150 Appendices**

151 Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators

196 Appendix 2 – Statutory Non-Financial Matter Report Index (Article 964b CO)

200 Appendix 3 – Nestlé’s Report Pursuant to Article 964I of the Swiss Code of Obligations and the Ordinance Promulgated Thereunder Regarding Child Labor

201 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators

221 Appendix 5 – TCFD Index

224 Appendix 6 – Global Reporting Initiative and Sustainability Accounting Standards Board Indexes 2025

234 Appendix 7 – Key Policies and Documents

241 Appendix 8 – Glossary

247 Appendix 9 – Assurance Statement

# About this Non-Financial Statement 2025



Table of Contents	<a href="#">About this Non-Financial Statement 2025</a>	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

# About this Non-Financial Statement 2025

The *Nestlé Non-Financial Statement 2025* is our official source of non-financial disclosure. It provides an overview of sustainability-related areas where we may have an impact on our surroundings (positive and negative), as well as risks that may have a notable financial impact on our company.

The disclosures are based on a double materiality assessment to focus on the most relevant sustainability matters. We aim to provide a balanced picture of our material topics, related impacts and risks, and our performance. For investors, our *Annual Review* contains an overview of all principal risks and uncertainties.

This *Non-Financial Statement 2025* covers our global operations and contains data for subsidiaries that are consolidated by Nestlé S.A. as of December 31, 2025. This ensures consistency and completeness in reporting across both financial and non-financial dimensions. Please refer to the [Consolidated Financial Statements of the Nestlé Group 2025](#), page 165, for the list of Nestlé Group companies. This *Non-Financial Statement 2025* is prepared in alignment with the scope of financial consolidation.

Primary and associated data have been used to determine quantitative performance and progress. In instances where this data is not available, estimates and/or proxies have been utilized to complement the primary data. For details on specific exemptions, see [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

This *Non-Financial Statement 2025* covers the period from January 1, 2025, to December 31, 2025, unless otherwise stated. It is prepared in compliance with Swiss law (Articles 964a et seq. of the Swiss Code of Obligations) and is structured with reference to the EU Corporate Sustainability Reporting Directive and the accompanying European Sustainability Reporting Standards (ESRS).

To support transparency and comparability, a statutory index of non-financial matters (Article 964b of the Swiss Code of Obligations) and the corresponding ESRS topics are included in [Appendix 2 – Statutory Non-Financial Matter Report Index \(Article 964b CO\)](#).

Furthermore, in compliance with our statutory due diligence obligations with respect to child labor matters (Article 964l of the Swiss Code of Obligations), an index of the relevant disclosures and documentation is included in [Appendix 3 – Nestlé’s Report Pursuant to Article 964l of the Swiss Code of Obligations and the Ordinance Promulgated Thereunder Regarding Child Labor](#).

This Non-Financial Statement 2025 complements our *Annual Review 2025* and has been reviewed and approved by our Board of Directors.

## Independent assurance

We engaged Ernst & Young Ltd (EY) to provide independent assurance on this *Non-Financial Statement 2025*. EY provided limited assurance on select environmental, social and governance KPIs and non-financial matters in accordance with the International Standard on Assurance Engagements (ISAE 3000).

For the independent assurance statement see [Appendix 9 – Assurance Statement](#), with [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#) providing details and definitions of the selected KPIs.

## Forward-looking statements and disclaimer

This *Non-Financial Statement 2025* has been prepared in good faith based on information available during the reporting period from January 1, 2025, to December 31, 2025. While we have undertaken reasonable effort to ensure accuracy and reliability, certain disclosures may remain subject to review as sustainability reporting standards and practices evolve.

This *Non-Financial Statement 2025* contains forward-looking statements regarding our sustainability commitments, targets, outlook and plans.

This *Non-Financial Statement 2025* is based on current views, assumptions and estimates that are inherently subject to uncertainties, which may cause actual results to differ materially from those contained in the forward-looking statements.

Factors that may cause such discrepancies include, without limitation: changes in circumstances, assumptions not being realized, scientific or technological developments, evolving sustainability strategies, mergers and acquisitions or other corporate activities, changes in governmental regulations or policies, market and economic conditions, and other risks and uncertainties beyond our control.

In addition, some metrics rely on external data sources and methodologies that may carry inherent measurement limitations. To the best of our knowledge, no material events have occurred since December 31, 2025, that require adjustments or additional disclosures for the reporting period.

By accessing this *Non-Financial Statement 2025*, readers acknowledge that Nestlé shall not be held liable for any direct, indirect, incidental, consequential, or other losses or damages arising from the use of the information contained herein.



# Executive Summary

Table of Contents	About this Non-Financial Statement 2025	<b>Executive Summary</b>	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	--------------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## Executive summary

Our sustainability strategy is driven by the long-held conviction that a company should create value for its shareholders and society at large – we call this approach: Creating Shared Value.

### Nestlé operating model

Nestlé is the *Good food, Good life* company. Through our focus on nutrition, health and wellness, our purpose is to unlock the power of food and beverages to enhance quality of life for everyone, today and for generations to come.

Our values center on respect. We work towards making a positive impact on society, from farms to consumers to shareholders – creating value for all stakeholders.

This Creating Shared Value approach is key to our long-term success.

Our sustainability strategy, at the core of our Creating Shared Value approach, is built on three interconnected pillars of Climate, Regenerative agriculture and Circularity, with Nutrition at the core, which reinforces and guides all our efforts towards a more sustainable food system (for more, see [General Disclosures](#)).

Each pillar is supported by key actions and initiatives, as outlined in our policies (for more, see [General Disclosures](#)). These policies include the Nestlé Net Zero Roadmap, Nestlé Responsible Sourcing Core Requirements, Nestlé Agriculture Framework, and Nestlé Human Rights Framework and Roadmap.

### Key actions and achievements in 2025

This *Non-Financial Statement 2025* reports on the full spectrum of our sustainability journey. We encourage you to explore in detail our efforts to address our impacts and risks, and discover more on how we are turning ambition into tangible actions and achievements, including:

- Climate change: In 2025, we achieved and surpassed our near-term GHG emission reduction target by reaching a 24.52% net GHG reduction compared to the 2018 baseline.
- Pollution: We are piloting science-based targets for nature related to water quality as an indicator of water impacts from pollution.
- Water resources: We achieved 2.9 million m<sup>3</sup> water use reduction in our manufacturing sites in 2025, with a particular focus on sites located in water-stressed areas where we totaled 2.0 million m<sup>3</sup> reduction.
- Biodiversity and ecosystem: We achieved a 96.7% assessed deforestation-free performance for our primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee, and a 49.8% for responsibly sourced key ingredients.<sup>1</sup> We also surpassed our 2025 regenerative agriculture<sup>2</sup> milestones with 27.6%.
- Resource use and circular economy: We reduced the usage of virgin plastic by 28.0% versus the 2018 baseline; design improvements meant that we reached 87.5% of plastic packaging designed for recycling. We are also strengthening the tracking of food loss from our factories.
- Own workforce: We introduced the safety culture maturity framework to help enhance the safety culture across our Markets.
- Workers in the value chain: We introduced new metrics to better understand how to measure the effectiveness of our actions and to track the overall performance of our human rights approach.
- Affected communities: We continue working actively with young people in agriculture, recognizing it is vital for sustainable development, food security, revitalization and empowerment of rural communities. Encouraging their interest and commitment will not only benefit small- and medium-sized economies but will also contribute to a more sustainable and equitable future. Through our global Nestlé needs YOUth program, we are driving local solutions, aiming to benefit people worldwide.

<sup>1</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>2</sup> The key ingredients in scope for KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	<b>Executive Summary</b>	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	--------------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

- Consumers and end-users: We continue to focus on improving the nutritional value of our portfolio, expanding access to affordable nutrition, supporting specific health needs and ensuring responsible consumer communication. In 2025, we offered 135.4 billion servings of affordable nutrition with micronutrient fortification.
- Business conduct: We released a new *Code of Business Conduct* to align with global best practice, setting out our expectations of employees across a wide set of ethics and compliance topics.

### **Sustainability governance**

Sustainability governance is fully integrated into our corporate structure, with oversight by the Board of Directors.

Established in 2025, the role of the Chief Sustainability Officer, together with our ESG and Sustainability Council, is to provide strategic oversight and governance for the development and implementation of our sustainability strategy, while ensuring alignment with applicable regulations (for more, see [General Disclosures](#)).

Part 1

# General Disclosures

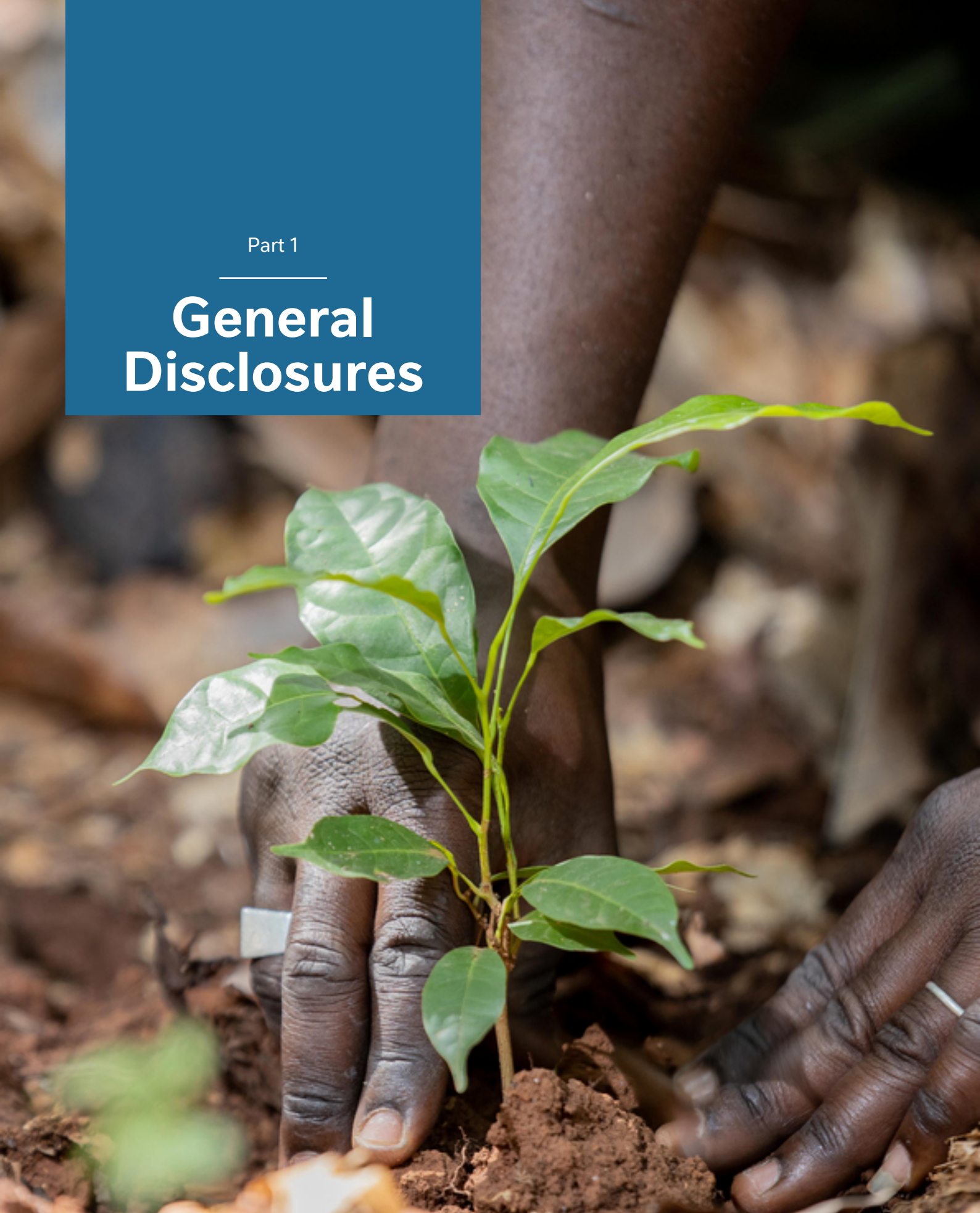


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

# General Disclosures

## Basis for preparation

In this *Non-Financial Statement 2025*, we consider our own operations as all entities included in our financial statement consolidation (see [About this Non-Financial Statement 2025](#)).

Furthermore, we consider our upstream and downstream value chain as follows:

- The upstream value chain includes both direct suppliers and indirect suppliers.
- The downstream value chain includes service providers, customers and consumers.

Throughout this *Non-Financial Statement 2025*, we provide information on strategic and material environmental, social and governance (ESG) key performance indicators (KPIs). These KPIs address key issues for Nestlé and our stakeholders. More information on the methodology used to calculate these metrics can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#), where we detail the definition, scope, methodology and assumptions for calculating and reporting on the selected ESG metrics.

## Time horizons

This *Non-Financial Statement 2025* uses the definition of short-, medium- and long-term horizons provided by ESRS, except for the disclosures on climate-related risks and opportunities, which are aligned with the time horizons of the Task Force on Climate-related Financial Disclosures (TCFD).

The time horizons considered for assessing climate-related risks and opportunities are medium-term (5-10 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. In the short-term (1-5 years), we use an 18-month outlook that 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](#).

## Changes in preparation or presentation of sustainability information and prior period errors

In certain instances, as specified further in this *Non-Financial Statement 2025*, we have applied changes in the preparation or presentation of sustainability information. Where necessary for comparability, we have restated information from previous reporting periods.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## Sustainability governance

Sustainability governance is integrated into our corporate structure, with overall oversight by the Board of Directors. Our governance and implementation structure infographic below illustrates responsibilities for oversight and implementation.

Our governance and implementation structure

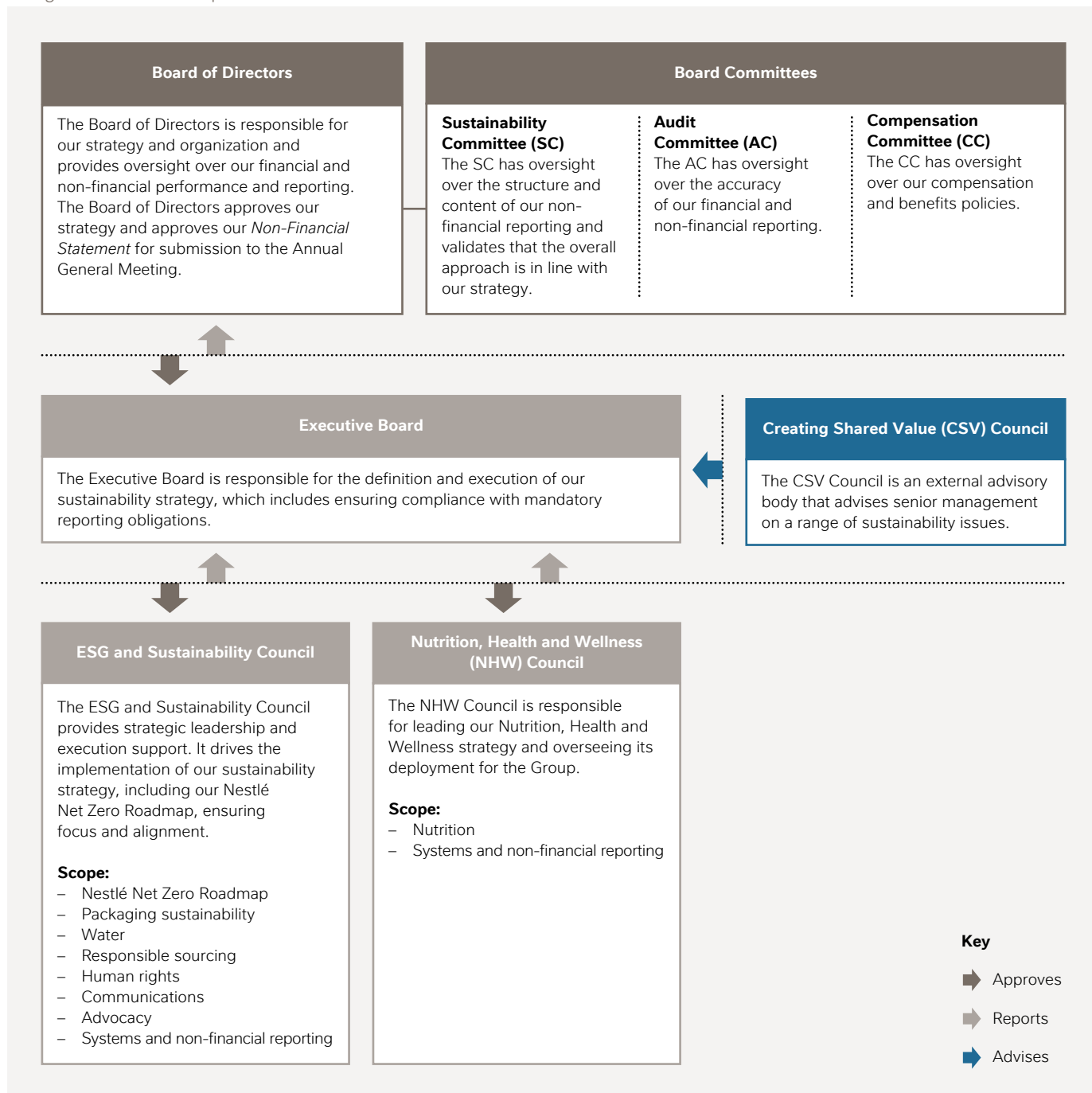


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

The Sustainability Committee (SC) oversees the structure and content of our non-financial reporting to ensure alignment with strategy, while the Audit Committee (AC) ensures the accuracy of both financial and non-financial reporting. The SC, as outlined in its publicly available Charter, reviews the company’s plans and actions on sustainability topics, including climate change, which was discussed during the year, most recently in February 2025. Following each SC meeting, the Chair of the SC reports back to the Board of Directors, ensuring climate-related issues are integrated into strategic oversight and progress monitoring.

The following committees and mechanisms further support this structure:

- The Group Compliance Committee (GCC), which is chaired by the Chief Compliance Officer, coordinates all risk and compliance activities, applying the Control and Assurance Framework to integrate our risk and control management strategy into all Group operations. The GCC provides annually a comprehensive report on all risk and compliance activities to the AC.
- Our Issues Roundtable is chaired jointly by the Executive Vice President Chief Operations Officer, the Executive Vice President Group General Counsel, and the Deputy Executive Vice President Chief Communications Officer. The committee identifies and prioritizes enterprise-level issues, maintains and reviews the corporate Issue Heat Map, assigns ‘owners’ for issues and follows up on actions, and escalates material matters to senior leadership.
- The Human Rights Steering Committee, which is chaired by the Executive Vice President Group General Counsel, oversees the implementation of our Human Rights Salient Issue Action Plans and monitors progress. This supports the Executive Board’s work implementing our Human Rights Framework and Roadmap (see Workers in the value chain).

To support the work of the Nutrition, Health and Wellness (NHW) Council, and ensure effective execution of our NHW strategy, two senior leaders were appointed: Head of Nutrition, Health and Wellness; and Chief Nutritionist. These two senior leaders are accountable to the NHW Council for the development of the NHW strategy and embedding nutrition into decision making and portfolio development. This governance structure ensures alignment with stakeholder expectations and regulatory requirements.

## Implementation of our sustainability strategy

The Executive Board is responsible for executing our sustainability strategy, as approved by our Board of Directors, and delegates its implementation to the ESG and Sustainability Council. The Chief Sustainability Officer and the Executive Vice President Head of Strategic Business Units, Marketing and Sales chair the ESG and Sustainability Council, which meets monthly and reports regularly to the Executive Board. In 2025, the ESG and Sustainability Council met 12 times.

As of January 2025, the position of Chief Sustainability Officer, reporting to the Group Chief Executive Officer, was created to lead the development and execution of the Group’s sustainability strategy and ensure the Group meets its commitments, targets and milestones. In addition, in each of our Markets sustainability champions have been designated to drive local implementation.

Our impacts, risks and opportunities (IROs) are 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. This includes:

- Managing climate-related IROs: The Executive Board is responsible for executing the sustainability strategy which includes progress towards climate-related IROs and associated goals and targets. The Board of Directors is responsible for the strategy, organization and oversight and monitors progress.
- Integrating workforce-related IROs into our People Strategy, which the Executive Vice President Global Head of Human Resources oversees.
- Addressing consumers- and end-users-related IROs through:
  - Our Food Safety and Quality policies are overseen by the Executive Vice President Chief Operations Officer and the cross-functional Food Safety Issue Management Board (FSIMB), chaired by the Head of Quality Management. The FSIMB is the governance body for the Group tasked with identifying and prioritizing both current and emerging food safety related risks. Its goal is to implement management measures aimed at mitigating such risks to ensure the safety of Nestlé products for our consumers.
  - Our NHW strategy, which drives our portfolio and services to help consumers to reach more balanced diets, is managed by the NHW Council, and co-sponsored by the Head of Strategic Business Units, Marketing and Sales, and the Chief Technology Officer Head of Innovation Technology and R&D.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

- Our Nestlé Policy for Implementing the WHO Code, under the oversight of the Group WHO Code Compliance Committee, is chaired by the Executive Vice President Group General Counsel.
- Our Information Security Committee, chaired by the Executive Vice President Group General Counsel, plays a pivotal role in safeguarding consumer personal data by overseeing the implementation of the Nestlé Privacy Program, including privacy-by-design and security controls across our IT systems.

### Governance of non-financial reporting

The Board of Directors is responsible for our non-financial reporting strategy, which is reviewed in a joint session of its SC and AC.

The ESG and Sustainability Council works with the NHW Council to create the non-financial reporting strategy for endorsement in the joint session.

These two councils oversee implementation of our reporting obligations. In 2025, they received regular updates and ultimately approved the **material IROs** presented in this *Non-Financial Statement 2025*.

The Board of Directors then approves the *Non-Financial Statement* for publication. The Board of Directors approved this *Non-Financial Statement 2025* to be issued on February 19, 2026, to be presented for advisory approval at the Annual General Meeting on April 16, 2026.

### Integration of non-financial performance in incentive schemes

Incentive schemes and remuneration policies linked to non-financial matters have been created for members of management. For the Short-Term Bonus Plan, the ESG objectives (15% of the target) are set annually by the Compensation Committee of the Board of Directors and reflect selected performance measures from our sustainability agenda. In 2025, they related to affordable nutrition with micronutrients fortification, reduction of greenhouse gas (GHG) emissions, virgin plastic reduction, regenerative agriculture practices and management positions held by women. These five objectives are equally weighted at 3% each. As of 2023, we added the 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

We are committed to responsible business conduct through due diligence processes. We take into account international frameworks, such as the Global Reporting Initiative Consolidated Set of Standards 2021, the Sustainability Accounting Standards Board Processed Foods Standard, and the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct (2018), to help identify, assess, address and report on risks related to environmental, social, employee, human rights and corruption-related matters. These steps include the following:

- Management: We embed responsible business conduct into policies and management systems.
- Risk identification: We regularly assess our operations and supply chains to identify potential adverse impacts.
- Prevention and mitigation: We communicate and enforce strict policies, provide training and collaborate with partners to manage risks.
- Monitoring: We conduct audits, track performance and maintain grievance mechanisms.
- Remediation: We take prompt actions to remedy identified issues and engage with affected stakeholders.
- Transparency: We regularly report on our due diligence efforts and outcomes.

We describe specific aspects of our due diligence approach and steps taken on sustainability matters in the relevant chapters of this *Non-Financial Statement 2025*.

### Further information

Further information on Nestlé governance is available in our *Nestlé Corporate Governance Report* as follows:

- Number of executive and non-executive members, pages 20 and 6, respectively.
- Members’ experience relevant to sectors, products and geographic locations of our undertaking, pages 6-7.
- Roles and responsibilities of management and supervisory bodies, pages 17-19.
- Identity of management and supervisory bodies, or individuals within bodies, responsible for oversight of IROs, pages 18-19.
- Sustainability-related expertise that such bodies either possess directly or can leverage, pages 7 and 14.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## Strategy, business model and value chain

Creating Shared Value is the way we do business. Our strong conviction that a company should create value both for its shareholders and society at large drives our strategic approach – accelerating category growth, enhancing brand leadership and delivering superior consumer experiences across key food and beverages segments.

Delivering food and beverages products at scale, for people and pets, is our business model. We make and sell a broad portfolio of products in the following categories: Powdered and Liquid Beverages, PetCare, Nutrition and Health Science, Prepared Dishes and Cooking Aids, Milk Products and Ice Cream, Confectionery, and Water.

Effective as of January 1, 2025, Nestlé’s business was reorganized from five to three geographic Zones<sup>1</sup>: Zone Americas (AMS); Zone Asia, Oceania and Africa (AOA); and Zone Europe (EUR). We also have three Globally Managed Businesses: Nestlé Health Science; *Nespresso*; and Nestlé Waters & Premium Beverages.

Please refer to the “Our business” section of this year’s [Nestlé Annual Review 2025](#) for more details on this topic.

### Our strategic pillars

We aim to drive long-term value for people and pets, planet and business. This is how we are Creating Shared Value.

Focus on the following three strategic pillars guides our efforts towards sustainable growth:

- **Climate:** Our climate strategy spans the entire value chain, from sourcing and operations to product innovation, ensuring we reduce our footprint while enhancing resilience. We are committed to achieving net zero emissions by 2050, with clear milestones and science-based targets.
- **Regenerative agriculture:** We are helping to transform how food is grown. By partnering with farmers and suppliers, we promote regenerative agriculture practices that aim to conserve and restore soil health, water, biodiversity and improve livelihoods. Our goal is to source 50% of volumes of key ingredients<sup>2</sup> from farmers adopting regenerative agriculture practices by 2030.

- **Circularity:** We are rethinking packaging and resource use to support a waste-free future. Our focus is on innovation, collaboration and consumer engagement. We aim to reduce the use of virgin plastic and provide support for the development of circular systems. At the same time, we are strengthening the way we track food loss and waste from our factories.

As an enabler of the above strategic pillars, we embed environmental and human rights standards across our global supply chains through our Responsible Sourcing Core Requirements, complementing and operationalizing our broader sustainability strategies.

For example, related to climate, our Responsible Sourcing Core Requirements help reduce emissions in Origins particularly in agriculture and land use, support deforestation-free supply chains, and ask that our suppliers contribute to GHG emissions reduction targets.

In terms of regenerative agriculture, we help farmers and suppliers embrace regenerative agriculture practices, such as cover cropping, reduced tillage and biodiversity enhancement. Our Responsible Sourcing Core Requirements ensure those practices are verified and scaled through supplier engagement and monitoring.

Related to circularity, our Responsible Sourcing Core Requirements encourage suppliers to reduce virgin plastic and fiber use. They also support local waste management infrastructure (e.g. collection, sorting and recycling).

As we continue to strengthen supply chain resilience by scaling up regenerative agriculture and reducing our GHG emissions, we are already seeing continued evidence of improvements in crop yields, farmer livelihoods and reduced GHG emissions.

By embedding impact analysis into our strategy, including continuous learning and adaptation, we strive to enhance our performance and capacity to plan strategically, align resources effectively, and measure progress accurately.

This proactive approach not only enhances our resilience and adaptability but also reinforces our commitment to Creating Shared Value.

Furthermore, we employ a governance framework, detailed in [Business conduct](#), to oversee the implementation and monitoring of our impact strategy. This framework includes accountability mechanisms and regular reviews to ensure that our strategic objectives are consistently aligned with our impact management goals.

<sup>1</sup> 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) into Zone Americas (AMS). Further, Zone Greater China (GC) became part of Zone Asia, Oceania and Africa (AOA).

<sup>2</sup> The key ingredients in scope for KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## Interests and views of stakeholders

Our stakeholders comprise many groups and we engage with them throughout the reporting period. We obtain their views to understand their interests in relation to sustainability matters around our operations and value chain. This engagement helps us identify IROs.

### Engaging with Nestlé employees

We ensure that direct and frequent communication is established in the workplace between management and our employees, 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. Consultation with workers and their representatives at Nestlé takes place at local, regional and global level.

At local level, consultation platforms are established as per national legislation requirements.

At regional level, we have established our European Works Council (EWC) which includes employee representatives from all 27 EU countries, plus the United Kingdom, Switzerland, Norway and Iceland, and human resources (HR) directors from the same countries. In 2025, the EWC was co-chaired by our Executive Vice President and Chief Executive Officer Zone EUR, and an Employee Representative, with two plenary meetings taking place, one Steering Committee meeting, and two ad hoc meetings.

Since 2013, at global level, we have established a regular dialogue with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF). In 2025, two global in-person meetings with IUF took place, with the participation of our Global Head of Group HR, the HR Heads of our three geographical Zones, and the Group Employee Relations Manager.

Since 2023, we have been going beyond the legal requirements for consultation process through the establishment of two joint working groups with Nestlé and IUF (one on social sustainability and one on gender equity), which, in 2025, met four times.

### Engaging with stakeholders in the value chain

Stakeholder engagement is a key enabler for our reputation, non-financial performance and long-term value creation.

As we operate in a complex global ecosystem, our stakeholders expect ethical behavior, transparency and accountability. Proactive engagement helps build trust and underpins our license to operate.

By engaging with our stakeholders, we gain critical insights and early signals that help us anticipate risks, adapt strategies and drive innovation, for example, in regenerative agriculture.

We publish advocacy positions and share them with stakeholders; the latest versions are available [here](#).

Driving long-term value creation requires addressing systemic challenges via collective action, which is why we engage in strategic partnerships that enable scalable solutions and industry alignment, for example, in circularity.

Our approach to broad stakeholder engagement focuses on building ties with key organizations to maximize impact. We prioritize high-impact stakeholders, deeper collaboration and a unified "One Nestlé" approach. Through more focused engagement, we ensure better use of time, expertise and resources, delivering greater return on effort. These sustained relationships with key organizations build trust and strengthen our ability to help shape global agendas.

Recognizing that a narrower focus and prioritization mean it is possible to miss the early signals or perspectives from smaller or less visible stakeholders, we mitigate this by improving coordination between our functions, Zones and Markets to maximize collaborative action. Similarly, a narrower focus on select stakeholders increases risks due to vulnerability if those relationships shift or the organization loses influences, which we mitigate with regular assessments of relevance.

We engage in dialogue with stakeholders in our value chain, suppliers, business partners, workers and farmers in our supply chains and local communities, as well as our consumers. We pay 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.

The CSV Council is our external advisory group, which plays an important role in defining agendas. This includes ensuring regular consultations with various stakeholders to discuss and demonstrate progress in key areas like nutrition, regenerative agriculture and human rights.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## ESG ratings

We have received the following ratings for our ESG stakeholder engagement and/or performance:

- Since 2011, we have been consistently listed in the FTSE4Good Index, and we were the first breast milk substitute company to be included. We have maintained a strong standing in the Index, with an overall 2025 ESG rating of 4.4 out of 5.
- In 2025, Nestlé’s rating has been upgraded by MSCI ESG Research to AA. This improvement is a strong proof point of Nestlé’s resilience to long-term ESG risks.
- In 2025, Nestlé became part of the CDP A-List with an A for climate change. Nestlé also improved the scores for water security (A-) and forests (B).
- We received a score of 17.0 and are rated as low risk on Sustainalytics’ 2025 ESG Risk Ratings. This latest scoring reflects our commitment to the effective management of ESG risks. We are now ranked third out of more than 300 companies in the packaged foods industry.
- We were ranked 9th out of 30 global food and beverage manufacturers in the 2024 Access to Nutrition Index (which reflects the most up to date scoring). The goal of the Index is to facilitate improved diets and reduction in the global problems of both obesity and under-nutrition.
- In 2025, we scored 63/100 points – 76th percentile (Bronze Medal) with EcoVadis. This is an assessment platform that rates businesses’ sustainability holistically in four categories: environmental impact, labor and human rights standards, ethics, and procurement practices.

## Summary of stakeholder engagement related to the value chain

Academia and science:

- Symposia
- Collaboration with institutions

Consumers:

- Social media
- Brand campaigns
- Transparent information

Customers:

- Regular meetings
- Communications
- Topical events

Farmers, youth and communities:

- Grower programs for commodities

Global partnerships:

- Joint programs, advocacy and communications
- Hosting of events

Governments, international organizations and NGOs:

- Bilateral engagement
- Events
- Conferences

Industry associations:

- Regular engagements across sustainability topics

Investors and analysts:

- Meetings
- Investor days
- Analyst calls

Suppliers:

- Programs
- Guidance
- Collaborative roadmaps

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## Examples of Nestlé stakeholder engagement activity by topic

<b>Climate</b>	<ul style="list-style-type: none"> <li>– Published the <i>Climate Policy Engagement at Nestlé</i> report with comprehensive assessment of climate policy engagement in 22 key industry associations and federations globally.</li> <li>– Provided ongoing support to Business for Nature and the World Business Council for Sustainable Development (WBCSD) in calling for strong action by policymakers to safeguard natural resources during global events such as New York and London Climate Week, COP30.</li> <li>– Participated in the UN FAO’s, Hand-in-Hand Investment initiative, as part of the World Food Forum Flagship Event.</li> <li>– Participated in the Action Agenda on Regenerative Landscapes, demonstrating private sector role in the transition of large agricultural landscapes to regenerative landscapes by 2030 and joined WBCSD Landscape Accelerator in Brazil.</li> <li>– Partnered with key suppliers to implement climate change mitigation actions.</li> <li>– Supported the development of ambitious nationally determined contributions in key countries (e.g. Brazil and the United Kingdom).</li> <li>– Helped to co-create the industry outcomes-based framework, Regenerating Together, hosted on the Sustainable Agriculture Initiative platform, designed to expand regenerative agriculture across the world. We deployed efforts to advance alignment of the private sector behind this framework.</li> <li>– Actively participated in One Planet Business for Biodiversity’s (OP2B) work to maintain a high momentum on regenerative agriculture by deploying collective and proactive advocacy at EU level, notably on regenerative agriculture. Under the auspices of OP2B, we also engaged with industry peers and stakeholders to accelerate the implementation of large-scale and multi-stakeholder landscape initiatives.</li> </ul>
<b>Global partnerships</b>	<ul style="list-style-type: none"> <li>– Supported disaster relief through a renewed three-year partnership with World Central Kitchen and an ongoing five-year strategic partnership between Nestlé and the International Federation of Red Cross and Red Crescent Societies for the Disaster Response Emergency Fund and Africa Hunger Crisis appeal.</li> <li>– Launched the Nestlé Food Bank Alliance with the Global FoodBanking Network, the European Foodbanks Federation, and Feeding America, strengthening efforts to tackle food insecurity and reduce food waste.</li> <li>– Launched a first-of-its-kind partnership with the World Farmers’ Organisation (WFO) to help make food systems more resilient to climate change. Nestlé and the WFO will advocate for fair policies and practical solutions, such as regenerative agriculture, that empower farmers and help them adapt to climate change.</li> </ul>
<b>Nature and biodiversity</b>	<ul style="list-style-type: none"> <li>– Engaged with stakeholders at the International Agricultural Show in Paris and led discussions on regenerative agriculture.</li> <li>– Participated in the United Nations Ocean Conference (UNOC3) and actively engaged stakeholders on oceans restoration.</li> </ul>
<b>Nutrition</b>	<ul style="list-style-type: none"> <li>– Collaborated with academic partners to provide accredited nutrition education on early childhood to over 15 000 healthcare professionals in 85 countries.</li> <li>– Advocated for specialized nutrition in early childhood through industry associations, emphasizing science-based knowledge sharing and supporting the adoption of the CODEX Standard for Young Child Formula in the EU, where no relevant regulations exist.</li> <li>– Participated in the Private Sector Mechanism Annual General Meeting that aims to represent the private sector’s interests and perspectives within international agricultural and food security policy-making processes.</li> <li>– Participated in the Nutrition for Growth, UN Food Systems Summit Stocktake and EAT Stockholm Food Forum meetings, to understand stakeholder expectations in relation to Nestlé.</li> <li>– Engaged the scientific community, in Chile, at the Latin American and Caribbean Association of Food Science and Technology (ALACCTA) congress, and through the Ibero-American Nutrition Foundation (FINUT) scientific webinars.</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, as co-chair of the Business Coalition for a Global Plastics Treaty, and as advisor to the Global Environment Facility Plastics Reboot consortium.</li> <li>– Participated as an observer at the UN Environment hosted Intergovernmental Negotiating Committee process for a UN Treaty on Plastic Pollution, and the UN Environment Assembly and the UNOC3 in support of circular economy solutions.</li> <li>– Partnered with the Fair Circularity Initiative in promoting human rights with the ‘10 Principles for Fair Partnerships with Waste Workers’, and supported living income assessments in partnership with NGOs working with waste pickers in multiple 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 the Global Alliance to Advance Reuse (PR3), and various national collective action projects exploring systems solutions.</li> </ul>

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

<b>Social</b>	<ul style="list-style-type: none"> <li>– Following the signed agreement, in 2024, we are actively participating in the implementation of the Child Labor in Cocoa Coordination Group Framework of Action, in coordination with the governments of Côte d'Ivoire and Ghana, as well as peer stakeholders. These efforts are primarily focused on systems integration of our Child Labor Monitoring and Remediation System with national systems for more robust coverage as well as collaboration in the education space.</li> <li>– A progress report was published by the KIT Institute (Royal Tropical Institute based in Amsterdam), in 2025, accompanied by a webinar designed for stakeholders, demonstrating that our income accelerator program is making good progress across its four key areas: school enrollment, good agricultural practices, agroforestry and income diversification.</li> <li>– Supported the development of the rule of law through our sponsorship and active engagement in the CEELI Institute, an independent non-profit, established in Prague in 2000. This work focuses on strengthening judicial independence and integrity, combating corruption, supporting civil society and building legal skills and capacity.</li> <li>– Participated as an invited speaker and public sector voice on a panel focused on responsible business conduct around human rights.</li> <li>– Hosted a diverse stakeholder workshop at our HQ, bringing together our internal Market-level coordinators in over 25 countries as well as responsible sourcing leads, together with external implementing partners and NGOs.</li> <li>– Organized consultation processes with diverse stakeholders in Mexico, Brazil and Ecuador.</li> <li>– Launched the global edition of the partnership with UNESCO, and hosted the signing ceremony, in France, in the presence of our Chief Executive Officer and youth champions.</li> <li>– Held the Pacific Alliance annual event, which brings together thousands of youth and key stakeholders and is a key reputation driver for the LATAM Markets.</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>– Engaged with analysts and investors throughout the year at conferences and roadshows.</li> </ul>

## Double materiality assessment

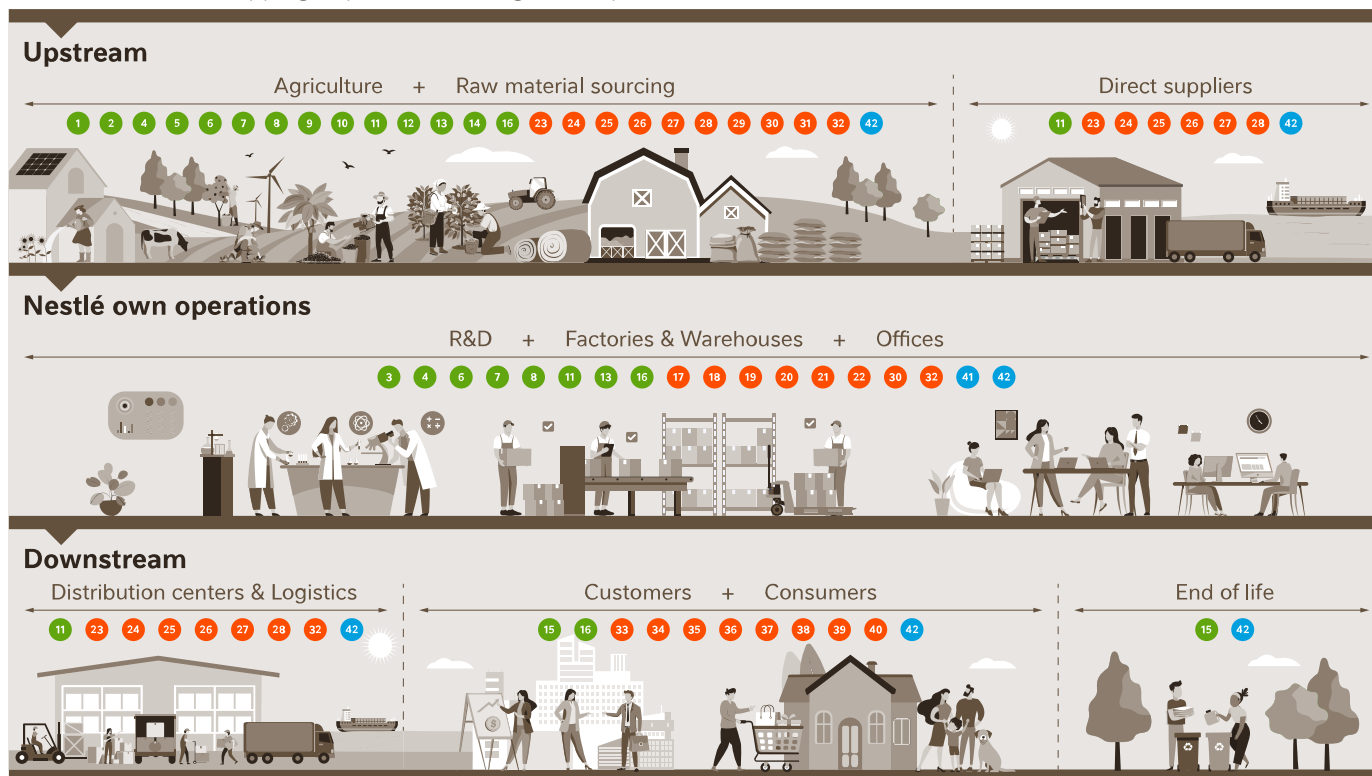
Our double materiality assessment (DMA) covers Nestlé's global operations and upstream and downstream value chains.

In 2024, we conducted a DMA identifying 39 material topics, corresponding to 39 negative impacts and five financial risks. As part of this year's review, we confirm their accuracy for the reporting year 2025, subject to certain amendments in their presentation to improve accuracy, clarity and consistency in the disclosure. Also, we have chosen to include material positive impacts in that review, resulting in the reporting of three positive impacts for 2025, relating to youth development, nutritional value and access to products.

In the infographic on the next page, we present an overview of all impacts and risks as they relate to our operations and value chain. In the table that follows, we provide a more detailed overview of our impacts and risks across all sustainability matters.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

Nestlé value chain mapping of positive and negative impact and/or risk



● Positive impact ● Negative impact ● Risk

## Environment

### Climate change

- 1 ● ● Sourcing practices
- 2 ● ● Emissions from sourcing and ingredients
- 3 ● Energy consumption and mix

### Pollution

- 4 ● Water pollution
- 5 ● Soil pollution from agricultural activities

### Water resources

- 6 ● Water scarcity
- 7 ● Water usage
- 8 ● Water discharges in water bodies

### Biodiversity and ecosystems

- 9 ● Pollinator decline
- 10 ● Soil erosion
- 11 ● ● Greenhouse gas emissions
- 12 ● ● Deforestation
- 13 ● Transformation of product portfolio
- 14 ● Intensive farming

### Resource use and circular economy

- 15 ● Packaging
- 16 ● Food loss and waste

## Social

### Own workforce

- 17 ● Suppression of the right to form unions
- 18 ● Work incidents
- 19 ● Stress and mental workload
- 20 ● Unequal pay for work of equal value
- 21 ● Gender inequality
- 22 ● Incidents of discrimination in the workplace

### Workers in the value chain

- 23 ● Lack of living wages
- 24 ● Incidents of child labor or child labor risks
- 25 ● Incidents of violence and harassment in the workplace
- 26 ● Workplace incidents, diseases and fatalities
- 27 ● Incidents of forced labor or forced labor risks
- 28 ● Incidents due to improper water and sanitation

### Affected communities

- 29 ● Lacking food security
- 30 ● Incidents due to improper water and sanitation
- 31 ● Indigenous Peoples' and local communities' land and resource rights
- 32 ● Supporting young people through development programs

### Consumers and end-users

- 33 ● ● Consumption of unsafe products
- 34 ● Products and portfolio contributing to balanced and nutritional diets
- 35 ● Impacts of unhealthy diets
- 36 ● Product accessibility for specific consumer groups
- 37 ● Addressing specific nutritional needs with tailored solutions
- 38 ● Ensuring compliance with Nestlé marketing policies
- 39 ● Unclear or insufficient product information
- 40 ● Protecting consumers' personal data

## Governance

### Business conduct

- 41 ● Lack of adherence to Nestlé's values, principles, policies and applicable laws
- 42 ● Lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Description of positive and negative impact and/or risk

Subtopic	IRO name	Value chain			Rationale: description of 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	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to how climate change poses a significant challenge to sourcing of ingredients, with risks of extreme weather events, 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.	●	●	●
	Sourcing practices	●			<b>Risk:</b> This risk in our upstream value chain relates to climate-related risks, such as heatwaves, drought and water stress, which may impact raw materials' availability, quality and cost due to lower yields and greater yield variability.	●	●	●
<b>Climate change mitigation</b>	Emissions from sourcing and ingredients	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to greenhouse gas emissions linked to agricultural activities and land-use changes for ingredients.	●	●	●
	Emissions from sourcing and ingredients	●			<b>Risk:</b> This risk in our upstream value chain relates to policy risks (e.g. carbon tax), technology risks (e.g. replacement and substitution of emission-intensive assets) and market risks (e.g. consumers making different choices due to sustainability considerations), which are factors that may potentially lead to supply disruptions, regulatory action, increasing operating costs and impacts on our reputation.	●	●	●
<b>Energy</b>	Energy consumption and mix		●		<b>Negative impact:</b> This negative impact in our own operations relates to how sources of energy (e.g. fossil fuel) can result in impacting climate change.		●	●

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Subtopic	IRO name	Value chain			Rationale: description of impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Pollution</b>								
<b>Pollution of water</b>	Water pollution	●	●		<b>Negative impact:</b> This negative impact relates to activities in our upstream value chain and our own operations that impact water quality. This can be related to chemical runoff from upstream agricultural activities and/or industrial discharge from operations. Without proper management and treatment, both of these can lead to contamination of water bodies.	●	●	●
<b>Pollution of soil</b>	Soil pollution from agricultural activities	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to the excessive or improper use of chemicals like synthetic fertilizers and pesticides in agriculture, which can disrupt local ecosystems and affect soil integrity.	●	●	●
<b>Water resources</b>								
<b>Water consumption</b>	Water scarcity	●	●		<b>Negative impact:</b> This negative impact in our upstream value chain and our own operations relates to how water consumption from local water resources, which 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	●	●		<b>Negative impact:</b> This negative impact in our upstream value chain and our own operations relates to excessive withdrawals from local water resources, which can place increased pressure on the availability of water for other users or ecosystems.	●	●	●
<b>Water discharges</b>	Water discharges in water bodies	●	●		<b>Negative impact:</b> This negative impact from industrial or agricultural activities within our upstream value chain and our own operations can impact water quality through industrial effluent discharges or leaching from agriculture activities, which can result in further adverse impact on the environment.	●	●	●

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Subtopic	IRO name	Value chain			Rationale: description of impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Biodiversity and ecosystems</b>								
<b>Impacts on the state of species</b>	Pollinator decline	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to how the 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>Negative impact:</b> This negative impact in our upstream value chain relates to how the use of 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>Negative impact:</b> This negative impact across our value chain relates to how greenhouse gas emissions can intensify climate change and impact ecosystems and biodiversity.	●	●	●
	Greenhouse gas emissions	●	●	●	<b>Risk:</b> This risk across our value chain relates to how greenhouse gas emissions can intensify climate change, which may be associated with the risk of supply disruptions in quality, quantity, price volatility and associated sourcing displacements, and regulatory action including fines, litigation and impacts on reputation.	●	●	●
<b>Land-use, fresh water-use and sea-use change</b>	Deforestation	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to how 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 nature and biodiversity.	●	●	●
	Deforestation	●			<b>Risk:</b> This risk in our upstream value chain relates to how agricultural activities can be a key driver of land-use change and can contribute to deforestation, which may be associated with the risk of supply disruptions and regulatory action including fines, litigation and impacts on reputation.	●	●	●
	Transformation of product portfolio	●	●		<b>Negative impact:</b> This negative impact in our upstream value chain and own operations relates to how a shift towards certain ingredients may be associated with adverse ecological effects, such as deforestation and habitat loss.		●	●
<b>Direct exploitation</b>	Intensive farming	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to how intensive farming practices can lead to resource depletion and disturb the balance of ecosystems.	●	●	●

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Subtopic	IRO name	Value chain			Rationale: description of impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Resource use and circular economy</b>								
<b>Resource outflows related to products and services</b>	Packaging			●	<b>Negative impact:</b> This negative impact in our downstream value chain arises where inadequate packaging designs for minimal material use, the lack of progress on reusability, recyclability or compostability of materials, and the lack of proper infrastructure can lead to increased environmental degradation and elevate the demand for raw materials. <sup>3</sup>	●	●	●
	Food loss and waste	●	●	●	<b>Negative impact:</b> This negative impact across our value chain encompasses the unnecessary disposal of edible products, raw material and ingredients involved throughout manufacturing, distribution and consumption. This can have economic, environmental and social implications, such as unnecessary use of resources and greenhouse gas emissions. <sup>4</sup>	●	●	●
<b>Own workforce</b>								
<b>Freedom of association, works councils and rights of workers</b>	Suppression of the right to form unions		●		<b>Negative impact:</b> This negative impact in our own operations relates to how suppression of the right to form unions can affect workers' rights to collective bargaining, hindering improvements in working conditions and socio-economic development.	●	●	●
<b>Health and safety</b>	Work incidents		●		<b>Negative impact:</b> This negative impact in our own operations relates to how work incidents can result in injury, illness, harm or death of employees.	●	●	●
	Stress and mental workload		●		<b>Negative impact:</b> This negative impact in our own operations relates to how mental and emotional pressures from work, including but not limited to the intensity and duration of working hours, can affect the health and productivity of employees.	●	●	●
<b>Gender equality and equal pay for work of equal value</b>	Unequal pay for work of equal value		●		<b>Negative impact:</b> This negative impact in our own operations relates to how unequal pay can deepen socio-economic disparities and affect the work environment.	●	●	●
	Gender inequality		●		<b>Negative impact:</b> This negative impact in our own operations relates to how 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 in the workplace		●		<b>Negative impact:</b> This negative impact in our own operations relates to how discrimination in the workplace can lead to inequalities, restrict access to opportunities and resources, exacerbate social divisions and severely impact the mental health of affected individuals.	●	●	●

<sup>3</sup> In the *Non-Financial Statement 2024*, this impact was connected with our "own operations". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

<sup>4</sup> In the *Non-Financial Statement 2024*, this impact was not connected to our "upstream value chain". In the *Non-Financial Statement 2025*, this is added to better reflect the scope of the impact.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Subtopic	IRO name	Value chain			Rationale: description of 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>Negative impact:</b> This negative impact in our upstream value chain and downstream value chain relates to how not providing living wages to workers in the value chain can lead to poverty, limit access to basic needs and contribute to social inequality and human rights issues, such as forced labor or child labor.	●	●	●
<b>Child labor</b>	Incidents of child labor or child labor risks	●		●	<b>Negative impact:</b> This negative impact in our upstream value chain and downstream value chain relates to how the use of child labor can expose children to hazardous conditions that can be harmful to their physical and mental development, as well as interfere with their education.	●	●	●
<b>Measures against violence and harassment in the workplace</b>	Incidents of violence and harassment in the workplace	●		●	<b>Negative impact:</b> This negative impact in our upstream value chain and downstream value chain relates to how incidents of violence and harassment experienced by workers in the value chain can lead to psychological and physical harm, reduced worker well-being, and the reinforcement of unsafe or discriminatory working environments that limit equal opportunity and dignity at work.	●	●	●
<b>Health and safety</b>	Workplace incidents, diseases and fatalities	●		●	<b>Negative impact:</b> This negative impact in our upstream value chain and downstream value chain relates to how unsafe or unhealthy working conditions can lead to workplace incidents, occupational diseases and fatalities, resulting in serious harm to workers' health, emotional and economic distress for their families, and broader societal costs related to healthcare, productivity loss and social protection systems. <sup>5</sup>	●	●	●
<b>Forced labor</b>	Incidents of forced labor or forced labor risks	●		●	<b>Negative impact:</b> This negative impact in our upstream value chain and downstream value chain relates to how use of forced labor in the value chain can result in severe violations of human rights, including the restriction of freedom, exploitation and abuse, which contribute to systemic inequality and undermine the social and economic development of affected individuals and communities.	●	●	●
<b>Water and sanitation</b>	Incidents due to improper water and sanitation	●		●	<b>Negative impact:</b> This negative impact in our upstream value chain and downstream value chain relates to how inadequate access to safe water, sanitation and hygiene for workers in the value chain can lead to increased health risks, worker absenteeism, reduced worker well-being and productivity, and the exacerbation of health issues and inequality in surrounding communities.	●	●	●

<sup>5</sup> In the *Non-financial Statement 2024*, this impact was not connected to our "downstream value chain". In the *Non-Financial Statement 2025*, this is added to better reflect the scope of the impact.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Subtopic	IRO name	Value chain			Rationale: description of impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Affected communities</b>								
<b>Adequate food</b>	Lacking food security	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to how smallholder farming households not earning a living income can lead to the inability to afford the cost of a decent standard of living, thereby contributing to food insecurity. <sup>6</sup>	●	●	●
<b>Water and sanitation</b>	Incidents due to improper water and sanitation	●	●		<b>Negative impact:</b> This negative impact in our upstream value chain and our own operations relates to how inadequate wastewater management, water over-extraction, or non-compliance with the land and resource rights of Indigenous Peoples and local communities in the value chain can lead to the contamination or depletion of local water sources used by surrounding communities, thereby contributing to waterborne diseases, poor hygiene conditions, reduced food production, and an overall deterioration in public health and living standards. <sup>7</sup>	●	●	●
<b>Land-related impacts</b>	Indigenous Peoples' and local communities' land and resource rights	●			<b>Negative impact:</b> This negative impact in our upstream value chain relates to how the violation of Indigenous Peoples' and local communities' land and resource rights can lead to the displacement of local communities, reduced access to arable land, disruption of cultural ties to land, and/or increased land-related conflicts, thereby threatening traditional livelihoods, food sovereignty, and the cultural and environmental rights of affected populations. <sup>8</sup>	●	●	●
<b>Community development</b>	Supporting young people through development programs	●	●	●	<b>Positive impact:</b> This positive impact across our value chain relates to how large-scale youth development programs can enable access to economic, educational and skill-building opportunities for young people, leading to improved employability and reduced unemployment for young people.	●	●	●

<sup>6</sup> In the *Non-Financial Statement 2024*, this impact was connected with our "own operations" and our "downstream value chain". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

<sup>7</sup> In the *Non-Financial Statement 2024*, this impact was also connected with our "downstream value chain". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

<sup>8</sup> In the *Non-Financial Statement 2024*, this impact was also connected with our "own operations" and our "downstream value chain". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Subtopic	IRO name	Value chain			Rationale: description of impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Consumers and end-users<sup>9</sup></b>								
<b>Food safety<sup>10</sup></b>	Consumption of unsafe products			●	<b>Negative impact:</b> This negative impact in our downstream value chain relates to how compromised product safety or inaccurate allergen labeling can pose health risks to consumers.	●	●	●
	Consumption of unsafe products			●	<b>Risk:</b> This risk in our downstream value chain relates to how a lack of food safety can lead to regulatory action including fines, litigation, loss of consumer trust and damage to our brand reputation.	●	●	●
<b>Nutritional value of the portfolio</b>	Products and portfolio contributing to balanced and nutritional diets			●	<b>Positive impact:</b> This positive impact in our downstream value chain relates to volumes of products with higher nutritional value that support adequate and appropriate nutritional intakes.	●	●	●
	Impacts of unhealthy diets			●	<b>Negative impact:</b> This negative impact in our downstream value chain relates to how consumers' excessive consumption of energy-dense foods high in sugar, sodium and fat can increase risk of obesity and noncommunicable diseases.	●	●	●
<b>Access to products</b>	Product accessibility for specific consumer groups			●	<b>Negative impact:</b> This negative impact in our downstream value chain relates to how products may not be accessible to all segments of the population, such as those with lower-income levels.	●	●	●
	Addressing specific nutritional needs with tailored solutions			●	<b>Positive impact:</b> This positive impact in our downstream value chain relates to how designing food products for people with specific dietary requirements can help nutritional needs across life stages and conditions.	●	●	●
<b>Responsible marketing practices</b>	Ensuring compliance with Nestlé marketing policies			●	<b>Negative impact:</b> This negative impact in our downstream value chain relates to how improper marketing communication can mislead or affect vulnerable consumer groups, such as children, infants and young children.	●	●	●
<b>Access to (quality) information</b>	Unclear or insufficient product information			●	<b>Negative impact:</b> This negative impact in our downstream value chain relates to how a lack of clear and comprehensive product information can prevent consumers from making informed decisions aligned with their health requirements or nutritional needs or values.	●	●	●
<b>Privacy</b>	Protecting consumers' personal data			●	<b>Negative impact:</b> This negative impact in our downstream value chain relates to how breaches of personal data may impact people's rights and integrity, personal safety and well-being.	●	●	●

<sup>9</sup> Update to some specific IROs' value chain mapping, titles and descriptions from the *Non-Financial Statement 2024*.

<sup>10</sup> We have segregated the sustainability matter "Health and safety" into two Nestlé-specific sub-topics: "Food safety" and "Nutritional value of the portfolio", for further clarity and transparency.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

Subtopic	IRO name	Value chain			Rationale: description of impact and/or risk	Time horizon		
		Upstream	Own operations	Downstream		Short term	Medium term	Long term
<b>Business conduct</b>								
<b>Corporate culture</b>	Lack of adherence to Nestlé’s values, principles, policies and applicable laws		●		<b>Negative impact:</b> This negative impact in our own operations concerns how the lack of adherence to Nestlé’s values, principles, policies and applicable laws may result in a decline of employee and other stakeholders' trust.	●	●	●
<b>Protection of whistleblowers</b>	Lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation	●	●	●	<b>Negative impact:</b> This negative impact across our value chain relates to how the absence of an independent and secure reporting system can discourage individuals from reporting misconduct across our value chain. This may undermine transparency, reduce trust in corporate governance, and limit our company’s ability to detect and address non-compliance.	●	●	●

## Identifying our material impacts, risks and opportunities

Our process for identifying and assessing sustainability matters is based on a comprehensive and systematic analysis of our own operations and value chain, as well as the external context in which we operate. Throughout this report each instance of our **material IROs** has been highlighted in **blue bold text**.

### Financial materiality

Our Enterprise Risk Management (ERM) framework is considered the key source for assessing financial materiality. As previously mentioned, we are using the DMA results from 2024, which we determine are relevant to disclose material risks in 2025. Therefore, the basis for our financial materiality is the ERM results that were available at the time of conducting the DMA in 2024.

The ERM framework includes an assessment of our key risks, rated using impact and likelihood as criteria. The focus is on those risks that may impact the achievement of our financial objectives, and sustainability commitments, as well as have an impact on our reputation.

The overall risk-management process and evaluation of the overall risk profile occur at Group level, conducted annually. 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 the company.

If required, risks are escalated where appropriate and related findings are reflected in decision-making processes at an operational and strategic level.

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

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

The ERM assessment considers a three-to-five-year time horizon, with the assessment including individual interviews with each member of the Board of Directors and 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 2025) to confirm the risk assessment and identify owners and actions of mitigation strategies.

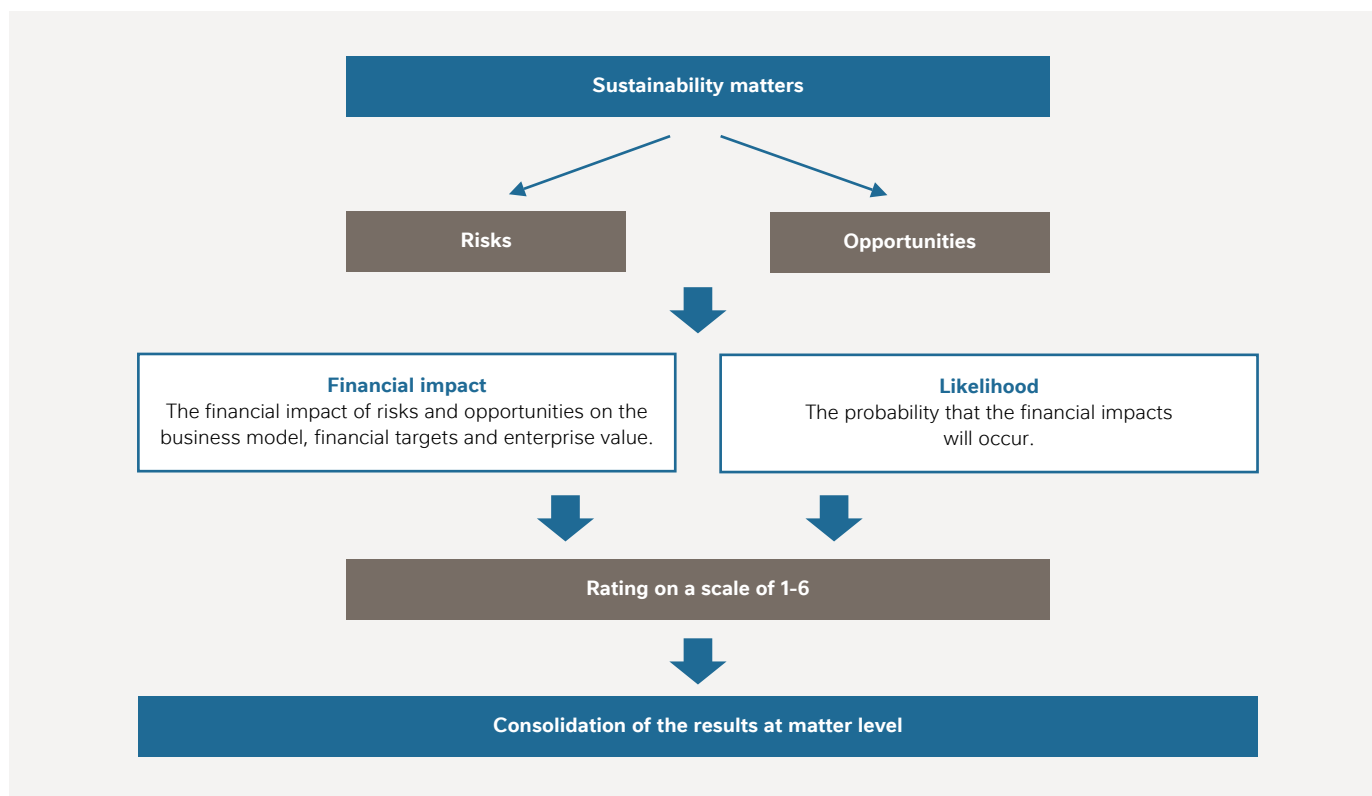
Following the last available ERM results, the risks identified were considered for the 2026 operational plans. We did not identify any material change, versus the previous ERM output, that would require updating the current DMA results.

The following steps were undertaken to translate the ERM risk categories to the sustainability topics for the purposes of non-financial reporting (defined with reference to ESRS):

- Where there was a one-to-one relationship there was a direct mapping (e.g. Water resources matched to ERM water stress).
- Where there were multiple options, explanatory comments were provided (e.g. Consumers and end-users’ Nutritional Value of the Portfolio and Access to (quality) information mapped to ERM Perception of nutrition and food processing).
- 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’).

The ERM assessment uses a 4x4 likelihood and impact matrix to rate the risks on a heatmap. For purposes of non-financial reporting, we apply a scale of 1-6 rating, as depicted below. Therefore, we applied a translation methodology to convert ERM ratings into non-financial reporting ratings.

Risk management process to assess the financial materiality of sustainability matters<sup>11</sup>



<sup>11</sup> In 2025, only climate-related opportunities were assessed.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## Impact materiality

The identified impacts are assessed using pre-defined objective assessment criteria to determine materiality. The severity results after consideration of the scale, scope and remediability of the respective impact. In addition, the severity average is multiplied by the likelihood of an impact occurring, in order to obtain a comprehensive picture of the potential impacts.

The impact materiality assessment may also take into account any prevention, mitigation and remediation actions that have been implemented, where applicable.

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. The final outcome of the assessment was approved by the ESG and Sustainability Council.

Particular attention was paid to a consistent assessment based on defined criteria as described in the table below.

Evaluation per impact<sup>12</sup>

	Actual negative impact	Actual positive impact	Potential negative impact	Potential positive impact	Rating
<b>Scale</b>	<b>Scale of the impact</b>				
	Gravity 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>Remediability of the impact</b>				
	Remediability of the impacts and the effort and duration required for this	Not relevant	Remediability of the impacts and the effort and duration required for this	Not relevant	1-6
<b>Likelihood</b>	<b>Probability of occurrence</b>				
	100%	100%	Indication of the potential probability		1-6
<b>Calculation result</b>	Severity x likelihood <sup>13</sup>	(Scale + scope) x likelihood	Severity x likelihood <sup>14</sup>	(Scale + scope) x likelihood	1-6

<sup>12</sup> By assessing one assessment category as 6, the overall result of the impact becomes material.

<sup>13</sup> Severity is defined as scale, scope and remediability.

<sup>14</sup> Severity is defined as scale, scope and remediability.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

## Policies overview

See [Appendix 7 – Key Policies and Documents](#) for detailed descriptions of all our policies disclosed in this *Non-Financial Statement 2025*.

We have 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 2025*. Our Executive Board is responsible for the implementation of all policies. Policies which are publicly available on the Nestlé website are indicated in the mapping. All other policies, frameworks, standards and/or guidelines are internal.

In addition to the policies as outlined in the materiality mapping on the next page, we also include here how we define “responsible sourcing” (and other details on the implementation of the Nestlé Responsible Sourcing Core Requirements), as well as details on “regenerative agriculture” (and the Nestlé Agriculture Framework); these represent two fundamental pillars for the implementation of our sustainability strategy, cutting across several topical sections.

### Responsible sourcing

We define “responsible sourcing” by reference to the Nestlé Responsible Sourcing Core Requirements. These set out the minimum environmental, social and governance expectations that apply to our supply chain, and they are put into effect through incorporation in all direct supplier contracts. Direct suppliers are in turn required to cascade down what is expected to all other tiers of the supply chain.

We monitor and verify the implementation of our Responsible Sourcing Core Requirements using different mechanisms for the different tiers in the supply chain.

For direct suppliers, we implement our Human Rights and Environmental Due Diligence (HREDD) program. Under this program, we assess the maturity of HREDD systems of our top suppliers that represent 50% of our spend on our 14 key ingredients.<sup>15</sup> In 2025, our HREDD maturity assessment covered 70.3% of our in-scope key ingredients’ spend (see more in [Workers in the value chain](#)).

Furthermore, we audit the adherence with our Responsible Sourcing Core Requirements of our direct suppliers of raw materials (including and beyond the 14 key ingredients), as well as packaging materials and services. These audits follow a risk-based approach and the SMETA Best Practice Guidance (see [Workers in the value chain](#)).

For Origins of our 14 key ingredients, we assess, through a risk-based approach and in collaboration with direct suppliers, their adherence with our Responsible Sourcing Core Requirements. In 2025, we responsibly sourced 49.8% of volumes of key ingredients.<sup>16</sup> In addition, we assess a subset of our key ingredients (i.e. palm oil, soy, meat, sugar, pulp and paper, cocoa, and coffee) as deforestation-free, and in 2025, achieved 96.7% (see [Biodiversity and ecosystems](#) for more details).

Finally, we enhance our due diligence with respect to salient human rights issues through dedicated [Salient Issue Action Plans](#). The Salient Issue Action Plans cover certain priority suppliers (direct and Origins) of our 14 key ingredients and certain priority countries (see [Workers in the value chain](#)). We follow a risk assessment and prioritization process for all the salient issues.

Under one Salient Issue Action Plan, concerning Origins, we assess and address child labor risks through our Child Labor Monitoring and Remediation System and other dedicated due diligence systems (see [Workers in the value chain](#)). These assessments are on top of our responsible sourcing assessments (as above).

### Regenerative agriculture

In line with the Sustainable Agriculture Initiative Platform, Nestlé defines “regenerative agriculture” as an approach to farming which aims to conserve and restore natural resources, primarily soil, as well as water and biodiversity, while capturing carbon in soils and plant biomass, and to support farmers’ livelihoods. Examples of regenerative agriculture practices include planting cover crops, reduced tillage, and integrated pasture management and grazing strategies.

Regenerative agriculture is at the core of our sustainability strategy. Its farming approach of aiming to conserve and restore farmland and its ecosystem are the basis of our business model and value chains.

<sup>15</sup> The key ingredients in scope for KPI #2 Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>16</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<b>Part 1 – General Disclosures</b>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	-------------------------------------	------------------------------------	-----------------------------	---------------------------------	------------

Our aim is to make regenerative agriculture practices the standard in the food industry – holistically addressing environmental and social aspects – which is why we are investing heavily in supporting agricultural communities for the long term.

The Nestlé Agriculture Framework sets out in detail our regenerative agriculture approach, which includes, among others, our aims to conserve and restore natural resources, primarily soil, as well as water and biodiversity, while capturing carbon in soils and plant biomass, and supporting farmers’ livelihoods.

We bring regenerative agriculture to life through our Agriculture Framework using five pillars: biodiversity; water stewardship; soil health; diverse cropping systems and livestock integration; and collective and landscape action.

We are working closely with suppliers and farmers – including equipping farmers with the tools and knowledge to implement the regenerative agriculture practices of each pillar – to encourage uptake of these practices, which will help deliver benefits to nature and communities.

We measure the effectiveness of our Agriculture Framework by reference to the level of adoption of regenerative agriculture practices by farmers in our supply chains.

Adoption of regenerative agriculture practices is measured using farm assessment tools with specific criteria per type of crop (see [Water and soil pollution from agricultural activities](#)).

Accordingly, in 2025 we achieved 27.6% of key ingredients<sup>17</sup> volumes that were sourced from farmers adopting regenerative agriculture practices.

Our approach towards regenerative agriculture is intrinsically linked with our strategy for responsible sourcing and our Net Zero Roadmap.

Our regenerative agriculture approach is discussed throughout the topical sections.

#### Policies materiality mapping

Section	IRO	Policies
Climate change	Sourcing practices	Nestlé <a href="#">Net Zero Roadmap</a> Nestlé <a href="#">Responsible Sourcing Core Requirements</a> Nestlé <a href="#">Agriculture Framework</a>
	Emissions from sourcing and ingredients	Nestlé <a href="#">Net Zero Roadmap</a> Nestlé <a href="#">Responsible Sourcing Core Requirements</a> Nestlé <a href="#">Agriculture Framework</a>
	Energy consumption and mix	Nestlé <a href="#">Net Zero Roadmap</a> Nestlé <a href="#">Responsible Sourcing Core Requirements</a>
Pollution	Water pollution	Nestlé <a href="#">Responsible Sourcing Core Requirements</a> Nestlé <a href="#">Agriculture Framework</a> Nestlé <a href="#">Environmental Requirements Standard</a>
	Soil pollution from agricultural activities	Nestlé <a href="#">Responsible Sourcing Core Requirements</a> Nestlé <a href="#">Agriculture Framework</a>
Water resources	Water scarcity	Nestlé <a href="#">Responsible Sourcing Core Requirements</a> Nestlé <a href="#">Agriculture Framework</a> Nestlé <a href="#">Environmental Requirements Standard</a>
	Water usage	Nestlé <a href="#">Responsible Sourcing Core Requirements</a> Nestlé <a href="#">Agriculture Framework</a> Nestlé <a href="#">Environmental Requirements Standard</a>
	Water discharges in water bodies	Nestlé <a href="#">Responsible Sourcing Core Requirements</a> Nestlé <a href="#">Agriculture Framework</a> Nestlé <a href="#">Environmental Requirements Standard</a>

<sup>17</sup> The key ingredients in scope for KPI #15 [Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices](#) can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Section	IRO	Policies	
Biodiversity and ecosystems	Pollinator decline	Nestlé Responsible Sourcing Core Requirements Nestlé Agriculture Framework	
	Soil erosion	Nestlé Responsible Sourcing Core Requirements Nestlé Agriculture Framework	
	Greenhouse gas emissions	Nestlé Net Zero Roadmap	
	Deforestation	Nestlé Responsible Sourcing Core Requirements	
	Transformation of product portfolio	Nestlé Responsible Sourcing Core Requirements	
	Intensive farming	Nestlé Responsible Sourcing Core Requirements Nestlé Agriculture Framework	
Resource use and circular economy	Packaging	Nestlé Environmental Requirements Standard Nestlé Rules of Packaging Sustainability <i>The Negative List</i>	
	Food loss and waste	Nestlé Environmental Requirements Standard Disposal or Destruction of Non-Conforming Goods and Market Returns Standard	
Own workforce	Suppression of the right to form unions	<a href="#">Nestlé Corporate Business Principles</a> <a href="#">Nestlé Code of Business Conduct</a> Nestlé Policy on Conditions of Work and Employment <a href="#">Nestlé Employee Relations Policy</a> <a href="#">Nestlé Human Rights Policy</a>	
	Work incidents	<a href="#">Nestlé Code of Business Conduct</a> <a href="#">Nestlé Corporate Business Principles</a> Nestlé Policy on Safety and Health at Work	
	Stress and mental workload	<a href="#">Nestlé Code of Business Conduct</a> <a href="#">Nestlé Corporate Business Principles</a> Nestlé Policy on Safety and Health at Work Nestlé Policy on Conditions of Work and Employment	
	Unequal pay for work of equal value	<a href="#">Nestlé Code of Business Conduct</a> Nestlé Total Rewards Policy	
	Gender inequality	<a href="#">Nestlé Code of Business Conduct</a> Nestlé Total Rewards Policy	
	Incidents of discrimination in the workplace		<a href="#">Nestlé Code of Business Conduct</a> <a href="#">Nestlé Policy Against Discrimination, Violence and Harassment at Work</a> Nestlé Global Guideline on Disability Inclusion
			<a href="#">Nestlé Global Parental Support Policy</a>

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Section	IRO	Policies
Workers in the value chain	Lack of living wage	Nestlé Human Rights Policy <a href="#">Nestlé Human Rights Framework and Roadmap</a> Nestlé Responsible Sourcing Core Requirements <a href="#">Nestlé Human Rights Salient Issue Action Plans</a>
	Incidents of child labor or child labor risks	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Salient Issue Action Plans
	Incidents of violence and harassment in the workplace	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Salient Issue Action Plans
	Workplace incidents, diseases and fatalities	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Salient Issue Action Plans
	Incidents of forced labor or forced labor risks	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Salient Issue Action Plans
	Incidents due to improper water and sanitation	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Human Rights Salient Issue Action Plans
Affected communities	Lacking food security	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Salient Issue Action Plans
	Incidents due to improper water and sanitation	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Salient Issue Action Plans
	Indigenous Peoples' and local communities' land and resource rights	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap Nestlé Responsible Sourcing Core Requirements Nestlé Salient Issue Action Plans
	Supporting young people through development programs	Nestlé Human Rights Policy Nestlé Human Rights Framework and Roadmap

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	<a href="#">Part 1 – General Disclosures</a>	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	--	------------------------------------	-----------------------------	---------------------------------	------------

Section	IRO	Policies
Consumers and end-users	Consumption of unsafe products	<a href="#">Nestlé Quality Policy</a> <a href="#">Nestlé Management System for Quality and Safety, Health and Environment</a>
	Products and portfolio contributing to balanced and nutritional diets	<a href="#">Nestlé Nutrition, Health and Wellness strategy</a> <a href="#">Nestlé Policy on Micronutrient Fortification of Foods and Beverages</a>
	Impacts of unhealthy diets	<a href="#">Nestlé Nutrition, Health and Wellness strategy</a>
	Product accessibility for specific consumer groups	<a href="#">Nestlé Nutrition, Health and Wellness strategy</a>
	Addressing specific nutritional needs with tailored solutions	<a href="#">Nestlé Nutrition, Health and Wellness strategy</a>
	Ensuring compliance with Nestlé marketing policies	<a href="#">Nestlé Nutrition, Health and Wellness strategy</a> <a href="#">Nestlé Marketing Communication to Children Policy</a> <a href="#">Nestlé Policy for Implementing the WHO Code</a>
	Guiding consumers towards balanced choices	<a href="#">Nestlé Nutrition, Health and Wellness strategy</a> <a href="#">Nestlé Consumer Communication Principles</a> <a href="#">Nestlé Claims Policy and Nestlé Claims Standard</a> <a href="#">Nestlé Labelling Standards</a>
	Unclear or insufficient product information	<a href="#">Nestlé Nutrition, Health and Wellness strategy</a> <a href="#">Nestlé Consumer Communication Principles</a> <a href="#">Nestlé Claims Policy and Nestlé Claims Standard</a> <a href="#">Nestlé Labelling Standards</a>
Protecting consumers' personal data	<a href="#">Nestlé Privacy Program</a>	
Business conduct	Lack of adherence to Nestlé's values, principles, policies and applicable laws	<a href="#">Nestlé Code of Business Conduct</a> <a href="#">Nestlé Corporate Business Principles</a> <a href="#">Nestlé CARE Audit Program</a>
	Lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation	<a href="#">Nestlé Code of Business Conduct</a> <a href="#">Nestlé Responsible Sourcing Core Requirements</a> <a href="#">Nestlé CARE Audit Program</a>



Part 2

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# Environmental Disclosures

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

# Climate change

Mitigating and adapting to climate change is fundamental for the long-term resiliency of our business. We work with our suppliers and on our own operations to tackle climate change. We invest in new technologies and apply changes to our products and businesses around the globe to reduce our GHG emissions. Our current net reduction performance demonstrates the effective implementation of our Net Zero Roadmap aligned with a 1.5°C pathway trajectory.

## Key performance

### Net GHG emissions reduction

We achieved 24.52% net greenhouse gas (GHG) emissions reduction in 2025, compared to our 2018 baseline.<sup>1</sup>

### Forest, Land and Agriculture (FLAG) GHG emissions reduction

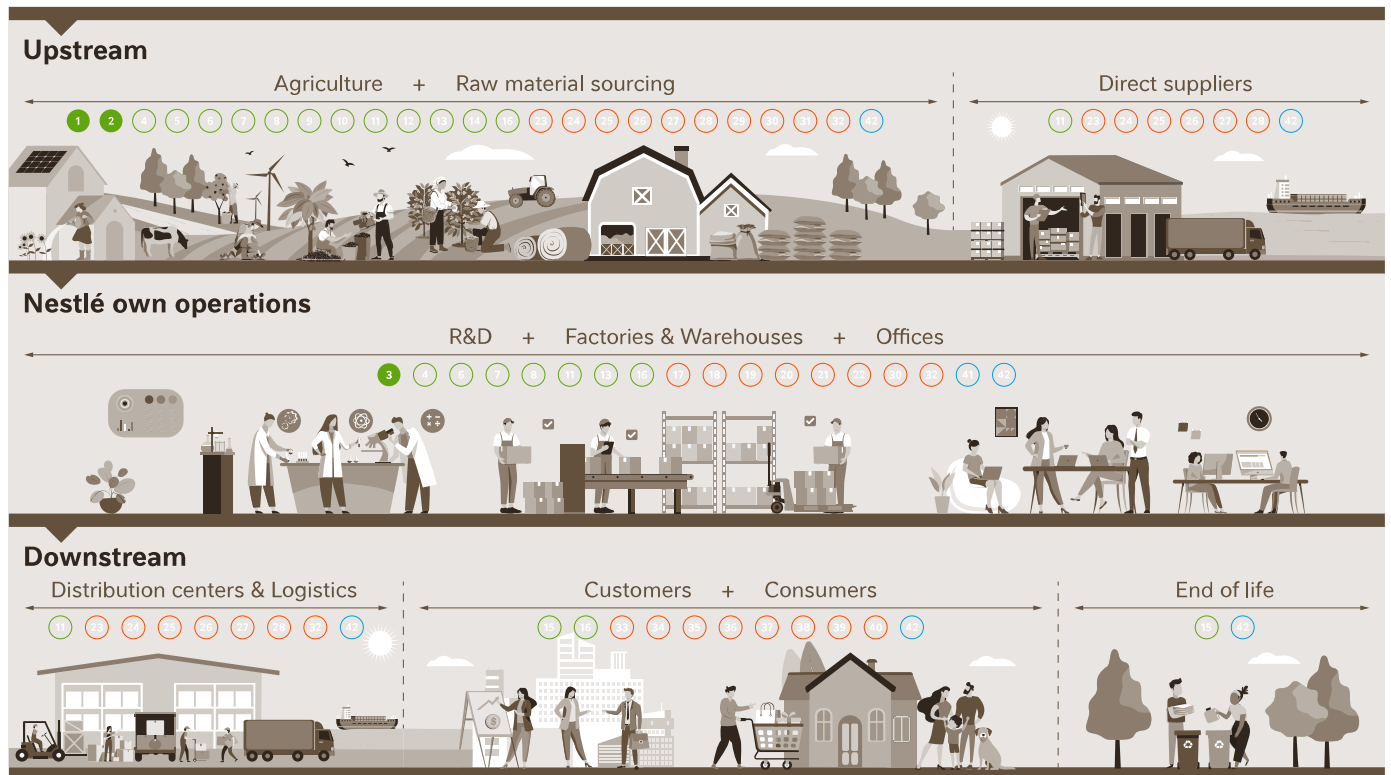
We achieved 32.4% reduction for our absolute Scope 3 Forest, Land and Agriculture (FLAG) greenhouse gas (GHG) emissions against our 2018 baseline in 2025.<sup>2</sup>

### Energy/industry GHG emissions reduction

We achieved 17.0% reduction for our absolute Scope 1, 2 and 3 energy/industry greenhouse gas (GHG) emissions against our 2018 baseline in 2025.

● Positive impact ● Negative impact ● Risk

- 1 ● ● Sourcing practices
- 2 ● ● Emissions from sourcing and ingredients
- 3 ● ● Energy consumption and mix



<sup>1</sup> 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).

<sup>2</sup> Net reductions (%) of GHG emissions versus 2018 baseline includes FLAG emissions and removals.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Material impacts, risks and opportunities

IRO summary

<b>IRO</b>	<b>Material IRO description</b>
<b>Climate change adaptation</b>	
<b>Sourcing practices</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to how 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.
<b>Sourcing practices</b> <i>Risk (Upstream)</i>	This risk in our upstream value chain relates to climate-related risks, such as heatwaves, drought and water stress, which may impact raw materials' availability, quality and cost due to lower yields and greater yield variability.
<b>Climate change mitigation</b>	
<b>Emissions from sourcing and ingredients</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to greenhouse gas emissions linked to agricultural activities and land-use changes for ingredients.
<b>Emissions from sourcing and ingredients</b> <i>Risk (Upstream)</i>	This risk in our upstream value chain relates to policy risks (e.g. carbon tax), technology risks (e.g. replacement and substitution of emission-intensive assets) and market risks (e.g. consumers making different choices due to sustainability considerations) which are factors that may potentially lead to supply disruptions, regulatory action, increasing operating costs and impacts on our reputation.
<b>Energy</b>	
<b>Energy consumption and mix</b> <i>Negative impact (Own operations)</i>	This negative impact in our own operations relates to how sources of energy (e.g. fossil fuel) can result in impacting climate change.

## Material impacts, risks and opportunities in detail

### Sourcing practices

Climate change is increasingly disrupting ingredient sourcing in our upstream value chain. Rising temperatures and more frequent extreme weather events threaten agricultural productivity and crop reliability. Adapting to these evolving conditions – whether through changing crop varieties, investing in resilient farming practices, or relocating sourcing regions – can be complex and disruptive, and can pose a negative impact on our suppliers. We can help improve our suppliers' preparedness to adapt to climate change and specifically support smallholder farmers who are particularly vulnerable due to limited access to resources, technology and infrastructure.

Increasing climate change can pose a significant risk to our **sourcing practices** for key commodities by disrupting supply chains, for example, through rising heat stress, droughts or floods, affecting and reducing crop yields.

Opportunities exist from transitioning the entire value chain to a low-carbon economy, which can mitigate the pace and breadth of climate change and adaptation to adverse events of climate change.

### Emissions from sourcing and ingredients

Agricultural activities and land-use changes associated with ingredient sourcing can be sources of greenhouse gas (GHG) emissions. These include methane emissions from livestock, nitrous oxide from fertilizer application, and carbon dioxide from deforestation, soil disturbance and the use of fossil fuel-based machinery.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

These **emissions from sourcing and ingredients** can lead to risks such as increased policies related to carbon price, technology risks related to the replacement and substitution of emission-intensive assets, and market risks driven by consumers' sustainability considerations. Our most impacted areas include supply chains for ingredients and our exposure to regulatory changes and shifts in consumer preferences.

Opportunities exist in adopting regenerative agriculture practices, ensuring deforestation- and conversion-free sourcing, and proactively managing these risks through strategic planning.

### Energy consumption and mix

Fossil fuels, such as coal, oil and natural gas, are the main source of GHG emissions, which contribute to climate change and its associated effects on the environment.

The reliance on these sources of **energy consumption and mix** can increase carbon footprints and contribute to environmental degradation.

Our most relevant areas include manufacturing, storage and logistics, where direct and indirect fossil fuel consumption is highest.

## Strategy

### Transition plan

In 2019, we announced our ambition to reach net zero GHG emissions by 2050. In the following year, 2020, we published our time-bound plan, the [Nestlé Net Zero Roadmap](#). Our Nestlé Net Zero Roadmap was approved by internal management and supervisory bodies, and supported by Nestlé's shareholders during the annual general meeting in 2021.

Our Nestlé Net Zero Roadmap underpins our Group's climate strategy, guides our aim of achieving sustainable growth and acts as our transition plan aligned with a 1.5°C pathway as validated by the Science-Based Targets initiative (SBTi). It is embedded in our financial and business planning through including climate targets into core strategies, driving ingredient sourcing and portfolio assessment, aligning capital allocation with decarbonization priorities, and linking progress to long-term growth and risk management. Key to the transition has been our aim to reduce our GHG emissions by 20% by 2025 and 50% by 2030 from the 2018 baseline year, and reach net zero by 2050 at the latest.<sup>3</sup>

In 2025, we achieved and surpassed our near-term GHG emission reduction target by reaching a 24.52% GHG net reduction compared to the 2018 baseline.

The success of achieving and surpassing our 2025 target has shown that our Nestlé Net Zero Roadmap is enabling us to adapt our business to deliver reductions in GHG emissions in Scopes 1, 2 and 3 following a comprehensive approach to addressing both direct and indirect emissions across our value chain.

We know that getting to net zero emissions requires more than our efforts alone. Alongside extensive value chain collaborations, we need to help create a broader enabling environment to drive change at pace and at scale, as well as policies that enable a just transition considering all participants in the food system.

We recognize that our climate actions are interconnected with broader sustainability objectives. Where relevant, our Nestlé Net Zero Roadmap supports biodiversity-related actions, such as broader sourcing landscape conservation and restoration, and considers social and land rights due diligence and implications, including impacts on farmer livelihoods and workforce resilience in the supply chain.

Our Nestlé Net Zero Roadmap considers several advocacy activities, including ways to support the development of ambitious and investible nationally determined contributions on climate from countries under the United Nations Framework Convention on Climate Change, and the ambitious and progressive National Biodiversity Strategies and Action Plans under the United Nations Convention on Biological Diversity.

We also support policies consistent with applying a meaningful transition to a lower-carbon economy, by for example, enabling access to lower-carbon technologies such as alternative fuels for maritime shipping and supporting transparent and easy-to-understand environmental product labeling.

As part of our Nestlé Net Zero Roadmap, we are transforming products. These include new products and the reformulation of existing products to feature new ingredients.

We have identified key decarbonization levers as described in [Actions and resources](#).

We are also considering climate-related risks and opportunities in the acquisition and divestment decision-making process to ensure our portfolio aligns with our Nestlé Net Zero Roadmap.

As part of this, we perform environmental, social and governance due diligence in the mergers and acquisitions process, alongside financial due diligence.

<sup>3</sup> 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).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Beyond the Nestlé Net Zero Roadmap, we recognize our physical assets may be impacted by climate change. This could be related to such things as water availability for facilities in water-stressed areas or damage to facilities from extreme weather events. We are addressing climate change challenges through ISO 14001, the international standard for environmental management systems. This standard enables us to better understand climate-related risks and opportunities for our assets, and where feasible take relevant actions, including capital investments, to reduce the impact of climate-related factors on our physical assets and the risk of business interruption.

As we close the first milestone of our Net Zero Roadmap, we are incorporating our learnings to date to refine our interventions plan for the 2026–2050 timeline. An update of our Net Zero Roadmap will be published soon.

For more on our Nestlé Net Zero Roadmap, net zero targets and performance see [Metrics and targets](#).

## Assessing our climate-related impacts, risks and opportunities

We regularly assess our GHG emissions footprint to quantify our impact on climate change.

Actual GHG emissions for Scopes 1, 2 and 3 (as defined by the GHG Protocol) 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 our central data systems (e.g. purchasing data from Nestlé’s Information System, packaging data from our packaging tracker) and combines it with GHG emission-related databases and tools (internal and external) to provide a comprehensive GHG emissions footprint picture by geographies, businesses and value chain steps.

This enables us to track our actual GHG emissions footprint against our Net Zero Roadmap glidepath, updating it based on the latest growth forecast and business changes to adapt our strategy and remain aligned with our net zero by 2050 path.

## Assessing and addressing climate-related risks

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

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.

By incorporating the findings into our risk-management process and strategic decision making, we are proactive in our approach to imminent risks and opportunities presented over varying timelines. This comprehensive coverage not only supports immediate operational adjustments but also long-term strategic alignment with global climate targets.

Our 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 and opportunities may affect its strategy and future business projections. The assessments consider risks and opportunities at an individual Zone level and aggregated global level.
- Bottom-up scenario analyses are conducted across the value chain to assess the resilience of our strategy and operations under different climate scenarios. These are carried out in partnership with Risilience, a United Kingdom-based company, which is using methodologies and scenarios from its academic partner, at the University Cambridge Centre for Risk Studies – 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

*Nestlé’s Global Property Loss Prevention Program* provides an in-depth identification of hazards exposure, such as floods and windstorms, interruption of supply, and others, 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 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.

#### Transition risks

Frequency of assessment	The assessment was first conducted in 2020 and is currently refreshed every two to three years. However, the frequency of the assessment may be adjusted upon material changes to the business, external factors and/or important updates to climate scenario modeling analyses.
Business scope	Upstream, direct operations, downstream based on GHG footprint. Assessing policy (including increased cost of raw materials), Market, technologies, property, plant and equipment.
Business pathway	Net Zero Roadmap to reduce GHG emissions by 20% by 2025 and 50% by 2030. <sup>4</sup>
Modeling metric	Cumulative discounted cash flow impacts on net zero business model.
Time horizons	Near term: 5 years Medium term: 10 years
Climate scenarios <sup>5</sup>	Three scenarios: – High: RCP8.5 – Intermediate: RCP4.5 – Paris Ambition (SSP1-1.9)

#### Physical risks

Frequency of assessment	The assessment was first conducted in 2020 and is currently refreshed every two to three years. However, the frequency of the assessment may be adjusted upon material changes to the business, external factors and/or important updates to climate scenario modeling analyses.
Business scope <sup>6</sup>	– Selected raw materials based on their proportion of our global raw material costs. It is expected this selection will represent at least 80% or more of our annual raw material expenditure. Raw materials will also be selected based on vulnerability to climate change (e.g. coffee, cocoa). The list of selected raw materials is disclosed. – For physical risks on our facilities, approximately 160 priority sites were selected on the basis of size of assets/operating profit-at-risk either at the site or via interdependency.
Business pathway	Sourcing footprint of selected raw materials. Current manufacturing footprint.
Modeling metric	– Percentage change in crop yields. – For facilities, we focus on the annual expected cost of natural catastrophe losses. Worst case natural catastrophe scenario is: 1 in 100/200 years.
Time horizons	Near term: 5 years Medium term: 10 years Long term: 2040, up to 2060 for facilities <sup>7</sup>
Climate scenarios	Three scenarios: – High: RCP8.5 – Intermediate: RCP4.5 – Paris Ambition (SSP1-1.9) For facilities we focus on RCP8.5 <sup>8</sup>

<sup>4</sup> 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).

<sup>5</sup> See Climate scenarios considered on page 40 of this *Non-Financial Statement 2025*.

<sup>6</sup> For the list of raw materials, see page 43, Impact of climate-related and physical risks on selected raw materials’ yields by 2040, in this *Non-Financial Statement 2025*.

<sup>7</sup> For facilities, we look at the 2040-2060 period, aligned with our Group Risk Services approach.

<sup>8</sup> Aligned with our Group Risk Services approach, considering the worse-case scenario.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Climate scenarios considered

We have utilized climate scenarios in the following ways:

- We have employed three different climate change scenarios based on low-, intermediate- and high-emission Intergovernmental Panel on Climate Change (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<sup>9</sup>:
  - Low – Paris Ambition (SSP1-1.9): This represents immediate coordinated global efforts to curb emissions, aiming to limit warming to 1.5°C by 2100.
  - Intermediate – RCP4.5: This assumes reliance on existing or currently planned policies, potentially leading to a temperature increase of 2°C to 3°C by 2100.
  - High – RCP8.5: 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.
- 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 towards lower-carbon alternatives.
- Impact on decarbonization decisions: We leverage findings from these scenarios to guide our mitigation and adaptation actions. This reflects rigorous planning for both transition and physical risk factors, and adaptation to the ever-evolving climate-related challenges affecting our global operations and value chains.

## Transition risks

We analyze transition risks under three types of emission scenarios (i.e. low, intermediate, high) based on various published models, including the IPCC and the International Energy Agency World Energy Outlook scenarios.

In the context of a transition to a low-carbon economy, over the next 10 years transition-risk exposure may 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 emissions 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 may become material to our company, which is why we publish the medium-term (10 years) results using the Paris Ambition (SSP1-1.9) and intermediate scenario (RCP4.5), which are the most relevant.

## Physical risks

Climate-related risks such as heatwaves, drought and water stress may impact raw materials' availability and quality, through lower yields and greater yield variability. To estimate the risk to commodities over the longer term, where most of the risks are likely to materialize, three scenarios were modeled (high: RCP8.5, intermediate: RCP4.5, and Paris Ambition (SSP1-1.9)), considering three time horizons:

- Near term: 5 years
- Medium term: 10 years
- Long term: 2040<sup>10</sup>

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

For risks to facilities, we use our existing enterprise risk assessment over the 2040-2060 period.

<sup>9</sup> We publish only the results of the intermediate scenario (RCP 4.5) for physical risks and Paris Ambition (SSP1-1.9) for physical and transition risks as most relevant, with the exception of risks to facilities for which we assess using the high-emission scenario to align with our Group Risk Services approach.

<sup>10</sup> We publish only the results of the long-term scenario (under intermediate (RCP 4.5)) for the physical risks as most relevant.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## 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 our assessments were considered in the Group’s annual enterprise risk assessment and the annual impairment review. For the latter, we considered how climate risks may impact business forecasts prepared for testing our Group’s goodwill and indefinite life intangible assets (see Note 9 of the *Consolidated Financial Statements of the Nestlé Group 2025*).

## Assessing climate-related opportunities

We chose to include only risks, rather than opportunities, in the quantitative assessment of the climate scenario analysis. Quantifying opportunities in climate scenario analysis is challenging due to limited data availability, while 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.

## Resilience analysis

As part of our comprehensive risk management strategy, we have carried out a process to identify climate-related risks 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 we conducted in 2025 used scenario-based modeling to identify climate-related risks and opportunities. This analysis complements and confirms the double materiality assessment and goes beyond by quantifying the potential effects of climate-related risks.

### Climate-related transition risks

In the short to medium term, our current mitigation strategy remains appropriate for physical risks with no material changes. However, we have identified a range of potential transition risks, which vary significantly depending on the nature and speed of countries aligning to a Paris Agreement trajectory.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Climate-related transition risk impacts, mitigations and future opportunities, 10-year time horizon<sup>11</sup>

Risk category			
Impacts under climate trajectory	Policy	Market	Technology
<b>Value chain</b>	<b>Operations raw materials</b>	<b>Brands and portfolio</b>	<b>Operations</b>
<b>Risks/impacts assuming no mitigation</b>	<ul style="list-style-type: none"> <li>– Increase in raw materials costs</li> <li>– Restrictions in land use</li> <li>– Increase in energy costs</li> <li>– Increase in costs for packaging materials</li> <li>– Increase in cost of recycled packaging materials due to constraint in supplies (e.g. recycled PET)</li> </ul>	Loss of revenue and/or missed growth opportunities.	Asset write-downs, investments in low-emission technology to meet market regulation.
<b>Estimated directional cumulative 10-year discounted cash-flow impacts with Nestlé’s current mitigation strategy<sup>12</sup></b>			
<b>Intermediate emissions +2.0°C – +3.0°C</b>	Medium	Low	Low
<b>Low emissions +1.5°C</b>	High	Medium	Low
<b>Mitigation strategy under the Nestlé Net Zero Roadmap<sup>13</sup></b>			
	<ul style="list-style-type: none"> <li>– In 2025, we achieved and surpassed our near-term GHG emission reduction target by reaching a 24.52% net GHG reduction compared to the 2018 baseline.</li> <li>– We achieved 98.6% against our aim to source 100% renewable electricity in Nestlé’s manufacturing sites, owned R&amp;D centers and owned distribution centers at the end of 2025.</li> <li>– We achieved 49.8% of volumes of key ingredients responsibly sourced in 2025.</li> <li>– We achieved 96.7% assessed as deforestation-free primary supply chains (meat, palm oil, pulp and paper, soy, sugar, cocoa, and coffee) against our aim of 100%.</li> <li>– We achieved 27.6% against our aim for 20% of volumes of key ingredients to be sourced from farmers adopting regenerative agriculture practices in 2025 and we aim to achieve 50% by 2030.</li> <li>– We achieved 28.0% against our aim to reduce virgin plastic by one-third by 2025 compared with our 2018 baseline.</li> <li>– Prioritize deployment of climate-smart agricultural practices in highly exposed geographies.</li> <li>– Diversify sourcing Origins from highly exposed geographies.</li> <li>– Product ingredients substitution: by 2030, plant-based proteins are anticipated to contribute 1.4 million tonnes CO<sub>2</sub>e to Nestlé’s GHG emissions reduction target.</li> </ul>	<ul style="list-style-type: none"> <li>– Constant review of products and business models based on environmental footprint.</li> <li>– 100% of R&amp;D-led projects are assessed for potential climate impact.</li> </ul>	Switch to low-emission technologies.
<b>Future opportunities</b>			
<p>By implementing the Nestlé Net Zero Roadmap, we are already addressing a significant part of the transition risks, which we identified as potentially occurring during the decade following our initial assessment. This has resulted in a net reduction of our exposure. We continue to review opportunities to reduce our risk exposure levels further and address the upside potential of society’s transition to a low-carbon economy. On this basis, we anticipate the following opportunities:</p> <ul style="list-style-type: none"> <li>– Increasing the resilience of our supply chain through regenerative agriculture practices.</li> <li>– Reducing direct costs from lower-emission sources of energy.</li> <li>– Limiting exposure to regulatory changes and increased operational costs due to carbon prices via reductions in our emissions.</li> <li>– Increasing revenues resulting from more demand for low-emission products and services.</li> <li>– Growing consumer demand for low-carbon products.</li> <li>– Continually upgrading our plant-based offerings in terms of taste, texture, flavor and nutrition.</li> <li>– Leveraging our expertise in plant proteins to expand our dairy-alternative offerings.</li> <li>– Constantly assessing opportunities to reduce our products’ carbon footprint, through changing recipes and by using alternative ingredients.</li> </ul>			

<sup>11</sup> 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.

<sup>12</sup> Anticipated financial effects: CHF 7 billion < High < CHF 11 billion | CHF 3 billion < Medium < CHF 7 billion | Low < CHF 3 billion.

<sup>13</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced, and KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices can be found in Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators.

## Climate-related physical risks

In addition to transition risks, the resilience analysis has assessed physical risks over the long term as potentially having the most significant effect, related to selected raw materials, 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-related and physical risks on selected raw materials' yields by 2040  
 Modeled yield changes by 2040 versus 2024 based on intermediate emissions scenario.

- +2% increase or more
- -2% decrease to +2% increase
- -2% decrease or more

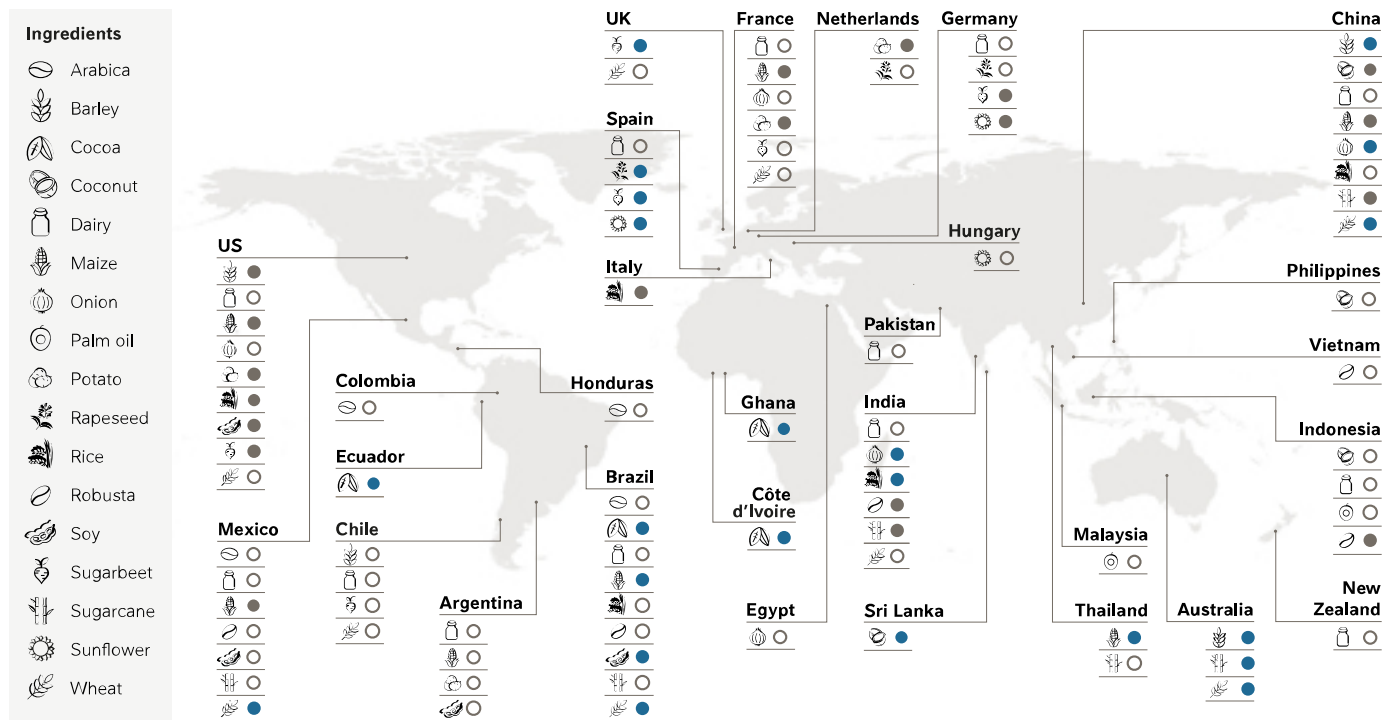


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Key outcomes of physical and transition risk assessment

The results of our resilience analysis provide comprehensive assessments of both physical and transition risks under various climate-related scenarios tied to different emissions pathways. Here we present a summary of the key outcomes:

### Raw materials and supply chains

The analysis of the period up to 2040 anticipates increased heatwaves, droughts and water stress, which are likely to affect the availability and quality of key raw materials. This could potentially lead to increased price volatility and input costs. We will explore other potential hazards in the future, assessing their materiality for Nestlé. In addition, we want to increase the focus on acute hazards, which could be more material. 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* provides an in-depth identification of hazards exposure, such as floods and windstorms, interruption of supply, and others, for existing sites and greenfield projects. This proactive approach informs decision making for future prevention and protection standards. It projects an increase in climate-induced disruptions that 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 our current mitigation strategy remains appropriate.

### Business model adjustments

As markets evolve with greater emphasis on sustainable practices, shifts in consumer demand towards 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

We believe that the Group continues to demonstrate the resilience and agility to transition to a lower-carbon model. This is expected to create new growth opportunities as part of our ambition to advance regenerative food systems at scale, for instance, by exploring new sourcing origins. This is enabled by our 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 our Net Zero Roadmap. This includes consideration of how climate-related impacts may change future demand for products and services, and potential implications for strategic and financial planning. Investments in areas such as R&D, new technology and business continuity, as well as acquisition and divestment activity, consider the potential climate-related factors assessed to date. We have the capability to adjust our strategy and business model to accommodate the impacts of climate change through various adaptive measures. These strategic adjustments are deeply rooted in our overall corporate response to climate-related challenges and risks, as well as opportunities.

### Product innovations

We are diversifying and adapting product lines with lower-carbon footprint options. This not only reflects shifts in consumer preferences but also aligns with our sustainability targets.

### Operational efficiencies

Enhancements in logistics and operational activities are also a key part of our adaptive strategy. Investments in low-carbon logistics, the reduction of energy use and shifting to renewable energy sources in manufacturing processes illustrate proactive measures to mitigate emission levels and optimize operations.

### R&D initiatives

Our 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

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

We anticipate financial effects for assets and business activities from material physical risks, as well as transition risks, by using a qualitative and quantitative modeling process. We have implemented TCFD recommendations and developed climate modeling across the value chain. Climate scenarios are considered as described above and assess the resilience of our operations, upstream supply chains, and our portfolio under different external conditions.

## Management of impacts, risks and opportunities

### Policies

The following policies help address the management of **sourcing practices**, **emissions from sourcing and ingredients** and **energy consumption and mix**.

#### Nestlé Net Zero Roadmap

The Nestlé Net Zero Roadmap helps to mitigate the impact of **sourcing practices** by setting out how we are working with farmers, suppliers and communities to source in ways that help improve ecosystems, reduce emissions and enhance livelihoods. Specifically, it explains how we are driving a shift in the way we source and produce dairy and livestock ingredients, our largest single source of emissions, investing in innovations and new business models. It points to how we plan to accelerate our efforts to help protect and restore natural ecosystems (soil and forests), and work with farmers and suppliers to enhance biodiversity and limit GHG emissions. A key step in this journey is our work with our suppliers and farmers to improve transparency around where our ingredients come from and how they are produced.

As well as **sourcing practices**, our Net Zero Roadmap addresses **emissions from sourcing and ingredients** through its support for a transition away from intensive monoculture farming and towards more diverse agriculture that aims to benefit biodiversity and support community resilience to climate change. This is key to achieving our GHG FLAG emissions targets. To read more on our shift to regenerative agriculture practices, see the [Nestlé Agriculture Framework](#).

For **energy consumption and mix**, our Net Zero Roadmap highlights our plans to create a leaner logistics network that delivers ingredients from the farm to our factories, and our products to distribution centers around the world. Particularly, our aim is to reduce emissions across transportation by maximizing the use of space in our vehicles, reducing fuel consumption and switching to lower-emission fuels. In our distribution centers, we aim to cut energy use, switch to renewable electricity, phase in natural refrigerants and replace fossil fuel-based machine handling equipment.

#### Nestlé Responsible Sourcing Core Requirements

The Nestlé Responsible Sourcing Core Requirements cover our direct suppliers and Origins and include specific requirements related to **sourcing practices**, **emissions from sourcing and ingredients** and **energy consumption and mix**. These include that all materials and ingredients supplied to Nestlé shall comply with stated deforestation- and conversion-free requirements, and with all relevant applicable laws. Additionally, it asks of our direct suppliers that a time-bound plan is in place that sets out their actions encompassing Scope 1, 2 and 3 GHG emissions. This is to show how they plan to mitigate and decrease their GHG emissions footprint, in accordance with science-based targets that are in line with the Paris Agreement, or an equivalent standard.

#### Nestlé Agriculture Framework

The Nestlé Agriculture Framework describes our corporate vision for agriculture as a central building block of our ambition to advance regenerative food systems at scale.

In line with the Sustainable Agriculture Initiative Platform, Nestlé defines “regenerative agriculture” as an approach to farming which aims to conserve and restore natural resources, primarily soil, as well as water and biodiversity, while capturing carbon in soils and plant biomass, and to support farmers’ livelihoods. Examples of regenerative agriculture practices include planting cover crops, reduced tillage, and integrated pasture management and grazing strategies.

Our Agriculture Framework helps to address impacts of **sourcing practices** by defining our approach to regenerative agriculture, including our implementation strategy at Market-level, and considerations of the main drivers for local initiatives.

Regarding **emissions from sourcing and ingredients**, our Agriculture Framework explains that a critical driver of the performance of agroecological systems is soil organic matter (SOM) and how increases in SOM allow for enhanced carbon sequestration and the mitigation of GHG emissions.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Although the primary audience of our Agriculture Framework is our internal agriculture and sourcing community, it can also be used with our suppliers to explain our regenerative agriculture approach and expectations.

### Engagement and advocacy

We continue to actively engage with stakeholders, including governments and industries, to encourage fair and ambitious policies that support a just transition to a sustainable low-carbon economy. This engagement is critical to aligning our business strategy with global efforts to combat climate change.

Overall, our strategic adaptation and mitigation to climate change is comprehensive, involving modifications across product development, operational practices and broader corporate engagements, in line with our net zero targets.

## Actions and resources

Actions related to **sourcing practices, emissions from sourcing and ingredients** and **energy consumption and mix** that have been taken along the entire value chain in 2025 are the continuation and scale-up of the actions taken in 2024, and the previous years.

The Nestlé Net Zero Roadmap defines the time horizon for key actions, with milestones for 2025, 2030 and 2050.

### Decarbonization levers

#### Responsible sourcing of ingredients and regenerative agriculture practices

This decarbonization lever relates to how we are working with farmers, suppliers and communities to source ingredients in ways that help improve ecosystems, reduce emissions and enhance livelihoods. It enables the production of agricultural raw materials that directly benefit from these changes, allowing for lower-carbon ingredients due to the decrease of fossil fuel inputs, and other activities. In 2025, dairy and livestock sourcing and farming-based interventions have delivered around 17.7% of our GHG net reductions versus 2018. In 2025, soil and forest sourcing and farming-based interventions have delivered around 37.4% of our GHG net reductions versus 2018.

### Removing carbon from the atmosphere

Removals projects on farms supplying Nestlé are, in accordance with SBTi, contributing to Nestlé's FLAG target.<sup>14</sup> Landscape projects, which are also removal projects, will be accounted for in our net zero target. Removing carbon using nature-based solutions in our supply chain does not compromise GHG reduction efforts and plays a complementary role in moving towards our net zero goal. We focus on the use of nature-based solutions, such as agroforestry, soil management, and peatland and forest restoration in our supply chain and sourcing landscapes. All of these deliver carbon removals and a share of carbon reductions via ecosystem services related to the production of agricultural raw materials – an exchange that helps reduce fossil fuel-based inputs.

This is the second most important decarbonization lever, which has delivered around 17.3% of our GHG reductions and removals in 2025.

### Using renewable energy to manufacture products

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

In 2025, we have increased the share of renewable energy in our factories, coming from both renewable electricity and biomass, and delivered around 13.5% of our GHG reductions.

In 2025, we achieved 98.6% renewable electricity at year end in manufacturing sites, owned R&D centers and owned distribution centers.

<sup>14</sup> Pending the publication of the SBTi guidance on neutralization.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Transforming the product portfolio

We aim to transform our brand portfolio, lowering the environmental impact of our product recipes by exploring alternative proteins and plant-based options, and reducing high-emission ingredients. We require portfolio and product managers to consider GHG emissions data in their decision making, including selecting which ingredients to use. We also continuously improve the eco-design tools used in R&D. To support this, more environmental impact data about ingredient supply chains is being made available at the product level. Our central data tracking systems measure progress and improve the allocation of emissions and reductions to specific businesses. GHG accounting used internally helps our brands make comparisons and translate corporate targets into business-specific actions.

Around 6.1% of our GHG reductions in 2025 came from the portfolio transformation, especially recipe reformulation. This lever is delivering less than initially expected in the short term as reformulation takes time and opportunities are limited by many constraints such as nutritional values, consumer taste, texture and manufacturing processes.

## Evolving packaging

Investments in innovations and new business models help address the end-of-life challenges associated with packaging. We have increased our efforts in using designed for recycling packaging and recycled plastic packaging. Together with the collection, recycling and reuse of packaging, these contribute to lowering the emission factor component for our products.

Evolving packaging is salient to increasing circularity and has contributed to around 4.9% of our GHG reductions in 2025.

## Emissions reduction in logistics

In 2025, we continued to reduce emissions across transportation by optimizing logistics, maximizing the use of space in our vehicles, fleet electrification and increasing the use of low-emission fuels.

In our distribution centers, we continued to decrease energy use, switching to renewable electricity and replacing fossil fuel-based equipment.

This lever has delivered around 3.1% of our GHG reductions in 2025.

## Advocacy: using our voice to galvanize action

We support progressive climate action across all economic sectors, aligning our strategy with the Paris Agreement’s goal of limiting global temperature increases to 1.5°C above pre-industrial levels.<sup>15</sup>

We also support government leadership to strengthen the policies, incentives and legislation that will drive the necessary business action towards halting and reversing nature loss by 2030, in line with the Kunming-Montreal Global Biodiversity Framework. We recognize that climate change and biodiversity loss are interconnected challenges that require coordinated global solutions.

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

## Using the power of Nestlé brands and products

As consumer tastes change and people begin to differentiate products and services taking into account sustainability considerations, our brand strategies and plans continue to adapt.

We are embracing and communicating our sustainability actions and the impact this is having on our products, such as our lower carbon-footprint offerings, in order to better meet market demand.

# Metrics and targets<sup>16</sup>

## Science-based target setting

In setting our targets, we have followed the SBTi’s criteria. These provide a clearly defined pathway for coupling future-proof growth with reductions in GHG emissions. We have structured our targets to be ambitious and in line with the 1.5°C Paris Agreement pathway. These science-based targets position us as a leader in aligning with global efforts to help mitigate climate change.

Our targets, which are set against our 2018 baseline and take into account any additional emissions generated from growth, are as follows:

- We aim to reduce our GHG emissions by 50% by 2030 compared to our 2018 baseline.
- We aim to reach net zero GHG emissions by 2050 at the latest.

<sup>15</sup> [www.nestle.com/sites/default/files/2025-05/nestle-climate-policy-engagement-report-2023-2024.pdf](http://www.nestle.com/sites/default/files/2025-05/nestle-climate-policy-engagement-report-2023-2024.pdf)

<sup>16</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Specifically, our 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.
- Group-wide application: Targets apply Group-wide, across all significant scopes of emission – Scope 1 (direct emissions), Scope 2 market-based (indirect emissions from purchased energy) and relevant categories within Scope 3 (other indirect emissions); see [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#) for more information on Scope 3 GHG Protocol categories. This comprehensive approach encapsulates emissions from direct operational emissions to those from our extended supply chain.
- Target setting and coverage: Targets are in absolute value versus the 2018 baseline. Aligned with SBTi rules, certain emissions where we have very limited reach to decrease have been descoped. They represent 10% of our Scope 3 footprint. Accordingly, our targets cover 100% of baseline Scope 1 and 2 emissions and 90% of baseline Scope 3 emissions.

### Forest, Land and Agriculture (FLAG) and energy/industry targets

As part of our net zero target, we have a [Forest, Land and Agriculture \(FLAG\) target](#) that aims to reduce absolute Scope 3 FLAG GHG emissions by 50% by 2030 and 75% by 2050; and energy/industry targets aiming to reduce absolute Scope 1, 2 and 3 GHG emissions by 50% by 2030 and 90% by 2050, compared to our 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 our 2018 baseline.

We report against our targets according to the SBTi FLAG-sector guidance. For the 2025 reporting year, we are continuing to improve our GHG breakdowns by scope, by FLAG and non-FLAG emissions, by GHG Protocol categories, and by ingredients for Scope 3. For a detailed breakdown, see [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

### 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 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Acquisitions and divestitures are 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.

We include the following GHG Protocol categories in our Scope 3 GHG emissions inventory:

- Purchased goods and services
- Capital goods
- Fuel- and energy-related activities (not included in Scopes 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 products
- Downstream leased assets
- Franchises

Categories calculated but excluded from SBTi target scope:

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

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

In compliance with the SBTi standard, these categories have been excluded from our net zero SBTi target because they are not applicable to our business, not material or because of our limited ability to address their reductions. However, these categories continue to be monitored in our total GHG inventory. Despite these exclusions, 90% of our total Scope 3 emissions are included in the net zero scope and target. All other categories are included, as per the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Year on year, we continuously seek to improve the tools and methods for tracking and visualizing our progress towards our net zero target. Tracking the evolution of our GHG footprint with a percentage GHG emissions reduction, versus our 2018 baseline, has enabled us to confirm the effectiveness of our emissions reduction and removal actions, and our Net Zero Roadmap.

## Energy consumption and mix

The following data tables relate to **energy consumption and mix**.

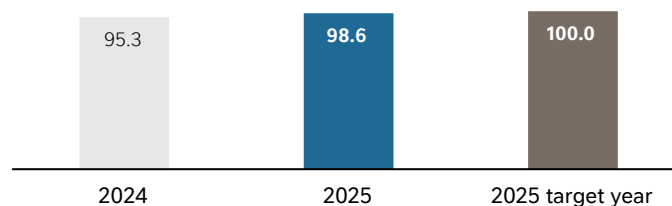
Energy consumption and mix (factories only)<sup>17</sup>

	Gigajoules 2024	Gigajoules 2025	MWh 2024	MWh 2025
Total energy consumption related to own operations (factories only)	78 784 554	77 120 623	21 884 598	21 422 395
Total energy consumption from renewable sources (factories only)	29 286 167	31 308 158	8 135 046	8 696 711
Fuel consumption from coal and coal products	1 415 269	833 152	393 130	231 431
Fuel consumption from crude oil and petroleum products	6 552 519	5 553 373	1 820 144	1 542 604
Fuel consumption from natural gas	39 688 112	37 941 022	11 024 476	10 539 173
Fuel consumption from other fossil sources	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	2 020 047	1 654 063	561 124	459 462
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	22 299 055	24 077 023	6 194 182	6 688 062
Consumption of self-generated non-fuel renewable energy	52 789	73 126	14 664	20 313

Energy consumption and mix (factories only, in percentage)

	2025
Percentage of fossil sources in total energy consumption	59.4
Percentage of renewable sources in total energy consumption	40.6

Renewable electricity sourced in our manufacturing sites, owned R&D centers and owned distribution centers at year end (percentage)<sup>18</sup>



<sup>17</sup> Fuel consumption breakdowns include energy sold (i.e. breakdowns by coal, oil and petroleum products, natural gas, and other fossil fuels). All other figures exclude it.

<sup>18</sup> In 2025, the scope of KPI reporting has increased from only factories to adding own R&D centers and owned distribution centers. This change has not triggered any impact on the number reported.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

At the end of 2025, as part of our commitment to energy transition, we reached 98.6% sourced renewable electricity across our manufacturing sites, owned R&D centers and owned distribution centers, a significant progress in relation to our GHG reduction targets. Despite a different calculation approach used for this metric; this performance contributes to our actions towards SBTi commitments and RE100 standards. Our performance in 2025, reflects sourcing challenges, including in countries where renewable electricity is not available to purchase, and other systemic challenges that go beyond our individual efforts.

We are developing our plans for the coming years by incorporating the lessons learned and considering the challenges outlined above.

#### Nestlé Specific KPIs (percentage)

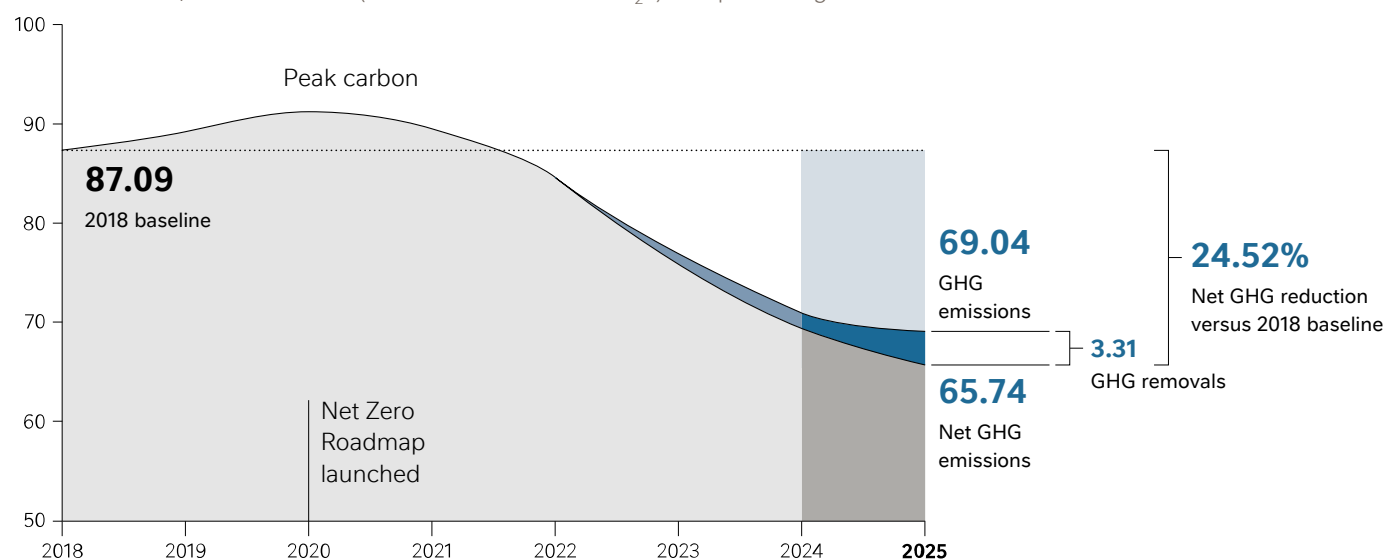
	2024	2025
Global fleet of vehicles switched to lower-emission options	54.2	60.3

We continue to make progress in turning our fleet of vehicles to lower-emission options.

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

In alignment with the SBTi, our GHG baseline is 2018. We achieved peak carbon in 2020. Subsequently, emissions have decreased consistently each year, due to actions following our Net Zero Roadmap. In 2025, we achieved and surpassed our near-term GHG emission reduction target by reaching a 24.52% net GHG reduction compared to the 2018 baseline.

GHG emissions, GHG removals (million metric tonnes CO<sub>2</sub>e) and percentage net reduction versus 2018 baseline<sup>19</sup>



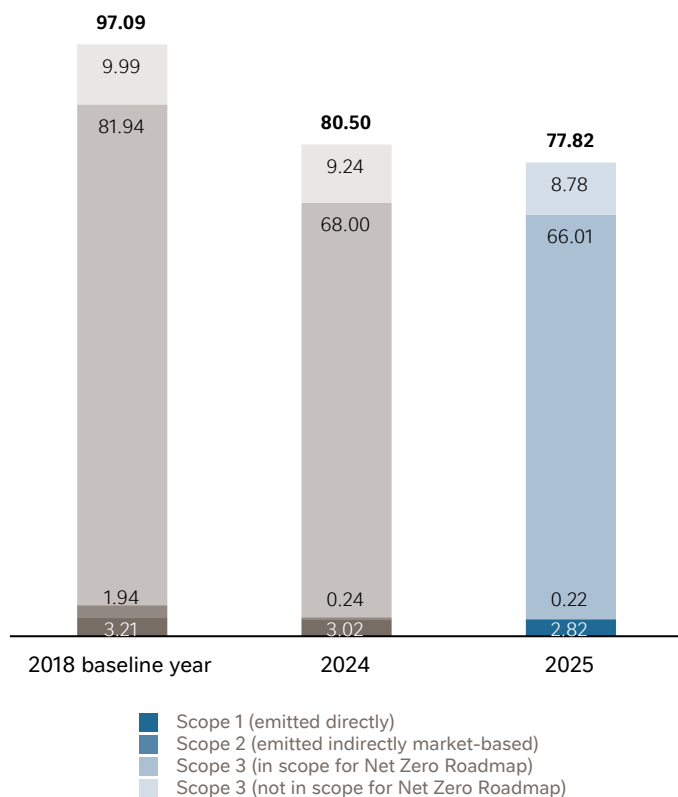
<sup>19</sup> Restated baseline due to acquisitions, divestitures and methodological enhancements, and change in more representative emissions factors.

GHG emissions: includes Scopes 1 and 2 (market-based) and Scope 3 covered by our Net Zero Roadmap.

Net GHG reduction: net reduction (in %) includes GHG reductions and GHG removals from projects on farms supplying Nestlé and in our sourcing landscapes.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

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



GHG reductions per Scope and associated GHG reductions (million metric tonnes CO<sub>2</sub>e)

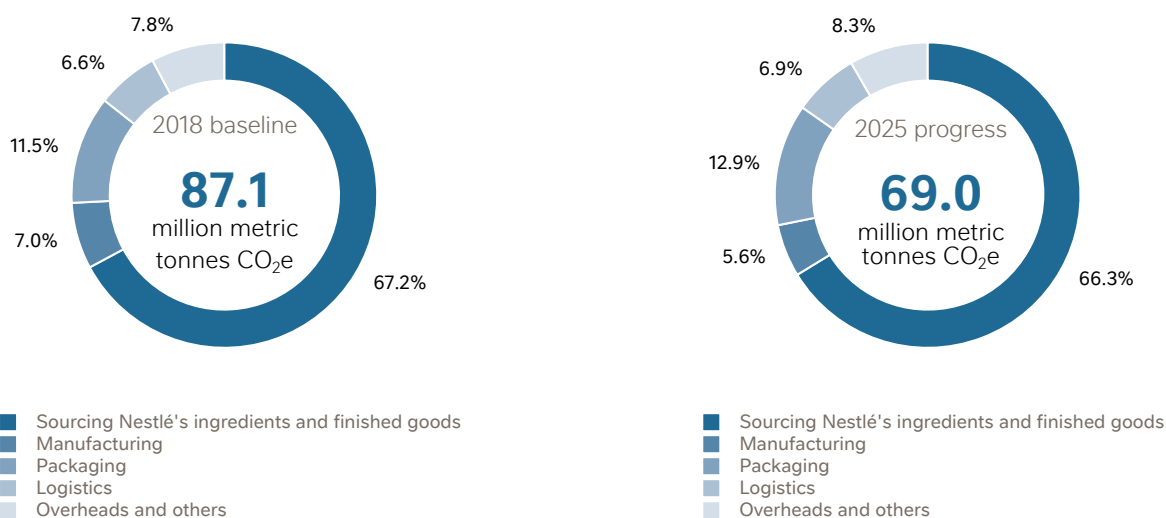
GHG Protocol Scopes	2018 GHG emissions (MtCO <sub>2</sub> e)	2018 GHG emissions (%)	2025 GHG emissions (MtCO <sub>2</sub> e)	2025 GHG emissions (%)	GHG reduction versus 2018 baseline (MtCO <sub>2</sub> e)	GHG reduction versus 2018 baseline (%)
Gross Scope 1 greenhouse gas (GHG) emissions	3.21	3.7	2.82	4.1	0.39	12.2
Gross market-based Scope 2 greenhouse gas (GHG) emissions	1.94	2.2	0.22	0.3	1.73	88.9
Gross Scope 3 greenhouse gas (GHG) emissions	81.94	94.1	66.01	95.6	15.93	19.4
Scopes 1, 2 and 3 Gross GHG emissions	87.09	100.0	69.04	100.0	18.05	20.7

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

### GHG footprint breakdown FLAG/non-FLAG<sup>20</sup>

	2018 GHG emissions (MtCO <sub>2</sub> e)	2018 GHG emissions (%)	2025 GHG emissions (MtCO <sub>2</sub> e)	2025 GHG emissions (%)	GHG reduction vs. 2018 baseline (MtCO <sub>2</sub> e)	GHG reduction vs. 2018 baseline (%)
<b>Gross emissions</b>						
SBTi FLAG gross GHG emissions	40.56	46.6	30.43	44.1	10.13	25.0
SBTi non-FLAG gross GHG emissions	46.54	53.4	38.61	55.9	7.92	17.0
SBTi net zero gross GHG emissions	87.09		69.04		18.05	20.7
<b>Removals</b>						
SBTi FLAG GHG removals <sup>21</sup>	0.00		3.02		NA	NA
SBTi net zero GHG removals <sup>22</sup>	0.00		0.29		NA	NA
<b>Total net emissions</b>						
SBTi FLAG net GHG emissions	40.56		27.41		13.15	32.4
SBTi net zero net GHG emissions	87.09		65.74		21.36	24.52

Our gross GHG footprint breakdown by value chain steps (SBTi scope) versus 2018 baseline (million metric tonnes CO<sub>2</sub>e)



In 2018, the baseline year for the SBTi carbon emissions target, we emitted 87.09 million metric tonnes of CO<sub>2</sub>e (SBTi scope, corresponding to the re-baselining done in 2025).

The 2025 GHG emissions footprint is the result of the impact of our 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 our operations and value chain.

<sup>20</sup> SBTi FLAG: Scope 3 (Category 1).

SBTi non-FLAG: Scope 1, Scope 2 and Scope 3 (all categories).

<sup>21</sup> Removals projects on farms supplying Nestlé are, in accordance with SBTi, contributing to Nestlé's FLAG target. These also contribute to Nestlé's SBTi net zero target.

<sup>22</sup> SBTi net zero GHG removals refers to removals solely coming from projects within Nestlé's sourcing landscape.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Our Scope 1, 2 and 3 GHG emissions are calculated as per the GHG Protocol categories, in accordance with SBTi rules. See [Science-based target setting](#) for details.

#### GHG breakdown per GHG Protocol category

Scope	GHG Protocol emissions category	SBTi net zero scope	2025 GHG emissions (MtCO <sub>2</sub> e)
Scope 1	Direct emissions	In scope	2.82
Scope 2	Indirect emissions	In scope	0.22
Scope 3	1. Purchased goods and services	In scope	51.10
	1. Purchased goods and services (purchased services)	Out of scope	5.33
	2. Capital goods	Out of scope	2.72
	3. Fuel and energy-related activities	In scope	0.94
	4. Upstream transportation and distribution	In scope	1.70
	5. Waste generated in operations	In scope	0.05
	6. Business travel	In scope	0.11
	7. Employee commuting	In scope	0.36
	8. Upstream leased assets	Out of scope	0.11
	9. Downstream transportation and distribution	In scope	7.51
	10. Processing of sold products	N/A	Not relevant for Nestlé
	11. Use of sold products <sup>23</sup>	Out of scope	0.40
	12. End-of-life treatment of sold products	In scope	1.46
	13. Downstream leased assets	N/A	Not relevant for Nestlé
	14. Franchises	N/A	Not relevant for Nestlé
	15. Investments	Out of scope	0.22
	Non-integrated into Nestlé's Information System <sup>24</sup>	In scope	2.79
Optional	11. Use of sold products <sup>25</sup>	Out of scope	8.19
Actual removals	Actual SBTi FLAG GHG removals – supply chain	In scope	3.02
	Actual GHG removals – sourcing landscape	In scope	0.29

<sup>23</sup> This category includes Direct use of sold products: a Scope 3 category as per GHG Protocol rules (e.g. electricity consumed for sold Nestlé coffee machines).

<sup>24</sup> Nestlé is working on defining the breakdown of emissions from "Non-integrated into Nestlé's Information System" as per GHG Protocol categories.

<sup>25</sup> This category includes Indirect use of sold products: an optional category as per GHG protocol rules (e.g. energy consumed to cook Nestlé sold products).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

GHG emissions per key commodity and category (million metric tonnes CO<sub>2</sub>e and percentage)<sup>26</sup>

	2018 GHG emissions (MtCO <sub>2</sub> e)	2025 GHG emissions (MtCO <sub>2</sub> e)	GHG reduction versus 2018 baseline (%)
Sourcing ingredients – cocoa	7.84	4.19	46.5
Sourcing ingredients – coffee	2.96	2.51	15.2
Sourcing ingredients – fresh milk	12.17	7.57	37.8
Sourcing ingredients – dairy derivatives	11.19	9.82	12.3
Sourcing ingredients – sugar	1.38	1.12	19.4
Sourcing ingredients – vegetable fats and oils	3.25	2.06	36.7
Sourcing Ingredients – animal fats, meat and byproducts	4.69	4.74	-1.0
Sourcing other ingredients	7.53	7.51	0.4
Packaging	9.98	8.90	10.8
Distribution	5.71	4.79	16.2
Manufacturing	6.12	3.85	37.2
Overheads	6.79	5.75	15.3
Others (including finished goods)	7.46	6.25	16.3

Disaggregation of gross GHG emissions by GHG category (for ingredients, packaging and manufacturing only)

	2018 (MtCO <sub>2</sub> e)	2025 (MtCO <sub>2</sub> e)	% reduction versus 2018
Carbon dioxide (CO <sub>2</sub> )	42.58	32.39	23.9
Methane (CH <sub>4</sub> )	17.35	13.86	20.1
Nitrous oxide (N <sub>2</sub> O)	5.85	4.92	15.9

Total GHG emissions intensity location-based and market-based (tCO<sub>2</sub>e/million CHF)<sup>27</sup>

	2025
Total GHG emissions intensity – location-based	797
Total GHG emissions intensity – market-based	772

Emissions disclosures

	2025
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	6.60
Gross location-based Scope 2 GHG emissions (million metric tonnes CO <sub>2</sub> e)	2.48
Gross market-based Scope 2 GHG emissions (million metric tonnes CO <sub>2</sub> e)	0.22
Total GHG emissions location-based (million metric tonnes CO <sub>2</sub> e)	71.31
Total GHG emissions market-based (million metric tonnes CO <sub>2</sub> e)	69.04
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)	0.77

<sup>26</sup> Sourcing ingredients, Packaging, and Others: Scope 3 (Category 1); Distribution: Scope 1, Scope 2, and Scope 3 (Categories 3, 4, 5, and 9); Manufacturing: Scope 1, Scope 2, and Scope 3 (Categories 3 and 5); Overheads: Scope 1, Scope 2, and Scope 3 (Categories 3, 6, 7, 9, and 12).

<sup>27</sup> For the calculation of this KPI, the numerator corresponds to the 2025 total GHG emissions (location-based and market-based), and the denominator corresponds to the 2025 total Group Sales as per the *Consolidated Financial Statements* of the Nestlé Group 2025.

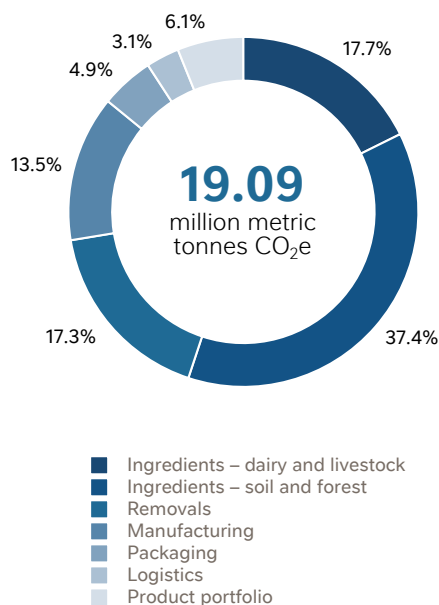
Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## GHG removals projects

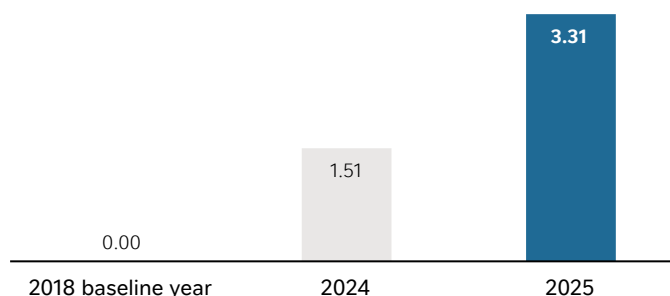
In line with our net zero target by 2050, which includes SBTi-approved FLAG targets and energy/industry targets, removals projects on farms supplying Nestlé are, in accordance with SBTi, contributing to our FLAG target. In 2025, this equates to 3.0 million tCO<sub>2</sub>e, representing 91.4% of the total removals.<sup>28</sup>

Pending the publication of the SBTi guidance on the approach to neutralization, other removals projects that are in our sourcing landscapes are also included in our calculations and contribute to our net zero target. In 2025, this was equal to 0.29 million tCO<sub>2</sub>e, representing 8.6% of the total removals.

2025 absolute CO<sub>2</sub>e reductions and removals<sup>29</sup> from projects and as percentage of total projects<sup>30</sup>



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



Total GHG reversals (million metric tonnes CO<sub>2</sub>e)  
0.0041 GHG reversals in 2025.

## Natural climate solutions

These initiatives align with our Net Zero Roadmap and form part of the Group's broader strategy to use natural climate solutions like agroforestry, silvo-pastoral systems and the restoration of forests and peatlands, which are all 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, we disclose carbon-removal reversal.

<sup>28</sup> Pending the publication of the SBTi guidance on neutralization.

<sup>29</sup> Removals equals: FLAG removals plus removals from sourcing landscapes.

<sup>30</sup> 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, including 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Net zero achievements: no use of offsets

We do not use offsets (carbon credits disconnected from our value chain) to deliver against our net zero target by 2050, or our short- and medium-term targets.

In addition to our net zero target, to support carbon-neutral certifications and claims, we purchase carbon credits from outside our value chain. In 2025, Nestlé brand *Blue Bottle Coffee* purchased carbon credits totaling 3529 tCO<sub>2</sub>e under the Verified Carbon Standard (VCS).

GHG removals and GHG mitigation projects financed through carbon credits outside of the value chain

	2025
Total amount of carbon credits outside value chain that are verified against recognized quality standards and canceled during the year (million metric tonnes CO <sub>2</sub> e)	0.0035
Total amount of carbon credits outside value chain that are verified against recognized quality standards and planned to be canceled in the future (million metric tonnes CO <sub>2</sub> e)	0.00
Carbon credits: share (percentage of volume) of reduction projects	6.0
Carbon credits: share (percentage of volume) of removal projects	94.0
Carbon credits: share (percentage of volume) for each recognized quality standard	100.0
Carbon credits: share (percentage of volume) issued from projects in the EU	0.0

## Climate monitoring, reporting and verification: use of certification standards

Although Nestlé does not use offsets to deliver against our net zero target, we apply carbon credits certification standards to demonstrate the monitoring and verification of our various reductions and/or removal projects. These comprise biogenic sinks (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). We have not converted removal activities into carbon credits sold on the voluntary market.

We ensure the quality of carbon credits 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.

We rely on detailed calculations and methodologies in estimating GHG removals and storage. These calculative methods and frameworks ensure GHG accounting is connected to our 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 IPCC and the World Resources Institute’s GHG Protocol for Project Accounting, accuracy, reproducibility and alignment with global reporting requirements are 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Internal carbon pricing

We use a customized form of implicit carbon pricing mechanism through a Net Impact Value (NIV) metric. NIV is the total cost of decarbonization projects divided by their expected carbon emissions reductions over five years. These prices vary by the type of decarbonization. As our NIV covers categories of projects for our entire value chain, 100% of our net zero GHG emissions are covered by our internal carbon pricing scheme.

The cost of decarbonization is also integrated into our mergers and acquisitions due diligence.

Based on NIV, we assess the hundreds of projects (both OPEX and CAPEX) that are commissioned each year towards achieving our GHG reduction targets. This 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.

## Nestlé Specific KPIs

Our *Reporting Scope and Methodology for ESG Key Performance Indicators* document provides details and definitions. It can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

### Responsible sourcing

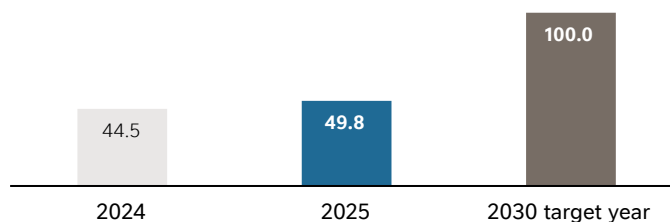
“Responsibly sourced” means that the origin of our priority raw materials is known and the way they are produced has been assessed as compliant with the environmental, social and governance requirements laid out in our Responsible Sourcing Core Requirements.

Operationally, the criteria to define if a raw material is responsibly sourced are that the material comes from a low-risk country (as per Verisk Maplecroft) with subnational traceability, or that the origin of the material is traceable at the first aggregator level in the value chain, and direct suppliers’ volumes are compliant with our Responsible Sourcing Core Requirements at production level.

Our responsible sourcing target applies to 14 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.

See [Biodiversity and ecosystems](#) for additional information.

Volumes of key ingredients responsibly sourced (percentage)



We are applying insights gained to our work on the key ingredient volumes yet to be traced and assessed, as we continue making progress towards our 2030 target.

Certified palm oil sourcing (RSPO) (percentage)<sup>31</sup>



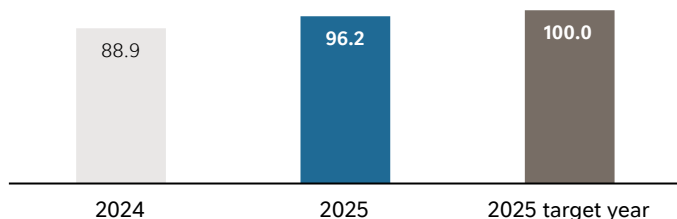
Our commitment to RSPO certification has already delivered tangible benefits, such as supporting smallholders in achieving certification, improving agricultural practices and enabling access to premium markets.

We are developing our plans for the coming years by incorporating the lessons learned.

<sup>31</sup> In 2025, 100% of Nestlé’s crude palm oil and palm kernel oil was either from RSPO-certified sources or covered by Certified Sustainable Palm Oil and Certified Sustainable Palm Kernel Oil book and claim credits.

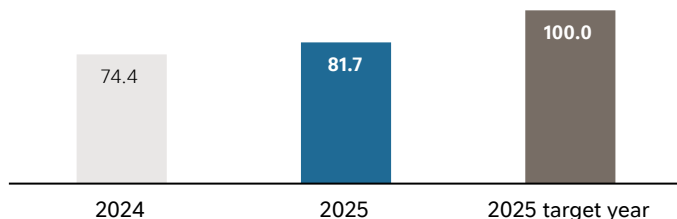
Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Cocoa sourced through the *Nestlé Cocoa Plan* (percentage)<sup>32</sup>



Our performance of 96.2% by the end of 2025, reflects the steps we have taken to strengthen our processes. This has occurred alongside challenges in the global cocoa supply chain (caused by increased market volatility), supply shortages, and the need to secure a continuity of cocoa supply for our products. We are incorporating lessons learned from the challenges outlined above as we work on our plans for the coming years.

Cage-free eggs sourced (percentage)



While we made progress in 2025, achieving the 100% target is currently not feasible in certain geographies due to limited availability and an uncertain market-enabling environment.

We are developing our plans for the coming years by incorporating the lessons learned and considering the challenges outlined above.

Nestlé Specific KPIs

	2024	2025
Percentage of <i>Nespresso</i> Coffee sourced through the <i>Nespresso AAA Sustainable Quality™ Program</i>	91.4	91.0
Percentage of coffee supplies responsibly sourced (excluding <i>Nespresso</i> )	93.0	94.3
Farmers trained on practices (number)	472 732	437 907
Number of farmers in the <i>Nestlé Cocoa Plan</i>	163 643	178 821
Number of forest and fruit trees distributed to cocoa farmers	1 737 740	2 075 278

## Methodology and assumptions

We have made minor changes in the methodology and definition of what constitutes our reporting undertakings and our value chain. Further details on the methodology and assumptions used are included in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#). This represents a continuous improvement approach for which, year-on-year, we work 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 of GHG emissions.

### Reported GHG emissions: updates to methodology and definitions in 2025

#### Granular emission factors

More granular emission factors have been introduced over the years, 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.

In 2025, we launched a data collection request to collect primary emission factors from our raw material suppliers then verify the methodology used. When approved, these primary emission factors replace the secondary ones used until now, helping to increase the accuracy of our GHG accounting in line with SBTi and GHG Protocol guidelines.

<sup>32</sup> The percentage of 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## 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. We ensure that the baseline value for our GHG emissions is representative and reflects the full scope of our activities prone to external factors by following systemic methodologies.

By addressing these changes comprehensively, we make sure that the GHG inventory and our reduction targets adhere to best practices in environmental disclosure, and that progress tracking towards our GHG reduction goals is reliable. This approach ensures 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 our structure.

### Application of updated methodologies and emission factors

We report consistently over time by restating for any structural, methodological or more representative emission factors changes. For example, we receive some supplier-specific emission factors with some delay due to the time required for validation and substantiation of these emission factors with our 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 to which the data was related, and the latest version of the emission factor is used in the current year's calculation. If we receive emission factors for multiple years, we will use the data point for the best year it represents. We use the best available substantiated emission factors at the time of the consolidation and disclosure; however, we know that some of our projects are not yet fully represented and will be incorporated in subsequent years.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

# Pollution

Thriving ecosystems and healthy local communities are essential to our long-term success. We are committed to addressing pollution-related risks to water and soil. We apply robust environmental standards and safety protocols to avoid adverse impact from the effluents of our manufacturing sites. At the same time, we promote regenerative agriculture practices across our supply chain. Working with partners and experts, we are improving our understanding and management of potential impacts.

## Key performance

### Regenerative agriculture

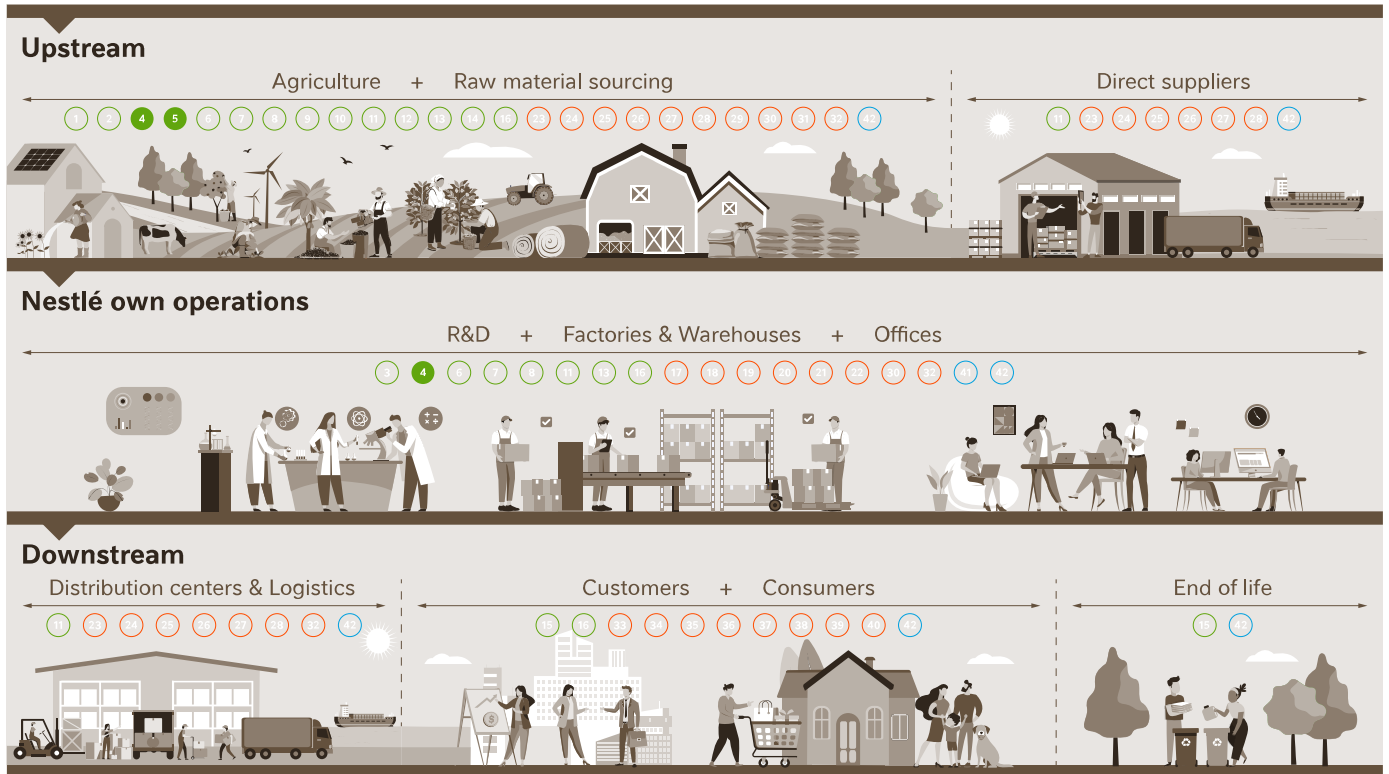
We achieved 27.6% of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices in 2025.<sup>1</sup>

### Responsibly sourced

We achieved 49.8% of volumes of key ingredients responsibly sourced in 2025.<sup>2</sup>

● Positive impact ● Negative impact ● Risk

- 4 ● Water pollution
- 5 ● Soil pollution from agricultural activities



<sup>1</sup> The key ingredients in scope for KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>2</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Material impacts, risks and opportunities

### IRO summary

IRO	Material IRO description
<b>Water pollution</b> <i>Negative impact (Upstream/Own operations)</i>	This negative impact relates to activities in our upstream value chain and our own operations that impact water quality. This can be related to chemical runoff from upstream agricultural activities and/or industrial discharge from operations. Without proper management and treatment, both of these can lead to contamination of water bodies.
<b>Soil pollution from agricultural activities</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to the excessive or improper use of chemicals like synthetic fertilizers and pesticides in agriculture, which can disrupt local ecosystems and affect soil integrity.

## Material impacts, risks and opportunities in detail

### Water pollution

We manage **water pollution** across three areas:

- Industrial activities (i.e. food production): We ensure adherence to standards and safety protocols beyond regulations, extensive water treatment and monitoring, and Market adaptations to align mitigating measures to local contexts.
- Industrial wastewater: We closely monitor the quality of the water we discharge. Our diligent approach supports regulatory compliance, helping to minimize negative impacts on surrounding ecosystems and local communities. To provide further assurance that our factories meet the exacting standards related to water in the Nestlé Environmental Requirements Standard, we also employ a digital compliance assessment and monitoring tool.
- Agricultural activities: We promote the use of organic fertilizers, integrated nutrient management, irrigation technology, riparian buffers, integrated pest management and bio-controls, precision farming, manure storage and processing, and other measures and requirements, to align with the content of the Nestlé Responsible Sourcing Core Requirements and as described in our Nestlé Agriculture Framework.

### Soil pollution from agricultural activities

We manage **soil pollution from agricultural activities** via the practices promoted by the Nestlé Agriculture Framework, such as cover crops, diversified crop rotation, mulching and crop residues cover, minimum tillage, organic fertilizers, integrated nutrient and pest management, intercropping, agroforestry, hedgerows and green buffers, and improved grazing strategies, such as rotational grazing or multi-species pasture.

Mitigating excessive or improper use of chemicals, such as synthetic fertilizers and pesticides, falls under the Nestlé Responsible Sourcing Core Requirements, which have specific requirements for Origins, including that only those that are legally approved and registered within their country are applied.

### Assessing pollution- and water-related impacts and risks in our own operations for water

We employ a range of internationally recognized methodologies, tools and databases to assess pollution-related impacts and risks within our own operations.

These include the World Resources Institute Aqueduct, the World Wide Fund for Nature Water Risk Filter, the Alliance for Water Stewardship (AWS) principles, and the Food and Agriculture Organization (FAO) of the United Nations AQUASTAT datasets, as well as the Water Footprint Network methodology, and other international standards when available. We conduct annual water-risk assessments at all of our factory locations.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Additionally, we engage in environmental impact assessments and lifecycle assessments across our production processes at factory level, aligned with ISO environmental management standards. These methodologies and tools are supplemented by an enterprise risk management framework that 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 at factory locations, as per the criteria of our Environmental Requirements Standard. 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.

In geographies where we source raw materials directly from farmers (i.e. direct sourcing), we are collecting precise farm locations to assess the water- and soil-related risks and opportunities. We use the tools referred to above to identify priorities related to water.

## Management of impacts, risks and opportunities

### Policies

The following policies and documents help address the management of **water pollution** and/or **soil pollution from agricultural activities**.

#### **Nestlé Environmental Requirements Standard**

As described in the Nestlé Policy on Environmental Sustainability, the Nestlé Environmental Requirements Standard details our approach to implementing the policy and with that, managing the potential impact of **water pollution** from our operations. Our Environmental Requirements Standard is in compliance with the ISO 14001, the international standard for environmental management systems, which all our manufacturing sites are certified against through independent accredited bodies.

Our Environmental Requirements Standard is applicable across all Nestlé-operated factories, distribution centers, R&D facilities, head offices, data centers and boutiques.

Our Environmental Requirements Standard aims to protect the environment by specifically detailing measures to prevent potential water pollution impacts such as increased turbidity, eutrophication, pH/redox change, or contamination by hydrocarbons or hazardous materials. It specifically references substances of concern and substances of very high concern that are relevant for our operations.

It sets out requirements in relation to effluent water discharged from our operations to the surface water body or used for irrigation. It also covers the required building standards (e.g. to prevent contaminant spills) and the actions that must be taken when operating water wells or internal effluent treatment plants within our factories.

Our Environmental Requirements Standard is implemented as part of the Nestlé Environmental Management System.

#### **Nestlé Responsible Sourcing Core Requirements**

The Nestlé Responsible Sourcing Core Requirements set out the minimum environmental, social and governance expectations that apply to our supply chain, helping to transform production practices based on our sustainability requirements. Among other sustainability matters, our Responsible Sourcing Core Requirements specifically address both **water pollution** and **soil pollution from agricultural activities**.

Our Responsible Sourcing Core Requirements apply to all our direct suppliers and Origins and must be cascaded through the supply chain. They include specific requirements for Origins in terms of the management of water and natural resources, and specific requirements in terms of the use of agrochemicals such as fertilizers and pesticides, where there is the potential for both water and/or soil pollution.

Our Responsible Sourcing Core Requirements detail the actions that our suppliers need to take to prevent the contamination of water resources and water bodies by preventing run-off and maximizing water retention.

Specifically, we require suppliers to treat wastewater before it is discharged, release residual water used for cleaning pesticide devices in dedicated areas, and optimize irrigation systems to prevent the transport of chemicals, nutrients or sediment.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

In terms of agrochemical use, our Responsible Sourcing Core Requirements state that suppliers are to only use legally approved pesticides and only when necessary to control weeds, diseases, invasive species and pests, avoiding those pesticides that our Responsible Sourcing Core Requirements specify must not be used in field applications. Synthetic pesticide use always needs to be carefully considered in advance with the appropriate monitoring and evaluation measures. Additionally, there is a requirement for legally approved hazardous material, chemicals and dangerous substances to be safely stored and handled. For fertilizers, a year-round nutrient management plan is required to be in place.

### Nestlé Agriculture Framework

The Nestlé Agriculture Framework is our policy related to regenerative agriculture, which, in line with the Sustainable Agriculture Initiative Platform, we define as an approach to farming which aims to conserve and restore natural resources, primarily soil, as well as water and biodiversity, while capturing carbon in soils and plant biomass, and to support farmers' livelihoods. Regenerative agriculture promotes the adoption of many practices that mitigate **water pollution** and **soil pollution from agricultural activities**. Key to reducing pollution impacts is limiting the use of agrochemicals, and through our Agriculture Framework we are aiming for a reduction of synthetic pesticides throughout our supply chains. Our approach includes requiring that certain pesticides are not used in field applications. We also aim to phase out progressively other selected pesticides. In relation to pollinators, see [Biodiversity and ecosystems](#).

We have identified the following practices as having a potential benefit on water resources (as per the classification on page 13 of our Agriculture Framework), and in turn mitigating **water pollution** impacts: the use of organic fertilizers, integrated nutrient management, irrigation technology, riparian buffers, integrated pest management and bio-controls, precision farming, and manure storage and processing, and others.

Similarly, we have identified the following practices as having a major benefit on soil health (as per the classification on page 13 of the Agriculture Framework), therefore reducing the need for synthetic fertilizers, the use of which can lead to **soil pollution from agricultural activities**: the use of cover crops, diversified crop rotation, mulching and crop residues cover, minimum tillage, organic fertilizers, integrated nutrient management, riparian buffers, intercropping, agroforestry and silvo-pastoral systems, hedgerows and green buffers, and integrated pasture management strategies.

## Actions and resources

We have in place several actions and resources linked to mitigating our **material IROs**, which are guided by our various policies, frameworks and/or strategies as outlined in [Policies](#).

### Water pollution from operations

Any water discharged into waterways must be treated effectively to avoid harming the environment. In line with our Nestlé Environmental Requirements Standard, and as part of implementing our Nestlé Environmental Management System, we use various technologies to treat the water we use prior to reuse or release into the environment as a means to prevent **water pollution**. In our operated factories, effluent water is managed in on-site treatment plants or diverted to a local third-party facility. Water discharges are monitored at all our factory sites, (see [Water resources](#)).

We comply with local regulations as a minimum and monitor all relevant substances specified in our Nestlé Environmental Requirements Standard, including nitrates, phosphorus and chemical oxygen demand load, as part of our standard internal environmental monitoring and reporting routine. All our analyses are consolidated monthly at factory level and reported into our internal environmental reporting system, where the data is consolidated at the corporate level. The data is used as the basis for driving continuous improvement.

From the above, we can track any potential **water pollution** impacts on watershed stakeholders and ecosystems. In case of incidents, our Management of Environmental Exceptional Compliance Issues and our 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.

### Water and soil pollution from agricultural activities

Agricultural activities have the potential to have a negative impact on water quality, contributing to **water pollution** as a result of the inappropriate use of synthetic agrochemicals, poor manure management or unregulated runoff, all of which can contaminate soil, local aquifers or river streams.

Regarding **soil pollution from agricultural activities**, the inappropriate use of agrochemicals can also have a negative effect on soil integrity, which in turn affects the ability of the farmers in our value chain to grow the crops needed for us to create food products for consumers around the world.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Our Agriculture Framework is our holistic vision for agriculture in which we recognize the complexity and interdependencies within agroecological systems. Our Agriculture Framework provides a comprehensive regenerative agriculture model which consists of 17 interventions, each of which can bring multiple benefits designed to collectively restore water, soil and biodiversity, (see [Biodiversity and ecosystems](#)).

Key to achieving this vision is helping farmers decrease their dependence on synthetic inputs, which will reduce the use of agrochemicals, inherently reducing **water pollution** and **soil pollution from agricultural activities** impacts.

Priority actions are highlighted, but the implementation strategy focuses on identifying and introducing the most suitable suite of actions for the local context, based on measurable impact. These actions are introduced at the landscape level and in ways that are beneficial to the farmers making the transition towards regenerative agriculture practices.

For example, under the *Nescafé Plan* in Brazil, we have an initiative that seeks to improve nitrogen management and optimize nitrogen productivity (as kgN/kg of green coffee). This is implemented via agronomic support for training on soil conservation and organic composting, fertigation management, and a digital system that helps optimize the use of water and fertilizers.

In Vietnam, together with the Global Coffee Platform, we are working to improve the use of agro-inputs (pesticides, herbicides), test and introduce alternatives, and share best weed management practices to reduce environmental pollution. This collective action initiative goes beyond pollution and seeks to improve the well-being of farmers, reduce their production costs and help them meet regulatory requirements.

Another example of our efforts via our Agriculture Framework is in the technologies and regenerative agriculture practices we have introduced into our fresh milk sourcing supply chain. Specifically, we have been developing and introducing advanced manure management technologies that improve how manure is stored and processed. On-field application good practices aim to eliminate losses or leakage into water resources at this critical step in the manure management process. These technologies are helping optimize fertilization strategies and reduce leaks and runoff, which in turn help protect against **water pollution** and **soil pollution from agricultural activities**.

Our Agriculture Framework and our Responsible Sourcing Core Requirements are complementary. The latter provides specific requirements to prevent **water pollution** and **soil pollution from agricultural activities**, and all suppliers are required to adhere to the Responsible Sourcing Core Requirements as the minimum to continue working with Nestlé. We verify alignment to and compliance with them through a number of different methods, as is most applicable for the supplier tier and risk level. These methods include self-declaration, desk-based assessments and second- or third-party site audits or assessments. 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. From this, we identify priority materials and ingredients that present a higher risk and work with suppliers in these value chains to map the supplier landscape and prioritize where we take action.

## Metrics and targets<sup>3</sup>

### Water pollution from own operations

The values of effluents reported this year remain broadly consistent with last year's performance, with only minimal variation.

We use three key metrics to assess effluent water from our own operations for water pollution. We consider the percentage of effluent water treated internally in our manufacturing plants (i.e. factories), and two measures of chemical oxygen demand (COD). COD provides a global metric of potential environmental impact from wastewater on the receiving water body by quantifying the amount of oxidizable pollutants found in effluent water. We disclose the total volume (tonnes) as well as the average concentration (mgO<sub>2</sub>/l) of oxidizable content in our effluents.

In 2025, 49.8% of effluent water was treated internally and the remaining water was treated externally by third parties. When this is the case, we work to ensure that they have the capability and capacity to treat the effluent water to meet local regulatory requirements.

Through continuous monitoring and monthly reporting at all factories, we aim to prevent water discharges that could adversely impact water ecosystems or downstream users. Many governments impose regulations on the maximum COD allowed in effluents before they can be returned to the environment.

<sup>3</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

The total output of COD load to the environment was 4944 metric tonnes in 2025, while the average annual COD concentration at Group level was 95.9 mgO<sub>2</sub>/l. The relative stability compared to last year reflects the continued effectiveness of our effluent treatment processes and the robust environmental management systems in place across our factory network.

#### Nestlé Specific KPIs<sup>4</sup>

	2024	2025
Total output of chemical oxygen demand (COD) load to the environment (metric tonnes)	4540	4944
Average annual chemical oxygen demand (COD) concentration (mgO <sub>2</sub> /l)	86.0	95.9
Percentage of effluent water treated internally	52.0	49.8

### Water and soil pollution from agricultural activities

Implementing regenerative agriculture practices helps improve soil health and aims to decrease farmer dependence on synthetic inputs, and, as such, reduce the use of agrochemicals, inherently reducing **soil pollution from agricultural activities** and **water pollution** impacts.

To assess whether farmers in our supply chain are adopting regenerative agriculture practices, we developed Farm Assessment Tools.

Farm assessments are conducted based on a sampling strategy, elaborated to achieve statistical representation per product category at the global level. In addition to monitoring achieved maturity levels, the initial baseline assessment allows us in the first year to better understand the specific gaps and opportunities related to a given crop/region, and to elaborate meaningful programs, adapted to local needs.

Depending on local conditions, such as soil type, climate, production system (e.g. smallholder farmers) and regulatory framework, some requirements can be subject to specific considerations. This has to be approved by the category leader at our Corporate Sustainable Agriculture department. Specific Nestlé Farm Assessment Tools are under elaboration for crops with specific farming practices.

We also benchmark some of our suppliers' assessment tools versus our own requirements in order to establish equivalences and use the results of these tools to measure regenerative agriculture achievements.

Additionally, we are an active member of the Sustainable Agriculture Initiative (SAI) Platform, and we are piloting the SAI Regenerating Together Programme, which will support the development of a common methodology to measure progress.

Targets that contribute to managing pollution-related impacts are as follows:

- By 2030, we aim for 100% of volumes of key ingredients<sup>5</sup> to be responsibly sourced.
- By 2025, we aimed for 20% of volumes of key ingredients<sup>6</sup> to be sourced from farmers adopting regenerative agriculture practices, and 50% by 2030.

We continue to assess **water pollution** and **soil pollution from agricultural activities** in our upstream supply chain, using secondary data. We have begun a deep-dive into a quantitative assessment to establish our nature-related baselines (i.e. land, water, pollution and biodiversity). This will allow us to estimate, for example, the pollution footprint associated with the production of raw materials in our supply chain. It is also expected to help with potentially setting more specific **water pollution** and **soil pollution from agricultural activities** targets and metrics to assess the effectiveness of our measures.

Specifically with respect to water, we are one of the companies piloting science-based targets for nature (see [Biodiversity and ecosystems](#) for more information). The Science Based Targets Network has a target that acts as an indicator of water impacts from pollution: “freshwater quality”.

<sup>4</sup> Metrics reported only relate to factories.

<sup>5</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>6</sup> The key ingredients in scope for KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

# Water resources

The availability of good quality water is essential to our operations and fundamental to our goal of building a regenerative, resilient food system. We are committed to improving the efficiency of our water use in manufacturing and working with stakeholders in our supply chain. We are investing in new water-reducing innovations and technologies, promoting water recycling and reuse initiatives, and aim to help nature retain more of its vital water resources.

● Positive impact ● Negative impact ● Risk

- 6 ● Water scarcity
- 7 ● Water usage
- 8 ● Water discharges in water bodies

## Key performance

### Water use reduction

We achieved 2.9 million m<sup>3</sup> water use reduction in our manufacturing sites in 2025, with a particular focus on sites located in water-stressed areas.

### AWS certification

We certified 39 sites to the Alliance for Water Stewardship (AWS) international standard for our Nestlé Waters & Premium Beverages sites.

### Water regeneration pledge

In 2025, Nestlé Waters & Premium Beverages generated 14.1 million m<sup>3</sup> of volumetric water benefits.

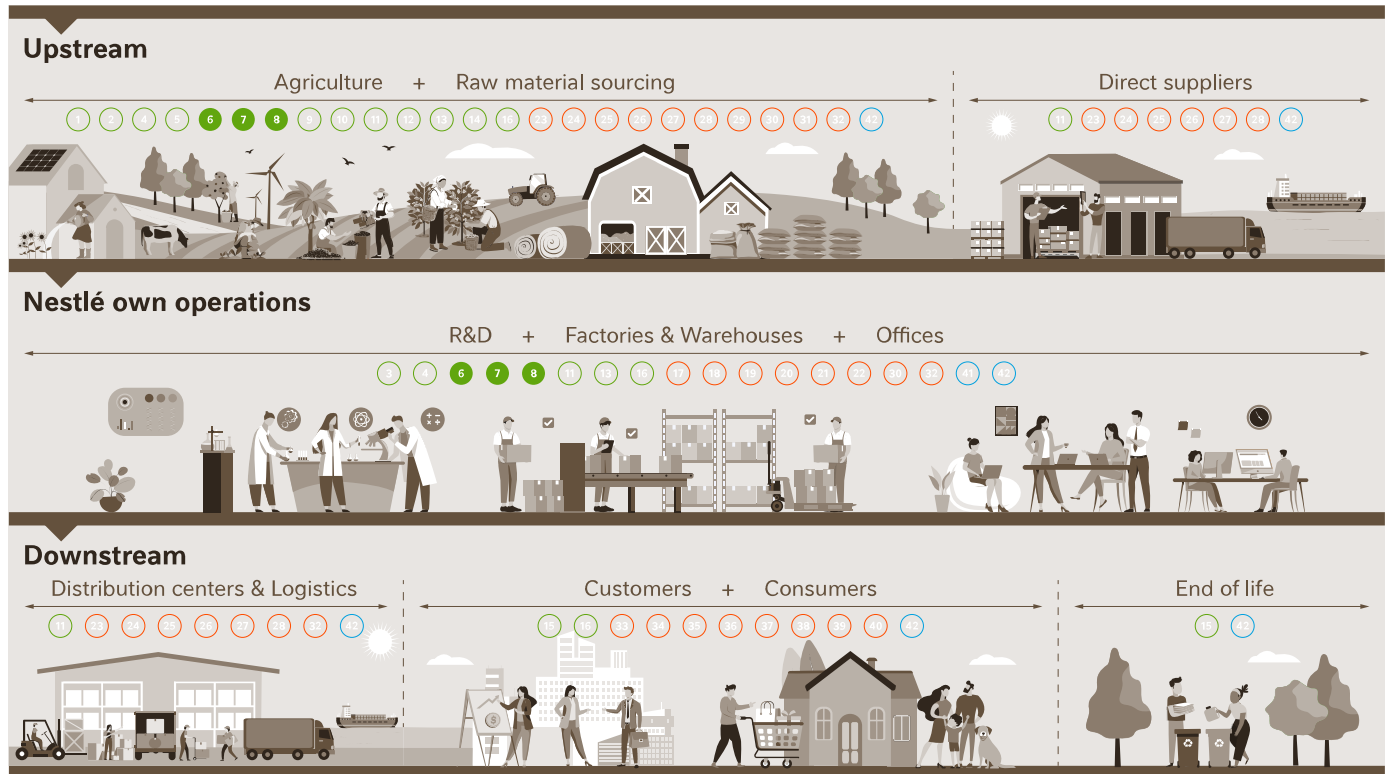


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Material impacts, risks and opportunities

### IRO summary

IRO	Material IRO description
<b>Water consumption</b>	
<b>Water scarcity</b> <i>Negative impact (Upstream/Own operations)</i>	This negative impact in our upstream value chain and our own operations relates to how water consumption from local water resources, which 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>	
<b>Water usage</b> <i>Negative impact (Upstream/Own operations)</i>	This negative impact in our upstream value chain and our own operations relates to excessive withdrawals from local water resources, which can place increased pressure on the availability of water for other users or ecosystems.
<b>Water discharges</b>	
<b>Water discharges in water bodies</b> <i>Negative impact (Upstream/Own operations)</i>	This negative impact from industrial or agricultural activities within our upstream value chain and our own operations can impact water quality through industrial effluent discharges or leaching from agriculture activities, which can result in further adverse impact on the environment.

## Material impacts, risks and opportunities in detail

### Water scarcity and water usage

In our upstream value chain, limited access to water may disrupt the production of crops or food from our suppliers and business partners, and the availability and affordability of key ingredients.<sup>1</sup> We work closely with local stakeholders, particularly in agriculture, engaging them on water-related issues and building their capacity to improve **water usage** through regenerative agriculture practices.

All our factories need water to operate properly, and water stress may impact their production capacity through potential restrictions. We are committed to improving the efficiency of our **water usage**, particularly in water-stressed areas across our operations and supply chains. We act on this commitment through specific actions tailored to local conditions, including striving to improve **water usage** in our factories by adopting efficient technologies.

Our targets contribute to the management of **water usage** and **water scarcity** by focusing on water-related actions in locations deemed as higher risk. Since 2024, **water usage** 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.

Our strategic approach ensures that actions and resources, see [Actions and resources](#), are aligned with the management of our **material IROs**, particularly in areas identified as high-risk for water-related issues.

<sup>1</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Water discharges in water bodies

**Water discharges in water bodies**, such as effluent released into rivers, lakes or other water bodies from industrial activities, industrial wastewater or agricultural practices, has the potential to negatively impact aquatic life or downstream users if not managed properly. This is the case for our value chain in the same way that it is for all food and agriculture sector organizations. This negative impact can come from overloading already “at capacity” water systems, or it can come from contaminants that could be in the effluent water if it is not treated effectively before its release. **Water discharges in water bodies** are closely related to the negative impact of **water pollution** (see [Pollution](#)). We largely address both impacts in the same way; however, water discharges have the additional consideration of increasing the load on already stressed bodies of water.

## Management of impacts, risks and opportunities

### Policies

The following policies and documents help address the management of **water scarcity**, **water usage** and **water discharges in water bodies**.

#### Nestlé Responsible Sourcing Core Requirements

The Nestlé Responsible Sourcing Core Requirements cover requirements related to water<sup>2</sup> that address **water scarcity**, **water usage** and **water discharges in water bodies**.

#### Nestlé Agriculture Framework

The Nestlé Agriculture Framework sets out regenerative agriculture practices to help conserve water, reduce the use of synthetic inputs and protect water streams. This helps ensure farmers in our value chain are effectively managing **water scarcity**, **water usage** and **water discharges in water bodies**.

#### Nestlé Environmental Requirements Standard

The Nestlé Environmental Requirements Standard aims to prevent harm to the environment and local natural resources. It defines all mandatory environmental requirements that apply to our direct operations, such as sustainable water use or effluent water quality. Performance is monitored at local and Group level through an internal tracking system. Our Environmental Requirements Standard covers **water scarcity**, **water usage** and **water discharges in water bodies**.

<sup>2</sup> See chapters Supplier 4.2 and Farmers 3.2 of the [Nestlé Responsible Sourcing Core Requirements](#).

## Actions and resources

The actions below highlight our proactive and location-specific approach to water stewardship as we continue our efforts to preserve water resources for future generations.

### Water use efficiency in our own operations

We have been continuously improving water use efficiency in our manufacturing sites. This is achieved through the implementation of advanced water-reducing innovations and technologies, as well as the promotion of the recycling and reuse of water.

We prioritize investment in water-reducing initiatives for facilities located in areas of high water risk. This helps mitigate the negative impacts of **water scarcity** and **water usage**.

Since 2024, we have been integrating local water stress in the process of setting annual site-level water-reduction targets. This context-based approach prioritizes actions “Where it Matters”, as shown in the graph below.

Water use per tonne of product

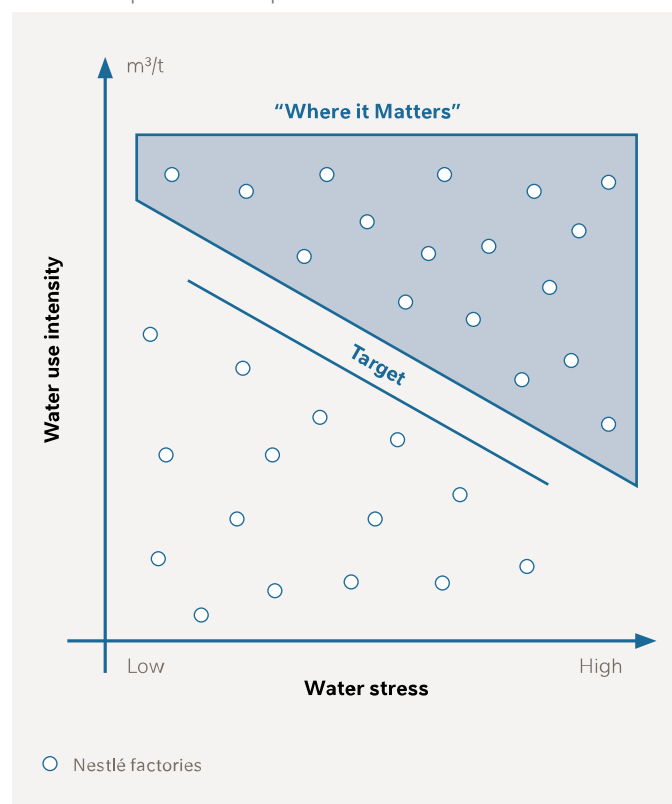


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

In our “Where it Matters” approach, all our manufacturing sites are plotted against two parameters: local water stress and the water use intensity of the site. All sites located above a category-defined threshold are prioritized for the implementation of targeted initiatives aimed at reducing water impact and improving sustainability performance. The threshold is represented by the diagonal line on the graph, which indicates the point where the combination of local water stress and site water use intensity exceeds the limit internally defined per different product category. With this approach, we aim for best-in-class efficiency, especially in high water-stress areas.

Improvements in water efficiency and reductions in water withdrawals can help mitigate local water risks. Actions to support such improvements and to mitigate our **material IROs** include processing effluents recycling, condensate recovery (including milk water recycling), and optimizing clean-in place cycles and reverse osmosis units operations.

### The Nestlé Waters & Premium Beverages regeneration pledge

Our water regeneration pledge demonstrates how we want to care for shared water challenges, by leading work on improvements related to water quality and quantity around our Nestlé Waters & Premium Beverages sites.

In 2024, we had already delivered water volume benefits of 8.2 million m<sup>3</sup> a year, thanks to a pipeline of projects launched in close collaboration with local partners. We now have approximately 70 projects globally; each project includes solutions adapted to the local water challenges.

By the end of 2025, the projects that were in place at Nestlé Waters & Premium Beverages sites, were locally regenerating 14.1 million m<sup>3</sup> of water per year.

As these projects mature to their full potential, they will help deliver more volumetric water benefits in the years to come.

Additionally, Nestlé Waters & Premium Beverages certified 39 sites to the Alliance for Water Stewardship (AWS) Standard by the end of 2025, (see [Metrics and targets](#)). The AWS Standard provides a framework to assess and understand the impact and dependencies from our manufacturing water use in a watershed, and to 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).

### Water discharges in water bodies

Our Nestlé Responsible Sourcing Core Requirements call for several actions which help address **water discharges in water bodies**. These actions cover, for example, how water withdrawals are monitored, efficient use of local water resources, adherence to license(s) and/or permit(s), and ensuring proper documentation procedures or processes are in place to effectively mitigate negative impacts.

For more information on how we ensure these requirements are being met see [Workers in the value chain](#). For information on issues related to water pollution see [Pollution](#).

### Watershed health

In the Netherlands, we have partnered with the Wageningen University and Research to identify key proxy metrics to quantify water benefits from selected regenerative agriculture practices, such as those in our Nestlé Agriculture Framework, (see [Policies](#)).

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

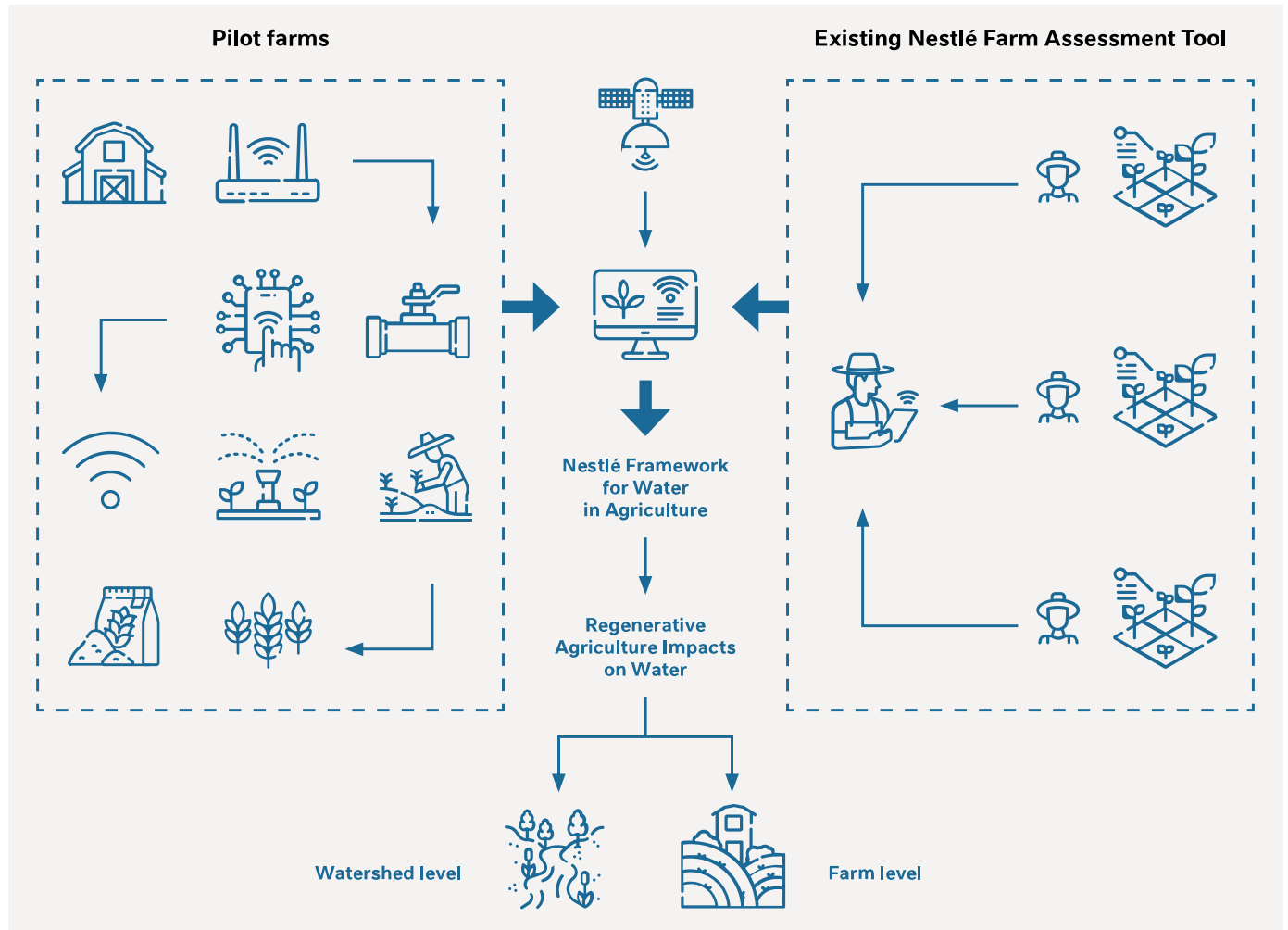
Improved watershed health contributes to the sustainability of local water resources, and in return increases resilience for farmers, communities, nature and our supply chain.

To better understand the effectiveness behind the implementation of these activities, we assess the water footprint of our key agricultural commodities, such as coffee, cocoa, fresh milk, and sugar, and conduct water stress assessments at sourcing locations. In priority regions, we work with farmers to implement water-efficient irrigation systems and overall good agricultural and water stewardship practices.

To evaluate the impact of regenerative practices on local water resources, we conduct detailed assessments on selected pilot farms. Based on these farm-level results, similar practices can be promoted on a larger scale, within similar contexts. Benefits can be extrapolated and assessed, where context allows, through existing Nestlé Farm Assessment Tools. Combining these two approaches allows for rapid and large-scale deployment of practices with beneficial impacts at farm and watershed level.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Improving watershed health



## Metrics and targets<sup>3</sup>

We have established measurable targets and related metrics to monitor our impact on water resources and address **water scarcity** and **water usage**.

These targets and metrics align with our long-term sustainability goals and regulatory requirements, demonstrate our proactive approach to meeting global sustainability norms, and contribute to our responsible water management.

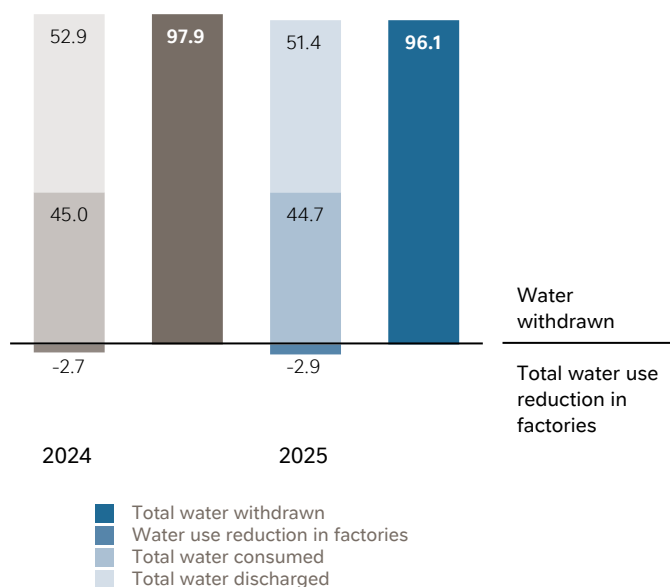
Our targets and metrics align closely with various globally recognized and industry-specific guidelines, such as the Alliance for Water Stewardship (AWS) and the Science Based Targets Network, promoting sustainable water use and management practices.

### Annual targets of water use reduction in our manufacturing sites

We have been setting ongoing annual targets of water use reduction in our manufacturing sites, especially for those located in water-stressed areas. For 2025, we set a target of 1.7 million m<sup>3</sup> water reduction through projects in factories in scope (“Where it Matters”) – against which our performance in 2025 totaled 2.0 million m<sup>3</sup>.

In relation to this target, we also track the following KPIs that breakdown our water use disclosures.

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



Water use disclosures

	2024	2025
Water consumed in regions with High or Extremely High Baseline Water Stress (million cubic meters)	25.0	23.9
Water consumed in regions with High or Extremely High Baseline Water Stress (percentage)	55.5	53.5
Water withdrawn in regions with High or Extremely High Baseline Water Stress (percentage)	44.8	44.4

<sup>3</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Volumetric water benefits

Through its local water stewardship projects, Nestlé Waters & Premium Beverages aims to deliver volumetric water benefits (VWBs) that exceed the volume of water withdrawn for its operations. By the end of 2025, the VWBs versus the volume Nestlé Waters & Premium Beverages had withdrawn in its operations was 70.0%.

	2024	2025
Percentage of Nestlé Waters & Premium Beverages sites where projects started to deliver volumetric water benefits	67.6	100.0
Percentage of total withdrawn water volumes that are "regenerated" – Nestlé Waters & Premium Beverages	39.8	70.0
Nestlé Waters & Premium Beverages volumetric water benefits delivered by implementing local water stewardship projects (million cubic meters per year)	8.2	14.1

In addition, see [Pollution](#) for one other Nestlé Specific KPI related to effluent water quality.

## Alliance for Water Stewardship certification

We have also committed to certifying all Nestlé Waters & Premium Beverages sites to the AWS certification. AWS certification encourages improved water management practices, directly supporting the reduction of negative impacts from [water discharges in water bodies, water scarcity](#) and [water usage](#). We can report that by the end of 2025, the total number of Nestlé Waters & Premium Beverages AWS-certified sites was 39.

### Alliance for Water Stewardship

	2024	2025
Nestlé Waters & Premium Beverages sites certified to the Alliance for Water Stewardship's (AWS) Standard	25	39

# Biodiversity and ecosystems

Biodiversity is essential for ecosystems services like pollination, soil formation and pest control to thrive – vital activities that enhance the resilience of our sourcing landscapes. We are working closely with farmers and suppliers to deliver on nature-based solutions, linked to our net zero actions, that mitigate biodiversity loss.

● Positive impact ● Negative impact ● Risk

- 9 ● Pollinator decline
- 10 ● Soil erosion
- 11 ● Greenhouse gas emissions
- 12 ● Deforestation
- 13 ● Transformation of product portfolio
- 14 ● Intensive farming

## Key performance

### Assessed deforestation-free primary supply chains

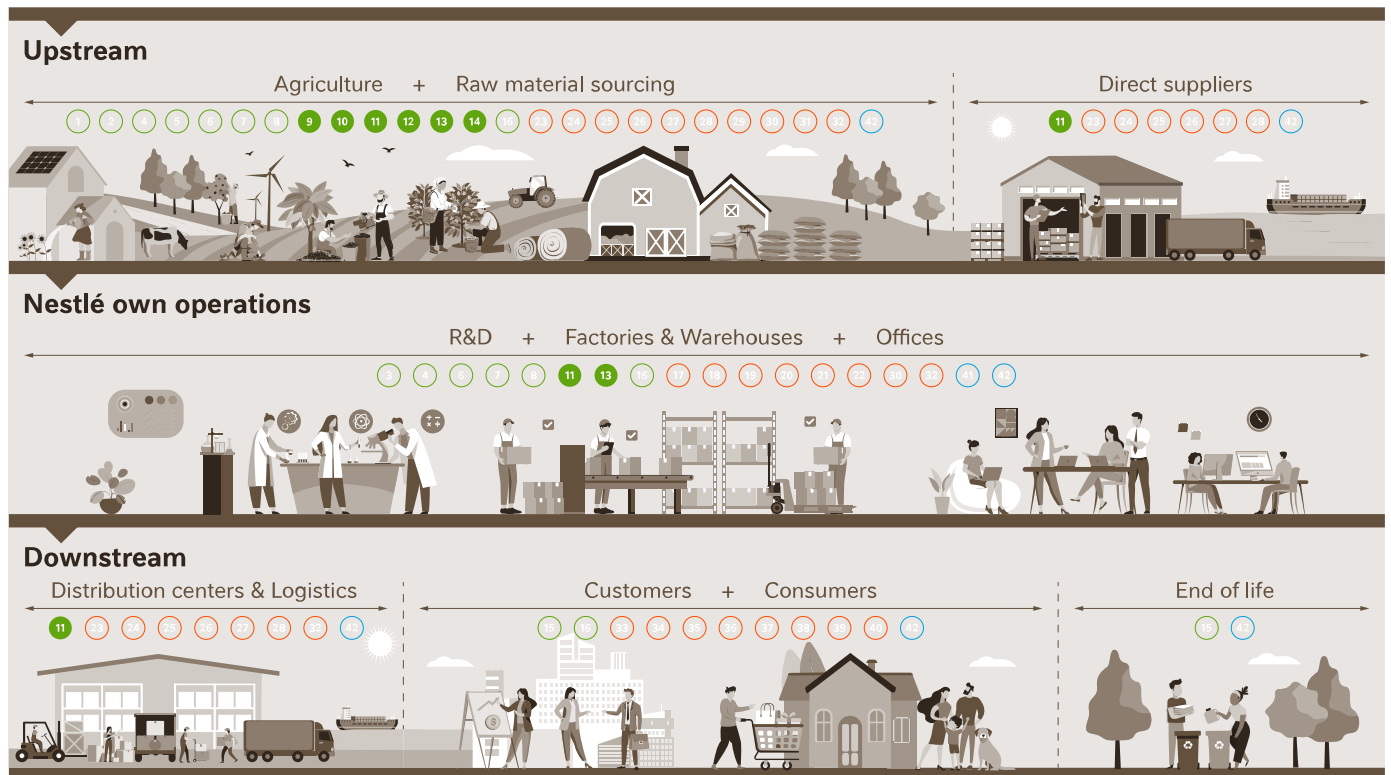
We achieved 96.7% assessed deforestation-free primary supply chains – meat, palm oil, pulp and paper, soy, sugar, cocoa, and coffee – in 2025.

### Regenerative agriculture

We achieved 27.6% of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices in 2025.<sup>1</sup>

### Responsibly sourced

We achieved 49.8% of volumes of key ingredients responsibly sourced in 2025.<sup>2</sup>



<sup>1</sup> The key ingredients in scope for KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>2</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Material impacts, risks and opportunities

### IRO summary

<b>IRO</b>	<b>Material IRO description</b>
<b>Impacts on the state of species</b>	
<b>Pollinator decline</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to how the 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>	
<b>Soil erosion</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to how the use of 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>	
<b>Greenhouse gas emissions</b> <i>Negative impact (Upstream/Own operations/Downstream)</i>	This negative impact across our value chain relates to how greenhouse gas emissions can intensify climate change and impact ecosystems and biodiversity.
<b>Greenhouse gas emissions</b> <i>Risk (Upstream/Own operations/Downstream)</i>	This risk across our value chain relates to how greenhouse gas emissions can intensify climate change, which may be associated with the risk of supply disruptions in quality, quantity, price volatility and associated sourcing displacements, and regulatory action including fines, litigation and impacts on reputation.
<b>Land-use, fresh water-use and sea-use change</b>	
<b>Deforestation</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to how 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 nature and biodiversity.
<b>Deforestation</b> <i>Risk (Upstream)</i>	This risk in our upstream value chain relates to how agricultural activities can be a key driver of land-use change and can contribute to deforestation, which may be associated with the risk of supply disruptions and regulatory action including fines, litigation and impacts on reputation.
<b>Transformation of product portfolio</b> <i>Negative impact (Upstream/Own operations)</i>	This negative impact in our upstream value chain and own operations relates to how a shift towards certain ingredients may be associated with adverse ecological effects, such as deforestation and habitat loss.
<b>Direct exploitation</b>	
<b>Intensive farming</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to how intensive farming practices can lead to resource depletion and disturb the balance of ecosystems.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Material impacts, risks and opportunities in detail

Our business model rests on biodiversity and nature being abundant and healthy. How we play our part must accommodate all of the intertwined elements to support a thriving ecosystem, and therefore the long-term resilience of food systems.

Together, they allow for the continued ability of nature and ecosystems to reliably supply agricultural products via insect-pollinated crops (e.g. cocoa, coffee), healthy soils, a stable water system and supply, and crop yields less affected by climate change (e.g. crop losses as a result of extreme heat, drought and/or floods).

The Nestlé Net Zero Roadmap sets forth the action plan that tackles both climate change mitigation and adaptation as well as, as a side effect, biodiversity and nature-related risks and opportunities.

### Pollinator decline

Pollination affects numerous essential agricultural commodities, including fruits (e.g. apples, berries, melons, avocados), vegetables (e.g. cucumbers, pumpkins, squash), nuts (e.g. almonds, Brazil nuts), beans, spices (e.g. vanilla), coffee and cocoa.

Pollinators are crucial for producing food crops. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services indicates that 75% of the world's food crops rely on pollinators, and a decline in their populations negatively impacts the quantity and quality of these foods. Pollination services can be negatively affected by multiple factors including, but not limited to, the inadequate or overuse of agrochemicals and pest-control molecules or the decline of natural habitats.

Our most exposed commodities related to **pollinator decline** are coffee and cocoa. Opportunity lies in the protection and enhancement of pollinators' services to support resilient agricultural production.

### Soil erosion

**Soil erosion** impacts agricultural commodities by reducing soil fertility, crop emergence, growth and overall yield, potentially leading to higher commodity prices. It also affects the quality and availability of livestock feed, consequently impacting the meat and dairy industries.

Wind, water and gravity can all be a source of **soil erosion** due to their effect on removing and transporting soil. Soils are also sensitive to agriculture-related practices such as deforestation, intensive agriculture (e.g. excessive tillage and lack of soil cover), overgrazing, removal of windbreaker/protective vegetation, and disturbance of the soil structure due to inappropriate agrochemical usage.

Our most exposed commodity related to **soil erosion** is grains. Opportunity lies in the use of regenerative agriculture practices boosting, among other metrics, the level of soil organic matter leading to healthy soils.

### Greenhouse gas emissions

The increase of **greenhouse gas emissions** destabilizes ecosystems and amplifies biodiversity loss. They can trigger habitat loss, disrupt species' area of distribution, and overwhelm organisms unprepared for rapid warming. Disturbance of ecosystems reduces their resilience and ability to support essential ecological functions such as pollination, nutrient cycling and carbon sequestration.

In addition, climate change impacts physical risks (quantity and quality) associated with food production, which in turn directly affects price volatility and the resilience of farmers' economic viability.

**Greenhouse gas emissions** have the potential to affect all our value chain steps and commodities.

See [Climate change](#).

### Deforestation

**Deforestation** can be driven by the expansion of the production of certain agricultural commodities. This leads to environmental impacts including loss of biodiversity, climate change and the displacement of local communities.

Our most exposed commodities related to **deforestation** are meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee.

As potential competitive assets, an opportunity may exist from leveraging the traceability of our commodities to demonstrate their deforestation-free credentials, and other attributes, to align with specific consumer-group preferences.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Transformation of product portfolio

While the **transformation of product portfolio** can support positive impacts or the mitigation of negative impacts, it is important to consider potential negative consequences related to product innovations, like deforestation or habitat loss, as well as any impact to local communities and ecosystems by the displacement of sourcing, or the need to switch to the agricultural production of other commodities.

### Intensive farming

**Intensive farming**, including monoculture, reduces biodiversity through the over-use of agrochemicals that can pollute habitats and affect wildlife. This creates homogenous landscapes that lead to the loss of diverse field margins.

The high inputs of fertilizers and pesticides associated with **intensive farming**, plus the heavy machinery and the removal of natural features like hedges, can contribute to habitat loss, reduced food sources for wildlife and lower genetic diversity.

Consequently, intensive farming can lead to declines in soil, insect, bird and plant populations making ecosystems less resilient to challenges like climate change.

## Assessing biodiversity and ecosystems impacts, risks and opportunities

The assessment of biodiversity and ecosystems impacts, risks and opportunities complements the double materiality assessment process by quantifying the potential impacts, dependencies, risks and opportunities specifically related to biodiversity and ecosystems. It identifies and assesses dependencies on nature leveraging the ENCORE database (a tool recommended by the Taskforce on Nature-related Financial Disclosures (TNFD)). It indicated that our dependencies are mostly related to healthy ecosystems, as follows:

- Pollination for certain natural raw materials (e.g. vegetables, perennial crops, fiber crops) in our upstream value chain.
- Sustainable water supply and water purification services for our own operations and upstream value chain.

- Soil health, soil quality regulation services, and soil and sediment retention services to ensure the production of the natural raw materials in our upstream value chain.
- Regulation services (e.g. rainfall or global climate regulation) in our upstream value chain.

### Impact assessments of our own sites

In 2025, we conducted an in depth-assessment of more than 2000 direct operations sites, which covered all Nestlé sites (e.g. factories, distribution sites, boutiques, offices, and others, such as R&D sites and lands) including globally owned and leased sites (e.g. subleased, head leased or land leased).

We assessed the exposure of our own operations to key biodiversity areas and protected areas.<sup>3</sup> To do so, we extracted from a geographic information system all the sites that are in or near biodiversity-sensitive areas. To broaden the sphere of influence in a precautionary approach, we included a five-kilometer radius for factories and a one-kilometer radius for all other sites.

Our process evaluated specifically the sites that may negatively affect biodiversity-sensitive areas.<sup>4</sup> Of the sites owned and leased by Nestlé, the type of site that may negatively affect biodiversity-sensitive areas is factories, due to water effluents. Thus, only factories located upstream of sensitive areas are taken into consideration. For other sites (including offices and distribution centers), the potential impacts on biodiversity-sensitive areas are related to car or truck traffic leading to increased GHG emissions, noise and light pollution, and waste production.

Overall, we identified that 311 Nestlé sites (16%) with a total surface of 4202 hectares are located in or near biodiversity sensitive areas (including key biodiversity areas and protected areas). For more details see [Metrics and targets](#). We plan further assessments to investigate the local-specific context of habitats, threatened species, watershed and water bodies.

### Impact assessments of our upstream value chain

In 2022, we began a deep-dive into a quantitative biodiversity-related scoping assessment to establish our nature-related baselines (land, water, pollution, biodiversity). This was done using the Biodiversity Extent, Condition and Significance (BECS) framework. This allowed us to estimate, for example, the land footprint associated with the production of raw materials in our supply chain.

<sup>3</sup> The World Database of Key Biodiversity Areas available at [www.keybiodiversityareas.org](http://www.keybiodiversityareas.org) and the World Database on Protected Areas available at [www.protectedplanet.net](http://www.protectedplanet.net).

<sup>4</sup> Based on our activities related to our sites, we excluded factories located downstream of biodiversity-sensitive areas. For other sites, we excluded sites smaller than 0.01 ha and certain types of sites (e.g. co-working offices, sales offices, boutiques) mainly located in urban areas.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

The non-land use impacts from our upstream value chain were estimated using the Global Biodiversity Score (GBS) tool – a corporate biodiversity footprint assessment tool that provides companies with a standardized biodiversity footprint score – which enabled us to compare biodiversity impacts in our supply chain from different pressures (e.g. land-use change, climate change, pollution, water use). These assessments covered our full supply chain, focusing on 10 specific commodities.

### Impact assessment following SBTN Guidance

In 2024, we started the assessment of our impacts on nature following the Science Based Targets for Nature (SBTN) Guidance on Step 1 and Step 2. Following this guidance, we assessed our direct operations and our upstream value chain – note, the downstream value chain is not included in the SBTN Guidance.

The SBTN Guidance provides standards to support measurable, actionable, time-bound and science-based targets, based on the best available science, to allow actors to align with Earth’s limits and societal sustainability goals. Our impacts on land, water and biodiversity were assessed at direct operations sites and upstream supply chain locations, evaluating both the pressures and the State of Nature (on ecosystems and species) to prioritize locations.

As part of the SBTN framework, we completed our materiality assessment and prioritization of impacts on nature. The SBTN materiality assessment aims to identify material pressures that could require target setting. It is separate and complementary to our double materiality assessment conducted for the purpose of our *Non-Financial Statement*.

We employed internationally recognized standards, tools and scientifically validated metrics to conduct our impact assessment, with a comprehensive approach as follows:

- Materiality: The SBTN Materiality Screening Tool and the High Impact Commodity List were used to identify the material pressures associated with our operational activities and upstream supply chain.
- BECS Assessment and GBS tool: These findings were used to estimate pressures on nature associated with the production of raw materials in the upstream supply chain.
- Life Cycle Assessment (LCA) based approach: The LCA was used to estimate pressures associated with upstream services and the packaging supply chain.
- State of Nature (SoN) in operational and upstream locations: SoN must be estimated by companies to understand in which locations their pressures may be most significant for biodiversity. We assessed both pressure-sensitive indicators State of Nature (SoN<sub>p</sub>) through Ecoregion Intactness Index and soil pollution data, and biodiversity State of Nature (SoN<sub>b</sub>), through the Species Threat Abatement and Restoration metric, and the World Wide Fund for Nature Risk Filter Suite.

This assessment confirmed that our main biodiversity and ecosystems-related impacts occur in our upstream supply chain, primarily due to the farming of agricultural commodities.

Process to assess biodiversity and ecosystems impacts, risks and opportunities of our own sites and value chains

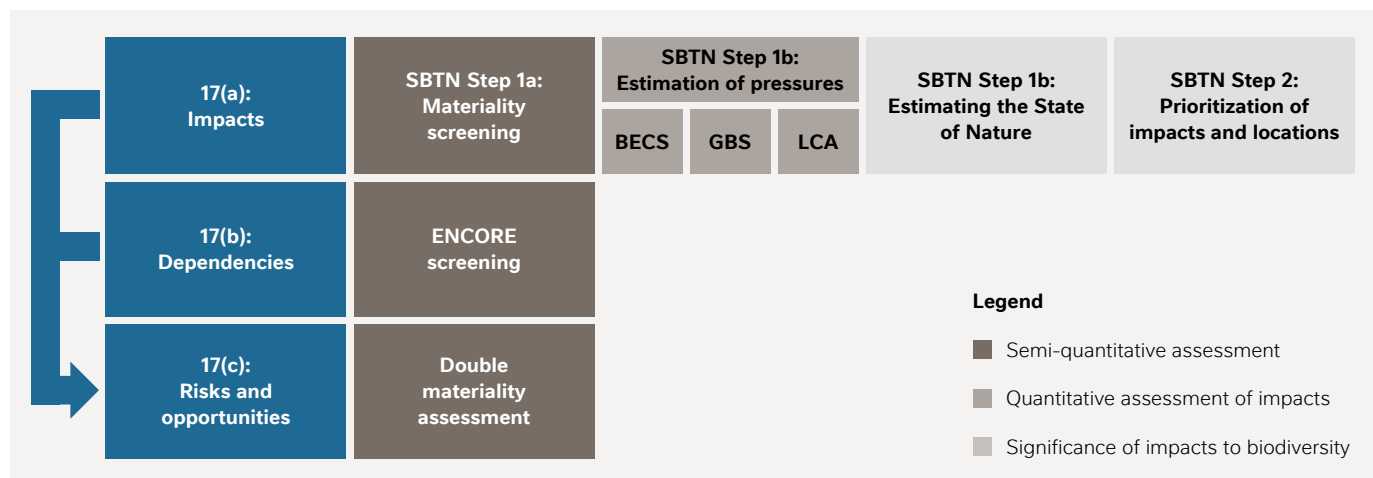


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Nature-related risks

In addition to the above impacts, we have conducted our nature-related risk assessment on 15 raw materials and four natural capital assets (i.e. soil, water, biodiversity and atmosphere). This assessment has been aligned to the TNFD framework, and uses datasets selected in accordance with UNEP-WCMC/ENCORE methodology (BII, ESDAC, ISRIC, EDGAR, ENCORE, ESA Land Cover).

Global data layers of natural capital asset depletion (soil depletion, water depletion, biodiversity depletion and atmosphere depletion) were matched to our sourcing locations for natural raw materials, and financial model and revenue dependency to evaluate our exposure to nature-related risks.

With this natural capital assessment, we have been able to prioritize actions towards mitigating impact on land, water and biodiversity that has helped to guide our responsible sourcing and regenerative agriculture operations and investments.

Looking ahead, we plan to continue with increased granular traceability data and an ongoing assessment of the priority actions needed, so we can engage and encourage our suppliers and local stakeholders to help build a more resilient value chain.

## Management of impacts, risks and opportunities

### Policies

The following three distinct biodiversity- and ecosystems-related policies help address the management of **pollinator decline, soil erosion, greenhouse gas emissions, deforestation, transformation of product portfolio** and **intensive farming**.

### Nestlé Net Zero Roadmap

The Nestlé Net Zero Roadmap sets forth interventions to transition our end-to-end supply chains to a lower-carbon business model, helping to address **greenhouse gas emissions**. It also has guidance on how we act on our **transformation of product portfolio**, plus actions related to other IROs detailed in this *Non-Financial Statement 2025*.

Through the implementation of our Net Zero Roadmap, we govern the conservation and restoration actions necessary to achieve the desired climate outcomes and associated biodiversity co-benefits.

## Nestlé Responsible Sourcing Core Requirements

The Nestlé Responsible Sourcing Core Requirements set out the requirements for our upstream supply chains and include the conservation and protection of High Carbon Stocks (HCS) and High Conservation Value (HCV) areas, among other requirements related to ecosystems. They also act as the basis for our deforestation-free operations and performance that aim to support the conservation of nature. Specifically, they require that there is no expansion of, 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), HCS forests, wetlands, savannas, and peatlands regardless of depth (except where farming practices protect peat), HCV lands in and around the producer territory, and riparian buffers adjacent to aquatic ecosystems (except where it complies with applicable law). Our Responsible Sourcing Core Requirements directly cover **pollinator decline, soil erosion, intensive farming** and **deforestation**. For more details, see [Actions and Resources](#).

### Nestlé Agriculture Framework

The Nestlé Agriculture Framework is our policy related to regenerative agriculture, which we define as an approach to farming that aims to conserve and restore farmland and its ecosystem. It promotes collective restoration efforts across the three key resources of any agricultural system: soil, water and biodiversity. Within the guidance is how we address impacts typically associated with conventional agricultural practices by providing alternatives based on regenerative agriculture practices. It directly covers **pollinator decline, soil erosion** and **intensive farming**, and the regenerative agriculture practices outlined can be found in [Actions and resources](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Actions and resources

Actions and resources for our **material IROs**, guided by the various policies, frameworks and/or strategies outlined in [Policies](#), are described in more detail below. We aim at applying a mitigation hierarchy for material impacts on nature, meaning to avoid, reduce, restore and finally regenerate.

Tied closely to our **material IROs** is our Salient Issue Action Plan: Indigenous Peoples’ and local communities’ land rights. This action plan recognizes that securing the land rights of Indigenous Peoples and local communities (IP&LCs) is critical to respecting human rights, fostering just and sustainable economies, conserving forests and other natural ecosystems, enabling the success of nature-based solutions, achieving climate protection, and creating a just and equitable transition to regenerative food systems. See more in [Affected communities](#).

Moreover, IP&LCs have long been the stewards of precious land resources. As such, respecting and promoting the land rights of IP&LCs is also important to the achievement of our net zero commitment, as well as a key element of our plans to support and accelerate the transition to regenerative food systems – which also help to mitigate our **material IROs**.

### Pollinator decline

Our Nestlé Responsible Sourcing Core Requirements address **pollinator decline** by requiring our suppliers not to use particularly harmful pesticides for in-field applications, and to ensure proper measures are applied in relation to the application of pesticides, such as ensuring that the decision to use synthetic pesticides is based on prior monitoring, evaluation and forecasting of the pest pressure, rather than on a systematic approach. It also requires suppliers (except from small farms or smallholder farmers) to have year-round nutrient management plans in place.

Our Agriculture Framework promotes the implementation of integrated pest management or biocontrol methods to manage pest populations to reduce **pollinator decline**. This includes the use of a combination of cultural, mechanical and biological interventions prior to resorting to the use of chemicals to manage or destroy pest populations. We recommend:

- **Mulching:** The use of organic material to cover the soil surface to help reduce the need for herbicides and pesticides, reducing pollution impact drivers on pollinator populations.
- **Crop rotation:** This can help to prevent disease outbreaks, reduce the likelihood of pest infestations and subsequently reduce the need for pesticides.

- **Intercropping:** The growing of multiple crops in the same field with the aim of supporting the populations of a broader variety of beneficial insects and other species, subsequently acting as a form of biocontrol of pests.
- **Cover crops:** These support the restoration and regeneration of pollinator populations, as pollinators can be attracted depending on the selection of crops.
- **Agroforestry or silvo-pastoral systems:** The growing of trees and hedgerows in the same systems in which livestock are raised and crops are grown, which can directly provide habitats for pollinators, birds and beneficial insects that can support the biocontrol of pests.
- **Riparian buffers:** The protection, restoration and health of riparian buffers, which are the strips of land along waterways and water bodies, along with the growing of hedges or hedgerows, can provide habitats for pollinators and predator species; the latter being a nature-based method to control pest species.

### Soil erosion

Our Responsible Sourcing Core Requirements address **soil erosion** by requiring that suppliers must not use particularly harmful pesticides for in-field applications

Additionally, our Agriculture Framework promotes the implementation of cover-cropping, primarily to reduce **soil erosion** as well as to contribute to overall soil health by adding biomass and supporting soil organic matter. It promotes crop rotations, which is the practice of planting different crops sequentially in the same plot over several years, to avoid planting the same crop in the same field year after year, helping to prevent nutrient depletion, support the health of soil and reduce **soil erosion**.

Similarly, intercropping, which refers to growing several crops simultaneously in the same field, can help to reduce the risk of soil erosion by fortifying root networks within soils, which help to anchor the soil itself. Mulching is encouraged to help conserve soil moisture, stabilize soil temperatures and prevent soil erosion.

Minimal and conservation tillage methods are included in our Agriculture Framework to reduce the disturbance of soil, including methods such as ridge tillage or mulch tillage, which in turn helps to prevent **soil erosion**.

Organic fertilizers, such as manure and compost, are included in our Agriculture Framework as a way to support soil fertility by adding additional biomass essential for soil health and lessen the likelihood of **soil erosion**.

Integrated nutrient management, meaning the clear calculation and application of fertilizer dependent on the needs of the crop, can reduce impacts on soil biodiversity and health, which may lead to **soil erosion**.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

Agroforestry and silvo-pastoral techniques, and the growing and maintenance of hedges and hedgerows, can help support soil health by increasing soil organic matter and creating windbreaks to prevent **soil erosion**.

Finally, the restoration and maintenance of riparian buffers within landscapes, which are the strips of land along waterways or water bodies, helps to prevent **soil erosion** impacts on land adjacent to waterways.

## Greenhouse gas emissions

To limit **greenhouse gas emissions** our Responsible Sourcing Core Requirements explicitly state that suppliers are required to implement a time-bound plan addressing Scope 1, 2 and 3 GHG emissions aligned with science-based targets consistent with the Paris Agreement.

Suppliers must share GHG reduction data with Nestlé, upon request, maintain a written policy on climate action, and have processes to monitor and report progress against specific climate targets.

## Deforestation

To avoid **deforestation** our Responsible Sourcing Core Requirements prohibit direct suppliers and Origins from the expansion of, or production on, areas converted from natural forests and other natural ecosystems prior to a specified cut-off date, and requires suppliers to document prevention procedures and processes.

This requirement covers primary forests, protected areas (e.g. IUCN protected areas categories I-IV, UNESCO World Heritage Sites, wetlands on the Ramsar List), HCV lands in and around the producer territory, 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).

We apply commodity sectoral cut-off dates where they exist, but in no case later than December 31, 2020 (for more details see [Responsible Sourcing Core Requirements](#)). We use a combination of tools, including certification, supply chain mapping, on-the-ground verification and satellite imagery to assess deforestation in our supply chain.

To reduce **deforestation** our Responsible Sourcing Core Requirements state that raw material producers are required to prevent and mitigate the degradation of ecological integrity of forests, natural ecosystems and agroforestry systems. In the context of forestry for pulp and paper, we require a forest management plan from suppliers.

If allegations of **deforestation** arise concerning a mill or farm in our supply chain, action is taken in coordination with our direct suppliers to swiftly address the situation and develop an action plan, as needed. We also support training programs for smallholders to help improve traceability along our supply chain.

## Transformation of product portfolio

As we adapt to shifting consumer preferences and regulatory landscapes, the **transformation of our product portfolio** – especially the transition to plant-based proteins and paper-based packaging – requires a rigorous early assessment to avoid unintended environmental or social consequences.

Our two areas of particular focus relate to the risk of contributing to deforestation through new sourcing practices, and the potential social impacts associated with shifts in supply chain origins.

## Intensive farming

As with **deforestation**, we aim to avoid **intensive farming** through actions related to our Responsible Sourcing Core Requirements that prohibit direct suppliers and Origins from the expansion of, or production on, areas converted from natural forests and other natural ecosystems prior to a specified cut-off date and require suppliers to document prevention procedures and processes. We also require, where possible, prevention and mitigation by raw material producers to reduce impacts on the ecological integrity of adjacent natural ecosystems.

To reduce **intensive farming** impacts, our Agriculture Framework promotes the implementation of irrigation technologies, such as drip and subsurface irrigation, to help reduce water demands in the upstream supply chain. Like other IROs described above, our Agriculture Framework includes actions in support of the maintenance of soil health, such as intercropping and mulching, and actions in support of helping soils to maintain moisture, again reducing the need for additional irrigation to reduce the risk of depletion for local water resources. Plus, it also includes integrated nutrient and pest management practices that reduce the need for synthetic fertilizers and other agrochemicals. As with **deforestation**, our Agriculture Framework encourages farmers and suppliers to engage in landscape-scale actions, including the protection or rehabilitation of natural resources contributing to higher resilience of farming systems and delivering several other benefits to local communities. These types of projects are much more impactful when implemented at a regional level.

Overall, the promotion and implementation of our Agriculture Framework is our approach to help transform the way agricultural systems produce food, avoiding and reducing impacts on biodiversity and ecosystems related to traditional **intensive farming** methods.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Metrics and targets

Reducing our impacts on nature, which are linked to sourcing our key ingredients, and conserving and restoring key ecosystems, are crucial steps to building a resilient supply chain. We have established various nature-related targets in our upstream value chain.

- By 2025, we aimed to achieve and maintain 100% assessed deforestation-free primary supply chains: meat, palm oil, pulp and paper, soy, sugar, cocoa, and coffee.
- By 2030, we aim for 100% of volumes of key ingredients to be responsibly sourced.<sup>5</sup>
- By 2025, we aimed for 20% of volumes of key ingredients to be sourced from farmers adopting regenerative agriculture practices, and 50% by 2030.<sup>6</sup>

## Nestlé Specific KPIs

The following Nestlé Specific KPIs reflect the mitigation hierarchy under [Actions and resources](#).

### Avoiding and reducing our impacts

As part of our long-standing commitment to addressing **deforestation**, we have been reporting on our progress towards achieving and maintaining, by the end of 2025, 100% assessed deforestation-free primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa, and coffee.

Our performance by the end of 2025, at 96.7%, reflects over a decade of investment in traceability, supplier engagement and landscape-level interventions, while being challenged by operational complexities, particularly in extended supply chains and geographies with limited verification infrastructure. In cocoa, based on the learnings of previous years, we have focused our deforestation-free efforts on “first-mile traceability” (i.e. tracking beans from their origin to the supplier’s first point of aggregation). This approach aligns our assessment with emerging industry practices, and reinforces the integrity of our traceability systems at the start of the supply chain.

The gap between our performance and meeting our commitment in full is due to traceability and infrastructure challenges in global commodity supply chains. We are developing our plans for the coming years by incorporating the lessons learned and considering the challenges outlined previously.

Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free (percentage)

	2024	2025
Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	93.5	96.7
Meat	100.0	100.0
Palm oil	96.3	96.3
Pulp and paper	99.0	99.4
Soy	96.1	97.9
Sugar	97.8	97.0
Cocoa	46.4	91.7
Coffee	93.1	94.2

### Reducing our impacts and conserving natural ecosystems

#### Direct operations

Our double materiality assessment concluded that our direct operations sites do not have direct material impact on biodiversity. The following metrics related to our direct operation sites are thus not connected to our **material IROs**, and no specific target has been set. However, we do report on certain pressures from our direct operations that may contribute to biodiversity impacts (see [Pollution](#) and [Water resources](#)).

To reduce any potential impacts on biodiversity related to our direct operations sites, we continue to identify the sites located in or near biodiversity-sensitive areas<sup>7</sup> and evaluate the activities of those sites that may negatively affect the biodiversity-sensitive areas.

<sup>5</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>6</sup> The key ingredients in scope for KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>7</sup> Based on our activities related to our sites, we excluded factories located downstream of biodiversity-sensitive areas. For other sites, we excluded sites smaller than 0.01 ha and certain types of sites (e.g. co-working offices, sales offices, boutiques) mainly located in urban areas.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

We report the following metrics:

Number and area of Nestlé sites in or near and could negatively affect biodiversity-sensitive area<sup>8</sup>

Type of sites	Number of Nestlé sites	Area (in hectares) of Nestlé sites	Buffer zone
Factories	183	3771	5km
Distribution sites	24	37	1km
Offices, R&D sites and lands	104	394	
<b>Total</b>	<b>311</b>	<b>4202</b>	

### Supply chain

By 2030, we aim for 100% of volumes of key ingredients to be responsibly sourced. This relates to, among other topics, **deforestation, soil erosion** and **intensive farming**. By end of 2025, this figure reached 49.8%. We continue to make progress towards our 2030 target.

In 2025, we achieved 27.6% of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices, ahead of our 2025 target of 20%, contributing to supply chain resilience and reducing **greenhouse gas emissions**. This performance has also contributed to mitigating **soil erosion, pollinator decline** and **intensive farming**.

The performance measure of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices is calculated by: total volume of ingredient categories in scope from farmers qualified as “Engaged” in the transition towards regenerative agriculture (Level 1), “Advanced” (Level 2), or “Leading” (Level 3); divided by the total volume of ingredient categories in scope; with the volumes measured in tonnes during the given year.

Level 1 is an entry point in regenerative agriculture practices and constitutes a transition towards the more advanced regenerative agriculture practices of Level 2 and Level 3.

### Restoration and landscape engagement

To make a contribution towards restoration, our first step is the evaluation of our land footprint, both in our direct operations (i.e. total amount of land use by our direct operations sites) and in our upstream value chain (i.e. total amount of agricultural land required per year to produce our sourced ingredients). Understanding our land footprint allows us to prioritize actions and geographies with the aim of mitigating **pollinator decline, soil erosion, deforestation and intensive farming**. We use the following metrics:

Land footprint for direct operations (hectares)

	2025
Land footprint for direct operations	10 330

Land footprint in agriculture (millions of hectares)

	2025
Land footprint in agriculture	12.8

To prioritize our actions in terms of landscape engagement and ensure that we develop synergies between climate and nature outcomes for our projects, we evaluate the percentage of key ingredients<sup>9</sup> sourced from priority ecosystems<sup>10</sup> and monitor the number of trees planted under the Global Reforestation Program. The following metrics are used:

Percentage of key ingredients sourced from priority ecosystems

	2025
Percentage of key ingredients sourced from priority ecosystems	2.8

Number of trees planted under the Global Reforestation Program

	2025
Number of trees planted under Global Reforestation Program	8 773 352

<sup>8</sup> Based on our activities related to our sites, we excluded factories located downstream of biodiversity-sensitive areas. For other sites, we excluded sites smaller than 0.01 ha and certain types of sites (e.g. co-working offices, sales offices, boutiques) mainly located in urban areas.

<sup>9</sup> The key ingredients in scope for KPI #18 **Percentage of key ingredients sourced from priority ecosystems** can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>10</sup> Priority ecosystems are ecosystems located in our sourcing regions where we have identified potential material impacts in ecologically sensitive areas.

# Resource use and circular economy

Impacts from plastic packaging waste and food loss and waste demand a holistic change away from linear economic models. We seek to overcome the economic, environmental and social implications of inefficient use of resources. Our innovations in packaging design, governmental support for system change, valorization of agricultural byproducts, and other actions, such as promotion of new consumer behaviors, help to achieve this aim.

**Key performance**

**Plastic packaging designed for recycling**

We achieved 87.5% of our plastic packaging designed for recycling and continue to work on improving packaging recyclability or reusability.

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**Virgin plastic reduction versus 2018**

We achieved 28.0% reduction in our use of virgin plastic compared with our 2018 baseline.

● Positive impact ● Negative impact ● Risk

- 15 ● Packaging
- 16 ● Food loss and waste

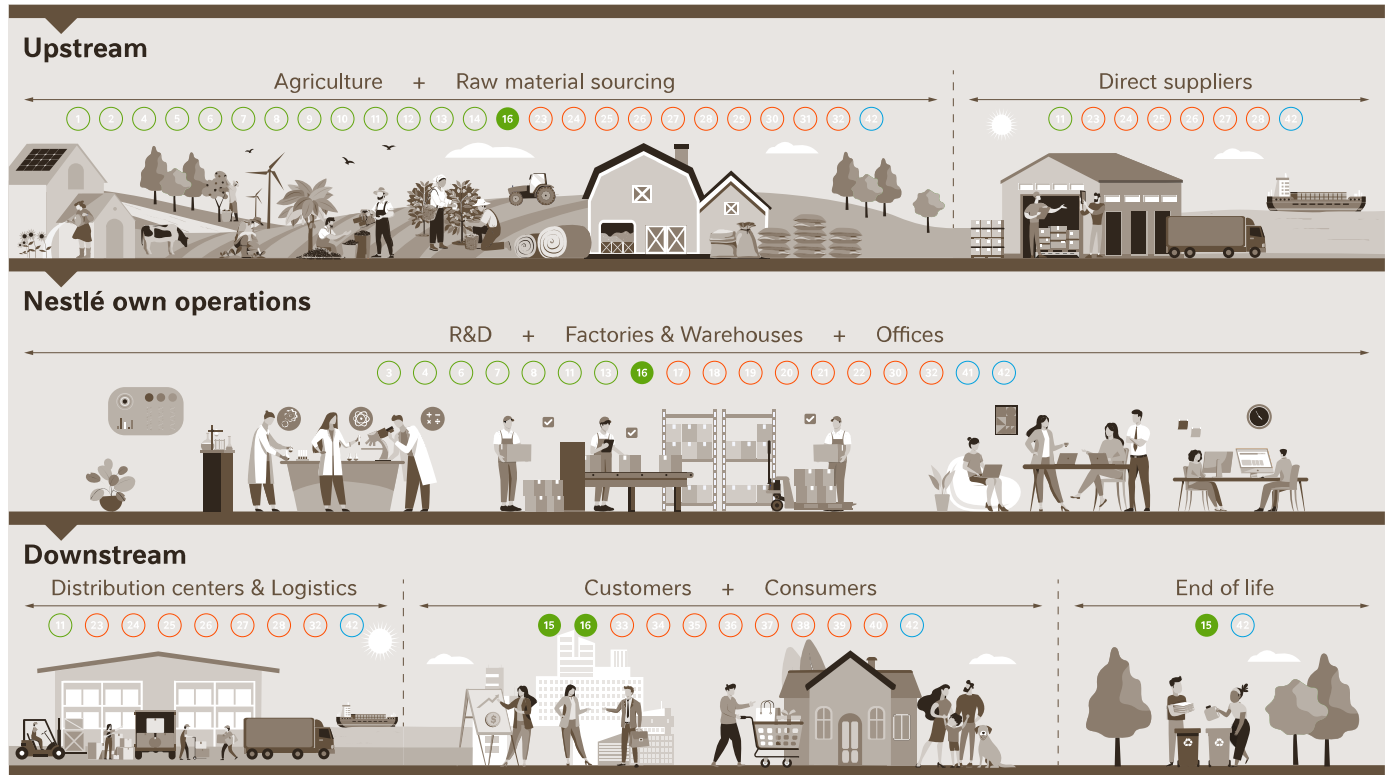


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

# Material impacts, risks and opportunities

IRO summary

<b>IRO</b>	<b>Material IRO description</b>
<b>Resource outflows related to products and services</b>	
<b>Packaging</b> <i>Negative impact (Downstream)</i>	This negative impact in our downstream value chain arises where inadequate packaging designs for minimal material use, the lack of progress on reusability, recyclability or compostability of materials, and the lack of proper infrastructure can lead to increased environmental degradation and elevate the demand for raw materials. <sup>1</sup>
<b>Food loss and waste</b> <i>Negative impact (Upstream/Own operations/Downstream)</i>	This negative impact across our value chain encompasses the unnecessary disposal of edible products, raw material and ingredients involved throughout manufacturing, distribution and consumption. This can have economic, environmental and social implications, such as unnecessary use of resources and greenhouse gas emissions. <sup>2</sup>

## Material impacts, risks and opportunities in detail

### Packaging

Our vision is that none of our packaging ends up in landfills or as litter, preventing waste on land and in oceans.

We address our **packaging** impact through our packaging sustainability strategy and related policies. We use a number of packaging materials including paper, plastics, metal and glass. Our strategy for packaging and circularity covers all materials that we use. The material issues in resource use and circularity are plastics focused. In support of the downstream value chain, we are mitigating the impact of **packaging** by improving packaging design, increasing use and availability of alternative materials, and supporting initiatives that enable the development of waste management and recycling infrastructure. Alongside these measures, we are working towards a circular economy for materials through less packaging, better packaging and better systems.

We seek to create a future where optimized packaging design, innovative new materials, improved recycling infrastructure, and reusable or refillable packaging all work together to prevent waste.

### Food loss and waste

We address food loss (i.e. food mass reduction in production, post-harvest and processing stages in the food supply chain) and food waste (i.e. food wasted at retailer or consumer level) via a combination of internal rules and guidelines on overall waste management in our own operations (Standard on Disposal and Destruction of Non-Conforming Goods and Market Returns).

We prioritize reuse, whenever it is safe to do so, and we repurpose food materials, when possible. Destruction is the last resort and constitutes only a minor part of food loss in our factories.

In our upstream value chain, we have some initiatives partnering with farmers to limit harvest loss and encourage byproduct valorization on some strategic crops.

We address food waste in our downstream value chain by encouraging consumers to make the most out of their food, for instance, valorizing leftovers. We also donate surplus food, when food is still safe to be consumed.

<sup>1</sup> In the *Non-Financial Statement 2024*, this impact was connected with our "own operations". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

<sup>2</sup> In the *Non-Financial Statement 2024*, this impact was not connected with our "upstream value chain". In the *Non-Financial Statement 2025*, this is added to better reflect the scope of the impact.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Management of impacts, risks and opportunities

### Policies (overall)

We have developed a set of internal policies relating to both **packaging** and **food loss and waste** based on principles set out in the Nestlé Environmental Requirements Standard, and others, which we have highlighted individually to each IRO below.

#### Nestlé Environmental Requirements Standard

The Nestlé Environmental Requirements Standard mandates how we approach waste across the company, and it is the principal way of operationalizing our waste strategy.

Our Environmental Requirements Standard applies to all our factories, warehouses and distribution centers, and specifically states in the section for waste that:

- On-site incineration of waste and byproducts is not permitted.
- All waste for disposal and byproducts must be disposed of/managed in a legally approved manner, meeting the requirements of the waste contract, including retention of relevant records.
- Factories must ensure no waste for disposal is being sent to landfill unless otherwise required by law, in which case it would be reported as, “Waste for disposal by law”.

### Policies (related to packaging)

All our policies are complemented by the Group’s packaging sustainability strategy, which provides an overview of the strategy, commitments and policies outlined on the following pages.

As a signatory of the Ellen MacArthur Foundation (EMF) Global Commitment, we provide voluntary reporting to the public on our plastic packaging footprint and progress on our commitments.

We follow the guidelines of the EMF “New Plastics Economy Commitment – Commitments, Vision and Definitions (February, 2020)” in our policies and, in preparing our plastic packaging voluntary disclosures, we referred to the “[Global Commitment Reporting Guidelines](#)” of EMF.

#### Nestlé Rules of Packaging Sustainability

We proactively address packaging circularity via the Nestlé Rules of Packaging Sustainability that offer the primary framework for action covering all finished products we sell, including plastic packaging. It is made available to our supply chain partners, as relevant.

Our Rules of Packaging Sustainability are a comprehensive set of packaging design rules, building on external and internal guidelines. Our Rules of Packaging Sustainability have helped to ensure our global and local packaging transformation has contributed to the achievement of our packaging commitments.

Our Rules of Packaging Sustainability leverage the voluntary framework for packaging sustainability developed by the Consumer Goods Forum, called the “[Golden Design Rules](#)”.

Nestlé’s Golden Design Rules guide and define the way we design packaging today and in the future to reduce the materials we use and to ensure recyclability.

- Eliminate problematic or unnecessary packaging.
- Eliminate excessive headspace (rigid and flexibles).
- Follow regional/local industry guidelines for design for recycling where the product is marketed.
- Consider local recycling infrastructure.
- Increase recycling value for packaging types that are recycled at scale.
- Maximize recycled content without compromising product safety.
- Holistically optimize primary, secondary and tertiary packaging.
- Comply to the receiving market requirements for intermarket supply.
- Improve environmental performance of B2B packaging.
- Engage in communication with consumers on how to responsibly dispose of packaging.

#### The Negative List

The Negative List addresses the removal or replacement of materials that are both within our control and will have the most immediate effect in mitigating the impact relating to **packaging**.

Our Negative List explains what is to be removed and gives an indicative timeline for the removal, including materials, additives, packaging concepts, and items that are, or will be, considered obsolete; based on the evolution of future sortation and recycling technologies, waste management infrastructure and legal/regulatory frameworks.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Policies (related to food loss and waste)

### Disposal or Destruction of Non-Conforming Goods and Market Returns Standard

The Disposal or Destruction of Non-Conforming Goods and Market Returns Standard has strict rules for safely returning, destroying or otherwise disposing of food products that have been returned to Nestlé in compliance with local regulations. It therefore contributes to how we reduce the negative economic, environmental and social impacts relating to **food loss and waste**.

Our standard supports the reduction of **food loss and waste** by establishing clear processes that prevent unnecessary disposal, and by ensuring the proper handling of goods that are returned or deemed non-conforming. These processes include assessing the condition of products, determining appropriate reuse or disposal pathways, and maintaining traceability throughout. Tracking returns and identifying patterns enables Markets to take targeted actions that reduce waste and improve operational efficiency.

Our standard applies to all our factories, warehouses and distribution centers, covering all activities involving non-conforming goods, and Market returns and Market refusals. These activities include the post-manufacturing handling of finished goods, distribution, warehousing, the logistics of Market returns, and downstream waste management. Specifically, the standard states that we follow:

- Prioritization of reuse over destruction, with clear procedures for donating products or downgrading them to animal feed and safeguards for traceability and labeling, enabling us to avoid unnecessary destruction.
- Destruction is a last resort, so we only destroy products that cannot be safely reused.
- Prohibition of on-site incineration in favor of legal, safe and environmentally sound destruction methods, with documentation and supervision of destruction processes that involve third-party and governmental oversight where needed.
- Mandatory return policies for infant nutrition products, any exceptions to which must be expressly authorized.
- Action planning and continuous tracking to improve operational efficiency, identify causes of food waste, and reduce it.
- Clear roles and responsibilities for different teams and functions within our organization.

These measures ensure that food products are handled responsibly, supporting our aim to reduce **food loss and waste**, while maintaining product integrity and regulatory compliance.

## Processes to engage with stakeholders

### Engaging stakeholders on packaging

We proactively engage with stakeholders nationally, regionally and internationally to understand their perspectives, and incorporate their views into our strategy and policy development for managing the negative impacts of **packaging**. We engage on an ongoing basis with stakeholders active in the circular economy value chain, as well as those impacted by our value chains' activities. This is done on a bilaterally and collectively convening basis.

To proactively address the risks facing waste pickers, we have partnered and engaged with civil society, waste workers' representatives, and experts in the United Nations Guiding Principles on Business and Human Rights to develop the Fair Circularity Initiative (FCI), which comprises 10 guiding principles for corporate engagement with waste pickers to ensure their voices and interests are respected and considered.

We support governments accelerating construction of the waste management infrastructure needed for collection, reuse, recycling or energy recovery to work well globally. Along with others, we advocate for harmonized regulation and an ambitious result for the United Nations Plastics Treaty.

### Engaging stakeholders on food loss and waste

We actively address opportunities to reduce **food loss and waste**. Where possible, we partner with other organizations to reduce food waste such as the Waste and Resources Action Programme (WRAP) and the Global FoodBanking Network. In Europe, we have engaged with the EU Platform on Food Losses and Food Waste through our industry associations.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Actions and resources

### Packaging

#### Packaging materials and systems

The scope of our actions covers the primary, secondary and tertiary **packaging** materials for all food and beverage finished products we sell.

Our packaging sustainability strategy focuses on five pillars of action which each help to address our material impact of **packaging**, as detailed below.

#### 1. Less Packaging – Reduce

We aim to use less packaging material, including less virgin plastic.

#### 2. Less Packaging – Reuse and Refill

We aim to reduce the need for disposable packaging, and we are working to invest in innovative, alternative delivery systems.

#### 3. Better Packaging – Redesign

We are collaborating with industrial partners to develop new packaging materials and solutions, and we are working to design our plastic packaging for recycling systems, while increasing recyclable or reusable packaging.

Across many key areas of action for packaging, our Nestlé Institute of Packaging Sciences, which opened in 2019, has been evaluating the safety and functionality of innovative packaging solutions that are recyclable, reusable, biodegradable or compostable, with the aim of reducing the overall amount of packaging used.

We are investing to accelerate the development of a better environmental profile (i.e. less virgin plastic) for our packaging and to improve infrastructure in support of a circular economy for packaging materials, supported by our Nestlé Venture Funds.

#### 4. Better Systems – Recycle

We strive to work collaboratively on helping solve the systemic issue of plastic waste entering the environment. In many countries, waste management infrastructure does not match the need.

We engage in developing post-consumer collection, sorting and recycling systems across the vast majority of our operating markets, and have made progress taking voluntary actions in this area.

We support governments in accelerating infrastructure development to establish well-functioning collection, sorting and recycling schemes, and by scaling up reusable and refillable alternatives where possible.

As of 2025, we have supported over 200 collection projects and activities in countries around the world. In these activities, we partner with local waste management entities and stakeholders to collect, sort, trade, recycle or valorize post-use materials.

We also seek to integrate recycled content into primary, secondary and tertiary packaging materials where possible.

We work with the FCI on living income assessment methodology and trainings, and on partnerships with waste collector associations and cooperatives for more than a dozen capacity building and site assessments for living income. This partnership also provides a channel for joint advocacy and communication on waste picker human rights.

#### 5. Better Systems – Rethinking Behaviors

Globally, solving the packaging waste management challenge requires a fundamental behavioral change from all stakeholders, including our Group, retail partners, governments, suppliers and consumers.

We incorporate consumer engagement in multiple channels such as on-pack communications, waste management education, community collection and education outreach, and collection point development.

We further advocate for well-designed regulation, building on the principles of the waste management hierarchy to deliver meaningful systems change towards a circular economy for packaging.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Food loss and waste

### Food loss in operations and waste downstream

Our actions to proactively mitigate **food loss and waste** comprise several practical, technological and educational initiatives, as outlined below.

#### Food loss in our upstream value chain

For food loss in our upstream value chain, our initiatives include providing technical assistance to farming communities to avoid post-harvest losses, and optimizing the delivery of raw materials to Nestlé factories.

As an example, in Brazil, we are piloting innovative solutions to valorize what would usually be unused parts of cocoa pods (pulp, placenta and husk) in the process of making chocolate, enabling less food loss from the cocoa fruit.

#### Food loss in our own operations

As described in [Policies](#), we have processes in place to reduce food loss in our own operations, which includes ways to prioritize reuse over destruction.

In 2025, we strengthened the processes for our supply chain team to collect data and report on food loss from bad goods, which includes final products which have expired, been damaged or lost, as well as those recalled or withdrawn.

We have improved how our supply chain teams track food loss from bad goods by refining definitions, introducing clear classifications, and embedding them into accounting standards. Bad goods are now grouped into three types:

- Sales-related (e.g. expired or damaged during transport).
- Non-sales-related (e.g. spoilage or recalls).
- Hidden (e.g. unusable raw materials).

These categories are now tracked in profit and loss reporting, helping teams better understand and manage food loss.

To support this, we have enhanced our digital tools and workflows, for example, Nestlé’s Information System integration enables product data tracking, advanced planning tools that improve forecasting and inventory control, and Power BI dashboards that offer global visibility.

Return processing has also been strengthened with clear procedures across sales, transport, and warehouse teams to ensure consistent handling of bad goods.

In our factories, we have been using spent coffee grounds in biomass boilers or in composting to valorize this byproduct of coffee manufacturing.

In 2025, we created the Nestlé Food Bank Alliance to add to existing partnerships and find more channels for others to use the edible food that we cannot sell. The Alliance is a collaboration with three long-time food bank partners covering over 80 countries worldwide. This Alliance will both reduce food loss from our operations where there is surplus food, and help our food bank partners reach people where there is a critical need for food.

In the United Kingdom, we partnered with WRAP to reduce food loss in our own operations, part of an industry-wide program of work showing how the UK food industry will help achieve the UK Food and Drink Pact (formerly the Courtauld Commitment 2030) 2025 targets, and the UN’s Sustainable Development Goal 12.3 to halve food waste by 2030.

#### Food waste in our downstream value chain

In our downstream value chain, food waste initiatives are focused on raising awareness of the issue among consumers and providing guidance on actions they can take to avoid food waste.

For example, in the United Kingdom, France and Switzerland, we partnered with Too Good to Go, the food waste fighting initiative, which supports the [“Look, Smell, Taste, Don’t Waste” campaign](#) to tackle date label confusion. In Poland and Portugal, we have been actively selling surplus food via the Too Good To Go app. We also shared information and guidance with consumers on the packaging of key products.

We also empower consumers through our products and services to make the most of their food and reduce food waste in their homes. For example, in Australia and Poland, we designed and shared specific recipe solutions that help consumers create meals from leftovers in their fridges (e.g. chicken, beef, vegetables), an action that also helps to support consumers with more affordable diets.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Metrics and targets<sup>3</sup>

### Packaging

We have worked on two main targets related to **packaging** by the end of 2025:

- Design above 95% of plastic packaging for recycling systems and continue to work towards 100% being recyclable or reusable.
- Reduce the use of virgin plastic by one third, versus the 2018 baseline.

#### Ellen MacArthur Foundation’s Global Commitment

Our packaging targets were set as part of our participation as a signatory of the United Nations Environment Programme/ Ellen McArthur Foundation (EMF) co-hosted New Plastics Economy Global Commitment starting in 2018. The members were brought together by the shared aspiration that 100% of plastic packaging would be recyclable, reusable or compostable by 2025.

#### 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 scope 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 the 2018 baseline is updated accordingly.

#### Target and KPIs scope

Our targets and KPIs cover the primary, secondary and tertiary packaging materials for all finished food and beverage products we sell, and currently cover 95% of our sales.

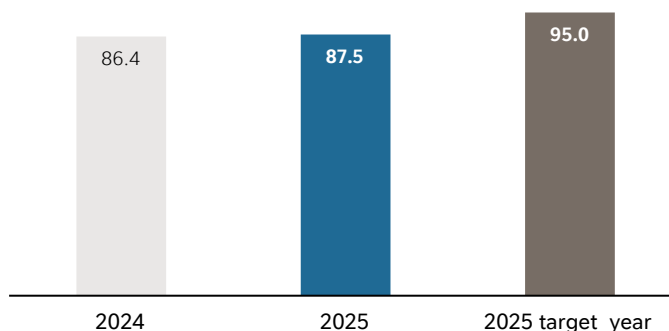
#### Performance data preparation

The main source of data for the KPIs is our sales data. Each unit sold has a defined weight of packaging 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 pages.

### Plastic packaging designed for recycling

In 2025, design improvements meant that we reached 87.5% of plastic packaging designed for recycling, reflecting the ongoing investments in packaging transformation projects. The remaining gap continues to highlight technical challenges and limited progress of adequate waste management infrastructure in many of the countries where we operate.

Plastic packaging designed for recycling (percentage)



#### Methodology

Packaging Designed for Recycling (D4R) refers to packaging materials and formats which are compliant with our Negative List and aligned with our Golden Rules (see [Policies](#)).

The D4R definition also uses some aspects of the EMF reporting guidelines and Consumer Goods Forum “Golden 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 plastic 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.

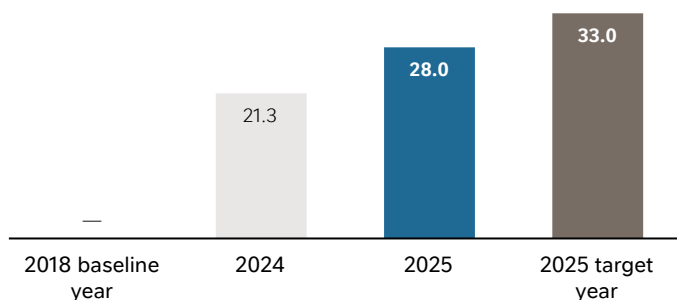
<sup>3</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

### Virgin plastic reduction versus 2018

In 2025, we reduced the usage of virgin plastic by 28.0% versus the 2018 baseline. This progress marks our highest annual reduction since this target was set. Despite this substantial progress, our performance falls short of our 2025 ambition due to the limitations on supply and supporting regulations of food grade recycled polymers at scale.

Virgin plastic reduction versus 2018 (percentage)



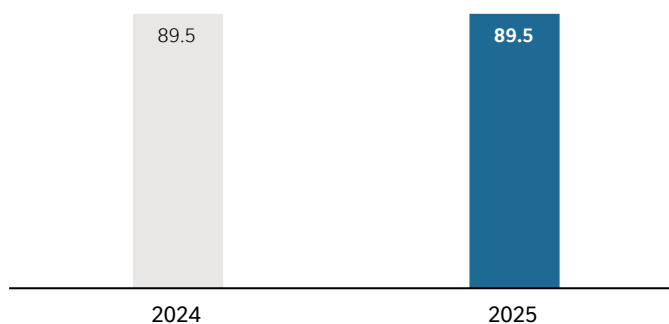
#### Methodology

The percentage is defined by reduction of usage of virgin plastic between the reporting period and 2018, divided by the 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 accounted for in the calculation.

### Packaging that is recyclable, reusable or compostable

In 2025, the proportion of our packaging that was recyclable, reusable or compostable was 89.5%.

Packaging that is recyclable, reusable or compostable (percentage)



#### Methodology

The 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 all our packaging.

**Recyclable:** As defined in the EMF 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:** Following ISO 18603, reusable is the characteristic of a product or packaging that has been conceived and designed to accomplish within its lifecycle an expected 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 lifecycle 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Food loss and waste

### Composition of waste

Nestlé defines food loss from manufacturing as any substance (whether processed, semi-processed or raw) that has been used in the manufacture, preparation or treatment of food (e.g. ingredients) including drinks and whatever is intended for human or pet consumption. It includes both food that is safe and not safe for human or pet consumption; for example, canteen food waste, unusable raw materials, semi-finished goods, which have been, or will be, destroyed and taken out of inventories as a result of them becoming obsolete due to recipe changes, product expiration or low demand.

Food loss is accounted for within the total weight of waste generated under the “biomass” category.

Food loss represents only a low percentage of Nestlé’s emissions; however, **food loss and waste** are complex to address.

### Methodology

For the calculation of overall waste generated in our 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 “byproduct”.

This KPI includes both quantities of waste for disposal and byproducts to give the total weight of waste generated from January to December for a given year. Waste and byproduct 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 Group level into the waste composition categories of “biomass” and “other waste”. The KPI “Total weight of waste generated” is reported on Nestlé’s Safety, Health and Environment Performance Management internal reporting tool.

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

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 <sup>4</sup>		Non-hazardous waste generated		Total	
	2024	2025	2024	2025	2024	2025
Biomass	2249	2201	1 174 624	1 249 375	1 176 873	1 251 576
Other waste	13 506	8793	581 380	578 698	594 886	587 491
<b>Total</b>	<b>15 755</b>	<b>10 994</b>	<b>1 756 004</b>	<b>1 828 073</b>	<b>1 771 759</b>	<b>1 839 067</b>

<sup>4</sup> The 2024 value for biomass reported in the Non-Financial Statement 2024 has been adjusted due to updated biomass volumes.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Nestlé Specific KPIs

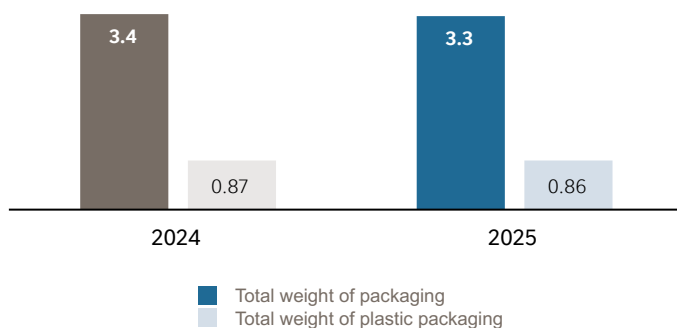
### Total weight of packaging

The total weight of packaging is a key metric to assess our progress in relation to **packaging**.

Total weight of packaging is the volume of packaging in kilograms placed on the market.

By tracking the weight of primary, secondary and tertiary packaging, this KPI provides an understanding of the environmental impact related to packaging. Reducing the total weight of packaging aligns with sustainability standards like Sustainability Accounting Standard Index (SASB) and the Global Reporting Initiative (GRI), and helps to minimize resource consumption and waste generation.

Total weight of packaging and plastic packaging (million metric 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, providing a specific figure on plastic weight. The KPI follows FB-PF-410A.1 SASB and 301-2/a GRI Consolidated Set of Standards 2021 requirements.

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

The weight of the plastic packaging and polymer mix is a key metric to assess holistic policy progress.

Global plastic use by weight percentage and type (percentage)

	2024	2025
PET (Polyethylene terephthalate)	33.3	34.3
PE (Polyethylene)	19.2	20.5
PP (Polypropylene)	25.9	25.7
PO (Polyolefin)	7.2	6.8
Laminates	13.6	11.6
Other plastics	0.80	1.00

### Description

Total plastic packaging weight is the weight of primary, secondary and tertiary packaging, expressed in metric tonnes. By tracking the use of each polymer, we can identify opportunities to reduce plastic waste, be more selective about material switches, and improve packaging designs to lower the overall plastic consumption. This definition applies to all types of plastic polymers (PET, PE, PO, PP, laminates and other plastics) as defined in the EMF reporting guidelines.

### 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, we can reduce reliance on virgin resources and lower associated carbon emissions. This KPI helps to drive the shift towards 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)

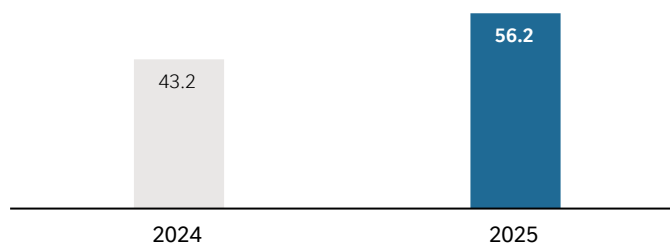


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

As we work to integrate recycled content into our packaging materials, including plastic packaging, we have a new KPI, “Recycled content in packaging”, which breaks down the total from the previous KPI further.

Recycled content in packaging (percentage)

	2025
Recycled content in packaging	40.8 %

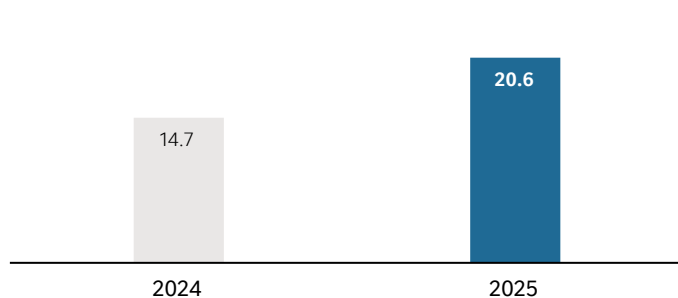
### Description

Recycled plastic and renewable plastic are defined as per the ISO 14021:2016 Standard. This KPI follows FB-PF-410A.1 (SASB) and 301-2/a GRI Consolidated Set of Standards 2021 requirements.

### Recycled content in plastic packaging

The 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 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 are 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 that can no longer be used for its intended purpose.

These definitions are taken from ISO 14021:2016. It is calculated as a percentage. The KPI follows FB-PF-410A.1 SASB and 301-2/a 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.

Tracking the percentage of packaging that is reusable can help us 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 optimal designs, which contribute to longer-term resource efficiency and a reduction in plastic waste.

Percentage of packaging that is reusable (percentage)



### Description

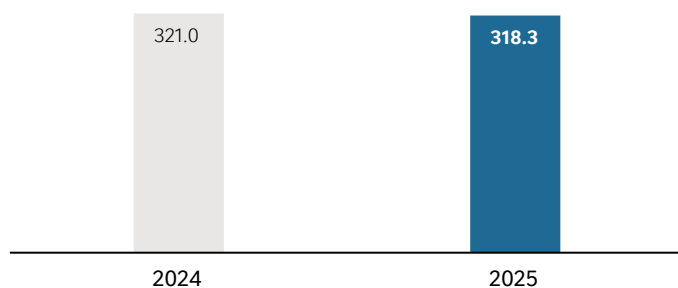
Reusable is the characteristic of a product or packaging that has been conceived and designed to accomplish within its lifecycle a minimum number of trips, rotations or uses for the same purpose for which it was conceived. The weight of reusable packaging is defined by the total weight of reusable packaging, divided by the number of expected rotations over the entire life of the package. The KPI follows FB-PF-410A.1 SASB requirements.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	<b>Part 2 – Environmental Disclosures</b>	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	---	-----------------------------	---------------------------------	------------

## Packaging pieces placed on the market

Packaging pieces placed on the market by Nestlé are the number of packaging pieces used in products sold. This KPI tracks the number of individual packaging units, offering insights beyond just weight. By focusing on pieces, this KPI provides a view of packaging placed on the market, enabling us to find 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



Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

# Own workforce

Our values are rooted in respect. We nurture a safe, healthy and inclusive workplace, guided by our zero-harm ambition. We aim to provide our employees with lifelong opportunities to learn and grow, empowering them to thrive and contribute meaningfully to our shared success.

● Positive impact ● Negative impact ● Risk

- 17 ● Suppression of the right to form unions
- 18 ● Work incidents
- 19 ● Stress and mental workload
- 20 ● Unequal pay for work of equal value
- 21 ● Gender inequality
- 22 ● Incidents of discrimination in the workplace

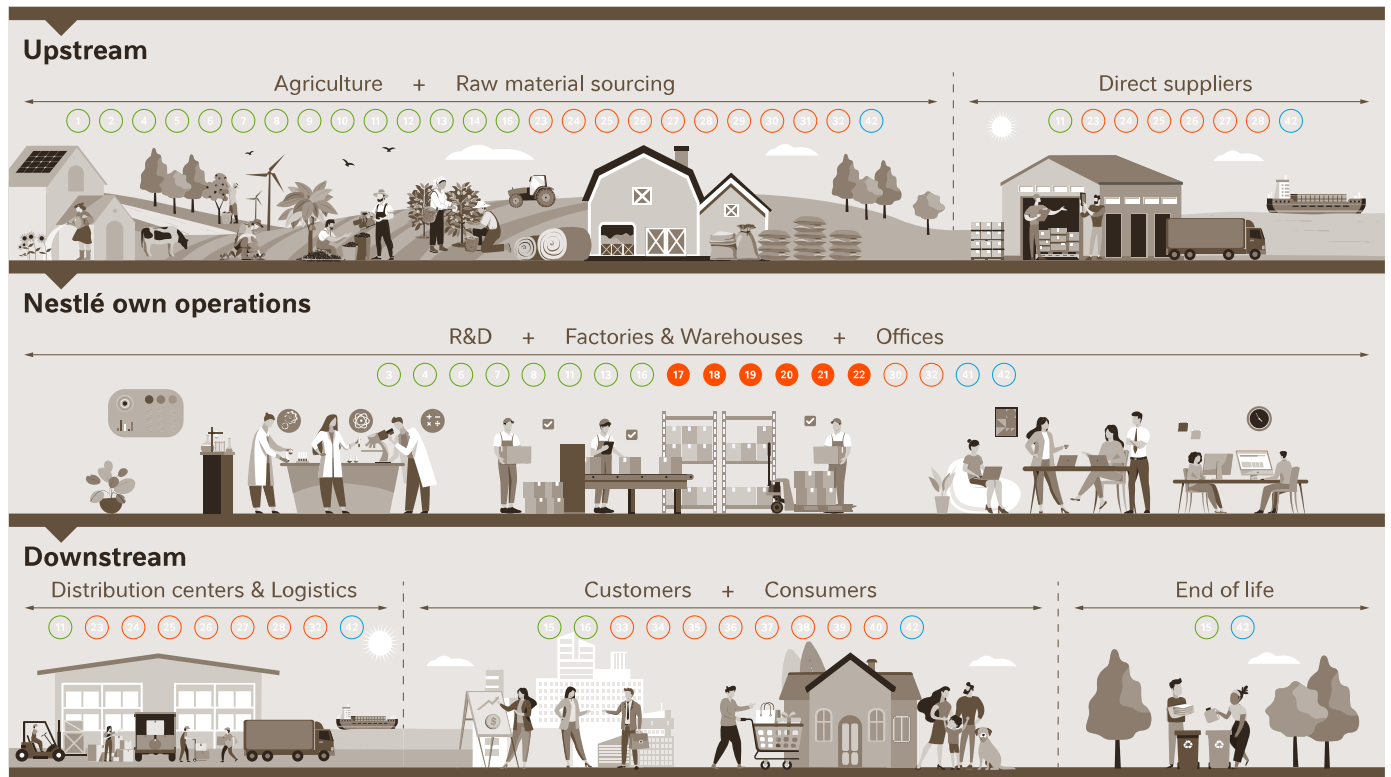


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Material impacts, risks and opportunities

### IRO summary

<b>IRO</b>	<b>Material IRO description</b>
<b>Freedom of association, works councils and rights of workers</b>	
<b>Suppression of the right to form unions</b> <i>Negative impact (Own operations)</i>	This negative impact in our own operations relates to how the suppression of the right to form unions can affect workers' rights to collective bargaining, hindering improvements in working conditions and socio-economic development.
<b>Health and safety</b>	
<b>Work incidents</b> <i>Negative impact (Own operations)</i>	This negative impact in our own operations relates to how work incidents can result in injury, illness, harm or death of employees.
<b>Stress and mental workload</b> <i>Negative impact (Own operations)</i>	This negative impact in our own operations relates to how mental and emotional pressures from work, including but not limited to the intensity and duration of working hours, can affect the health and productivity of employees.
<b>Gender equality and equal pay for work of equal value</b>	
<b>Unequal pay for work of equal value</b> <i>Negative impact (Own operations)</i>	This negative impact in our own operations relates to how unequal pay can deepen socio-economic disparities and affect the work environment.
<b>Gender inequality</b> <i>Negative impact (Own operations)</i>	This negative impact in our own operations relates to how 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>	
<b>Incidents of discrimination in the workplace</b> <i>Negative impact (Own operations)</i>	This negative impact in our own operations relates to how discrimination in the workplace can lead to inequalities, restrict access to opportunities and resources, exacerbate social divisions and severely impact the mental health of affected individuals.

## Material impacts, risks and opportunities in detail

### Types of groups in our workforce

Our workforce includes our employees, both regular and temporary, and apprentices, both working on a full-time or part-time basis.

In addition, it includes workers of various types who are not our employees ("non-employees") including temporary agency workers and self-employed workers.

The material impacts that could affect our workforce, or specific groups within it, are detailed below.

### Suppression of the right to form unions

The **suppression of right to form unions** can negatively impact freedom of association and collective bargaining, which stifles improvements in working conditions and more widely inhibits economic and social development. To address these issues, we have implemented policies that uphold the rights of those in our workforce to form or join collective organizations and engage with unions and other employee representatives. We believe a dialogue-based workplace, with employee input, empowers and engages workers, resulting in enhanced morale and improvements in productivity and performance.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Work incidents

**Work incidents**, such as workplace injuries, work-related illnesses and fatalities, 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. Our policies, particularly the Nestlé Policy on Safety and Health at Work, help to establish the foundations for our zero-harm culture, placing employee safety and health at the core of our organizational priorities. These policies form an integral part of our overall strategic decision making, influencing resource allocation and operational improvements. Safety is prioritized in our business activities and emphasized as a fundamental value, aligned to our mission for operational excellence. This is supported by our zero-harm vision, which fosters a safety culture essential for operations. With our commitment to safety, we enhance both employee morale and productivity.

## Stress and mental workload

By embedding employee well-being in our core strategy, we not only enhance productivity and engagement but also mitigate the negative impact associated with **stress and mental workload**, which can lead to long-term sick leave and turnover issues. This proactive and preventive approach, with a focus on risk-identification and mitigation, informs our decision-making processes, ensuring that we allocate resources effectively to support mental health initiatives, promote work-life balance, and cultivate a culture of care. Our policy commitments, such as the Nestlé Roadmap for Employee Health and Well-being, with its range of initiatives to improve awareness of mental health and support to employees, recognize that mental and emotional health are crucial for not only our workforce but also how we drive innovation and maintain our high standards on quality.

## Unequal pay for work of equal value

**Unequal pay for work of equal value** can negatively impact our workplace culture and lead to increased turnover, retention issues internally, and talent attraction difficulties externally. The Nestlé Total Rewards Policy helps to ensure equal pay for equal work by consistently applying recognized standards, including an annual global equal pay review to identify any potential systemic pay gaps.

## Gender inequality

Proactively addressing the negative impact of **gender inequality** is essential to maintaining a fair and inclusive workplace. Not doing so can lead to increased turnover issues and decreased employee morale. Consequently, this impacts performance, productivity and the ability of our company to attract new talent. We mitigate these impacts via policies rooted in the *Nestlé Corporate Business Principles*, which promote inclusion and establish a zero-tolerance approach to discrimination.

## Incidents of discrimination in the workplace

The negative impact of **incidents of discrimination in the workplace** includes discrimination based on characteristics like race, ethnicity, gender (including non-binary), sexual orientation, health, long-term physical, mental/intellectual or sensory impairments, language, age, religion, political opinion, and national or social origin, as protected by applicable laws and regulations. Such incidents can lead to systemic inequalities, restrict access to resources and opportunities, exacerbate social divisions, and severely impact the mental health of affected individuals. Our *Corporate Business Principles*, and other policies, principally the Nestlé Policy Against Discrimination, Violence and Harassment at Work, are all aimed at addressing these impacts.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

# Management of impacts, risks and opportunities

## Policies

The policies outlined in more detail below aim to mitigate the negative impacts which could arise from the **suppression of the right to form unions, work incidents, stress and mental workload, unequal pay for work of equal value, gender inequality and incidents of discrimination in the workplace.**

The policies below apply to all employees and, where specified, to non-employees.

### Nestlé Code of Business Conduct

The *Nestlé Code of Business Conduct* underpins our compliance program and sets out the required behaviors for everyone who works at Nestlé, guiding us on how to conduct ourselves.

Compliance with our *Code of Business Conduct* is mandatory for all our employees, including our Executive Board, senior leaders, people managers, employees and those who are temporary agency workers. It also applies to our Board of Directors and to all employees of Nestlé Group subsidiary companies.

Our *Code of Business Conduct* encompasses all our **material IROs** and sets out a framework to help us act with integrity and make good ethical decisions. It also provides links to important resources and suggests who to talk to in case of concerns or the need of further guidance. It is periodically reviewed and updated as required.

### Nestlé Corporate Business Principles

The *Nestlé Corporate Business Principles* aim to prevent or mitigate risks in relation to **suppression of the right to form unions, work incidents and stress and mental workload.**

Our *Corporate Business Principles* provide a strong ethical framework, ensuring integrity of action and compliance with laws, regulations, and our own commitments that extend across our entire value chain.

On **suppression of the right to form unions**, our *Corporate Business Principles* include guidance on our need to respect and promote human rights, in line with the United Nations Guiding Principles and the Ten Principles of the UN Global Compact (see our Nestlé Human Rights Policy on the following page), including how we respect the right to freedom of association of our employees, and the organization and participation in associations and unions.

Our *Corporate Business Principles* highlight Nestlé’s commitment to preventing **work incidents** like accidents, injuries and illness related to work; and to protecting employees, contractors and others involved along the value chain. Our policy on safe and healthy lives at work (see below) establishes safety and health as an integral component of our value of respect for ourselves and for others around us. We recognize and require that everyone plays an active role in maintaining a safe and healthy working environment. Our managers must promote awareness and knowledge of safety and health to employees, external workers, and anyone else related to or impacted by our business activities.

We promote an inspiring, innovative, transparent and open work environment via our *Corporate Business Principles*, where each employee is respected and supported to help them manage **stress and mental workload**. We support employees’ engagement and contributions, and encourage them speaking up on matters at all times.

Our *Corporate Business Principles* also state our zero-tolerance stance on child labor, forced labor and modern slavery, and bring attention to groups at greater risk, including children and migrant workers.

### Nestlé Policy on Safety and Health at Work

The Nestlé Policy on Safety and Health at Work is the principal policy guiding how we manage the negative impacts relating to **work incidents**. It is grounded in our *Corporate Business Principles*, emphasizing the importance of people as the most valuable asset to our organization.

This policy implements a comprehensive Nestlé Occupational Safety and Health Management System that meets or exceeds local health and safety laws, in line with our commitment to protect employees, external workers and all stakeholders involved in the value chain, including suppliers and customers. Our Safety and Health Management System is mandatory across all our sites, which are OHSAS 18001 and ISO 45001 certified by independent third parties to verify the effectiveness of and compliance with our safety management system. In 2025, we have been working on an action plan to enable the reporting of the percentage of employees covered by our Safety and Health Management System from 2026 onwards.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

Our belief is that safety in the workplace is non-negotiable, and all accidents are preventable, which is why we remain committed to an injury-free environment. We continue working to reduce all serious injuries and achieve zero-harm. To do so, we need employees to also be responsible for maintaining a safe work environment, to be empowered to challenge unsafe practices, and to receive training to ensure they are equipped to avoid unsafe situations and respond to emergencies.

Local management is responsible for the implementation of the policy, ensuring that safety and health are integral to our business operations. Senior management are accountable for workplace safety, including a safety performance indicator integrated into their annual objectives.

Aligned with our commitment to safety, we have established global targets (see [Metrics and targets](#)) that serve as benchmarks for measuring our progress in enhancing safety performance.

### Nestlé Policy on Conditions of Work and Employment

The Nestlé Policy on Conditions of Work and Employment has a dedicated section setting out our commitment to a healthy, safe working environment for all employees and non-employees who work at our sites, supporting the provisions of our Policy on Safety and Health at Work in managing [work incidents](#).

Additionally, regarding [stress and mental workload](#), it recognizes the potential impact of health on work, and of work on health, and our commitment to proactively identifying, assessing and managing preventable risks to physical and mental health, while at the same time protecting employees' privacy.

In addition, our internal Guidance on Stress and Resilience at Nestlé describes stress and its impact on work, and encourages all our sites to implement and develop a program to address the risks of work-related stress, including resources to help enhance their physical and psychological well-being.

### Nestlé Employee Relations Policy

The Nestlé Employee Relations Policy addresses our [material IRO](#) of [suppression of the right to form unions](#) by committing to open dialogue with our employees, including through unions, and prioritizing employees' rights to establish or join organizations like unions. It requires our management in each country where we operate to take all necessary steps to comply with this policy.

### Nestlé Human Rights Policy

The Nestlé Human Rights Policy covers our [material IROs](#) and outlines our commitment to respect and promote the human rights of our own workforce and across the value chain, in line with the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on the Fundamental Principles and Rights at Work.

### Nestlé Human Rights Framework and Roadmap

The Nestlé Human Rights Framework and Roadmap guides our approach and cover all our [material IROs](#) in line with the United Nations Guiding Principles on Business and Human Rights. Our Human Rights Framework and Roadmap outlines our salient human rights issues (see below) and our approach to due diligence across our value chain, including in our own operations. This includes our two strategic objectives of strengthening the level of due diligence across our operations and supporting enabling environments for the respect and promotion of human rights.

Currently, we are in the process of drafting our human rights strategy for 2026-2030.

### Nestlé Human Rights Salient Issue Action Plans

As part of our Human Rights Framework and Roadmap, the Nestlé Human Rights Salient Issue Action Plans cover our [material IROs](#) and guide our due diligence approach by articulating the strategy for embedding, assessing, addressing and reporting on each salient issue. Each action plan defines the issue, why it matters and the action areas of focus.

### Nestlé Total Rewards Policy

The Nestlé Total Rewards Policy ensures that our employees are rewarded and recognized for their contributions with competitive pay and benefits. It provides a framework where teams can create programs that attract, motivate and retain talent.

This policy specifically addresses our [material IROs](#) of [unequal pay for work of equal value](#) and [gender inequality](#). Through our annual global reviews to champion equal pay for equal work, we identify any potential systemic gender pay gaps. In 2025, our Global Equal Pay review indicated no countrywide equal pay gap in the 84 countries covered.

The policy applies across our Group, and we continue to update pay and benefits packages to meet the needs of our multinational workforce.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Nestlé Policy Against Discrimination, Violence and Harassment at Work

In line with the United Nations Global Compact’s guiding principles on human rights and labor, we respect the personal dignity, privacy and personal rights of every employee. Our workplace has zero tolerance for **incidents of discrimination in the workplace**, violence and/or harassment as these are incompatible with our purpose and values and our *Corporate Business Principles* – as well as the Nestlé Leadership Framework.

The Nestlé Policy Against Discrimination, Violence and Harassment at Work sets out our core principles of a respectful work environment, standards, processes and ways to report grievances via our *Speak Up* system, along with our commitment to non-retaliation in reporting and the process for investigation, remedial actions and sanctions.

We ensure any local programs and procedures against discrimination, violence and harassment at work are reviewed by the Compliance Committees, with Market Heads responsible for implementation in their Markets.

## Nestlé Global Guideline on Disability Inclusion

The Nestlé Global Guideline on Disability Inclusion lays the foundation for a consistent approach by all Markets, functions and Business Units to advance their disability inclusion journey. Taking active steps to improve accessibility and a culture of inclusion, for example, in helping to address **incidents of discrimination in the workplace**. This internal guideline covers our employees, with Human Resources Heads in each Market accountable for its implementation.

## Nestlé Global Parental Support Policy

The Nestlé Global Parental Support Policy recognizes the diversity of families. It has a gender-neutral outlook and has increased global minimum standards, such as 18-weeks fully paid leave for primary caregivers and 4-weeks fully paid leave for secondary caregivers.

Our Global Parental Support Policy represents an important investment in the social protection of our employees, creating the right conditions for a strong start in the life of their children. In addition, it reinforces employment protection, non-discrimination, health protection, breastfeeding support and availability of flexible working options.

## Processes for engaging with own workforce and workers’ representatives about impacts

We engage with our workforce, workforce representatives and external labor stakeholders to gain insight into their perspectives.

The Nestlé Employee Relations Roadmap 2025 guides global and local teams in engaging employees and upholding human rights. One of the pillars of the roadmap is “Social Dialogue”, which is about engaging with employees and their representatives on social topics, such as discussions about health, safety, social sustainability and gender equity.

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

- At local level:
  - Through employee consultation forums, as per national legislation requirements.
  - With labor federations and other organizations to enhance labor practices.
- At regional level:
  - Through regional employee representation forums 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 Human Resources Directors from the same countries. It is co-chaired by the Nestlé Chief Executive Officer for Zone Europe.
- At global level:
  - Since 2013, there has been regular dialogue with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF).
  - Biannual meetings with the IUF on the just transition and gender equality go beyond legal consultation requirements.

We assess 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.

We utilize KPIs, such as engagement scores, retention rates and feedback from internal communication platforms, to gauge effectiveness.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

In 2025, we continued to strengthen our commitment to employee engagement and social sustainability. The “Nestlé & I” global survey (our primary mechanism for capturing workforce sentiment) achieved a participation rate of 90%, significantly above the consumer goods sector benchmark, and the high-performing companies’ norm. This high level of participation reflects a strong culture of dialogue and underpins our disclosure on workforce involvement in decision making and feedback processes.

The results show consistently strong levels of engagement across regions, with an overall engagement score of 87%, substantially outperforming the consumer goods sector norm, and above the high-performing companies’ norm.

Specifically, 13 of our 15 largest markets exceeded their respective national or regional external benchmarks, demonstrating that employees across geographies feel connected to Nestlé’s purpose, strategy and values. The survey also indicates that 28 out of 29 measured items performed above the consumer goods benchmark, particularly in areas related to motivation, clarity of expectations, and alignment with corporate purpose.

We will translate the valuable feedback and improvement areas identified by the survey into concrete action plans to foster an even more empowering employee experience.

## Processes to remediate negative impacts and channels for own workforce to raise concerns

Our grievance channel *Speak Up* (see [Business conduct](#)), our global external CARE Audit Program (see [Business conduct](#)), and our own internal audits allow us to identify, investigate, respond and track concerns raised by our own workforce on issues related to our **material IROs**.

We also maintain regular dialogue with unions and have grievance mechanisms in place to receive complaints and concerns. Upon receipt of credible reports indicating potential risks or concerns of any nature, we initiate an investigation or verification of the facts.

## Actions and resources

### Strengthening our safety culture

We have made significant steps in strengthening our zero-harm culture with people at the center of everything we do, focusing on risk elimination within our proven safety framework, which comprises: “Caring leadership”, “Safety by design” and “Safety by choice”.

- Caring leadership: In 2025, we introduced the safety culture maturity framework to aid Markets in their safety culture maturity journey. This framework helps assess and understand the status and progression of site safety culture, serves as a pulse point for how safety is perceived by employees and managers, and calibrates sites’ operational master plan with the appropriate tools according to their maturity level.
- Safety by design: We have significantly advanced our safety initiatives by accelerating the implementation of Total Performance Management 7+4<sup>1</sup> routines across our factories. Additionally, we have expedited the deployment of digital safety solutions focusing on risk elimination.
- Safety by choice: We have accelerated career development within the Safety function, with 236 safety professionals from 49 Markets attending our internal “Rive Reine: Leading in Safety” program.<sup>2</sup> We also recognized Market best safety practices, with over 260 best practices submitted for the global best practice award.

### Promoting health and well-being

In 2025, we delivered several programs and interventions relating to **stress and mental workload**, including:

- Healthy Life Days campaigns: These initiatives, organized twice a year, aim to promote holistic well-being through engaging activities that support physical, mental, social and financial health.
- *#HealthyLives* Training Program: This global training program aims to increase awareness and education of our top health risks, with specific modules on physical activity, mental health, sleep and nutrition. It provides our employees with the tools and resources to enhance their health literacy and make informed lifestyle choices.
- *HealthTalks*: To facilitate open discussions about physical and mental health topics, in 2025, we ran interactive sessions to encourage a culture of prevention and support.

<sup>1</sup> Total Performance Management is an enhanced safety routine that addresses potential risks at the beginning of the shift to proactively implement control measures.

<sup>2</sup> “Rive Reine: Leading in Safety” is our unique leadership program within Nestlé to accelerate the leadership journey of our Safety talent across all the world.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

- Employee Assistance Program: This global program is an invaluable service providing confidential counseling and support of emotional, mental and complex life issues available on a 24/7 basis.
- NutriLearn: Our AI-based nutrition training continued to help empower employees with a common understanding of nutrition and its connection to overall health, energy levels, mood and cognitive function.
- New Global Guidance on Working with Critical Health Conditions: With this guidance, we help support employees and caregivers in the event of a critical health condition diagnosis, including during the treatment process and return-to-work, as we recognize that these situations can take a toll on mental health and well-being.

In addition to the above, we monitor all the relevant programs and activities through the Employee Health and Well-being Dashboard, as per our Employee Health and Well-being Roadmap. This allows us to track metrics such as employee views for campaigns (i.e. Healthy Life Days), participation in specific trainings (*#HealthyLives*, NutriLearn) and the availability of programs in the Markets (e.g. Employee Assistance Program, *My Health Numbers* program). See [Metrics and targets](#) for more details.

### Reinforcing diversity, equity and inclusion

A new Diversity, Equity and Inclusion (DE&I) Roadmap was launched in 2025, which sets out our key actions both at corporate and Market level for the next three years. This roadmap aims to prevent **incidents of discrimination in the workplace** and help employees feel respected, thrive and feel a sense of belonging.

In addition to the DE&I Roadmap, during the year, Markets used their own updated DE&I maturity assessment to refresh their local DE&I plans.

We created a new employee resource group (ERG) toolkit and delivered specialist training to 40 ERG leaders and DE&I champions across the world to help build an inclusive culture across Nestlé.

We developed a global inclusive leadership program alongside key resources to stimulate discussion and action planning.

An inclusive benefits framework was also developed to provide guidance to Markets on designing benefits packages which are suitable for their entire diverse workforce.

We rolled out mandatory training on sexual harassment prevention and unconscious bias, including video resources to augment our workforce’s learning

## Metrics and targets<sup>3</sup>

### Nestlé Specific KPIs

In 2025, we advanced our three-year CARE Audit Program by completing 223 CARE audits of our sites.

Nestlé Specific KPIs: CARE audit-related (number)

	2024	2025
CARE audits performed	245	223
CARE audit gaps identified <sup>4</sup>	227	212
CARE audit gaps closed <sup>5</sup>	84	124

Training of our employees

	2024	2025
Average hours of technical and vocational training completed by employees in the company	13.8	11.7

The average number of hours of technical and vocational training completed by employees in 2025 was 11.7 compared to 13.8 in 2024. The 2025 figure has slightly decreased due to improved data quality efforts during 2025.

Health and safety-related KPIs (own workforce) (number)

	2024	2025
Recordable injury rate per million hours worked	1.14	1.13
Total irreversible injuries	18	15
Recordable illness rate per million hours worked	0.50	0.40
Total irreversible illnesses	10	4
Total recordable fatalities (injury-related)	4	2
Total recordable fatalities (illness-related)	0	0

<sup>3</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>4</sup> Gaps identified in a calendar year, as defined in the 2024 CARE audit guide, excluding observations.

<sup>5</sup> Total number of gaps closed out of the total identified gaps in a calendar year.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

For all of our targets mentioned below, we regularly conduct comparisons of year-on-year performance to analyze variations.

Our zero-harm culture and related actions (see [Actions and resources](#)) support our safety ambition to achieve zero fatalities and irreversible injuries. The 2025 recordable injury rate per million hours worked was 1.13. In 2025, we continued to make meaningful progress, showing improvement compared to 2024. This steady downward trend reflects our teams' ongoing commitment to strengthening safety performance and building a safer workplace year after year. We have internal local targets at Zone, Market and site level. The performance measure for this KPI is the number of injuries per million hours worked resulting in lost time, restricted work or medical treatment beyond first aid.

We have no targets for the total recordable illness rate or the total irreversible illness rate as we want to improve reporting and encourage people to report any cases of work-related illness in our own workforce. Although not defining targets for Markets, we diligently track our work-related illness cases monthly, following the same process as for safety incidents. In 2025, our recordable illness rate per million hours worked decreased by 20% compared to 2024, from 0.50 to 0.40, reflecting continued progress in illness prevention and management. Similarly, our total number of irreversible illnesses also decreased from 10 to 4 and we had no illness-related fatalities. We deeply regret that two work-related fatalities occurred in 2025, involving a Nestlé employee and a subcontractor. Consistent with our commitment to safety, both incidents were thoroughly investigated, and the lessons learned are being incorporated into our ongoing efforts to improve road safety, contractor management, and the elimination of major incidents.

We prioritize prompt reporting and thorough investigation of all incidents to understand root causes and contributing factors.

Our main focus is on full compliance with life-saving rules to eliminate serious incidents and promote a harm-free environment.

This commitment is supported by our new safety culture maturity framework, which aids in assessing safety maturity and developing improvement plans.

We are also enhancing leadership practices, safety routines and accelerating the implementation of digital safety solutions.

In addition to our consistent approach to managing work-related incidents, in 2025, we placed a stronger emphasis on proactive education and awareness to protect employee health and well-being. Our Healthy Life Days campaign, which reached over one million views, supported a holistic approach to health with a clear focus on mental well-being alongside physical health. Engagement was further strengthened through the NutriLearn nutrition training program and targeted initiatives to support employees working with or affected by cancer. Together with ongoing monitoring via our global reporting system, and regular engagement through the biannual Employee Health and Wellbeing Council, these actions reflect our continued commitment to advancing both mental and physical health across the organization.

#### Nestlé Specific KPIs: health-related

	2024	2025
Employees having access to <i>My Health Numbers program</i> (number)	235 396	255 159
Number of employees having participated in <i>My Health Numbers program</i> (cumulative)	123 592	128 444
Number of employees that completed <i>#HealthyLives</i> , a global training on physical activity, mental health, nutrition and sleep (cumulative)	38 924	40 512
Number of views of <i>#HealthyLives</i> (global training on physical activity, mental health, nutrition and sleep) videos (cumulative)	564 041	573 711
Countries offering a nap room or equivalent to rest (percentage)	48	51
Canteens offering a balanced meal (percentage)	96	96
Views of <i>HealthTalks</i> webinars (number)	2991	13 725
Number of views of the global employee health and well-being communication campaigns ( <i>Healthy Life Days</i> )	322 319	1 139 011
Number of activations in <i>Pleaz</i> platform to support mental health and physical activity (cumulative)	155 589	190 791
Countries offering Employee Assistance Program (EAP) to support employees' mental health and well-being (percentage)	97	96
Countries providing supportive measures for employees working with cancer or other critical health conditions (percentage)	76	92
Primary and secondary caregivers having used paid parental leave (number)	55 119	43 666
Retention of primary and secondary caregivers having used paid parental leave after one year (percentage)	91.0	91.8

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

Total number of employees with breakdown by employment type (permanent and temporary), by gender<sup>6,7</sup>

Contract type	Gender	Total	Total
		2024	2025
Permanent	Male	147 187	139 896
	Female	96 313	92 724
	Other	53	66
Temporary	Male	7916	7508
	Female	8455	7167
	Other	6	3

Total number of employees with breakdown by employment type (full-time and part-time), by gender<sup>8,9</sup>

Contract type	Gender	Total	Total
		2024	2025
Total number of full-time employees	Male	152 722	144 846
	Female	99 064	93 978
	Other	55	64
Total number of part-time employees	Male	2381	2558
	Female	5704	5913
	Other	4	5

#### Gender distribution

	2025
Gender distribution in number of employees in total management level	
Male	20 528
Female	19 084
Other	4
Total	39 616
	2025
Gender distribution in percentage of employees in total management level	
Male	51.8
Female	48.2
Other	—
Total	100.0

In 2025, the percentage of management positions held by women increased from 47.4% in 2024 to 48.2% indicating advancement on gender balance.<sup>10</sup>

#### Bloomberg Gender-Equity Index KPIs<sup>11</sup>

Gender	2024	2025
Percentage of management positions held by women	47.4	48.2
Percentage of women on Company board	38.5	36.4
Chairperson is a woman (Yes/No)	No	No
Percentage of gender balance in board leadership	20.0	—
Chief Executive Officer (CEO) is a woman (Yes/No)	No	No
Woman Chief Financial Officer (CFO) or equivalent (Yes/No)	Yes	Yes
Percentage of women executive officers	40.0	38.5
Chief Diversity Officer (CDO) (Yes/No)	Yes	Yes
Percentage of women in senior management	36.0	36.6
Percentage of women in middle management	47.9	48.9
Percentage of women in non-managerial positions	39.2	39.0
Percentage of women in total workforce	40.3	40.4
Percentage of women total promotions	51.4	53.0
Percentage of women IT/Engineering	14.6	14.8
Percentage of new hires are women	47.1	46.9
Percentage of women attrition	45.9	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	91.0	91.2
Flexible working policy (Yes/No)	Yes	Yes
Employee resource groups for women (Yes/No)	Yes	Yes
Annual anti-sexual harassment training (Yes/No) <sup>12</sup>	No	No
Unconscious bias training (Yes/No)	Yes	Yes

<sup>6</sup> The category "Other" refers to persons who legally and voluntarily registered as having a third/neutral gender in their country of employment.

<sup>7</sup> These KPI breakdowns are exclusively sourced from Nestlé's Human Resources Information System (HRIS). Therefore, the aggregate number of these breakdowns will not correspond to the KPI "Total number of employees (headcount)", which also includes employee data from non-HRIS units. In addition, 2024 and 2025 breakdowns are not comparable since some entities have been disintegrated from HRIS in 2025.

<sup>8</sup> The category "Other" refers to persons who legally and voluntarily registered as having a third/neutral gender in their country of employment. "Other" gender has been added to this KPI for 2025. It was omitted in the 2024 report.

<sup>9</sup> These KPI breakdowns are exclusively sourced from Nestlé's Human Resources Information System (HRIS). Therefore, the aggregate number of these breakdowns will not correspond to the KPI "Total number of employees (headcount)", which also includes employee data from non-HRIS units. In addition, 2024 and 2025 breakdowns are not comparable since some entities have been disintegrated from HRIS in 2025.

<sup>10</sup> In 2025, the scope of KPI reporting has increased and now covers all companies not integrated into Nestlé's Human Resources Information System. For comparability, and as it is impracticable to restate the 2024 figure under the new KPI scope, we disclose here what the 2025 figure would have been under the 2024 scope: 48.4%.

<sup>11</sup> Definitions for these KPIs can be found in the Bloomberg Gender-Equality Index.

<sup>12</sup> Corrected 2024 response from "Yes" to "No". The training is effectively mandatory on a bi-annual basis.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

#### Global mean (average) raw gender pay gap

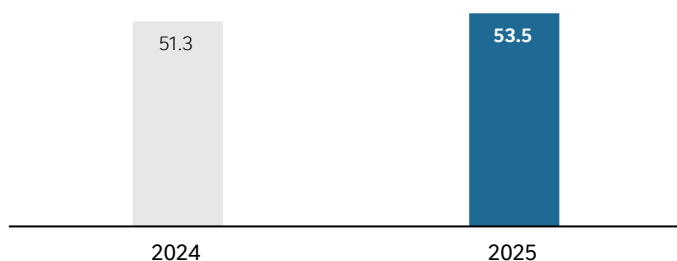
	2024	2025
Global mean (average) raw gender pay gap (percentage)	-9.1	-9.4

Raw gender pay gap measures the difference in average pay between women and men, without adjusting for factors such as job function, level, 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 males, expressed as a percentage. Negative number indicates in favor of women. The result for 2025 was similar to 2024, as the composition of the population has not changed significantly from the previous period.

#### Total number of employees (headcount)

	2024	2025
Total number of employees (headcount)	277 000	271 000

#### Covered by collective bargaining agreements (percentage)



### Methodologies and assumptions

All our human resources data is recorded in a single information platform, Nestlé’s Human Resources Information System (HRIS), and KPIs are available via a Power BI platform called, ‘Global People KPI’. The data includes all our employees who are maintained on HRIS, covering all contract types (permanent and temporary) but excluding non-employees, retirees, third-party workers and employees not on HRIS. The main reason for an employee not appearing on the HRIS is typically that they work for an entity that we recently acquired. Specific scope exclusions can be seen in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

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

We collect and analyze both full-time equivalents and headcount data for internal purposes, which allows us to capture detailed aspects of employment such as contract type (permanent or temporary), and employment activity rate (full-time or part-time). This approach ensures clarity in employee metrics across our global operations, providing accurate and comparable workforce data that reflects the actual personnel strength within the Group 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 our global workforce.

### Methodology consistency

We commit to maintaining consistency in our 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

We specifically cross-reference employee numbers as accounted in our 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 2025](#). This information is fundamental to understanding the structure and rigor behind our data management and reporting processes, particularly as they relate to maintaining consistent methodologies over time for the data reported in our financial statements and other publications.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

# Workers in the value chain

The success of our business relies on the contributions of workers across various regions and industries throughout our value chain. We actively engage with workers and collaborate closely with our partners and suppliers to strengthen the level of due diligence across our value chain. This helps to support enabling environments for the respect and promotion of workers' rights.

● Positive impact ● Negative impact ● Risk

- 23 ● Lack of living wages
- 24 ● Incidents of child labor or child labor risks
- 25 ● Incidents of violence and harassment in the workplace
- 26 ● Workplace incidents, diseases and fatalities
- 27 ● Incidents of forced labor or forced labor risks
- 28 ● Incidents due to improper water and sanitation

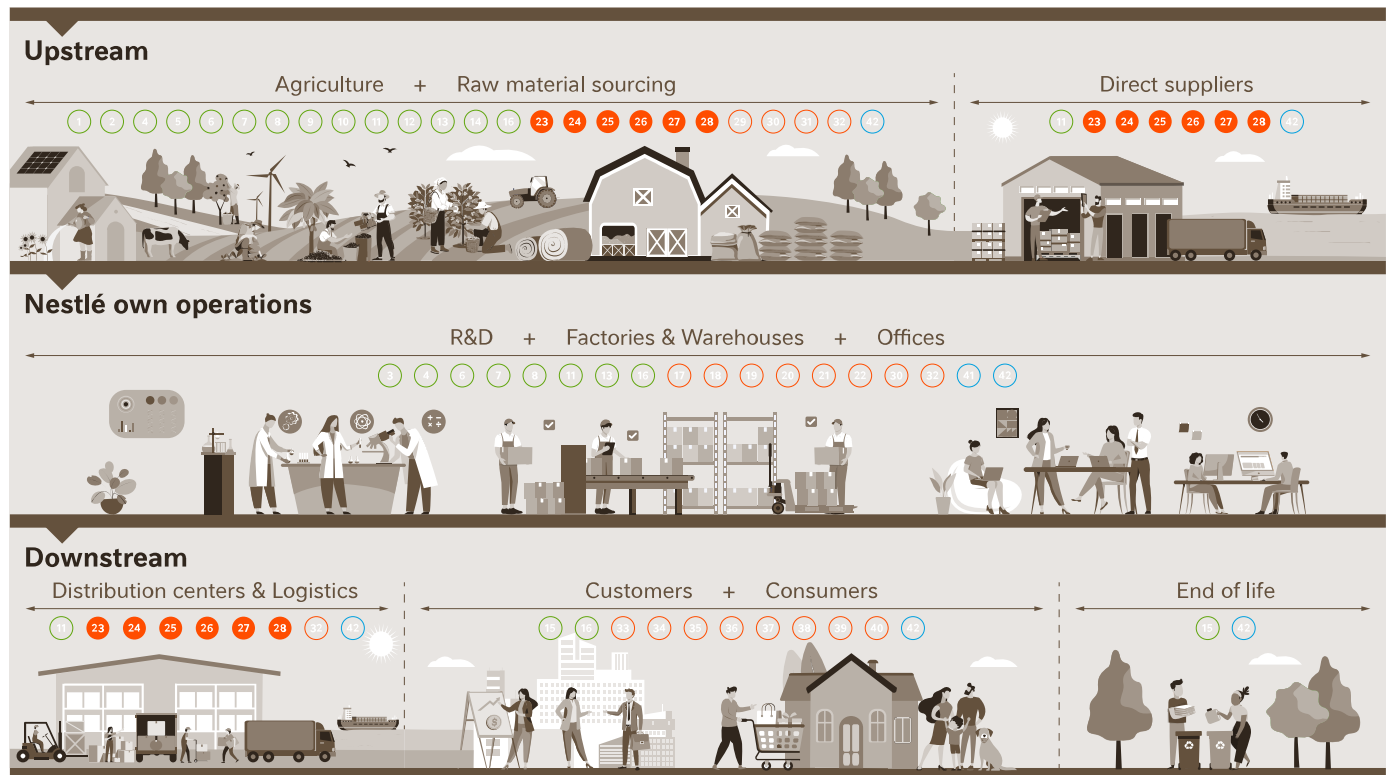


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Material impacts, risks and opportunities

### IRO summary

<b>IRO</b>	<b>Material IRO description</b>
<b>Adequate wages</b>	
<b>Lack of living wages</b> <i>Negative impact</i> <i>(Upstream/Downstream)</i>	This negative impact in our upstream value chain and downstream value chain relates to how not providing living wages to workers in the value chain can lead to poverty, limit access to basic needs, and contribute to social inequality and human rights issues, such as forced labor or child labor.
<b>Child labor</b>	
<b>Incidents of child labor or child labor risks</b> <i>Negative impact</i> <i>(Upstream/Downstream)</i>	This negative impact in our upstream value chain and downstream value chain relates to how the use of child labor can expose children to hazardous conditions that can be harmful to their physical and mental development, as well as interfere with their education.
<b>Measures against violence and harassment in the workplace</b>	
<b>Incidents of violence and harassment in the workplace</b> <i>Negative impact</i> <i>(Upstream/Downstream)</i>	This negative impact in our upstream value chain and downstream value chain relates to how incidents of violence and harassment experienced by workers in the value chain can lead to psychological and physical harm, reduced worker well-being, and the reinforcement of unsafe or discriminatory working environments that limit equal opportunity and dignity at work.
<b>Health and safety</b>	
<b>Workplace incidents, diseases and fatalities</b> <i>Negative impact</i> <i>(Upstream/Downstream)</i>	This negative impact in our upstream value chain and downstream value chain relates to how unsafe or unhealthy working conditions can lead to workplace incidents, occupational diseases and fatalities, resulting in serious harm to workers' health, emotional and economic distress for their families, and broader societal costs related to healthcare, productivity loss and social protection systems. <sup>1</sup>
<b>Forced labor</b>	
<b>Incidents of forced labor or forced labor risks</b> <i>Negative impact</i> <i>(Upstream/Downstream)</i>	This negative impact in our upstream value chain and downstream value chain relates to how use of forced labor in the value chain can result in severe violations of human rights, including the restriction of freedom, exploitation and abuse, which contribute to systemic inequality and undermine the social and economic development of affected individuals and communities.
<b>Water and sanitation</b>	
<b>Incidents due to improper water and sanitation</b> <i>Negative impact</i> <i>(Upstream/Downstream)</i>	This negative impact in our upstream value chain and downstream value chain relates to how inadequate access to safe water, sanitation and hygiene for workers in the value chain can lead to increased health risks, worker absenteeism, reduced worker well-being and productivity, and the exacerbation of health issues and inequality in surrounding communities.

<sup>1</sup> In the *Non-financial Statement 2024*, this impact was not connected to our "downstream value chain". In the *Non-Financial Statement 2025*, this is added to better reflect the scope of the impact.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Material impacts, risks and opportunities in detail

### Types of value chain workers

The categories of workers in our value chain who could be impacted include those:

- At our direct and indirect suppliers, such as suppliers of raw materials, packaging, and services.
- At our transport and logistics providers, including distribution centers.
- Who are especially vulnerable to negative impacts, whether due to their inherent characteristics or the particular context in which they work, such as migrant workers, trade unionists, women, and young workers.

For the purposes of our **material IROs**, we have not included as value chain workers any individuals who work in the operations or supply chains of a joint venture.

### Lack of living wages

To address the negative impact of a **lack of living wages** for workers at our direct suppliers, we carry out a Responsible Sourcing Audit Program to assess our direct suppliers against our Responsible Sourcing Core Requirements. Accordingly, our direct suppliers are expected to carry out a credible living wage assessment and adopt a wage improvement plan that aims to pay workers a living wage. Beyond direct suppliers' workers, we have made living income for farming households a priority. For example, we created the income accelerator program in cocoa, supporting diversified livelihoods. Through supplier engagement and partnerships, we aim to scale our efforts and help create a more inclusive and sustainable value chain.

Advancing fair and sustainable livelihoods is essential to both our business and the communities we rely on. Across our value chain, we are aware of the gap between current income levels and a living income for many farmers who produce the ingredients we need for our products. This is particularly evident upstream in agriculture, where smallholder farmers in sectors such as cocoa, coffee and dairy often face price volatility and rising production costs. Without sufficient income, families have limited ability to invest in sustainable practices or community well-being, creating risks for long-term supply stability. Downstream, inadequate wage levels for some workers in extended operations may also affect their livelihoods and expose them to human rights risks.

Resilient communities are the foundation of resilient supply chains. Ensuring that farming households earn a living income helps to safeguard human rights, build trust with stakeholders, and enable the adoption of regenerative agriculture practices that support our climate and nature-related actions.

### Incidents of child labor or child labor risks

Protecting children's rights is a fundamental responsibility and central to the sustainability of our value chain. Despite progress, the risk of child labor remains a challenge in parts of our upstream supply chain, particularly in agricultural sectors such as cocoa and coffee, where smallholder farming families may face economic hardship and limited access to education. Children may be found to engage in activities on their family farms.

The presence of child labor is a serious human rights issue that directly impacts farming families and communities, while also threatening supply chain stability and stakeholder trust. Children's well-being is vital to resilient communities and ensuring that no child is subject to exploitation is aligned with our core values. We have due diligence systems in place to address this issue in our supply chains. We also support access to education and income-generating activities for families, and work with suppliers to strengthen responsible sourcing standards. By scaling these efforts across priority commodities, we aim to eliminate **incidents of child labor and child labor risks** and contribute to lasting change for children and their communities.

### Incidents of violence and harassment in the workplace

Incidents of violence and harassment in the workplace are serious violations of human rights and undermine the dignity, safety and the well-being of workers in our value chain. Such incidents can have far-reaching upstream and downstream impacts across our value chain. Upstream, they may compromise supplier compliance, disrupt supply continuity, and negatively affect community relations. Downstream, they can erode trust with our consumers, partners and stakeholders.

We are committed to preventing, identifying and addressing **incidents of violence and harassment in the workplace** through robust policies, mandatory training, grievance mechanisms and third-party audits. We work closely with suppliers and business partners to reinforce zero-tolerance standards and foster a culture of respect and accountability.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Workplace incidents, diseases and fatalities

**Workplace incidents, diseases and fatalities** present critical risks to the health, safety and well-being of people in the communities within our supply chain. These events can disrupt supplier operations, reduce productivity, and undermine adherence to our responsible sourcing standards. They may also affect local communities, compromise labor rights, and weaken the resilience of the agricultural and manufacturing systems upon which our products depend.

Ensuring safe working conditions upstream and downstream is fundamental to our purpose. Protecting the well-being of workers across our value chain supports supply continuity, ethical sourcing and our broader commitment to human rights.

We implement rigorous supplier engagement programs, health and safety audits and capacity-building initiatives. We promote the adoption of international safety standards, early risk identification, and preventive measures across farms, factories and partner facilities. By proactively addressing workplace hazards upstream, we safeguard people, strengthen our supply chain resilience, and reinforce the trust placed on us by consumers, partners and society.

## Incidents of forced labor or forced labor risks

**Incidents of forced labor or forced labor risks**, whether in our upstream value chain or downstream value chain, represent serious ethical, social and operational concerns. Upstream, such incidents can harm individuals, compromise supplier compliance, disrupt supply continuity, and damage relationships with business partners. Downstream, they can affect employee morale, consumer trust and the reputation of our brands, with potential legal and regulatory implications.

Addressing **incidents of forced labor or forced labor risks** is critical to our purpose to unlock the power of food and beverages to enhance quality of life for everyone, today and for generations to come. Ensuring ethical practices across the value chain protects workers, strengthens operational resilience and supports responsible sourcing.

We actively work to prevent and mitigate forced labor risks through robust policies, due diligence processes, supplier engagement, monitoring, and third-party audits. Training programs, grievance mechanisms, and collaboration with industry initiatives further reinforce zero-tolerance standards. By taking proactive measures, we aim to safeguard human rights, enhance the integrity of our supply chain, and sustain the trust of consumers, partners and society.

## Incidents due to improper water and sanitation

Improper water and sanitation practices across our supply chain pose significant risks to human health, environmental sustainability and community well-being. Upstream, inadequate water management or sanitation practices at supplier farms or manufacturing sites can threaten local water resources, reduce agricultural productivity, and impact the resilience of our supply chain. Downstream, such incidents can compromise workers' health, disrupt operations, and undermine consumer trust and societal confidence in our brands.

We address **incidents due to improper water and sanitation** through rigorous water risk assessments, site-level monitoring, community engagement and supplier capacity-building initiatives. By proactively managing water and sanitation risks, we aim to safeguard the health of people, protect natural resources, strengthen operational resilience, and reinforce the trust of consumers, communities, and partners globally.

## Addressing our impacts

All our **material IROs** concerning workers in the value chain are addressed through actions planned in line with our human rights strategy as per the Nestlé Human Rights Framework and Roadmap (see [Policies](#)). Additionally, we use our Responsible Sourcing Audit (RSA) program (see [Actions and resources](#)) to select the most at-risk suppliers with which we have significant leverage and request that they undergo a third-party on-site audit. We also leverage the information we gather through our traceability systems and the Responsible Sourcing Origins program. Several metrics are linked to our **material IROs**, which are detailed at the end of this chapter (see [Metrics and targets](#)).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

# Management of impacts, risks and opportunities

## Policies

We have several policies which address our **material IROs** as described below.

### Nestlé Human Rights Policy

The Nestlé Human Rights Policy covers our **material IROs** and outlines our commitment to respect and promote human rights across the value chain, in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Ten Principles of the UN Global Compact, the International Bill of Human Rights, and the principles concerning fundamental rights set out in the International Labor Organization’s Declaration on the Fundamental Principles and Rights at Work.

### Nestlé Human Rights Framework and Roadmap

The Nestlé Human Rights Framework and Roadmap guides our approach and covers all our **material IROs** in line with the UNGPs. It aims to build the foundation for a just transition to a regenerative food system, outlines our salient human rights issues (see below) and our approach to due diligence across the value chain. This includes our two strategic objectives of strengthening the level of due diligence across our value chain and supporting enabling environments for the respect and promotion of human rights.

Currently, we are in the process of drafting our human rights strategy for 2026–2030.

### Nestlé Human Rights Salient Issue Action Plans

As part of our Human Rights Framework and Roadmap, the Nestlé Human Rights Salient Issue Action Plans cover our **material IROs** and guide our due diligence approach by articulating the strategy for embedding, assessing, addressing, and reporting on each salient issue, including what we need to do across our value chain, plus what collective action can be taken. Each action plan defines the issue, why it matters, key actions, geographical priorities and where in the value chain we will prioritize actions.

### Nestlé Responsible Sourcing Core Requirements

The Nestlé Responsible Sourcing Core Requirements describe the minimum environmental, social and governance requirements that need to be complied with by all actors forming, directly or indirectly, part of our supply chain.

Our Responsible Sourcing Core Requirements are an integral part of all of our purchase orders and supply contracts, and contribute to the implementation, in the supply chain, of our commitment towards the UNGPs, the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises on Responsible Business Conduct, the International Bill of Human Rights, and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

## Processes for engaging with value chain workers

Our engagement with value chain workers helps us to better understand the perspectives and concerns of workers on topics affecting their rights and well-being. This enables us to inform our due diligence strategies by identifying any risks and allowing for the planning of preventive and/or remediation actions within our initiatives and programs.

For example, as part of our income accelerator program we engage with cocoa farmers through household surveys that cover thousands of households from a variety of cooperatives located in specific districts of Côte d’Ivoire. The surveys utilize a stratified two-stage random sampling method to ensure representation among participating farm households. A significant portion of the surveyed households participate in the program, while a smaller group serves as a comparison. Follow-up surveys assess the program’s impact, and additional cooperatives are invited to join the initiative. Qualitative insights are gathered through focus group discussions, observations and interviews with farmers, providing a comprehensive understanding of how the program enhances resilience among participating families.

We have also engaged workers through surveys to gather data on human rights risks in selected sugar sourcing Origins (i.e. India, Thailand, Brazil), which offered direct insights from workers about their well-being and working conditions. These worker surveys, conducted in local languages, can be participated in anonymously and voluntarily. Findings are used to inform our due diligence strategies.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

In the landscape initiatives we support, if human rights are raised as a topic, our partners such as Earthworm Foundation conduct baseline assessments to understand the issues and undertake engagement with workers and local communities as part of this process.

In addition, we have supported the development of a Social Safeguarding Process for Landscape and Jurisdictional Initiatives (LJIs), which includes targeted data collection via consultations, interviews and other on-the-ground data collection as part of the risk assessment process, which is currently being piloted by different LJIs implementers.

## Processes to remediate negative impacts and channels for value chain workers to raise concerns

We are committed to offering clear channels for workers to raise concerns, and to provide or support access to remedy when we are aware of adverse impacts on workers’ rights in our value chain.

### Management and addressing of grievances

In addition to our global platform known as *Speak Up* (see [Business conduct](#)), in 2024, we introduced a Supply Chain Grievance Management Process to further strengthen our existing processes and establish an effective procedure for addressing grievances associated with any supplier that we purchase from, whether directly or indirectly.

Our Supply Chain Grievance Management Process applies to all supply chain-related grievances received by us in relation to our Responsible Sourcing Core Requirements, local regulations, or business ethics, environmental impacts and human rights. These could be any alleged breaches of our Responsible Sourcing Core Requirements by our direct suppliers or within our upstream supply chain, or any alleged failures to respect local legislation.

Grievances are assessed, investigated, and if verified time-bound remediation plans will be established with our suppliers for them to remediate negative impacts.

We are committed to engaging and supporting our suppliers in remediation. However, we may terminate relationships with suppliers that are unwilling or unable to demonstrate steps to address and remediate substantiated grievances.

### Monitoring and effectiveness of grievance mechanisms

We review grievances to identify any trends, to address any root causes to avoid repetition, and for the purpose of continuous improvement. This may include integrating findings into capacity-building activities for our employees or suppliers.

As a member of AIM-Progress, we are supporting an initiative led by the Oxfam Business Advisory Service to help strengthen the design and implementation of an effective grievance mechanism infrastructure to improve the lives of smallholder farmers and vulnerable workers in the sugarcane sector in Brazil.

Phase one of this initiative reviewed three grievance mechanisms together with key stakeholders and rightsholders, following a mapping of available grievance mechanisms in sugarcane in Brazil.

Of these three grievance mechanisms, one has been shortlisted as having the best potential to be improved for the use of the targeted rightsholders group.

Phase two helped co-develop, via a consultative roundtable discussion with various stakeholders, a set of recommendations to improve the shortlisted grievance mechanism. Discussions are now taking place to define future phases of the initiative.

### Protocols for vulnerable workers

As part of the Consumer Goods Forum (CGF) Forest Positive Coalition, and the CGF Human Rights Coalition, we contributed to the development of a “Best Practice Note for Business on Human Rights Defenders (HRDs)”. We are currently piloting this document with other CGF members. This document offers practical insight on how companies can integrate respect for HRDs into their human rights policies and due diligence processes.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Actions and resources

We verify alignment to and compliance with our Responsible Sourcing Core Requirements using different methods at different tiers of the supply chain. Our Responsible Sourcing Audit program focuses on our direct suppliers. Category-specific upstream responsible sourcing programs help us engage with Origins of our key ingredients<sup>2</sup> to ensure compliance with our Responsible Sourcing Core Requirements at the farm level and implement remediation.

### Responsible Sourcing Audit program

Our Responsible Sourcing Audit program aims to establish a broad supplier base aligned with our Responsible Sourcing Core Requirements to achieve sourcing flexibility. This is largely achieved by inviting past, present and future potential suppliers to register with Sedex, and undergo a Sedex Members' Ethical Trade Audit (SMETA) audit.

SMETA audits are funded by the suppliers themselves, with the results shared and recognized by specific AIM-Progress members on the Sedex platform. Registering the audits on Sedex avoids the need for duplication of audits.

Biannually, we follow a process to identify suppliers in scope following a risk-based approach. Once identified, suppliers are requested by Nestlé to undergo an audit.

The risk assessment uses the following criteria:

- Annual spend (as a proxy to scale and leverage).
- Spend categories where workers are more exposed to health and safety risks, and where workers require minimal specialized skills, education or training (as a proxy to vulnerability).

At the time of reporting, there are around 11 500 at-risk direct suppliers in scope of our RSA program, which either have already, or must undergo, verification of the alignment between their operations and our Responsible Sourcing Core Requirements.

In the Sedex platform, the results of more than 3800 SMETA audits from 2025 have been shared with Nestlé. We use these audits as evidence of the corresponding suppliers' compliance with our Responsible Sourcing Core Requirements. Suppliers can also demonstrate alignment with our Responsible Sourcing Core Requirements via implementing a combination of certifications, for example, ISO 14001, ISO 45001 and/or FSSC 24000.

As SMETA audits cover labor- and human rights-related conditions at the workplace, they demonstrate the implementation of our Human Rights Salient Issue Action Plans at direct supplier level. From the pool of SMETA audits shared with Nestlé during 2025, we also disclose the number of significant non-compliances identified as related to human rights, including the number of non-compliances that were closed.

Where we identify non-compliances, they must be addressed by the relevant entity through an agreed time-bound action plan, which will include prevention, mitigation and remediation actions, as appropriate.

Suppliers are requested to follow SMETA timelines to close a gap. In cases where more time is required, we allow for up to two years maximum.

When suppliers need support to close the gap, we may provide more time in very specific situations, for example, if a gap requires significant organizational or infrastructure changes which need careful planning and execution.

For the types of gaps that suppliers might find difficult to close without support, we sometimes run capacity building programs to help impacted suppliers go through the journey.

### Risk-based due diligence within key ingredients' supply chains

Beyond verification with our Responsible Sourcing Core Requirements, we are aware that many agricultural supply chains face human rights risks that require long-term, tailored interventions to tackle their root causes.

To better understand and manage our **material IROs** related to human rights risks within our key ingredients' supply chains, we have developed and implemented the process outlined below that has in scope the 14 key ingredients' supply chains:

- **Step 1:** Understand human rights risks at ingredient level:
  - Global ingredient specific risks: We identify the most salient human rights risks. This allows us to prioritize issues for which collective action at a global level could be particularly relevant.
  - Country and sub-national risks: We compare all sourcing countries for a given ingredient in terms of their relative human rights risks and have a high-level understanding of the most salient risks. This allows us to prioritize the highest risk countries where we will take action to mitigate risks.

<sup>2</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

- Supplier-specific risks: For our 14 key ingredients<sup>3</sup>, we assess our top direct suppliers’ Human Rights and Environmental Due Diligence (HREDD) systems and use this as the basis for engagement and capacity building to strengthen their due diligence systems. We prioritize those direct suppliers representing the top 50% of our spend on our 14 key ingredients, and will annually disclose the percentage of key ingredients’ spend covered by such assessments based on this scope until 2030. In 2025, we assessed 17 suppliers using the Converged HREDD assessment open-source tool which was co-developed by AIM-Progress, the CGF, Proforest, and the Fair Labor Association. This tool consists of a self-assessment by suppliers, supplemented by an evidence review by an external partner. This new tool complements other existing tools we have been using for several years with top palm oil and sugar suppliers. All of these tools lead to the development of a time-bound action plan and the provision of capacity building, where required.
- **Step 2: Taking action on human rights risks:**
  - Based on our understanding of risks in our key ingredients’ supply chains and other factors (e.g. volumes sourced, number of strategic direct suppliers, existence of grievances, etc.), we classify countries into high, medium and low priority for action. The priority level determines the appropriate and proportional level of engagement and investment in human rights action.
    - In high priority countries: We develop a comprehensive “smart mix of actions”, such as a comprehensive action plan, including actions within the value chain and collective actions aimed at addressing the root causes of identified human rights risks. These are based on a granular understanding of risks and their root causes.
    - In medium priority countries: We prioritize actions within the value chain through engagement with our direct suppliers. We may also participate in collective actions where they exist and are aligned to the identified risks.
    - In low priority countries: We focus on monitoring and responding to grievances.

Additionally, in key sourcing regions, we are exploring cross-ingredient approaches, assessing risks across different ingredients’ supply chains in specific sub-national regions (e.g. Karnataka, India, for sugar, spices and coffee; and Veracruz, Mexico, for coffee and sugar). Our objective is to be able to identify common salient issues and address them jointly.

### Evaluating road transportation suppliers

Through our RSA program, we have also been evaluating, for some time, how road transportation suppliers adhere to our Responsible Sourcing Core Requirements. Our efforts have recently been increased due to public strikes and based on feedback from the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations, and the International Transport Federation.

To address these concerns, we partnered with an NGO, the Road Transport Due Diligence Foundation (RTDD), to investigate our supply chain and uncover potential systemic non-compliances. RTDD uses a worker-centered approach to supply chain monitoring, and is striving to improve conditions for truck drivers, while helping customer companies comply with their due diligence obligations.

For road transportation drivers, the biggest challenges identified by RTDD were that drivers experienced long periods away from home, insufficient remuneration, payment of recruitment fees, and a lack of clear and comprehensive contracts and pay slips. This is particularly the case during cross-trade transport operations, which is when an operator transports goods between two places in countries that are outside of their country of origin.

With the support of RTDD, we have adapted our human rights due diligence by conducting third-party driver interviews at our sites, and by improving our facilities on-site for drivers, refining ethical control mechanisms to ensure their effectiveness within the specific road transport industry ground context, and updating supplier management practices to better incentivize ethical compliance.

<sup>3</sup> The key ingredients in scope for KPI #2 Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment can be found in Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Dedicated due diligence systems for child labor risks

Child labor can be a systemic risk in non-mechanized farming, such as cocoa or coffee. Beyond the risk mitigation elements embedded in responsible sourcing, we have long worked to help address child labor risks and impacts and improve children’s access to education in those supply chains. We implement dedicated due diligence systems, including the Child Labor Monitoring and Remediation System (CLMRS), to identify children at risk, raise awareness and provide remediation.

### Cocoa

In our cocoa CLMRS, implemented in Côte d’Ivoire and Ghana, 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 at the household level, the establishment of birth certificates, the distribution of school kits, registration for tutoring courses or bridging classes, registration for a formal school built or renovated by Nestlé, registration for apprenticeship schemes, the distribution of bicycles to facilitate access to school, the creation of income-generating activities for household members benefiting children directly, and other remediation activities benefiting children directly.

### Coffee

In coffee, we have established due diligence systems, including CLMRS, as part of the *Nescafé Plan* and *Nespresso AAA Sustainable Quality™ Program* that aim to address the systemic issues surrounding child labor by tackling its root causes. To achieve this, we collaborate with specialized partners on the ground. We focus on raising awareness among stakeholders and governments at national and local levels, monitoring risks through regular independent assessments, and implementing targeted initiatives that engage local communities to create tailored solutions.

For more details on the performance of our dedicated due diligence systems for child labor risks, see [Metrics and targets](#).

## Income accelerator program

Our income accelerator program aims to improve the livelihoods of cocoa-farming families. It rewards 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 help close the gap in living income and help protect children.

## Impact pathways and indicators

We are currently developing specific impact pathways for three of our salient issues: forced labor and responsible recruitment; Indigenous Peoples’ and local communities’ land rights; and living income. Our impact pathways will be supported by activities, outputs, outcomes, and impact, and monitored by specific indicators. The objective of this work is to help assess the effectiveness of our actions.

## Metrics and targets

We have included in this *Non-Financial Statement 2025* several new metrics in 2025. These are aimed at helping us to continually build our understanding of how to measure the effectiveness of our actions and track the overall performance of our human rights approach.

These new metrics related to our **material IROs** are:

- Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment.
- Number of significant non-compliances related to human rights identified through third-party audits of our direct suppliers (SMETA audits), of which number of non-compliances closed.
- Number of grievances received through *Speak Up* or other channels related to human rights in our supply chain, of which number under investigation, number under remediation and number closed.
- Percentage of volume of green coffee covered by due diligence systems for child labor risks.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment

	2025
Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment	70.3

Continuously, and via our Responsible Sourcing Audit program, we request suppliers to conduct SMETA audits and share them on the Sedex platform with Nestlé. Suppliers have up to two years to close any identified gaps. As such, the number of closed significant non-compliances related to human rights within the reporting year is not indicative of performance but an indication of our contribution to the collective action together with other industry actors on due diligence. We use this KPI as a proxy for the intensity of our human rights due diligence on our direct suppliers.

Number of significant non-compliances related to human rights identified through third-party audits of our direct suppliers (SMETA audits), of which number of non-compliances closed<sup>4</sup>

	2025
Number of significant non-compliances related to human rights identified	5126
Number of significant non-compliances related to human rights closed	1209

Number of grievances received through *Speak Up* or other channels related to human rights in our supply chain, number of grievances substantiated, of which either under remediation, remediated or the supplier terminated, and number of cases under investigation

	2025
Number of grievances received through <i>Speak Up</i> or other channels related to human rights in our supply chain:	9
Number of grievances substantiated	6
of which, under remediation	4
of which, remediated or supplier terminated	2
Number of grievances under investigation	3

<sup>4</sup> Note that the reporting boundary of this KPI differs from the rest of the other non-GHG ESG KPIs reported here as it excludes Nestlé Waters & Premium Beverages. For the exact scope covered, refer to [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>5</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>6</sup> Wherever Child Labor Monitoring and Remediation System (CLMRS) is referenced in this table, it concerns only Côte d'Ivoire and Ghana.

<sup>7</sup> Including mass balance. Covers the period October 1, 2024, to September 30, 2025.

<sup>8</sup> Covers the households who received at least one visit within the period January 1, 2024, to December 31, 2025.

<sup>9</sup> Covers the period January 1, 2025, to December 31, 2025.

<sup>10</sup> Covers the period January 1, 2024, to December 31, 2025.

Volumes of key ingredients responsibly sourced (percentage)

	2025
Percentage of volumes of key ingredients responsibly sourced <sup>5</sup>	49.8

### Dedicated due diligence systems for child labor risks

The following metrics track performance in relation to due diligence systems and **incidents of child labor or child labor risks**, updated for 2025 as follows:

Performance in relation to due diligence systems for child labor risks – coffee

	2025
Percentage volume of green coffee covered by due diligence systems for child labor risks	86.8

Performance in relation to due diligence systems for child labor risks – cocoa<sup>6</sup>

	2025
Percentage volume of cocoa covered by due diligence systems for child labor risks, including CLMRS <sup>7</sup>	96.2
Total number of households covered by the CLMRS to prevent and address child labor risks (24 months) <sup>8</sup>	97 122
Total number of children who have received support through prevention and remediation actions as part of the CLMRS <sup>9</sup>	52 456
Total number of children who reported no longer engaging in potentially hazardous activities as part of the CLMRS (24 months) <sup>10</sup>	11 431

### Income accelerator program

According to a progress report published by KIT Institute in 2025, the income accelerator program is making good progress across its four key areas: school enrollment, good agricultural practices (GAPs), agroforestry, and income diversification.

# Affected communities

As part of our Creating Shared Value approach, we support communities in and around our operations. We want to play a proactive role in helping close living income gaps, empowering Indigenous Peoples and local communities to become stewards of their lands, and enabling young people to achieve their professional ambitions. By improving livelihoods, we contribute to resilient communities, securing our long-term supply chain, and our ability to attract and retain talent.

● Positive impact ● Negative impact ● Risk

- 29 ● Lacking food security
- 30 ● Incidents due to improper water and sanitation
- 31 ● Indigenous Peoples' and local communities' land and resource rights
- 32 ● Supporting young people through development programs

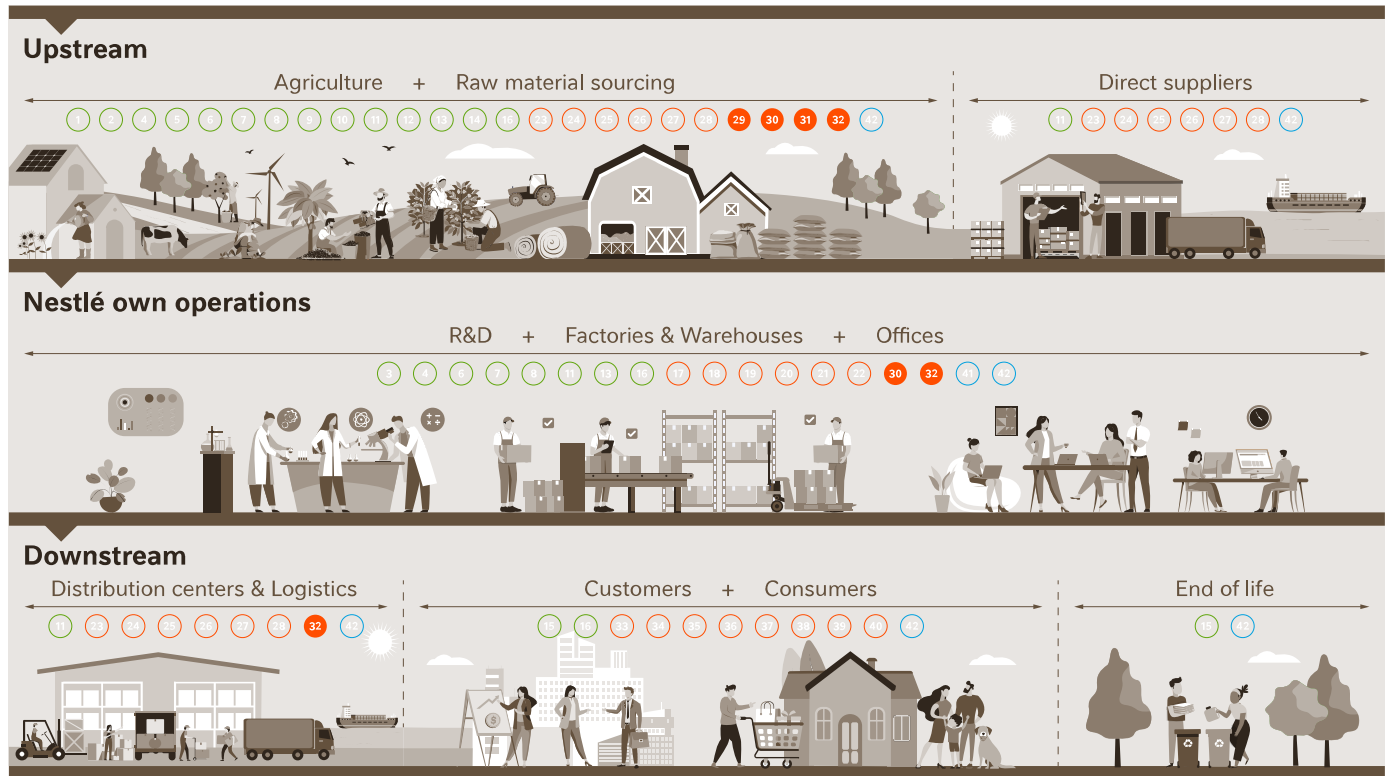


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

# Material impacts, risks, and opportunities

## IRO summary

<b>IRO</b>	<b>Material IRO description</b>
<b>Adequate food<sup>1</sup></b>	
<b>Lacking food security</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to how smallholder farming households not earning a living income can lead to the inability to afford the cost of a decent standard of living, thereby contributing to food insecurity.
<b>Water and sanitation<sup>2</sup></b>	
<b>Incidents due to improper water and sanitation</b> <i>Negative impact (Upstream/Own operations)</i>	This negative impact in our upstream value chain and our own operations relates to how inadequate wastewater management, water over-extraction, or non-compliance with the land and resource rights of Indigenous Peoples and local communities in the value chain can lead to the contamination or depletion of local water sources used by surrounding communities, thereby contributing to waterborne diseases, poor hygiene conditions, reduced food production, and an overall deterioration in public health and living standards.
<b>Land-related impacts<sup>3</sup></b>	
<b>Indigenous Peoples' and local communities' land and resource rights</b> <i>Negative impact (Upstream)</i>	This negative impact in our upstream value chain relates to how the violation of Indigenous Peoples' and local communities' land and resource rights can lead to the displacement of local communities, reduced access to arable land, disruption of cultural ties to land, and/or increased land-related conflicts, thereby threatening traditional livelihoods, food sovereignty, and the cultural and environmental rights of affected populations.
<b>Community development</b>	
<b>Supporting young people through development programs</b> <i>Positive impact (Upstream/Own operations/Downstream)</i>	This positive impact across our value chain relates to how large-scale youth development programs can enable access to economic, educational and skill-building opportunities for young people, leading to improved employability and reduced unemployment for young people.

<sup>1</sup> In the *Non-Financial Statement 2024*, this impact was connected with our "own operations" and "downstream value chain". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

<sup>2</sup> In the *Non-Financial Statement 2024*, this impact was also connected with our "downstream value chain". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

<sup>3</sup> In the *Non-Financial Statement 2024*, this impact was also connected with our "own operations" and our "downstream value chain". In the *Non-Financial Statement 2025*, this is removed to better reflect the scope of the impact.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Material impacts, risks and opportunities in detail

### Types of affected communities

The communities that may be affected are those with which we have a direct relationship through our own operations and an indirect relationship through our upstream value chain activities. Therefore, the following types of affected communities are not included:

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

The following types of communities may be subject to material impacts:

- Communities living or working around our sites, in particular our factories and distribution centers.
- Communities living or working where the harvesting of our ingredients takes place (i.e. around the farms and plantations that are part of our agricultural supply chains).
- Communities of Indigenous Peoples, in particular those living around our factories and the farms and plantations that are part of our supply chains.

### Lacking food security

Access to adequate food is essential for sustaining healthy livelihoods. In our upstream value chain, particularly among smallholder farming households, the inability to earn a living income can lead to economic vulnerability, which contributes to the negative impact of **lacking food security**.

We rely on resilient farming communities to produce the agricultural raw materials that we need to make our products. If farmers and their families cannot afford nutritious, affordable and adequate food, it affects not only their well-being but also the long-term sustainability of our supply chains.

Many of our supply chains are located in regions where poverty and food insecurity are prevalent, especially in rural areas. We already have a long history of smallholder livelihood interventions, particularly in cocoa, coffee and dairy. These have mostly focused on improving on-farm management and farm economics.

Targeted interventions to increase productivity and encourage diversified sources of income have the potential to reduce the living income gap, and contribute to improving food availability and dietary diversity.

### Incidents due to improper water and sanitation

Access to water, sanitation and hygiene (WASH) is indispensable to sustaining healthy livelihoods and maintaining people's dignity. Our own operations and those in our upstream supply chain must avoid withdrawing excessive volumes of water from available sources and manage wastewater properly to prevent the negative impact of **incidents due to improper water and sanitation**.

We rely on workers being able to access safe water, sanitation and hand-washing facilities. Without this, we would be unable to staff our facilities and meet the basic needs of employees. We also need 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 our license to operate locally.

Many of these upstream supply chains are based in countries where water insecurity is high and access to sanitation and hygiene is low, especially in rural areas. Our 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 our own operations, while seeking to address any adverse impacts to which we may contribute or to which we may be linked through our business relationships, is deeply connected to progress on our water stewardship agenda; including the Nestlé Waters & Premium Beverages regeneration pledge (see [Water resources](#)), and our plans to support and accelerate the transition to a regenerative food system in a way that leaves no one behind.

### Indigenous Peoples' and local communities' land and resources rights

As we rely on land for the sourcing of raw materials in our upstream value chain, we have a responsibility not to contribute to negative impacts relating to **Indigenous Peoples' and local communities' land and resource rights** in our supply chains or through our business relationships, and to address any impacts to which we may be linked.

Many of the issues and challenges around respect for the land and resource rights of Indigenous Peoples and local communities (IP&LCs) are complex and linked to a wide range of factors (see [Nestlé's Salient Issue Action Plan: Indigenous Peoples' and local communities' land rights](#)) that cannot be addressed by Nestlé on our own.

Tackling these issues and their root causes requires collaboration between many different stakeholders, including IP&LCs, companies, governments, as well as multilateral, non-governmental and civil society organizations.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

We are committed to collaborating with rightsholders and stakeholders, both in specific landscapes in production countries, as well as at global and sectoral levels, to promote and help strengthen the land and resource rights of IP&LCs and support them in becoming stewards of their lands.

### Supporting young people through development programs

Youth unemployment is a significant issue in many parts of the world. We are generating a positive impact by **supporting young people through development programs**, in countries which allow us to do so. These programs help to enable young people to get the skills they need to participate in today’s economy and thrive in the future. This is helping countries and regions tackle youth unemployment, and to address the skills gaps projected by leading international organizations, such as the International Labour Organization and the World Bank.

Our efforts also benefit our business by ensuring we have a pipeline of skilled workers for our own operations, and by empowering the next generation of farmers to be proficient in regenerative agriculture practices, both of which are key to enabling a just transition to regenerative food systems.

## Management of impacts, risks and opportunities

### Policies

We have several policies which address our **material IROs** as described below. For more details on these policies, see also [Workers in the value chain](#).

#### Understanding risk

For our overall approach to risk assessment, including engaging with stakeholders, see the details in [Workers in the value chain](#).

In addition, we develop land and resources rights risk (LRR) profiles for key sourcing countries. LRR profiles assess specific local risks and dynamics at sub-regional levels. The issues covered in LRR profiles primarily relate to **Indigenous Peoples’ and local communities’ land and resource rights** but also affect how we manage our other IROs of **lacking food security** and **incidents due to improper water and sanitation**.

Specific to IP&LCs, we have developed guidance on how to meaningfully engage based on a set of recommendations by our partners, Proforest and Landesa. This guidance forms a three-pronged approach for meaningful stakeholder engagement including:

- 1 Desk-based risk assessment of the priority country with potential limited engagement with experts, leading to country-level assessment of IP&LCs land rights risks and recommendations for action (e.g. LRR).
- 2 National/sub-national stakeholder consultation, with governments, companies, NGOs, IP&LCs proxies and representatives, leading to national/sub-national assessment of IP&LCs land rights risks and recommendations for action.
- 3 Local stakeholder engagement directly with rightsholders at community level, leading to local assessment of IP&LCs land rights risks for prioritized locations and prioritized regions.

In Brazil and Colombia, we have already completed the three steps above.

#### Nestlé Human Rights Policy

The Nestlé Human Rights Policy covers all our **material IROs** and outlines our commitment to respect and promote human rights across the value chain, in line with the International Bill of Human Rights, and the principles concerning fundamental rights set out in the ILO’s Declaration on the Fundamental Principles and Rights at Work.

#### Nestlé Human Rights Framework and Roadmap

The Nestlé Human Rights Framework and Roadmap outlines our human rights strategy (see [Workers in the value chain](#)), which aligns to the United Nations Guiding Principles on Business and Human Rights. Through this framework and roadmap, we aim to build the foundation for a just transition to regenerative food systems, as reflected in our **material IROs**.

Our Human Rights Framework and Roadmap outlines our salient human rights issues and our approach to due diligence across the value chain, as well as the two objectives of our strategy: strengthen the level of due diligence across our value chain; and support enabling environments for the respect and promotion of human rights.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

Our salient issue action plans on “Indigenous Peoples’ and local communities’ land rights”, “Living income”, “Right to Food and Access to Nutritious, Affordable and Adequate Diets”, and, “Right to Water and Sanitation” guide our due diligence approach by articulating our strategy for embedding, assessing, addressing and reporting on these topics – defining what we need to do across our value chain, as well as what collective action can be taken. Each plan defines the issue, why it matters, key actions, where in the value chain we will prioritize actions, and geographical priorities.

In the context of our [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.

### **Nestlé Responsible Sourcing Core Requirements**

The Nestlé Responsible Sourcing Core Requirements describe the minimum environmental, social and governance requirements that need to be complied with by all actors forming, directly or indirectly, part of our supply chain. Our Responsible Sourcing Core Requirements specifically require that Indigenous Peoples’ and local communities’ land and resources rights are respected.

Our Responsible Sourcing Core Requirements apply to the supply chain (direct suppliers and Origins) and are an integral part of all of our purchase orders and supply contracts. For incidents due to improper water and sanitation, our Responsible Sourcing Core Requirements includes specific guidance on water withdrawals, water use, wastewater and effluents, and the need to protect local water resources.

## **Processes for engaging with affected communities about impacts**

In addition to those processes as described in [Workers in the value chain](#), particularly for affected communities, we engage via the following processes, as described below.

### **Indigenous Peoples and local communities engagement**

The UNGPs and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct state that in order to determine human rights risks, businesses should carry out meaningful consultation with potentially affected groups and other relevant stakeholders.

For Nestlé, meaningful stakeholder engagement requires actively involving stakeholders in our company’s decision-making processes, especially regarding human rights and environmental impacts.

We believe this engagement should go beyond simple consultation and aim for two-way dialogue, ensuring stakeholders’ voices are heard and considered in addressing potential harm.

In the context of the implementation of our Nestlé Salient Issue Action Plan for Indigenous Peoples’ and local communities’ land rights, we decided to pilot extensive stakeholder consultations in Brazil and Colombia, two priority countries working on this topic. See [Actions and resources](#) for more details.

### **Landscape and jurisdictional initiatives**

When relevant, our partners engage with IP&LCs to gain insight into their challenges as part of the baseline assessments of some of the landscape and jurisdictional initiatives (LJIs) we support, in our efforts to advance **Indigenous Peoples’ and local communities’ land and resources rights**.

For LJIs, we have developed, and are currently piloting via LJIs implementers, a Social Safeguarding Process. “Social safeguarding” aims to ensure that interventions in LJIs do not have negative impacts on people, for example, affecting communities’ rights to access and/or infringing on cultural sites. The process for LJIs includes targeted data collection via consultations, interviews and other on-the-ground data collection as part of the risk assessment process.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Community Relations Process 2.0

In the context of Nestlé Waters & Premium Beverages, our bottled water business, we have a dedicated Community Relations Process (CRP) 2.0 to address **incidents due to improper water and sanitation**. Through this process, we engage with local communities. Using mapping, context analysis and interviews with neighbors, authorities, water users, and other local stakeholders, the CRP 2.0 helps capture potential concerns from local stakeholders regarding water resource management at the Nestlé Waters & Premium Beverages level and at a broader watershed level. It also allows Nestlé Waters & Premium Beverages 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 2.0 is a tailored action plan that addresses local issues and helps develop collective actions. In many cases, Nestlé Waters & Premium Beverages provides access to water and sanitation to local communities near its factories. See [Water resources](#) for more details.

## Alliance for Water Stewardship certification

In addition to the CRP 2.0, to help mitigate incidents due to improper water and sanitation, Nestlé Waters & Premium Beverages is certifying its sites against the Alliance for Water Stewardship (AWS) Standard (see [Metrics and targets](#) for more details).

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 entirely dedicated to the communication and disclosure of a site's stewardship efforts to encourage transparency and accountability. By following the AWS Standard, Nestlé Waters & Premium Beverages sites receive feedback from communities on water-related topics – the sites use the CRP 2.0, as previously described. See [Water resources](#) for more details.

## Nestlé needs YOUth initiative

The Nestlé needs YOUth initiative was launched in 2013 as a way of **supporting young people through development programs**, in countries which permit our programs. Since then, it has become a global movement. In its first decade alone, it has successfully harnessed the energy, ambition and ideas of a new generation – reaching six years earlier than planned, in 2024, our ambitious 2030 target of providing 10 million young people with access to economic opportunities.

The initiative aims to help young people gain access to apprenticeships, traineeships and job opportunities – empowering them with the skills they need to thrive. We believe that by giving young people the skills, knowledge and opportunities to succeed, they can improve their personal economic circumstances, and contribute to the social development in their communities. In addition, our support for the young Nestlé farmers of today and tomorrow through the initiative means we can help future generations embrace and embed regenerative agriculture practices.

The initiative has been focusing on three areas:

- **Employability:** Helping youth secure fulfilling jobs and careers by facilitating access to apprenticeships, traineeships, and job opportunities around the world.
- **Entrepreneurship:** Giving support to kickstart and grow businesses, including business mentorship with senior executives from Nestlé, and facilitating access to Nestlé R&D and innovation experts across the world.
- **Agripreneurship:** Training and enabling young farmers to develop knowledge and skills, and to support them in the sustainable management of their farms.

## Grievance mechanisms for affected communities

We are committed to building trust, transparency and accountability within our business and across our supply chain. A core element of our human rights due diligence is to ensure that stakeholders and rightsholders can raise their grievances through effective channels and have access to remedy.

Our Nestlé Supply Chain Grievance Management Process aims to provide a transparent process for grievance investigation, escalation and resolution (see also [Workers in the value chain](#)).

This process applies to all supply chain-related grievances received by us in relation to any alleged breaches of our Responsible Sourcing Core Requirements by our direct suppliers or in our upstream supply chain, and for alleged failure to respect local legislation or other issues relating to business ethics, environmental impacts and human rights. It is complemented by a standard operating procedure, a grievance protocol, and a monitoring and improvement guide.

In addition to the process above, we are also collaborating with other companies through the Consumer Goods Forum's Human Rights Coalition to explore how to jointly address social grievances shared by different member companies.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Actions and resources

Actions and resources for our **material IROs**, guided by the various policies, frameworks and/or strategies outlined in [Policies](#), are described in more detail below.

### Addressing Indigenous Peoples’ and local communities’ land rights risks and impacts in Colombia and Brazil

In 2025, we finalized consultations concerning several commodities in Colombia and Brazil which identified several risks and impacts around land rights of Indigenous Peoples, Afro-descendants (in Colombia), Quilombolas (in Brazil), local communities and smallholders living around the production areas of the focus commodities and regions, in response to our IRO concerning **Indigenous Peoples’ and local communities’ land and resource rights**.

From this research, we developed an action plan that comprises actions to be taken within our supply chain (e.g. capacity building of our direct suppliers and upstream supply chain) and collective actions (e.g. engagement with industry associations or participation in landscape initiatives) to address the risks identified.

In addition, the findings highlighted the opportunity to support regenerative agriculture and responsible water management practices leading to more sustainable water and agrochemicals use that will help mitigate **incidents due to improper water and sanitation**.

### Respecting Indigenous Peoples and local communities’ rights affected by agricultural production in Indonesia

The project, “Respecting Indigenous Peoples and Local Communities Rights Affected by Agricultural Production in Indonesia”, in support of **Indigenous Peoples’ and local communities’ land and resource rights** continued in 2025.

The project aims to support collective action in addressing some of the root causes of IP&LCs land rights issues in Indonesia, including the resolution and remediation of ongoing land conflicts and development of systems for preventing future conflicts.

This effort recognizes and builds on existing work on respecting land rights in Indonesia (e.g. the report, “Role of the Private Sector in Supporting Land Conflict Resolution in Indonesia”, by The Forest Institute).

The project is being implemented by Proforest, the Cipta Rukun Upaya (previously known as Conflict Resolution Unit/CRU), Earthworm Foundation, and the Dala Institute (Phase 1), and is funded by Nestlé and other companies.

Together with our partners, we have been focusing on combining engagement and dialogues with local stakeholders to identify and build bottom-up solutions to land rights issues in the Aceh province, and training local stakeholders on land rights and conflict mediation.

Our long-term objective with this project is to identify key solutions for reducing conflicts between companies and IP&LCs, as well as establishing systems to prevent future conflicts which can be scaled up in Aceh, and other jurisdictions in Indonesia.

### Improving food security

In our effort to address the negative impact of **lack of food security** for smallholder farming households, in 2025, we focused on creating inclusive, human rights-based economic opportunities that enable living incomes through various programs and initiatives.

For example, the *Nespresso AAA Sustainable Quality™ Program* in Ethiopia, implemented by Nespresso’s partner TechnoServe, and supported by Global Affairs Canada, provides holistic support covering key regenerative agriculture practices, household nutrition, financial literacy and gender equality. Since 2021, this initiative has successfully trained around 54 000 farmers (51% women) from approximately 40 000 households, equipping them with the skills needed to improve their livelihoods and address food security challenges within their communities. The program’s comprehensive approach aims to build household resilience and create a more sustainable and equitable coffee supply chain.

In 2025, we have distributed vegetables, seedlings, broilers and plantains, and provided training for around 2700 households to create kitchen gardens for nutrition and income diversification in Colombia.

### Increasing access to WASH

We work with local and global organizations to increase access to WASH. These projects have benefited communities in areas surrounding our manufacturing sites and in our agricultural supply chains.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Youth Impact: Because You Matter partnership with UNESCO

In 2025, we extended our Youth Impact: Because You Matter partnership with UNESCO, a program that supports youth aged 18-30, to select countries globally. This builds on the success of the pilot program initiated in Latin America in 2023. Our objective through this program is to help people, directly or indirectly, to strengthen economies and ensure higher rates of youth employment.

Teams of young social impact innovators receive grants, and tailored trainings, developed in part by our Youth Entrepreneurship Platform, to develop the relevant skills and solutions that enhance the resilience and sustainability of food systems, with a focus on regenerative agriculture practices, climate change mitigation, and packaging sustainability innovations.

## Metrics and targets<sup>4</sup>

We currently have no targets or metrics related to our negative IROs of **Indigenous Peoples' and local communities' land and resource rights** and **lacking food security**, however, we are working on impact pathways and associated indicators.

For **incidents due to improper water and sanitation**, we have been committed to certifying Nestlé Waters & Premium Beverages sites to the Alliance for Water Stewardship (AWS) certification. We can report that by the end of 2025, the total number of Nestlé Waters & Premium Beverages AWS-certified sites was 39.

For more details, see [Water resources](#).

### Nestlé needs YOUth

In 2017, we launched our target for supporting young people through development programs by setting a goal of providing 10 million young people with access to economic opportunities by 2030.

By 2024, we had already supported 10.2 million young people with access to economic opportunities, surpassing our 2030 goal, six years earlier than planned.

In 2025, we continued supporting young people, with an additional 2.6 million people supported.

Nestlé Specific KPIs: youth-related (million)<sup>5</sup>

	2024	2025
Number of young people supported to develop future-ready skills (annual)	2.5	2.6

Nestlé Specific KPIs: youth-related (number)

	2024	2025
Apprenticeship and traineeship opportunities	10 612	10 080
Young farmers trained through agripreneurship program	9574	12 747
Young people impacted through digital events (e.g. career fairs, educational webinars, e-learning programs) that focus on upskilling young people for employability	1 648 290	1 374 800
Young entrepreneurs who have received some basic but tangible benefit from Nestlé	70 838	245 009
Nestlé employees hired under 30-years old, on unlimited or temporary contracts	23 238	20 880

### Nestlé Community Giving

Nestlé Community Giving is a crucial component of our commitment to making a positive impact on society.

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

These acts of giving fall into four pillars: disaster relief, food access, community life, and employee giving.

In 2025, our total community giving investment amounted to CHF 161 317 000.

Nestlé Specific KPIs: Community-giving investment (CHF)

	2024	2025
Financial aid	38 532 000	36 870 000
Product donations	110 219 000	120 084 000
Other	3 571 000	4 363 000
<b>Total</b>	<b>152 322 000</b>	<b>161 317 000</b>

<sup>4</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>5</sup> The methodology has been updated between FY2024 and FY2025. Data remains comparable despite the slight update.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

# Consumers and end-users

As economic pressures and a growing focus on health and sustainability affect food choices, our business model needs to continually evolve to address consumers' needs. Consumers are actively seeking better options and transparency on product marketing and nutritional information. In all regions, and for all incomes, consumers are seeking reassurance on quality and great taste. Our diverse product portfolio and global reach mean we are uniquely positioned to deliver brand transparency, taste, affordability, authenticity and accountability.

🟢 Positive impact ● Negative impact 🟡 Risk

- 33 🟡🟡 Consumption of unsafe products
- 34 🟡 Products and portfolio contributing to balanced and nutritional diets
- 35 🟡 Impacts of unhealthy diets
- 36 🟡 Product accessibility for specific consumer groups
- 37 🟡 Addressing specific nutritional needs with tailored solutions
- 38 🟡 Ensuring compliance with Nestlé marketing policies
- 39 🟡 Unclear or insufficient product information
- 40 🟡 Protecting consumers' personal data

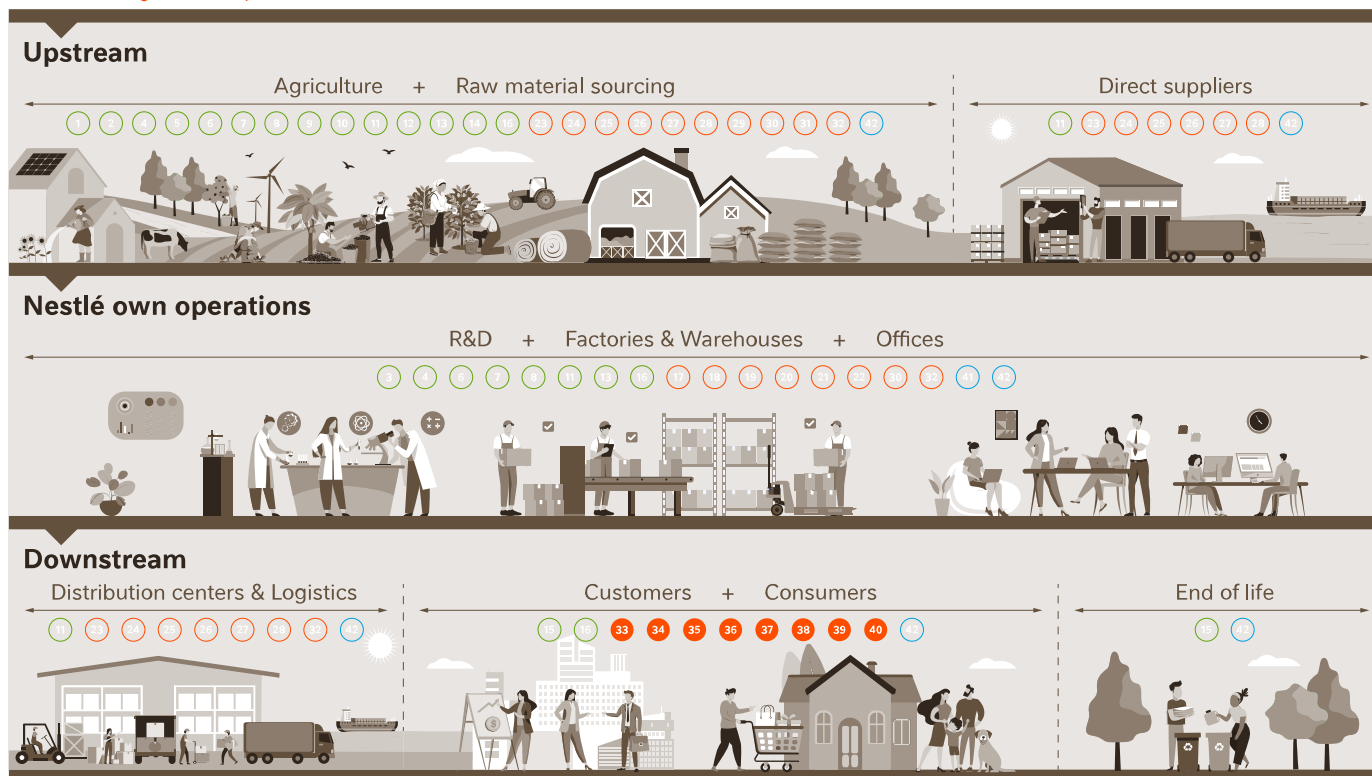


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Material impacts, risks, and opportunities

IRO summary<sup>1</sup>

IRO	Material IRO description
<b>Food safety<sup>2</sup></b>	
<b>Consumption of unsafe products</b> <i>Negative impact (Downstream)</i>	This negative impact in our downstream value chain relates to how compromised product safety or inaccurate allergen labeling can pose health risks to consumers.
<b>Consumption of unsafe products</b> <i>Risk (Downstream)</i>	This risk in our downstream value chain relates to how a lack of food safety can lead to regulatory action including fines, litigation, loss of consumer trust and damage to our brand reputation.
<b>Nutritional value of the portfolio</b>	
<b>Products and portfolio contributing to balanced and nutritional diets</b> <i>Positive impact (Downstream)</i>	This positive impact in our downstream value chain relates to volumes of products with higher nutritional value that support adequate and appropriate nutritional intakes.
<b>Impacts of unhealthy diets</b> <i>Negative impact (Downstream)</i>	This negative impact in our downstream value chain relates to how consumers' excessive consumption of energy-dense foods high in sugar, sodium and fat can increase risk of obesity and noncommunicable diseases.
<b>Access to products</b>	
<b>Product accessibility for specific consumer groups</b> <i>Negative impact (Downstream)</i>	This negative impact in our downstream value chain relates to how products may not be accessible to all segments of the population, such as those with lower-income levels.
<b>Addressing specific nutritional needs with tailored solutions</b> <i>Positive impact (Downstream)</i>	This positive impact in our downstream value chain relates to how designing food products for people with specific dietary requirements can help nutritional needs across life stages and conditions.
<b>Responsible marketing practices</b>	
<b>Ensuring compliance with Nestlé marketing policies</b> <i>Negative impact (Downstream)</i>	This negative impact in our downstream value chain relates to how improper marketing communication can mislead or affect vulnerable consumer groups, such as children, infants and young children.

<sup>1</sup> Since the *Non-Financial Statement 2024*, we have updated titles and descriptions to better reflect the scope of the IROs.

<sup>2</sup> Since the *Non-Financial Statement 2024*, we have segregated the sustainability matter "Health and safety" into two Nestlé-specific sub-topics, "Food safety" and "Nutritional value of the portfolio", to better reflect the scope of the IROs.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

IRO	Material IRO description
<b>Access to (quality) information</b>	
<b>Unclear or insufficient product information</b> <i>Negative impact (Downstream)</i>	This negative impact in our downstream value chain relates to how a lack of clear and comprehensive product information can prevent consumers from making informed decisions aligned with their health requirements or nutritional needs or values.
<b>Privacy</b>	
<b>Protecting consumers' personal data</b> <i>Negative impact (Downstream)</i>	This negative impact in our downstream value chain relates to how breaches of personal data may impact people's rights and integrity, personal safety and well-being.

## Material impacts, risks and opportunities in detail

### Types of impacted consumers and end-users

Based on our diverse product portfolio and global reach, the consumers and end-users who may be materially impacted include:

- People from all life stages, from pre-conception to healthy longevity.
- People from diverse socio-economic conditions, including lower-income and financially vulnerable people.
- People with different health conditions, including calorie conscious consumers and people with specific medical conditions.

We provide consumers with high-quality products and transparent communication, regardless of geographical location and product price point.

### Consumption of unsafe products

If not properly managed, compromised product safety, such as contamination, mislabeling, or allergen inaccuracies, can lead to the **consumption of unsafe products** and pose health risks to consumers. This can arise from either isolated incidents or systemic gaps in quality assurance. In addition to direct health impacts, such events can erode consumer trust and damage brand reputation. Regulatory consequences, including fines and litigation, may follow. Should an incident occur, it could affect both consumer well-being and our license to operate.

To mitigate this negative impact and risk, we embed rigorous food safety and quality standards and processes. These are operationalized through the Nestlé Management System for Quality and Safety, Health and Environment, and our commitment to food safety and regulatory compliance across the value chain.

### Improving products and portfolio to contribute to balanced and nutritional diets

Our product development and renovation efforts can positively influence public health by improving the nutritional profiles of foods available to consumers. By fortifying and reformulating our products, and through innovation in plant-based and whole grain offerings, we are addressing our **products and portfolio contributing to balanced and nutritional diets**. This supports consumers in meeting dietary needs across life stages. Without such efforts, we could miss opportunities to support balanced diets and respond to evolving nutrition science and consumer expectations.

We use our extensive research and development expertise to realize this positive impact, as set out in our Nutrition, Health and Wellness (NHW) strategy.

### Impacts of unhealthy diets

Excessive consumption of products high in saturated fat, salt and sugar can contribute to obesity and noncommunicable diseases. Our portfolio includes categories which should be consumed occasionally as part of a balanced diet. The negative **impacts of unhealthy diets** also carry reputational risks if not adequately addressed.

We address this through our NHW strategy, which includes actions such as innovation and reformulation, portion guidance and consumer education.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

### Product accessibility for specific consumer groups

In many Markets, nutritious food remains inaccessible to lower-income consumers. Without targeted strategies, we may fail to reach underserved populations or contribute to widening nutritional gaps.

We offer affordable and fortified products which can help address food insecurity and micronutrient deficiencies through **product accessibility for specific consumer groups**.

### Addressing specific nutritional needs with tailored solutions

Consumers with medical conditions or specific nutritional needs require tailored solutions. Our specialized nutrition can support these needs, from medical nutrition to aging. By **addressing specific nutritional needs with tailored solutions** we deliver targeted nutritional benefits at the same time as differentiating our portfolio. Without such solutions, we may fail to meet the needs of key consumer groups.

Today, specialized nutrition makes up 22% of our product portfolio and we incorporated this positive impact in our NHW strategy.

### Ensuring compliance with Nestlé marketing policies

Exposure to inappropriate marketing can limit the opportunity for mothers and caregivers to give the best start in life to their infants, while older children may be encouraged to adopt unhealthy eating behaviors.

We address **ensuring compliance with Nestlé marketing policies** through two distinct frameworks: the Nestlé Policy for Implementing the WHO Code, which governs responsible communication around infant formula and breastfeeding support; and the Nestlé Marketing Communication to Children Policy, which limits advertising to children below 16 years.

### Unclear or insufficient product information

Lack of transparency in product labeling or unsubstantiated claims can prevent consumers from making informed choices aligned with their nutritional needs or values. This can result in a material negative impact because it can cause consumer confusion, dissatisfaction and unbalanced food choices, at the same time as being a potential regulatory non-compliance.

Nestlé's internal policies and standards support our ability to demonstrate accountability. We mitigate the negative impact of **unclear or insufficient product information** through our internal Nestlé Labelling Standards, ensuring transparent communication of product information.

### Protecting consumers' personal data

Protecting personal data is tied to the fundamental human right to privacy, and personal data breaches can harm individuals. These can occur within our internal operations or externally (such as through service providers that handle personal data on our behalf) because of cybersecurity breaches or human errors, leading to potential fines, reputational impacts, and indemnification obligations.

We address any potential negative impact of **protecting consumers' personal data** through the Nestlé Privacy Program, which is founded on our internal Privacy Policy and internal Privacy Standard.

## Management of impacts, risks and opportunities Policies (overall)

This section outlines how we manage our **material IROs** as identified above. It details our food safety and quality management systems, our NHW strategy – which guides how we support consumers in making more balanced food choices – and the internal requirements we apply to ensure responsible marketing and protect personal data.

These policies are designed to prevent harm, promote transparency and deliver positive outcomes for consumers and end-users.

## Policies (related to food safety and quality)

### Nestlé Quality Policy

The Nestlé Quality Policy is a cornerstone of our commitment to excellence, aiming to foster a quality mindset across all stages of our value chain – from development and manufacturing to delivery. This policy is pivotal in addressing the negative impact and risk of **consumption of unsafe products** associated with food safety incidents.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Nestlé Management System for Quality and Safety, Health and Environment

Our approach is operationalized through the Nestlé Management System for Quality and Safety, Health and Environment, which is aligned with ISO standards and verified by independent certification bodies. All manufacturing sites producing food and pet food are required to maintain certification to the Food Safety System Certification (FSSC 22000) standard, which is endorsed by the Global Food Safety Initiative (GFSI). We also require Tier 1 suppliers to be certified to a GFSI-recognized food safety scheme.

To ensure continuous improvement, we conduct regular internal and third-party audits, maintain robust complaint management systems, and implement product recall procedures, where necessary. We also invest in training and awareness to embed a quality mindset across the organization, and we are rolling out a digital Hazard Analysis and Critical Control Point tool to standardize and enhance food safety risk assessments globally.

This integrated system enables us to identify and manage risks and prevent incidents.

## Policies (related to our Nutrition, Health and Wellness strategy)

Our NHW strategy is supported by policies covering a range of topics, including the following.

### Nestlé Policy on Micronutrient Fortification of Foods and Beverages

The Nestlé Policy on Micronutrient Fortification of Foods and Beverages sets out a structured approach to addressing micronutrient deficiencies through voluntary fortification. It aims to promote micronutrient fortification at levels that help to improve and maintain consumers' nutritional status, particularly in regions where deficiencies are prevalent. As a result, it focuses on our **products contributing to balanced and nutritional diets**.

This policy goes beyond many national and international standards. In Markets where local regulations exist, we comply fully with local regulations, or, where there is no regulation, we apply current Codex Alimentarius Guidelines. Voluntary fortification targets are set at 15% of the local nutrient reference value per serving, with upper limits capped at 20% of the age-specific local tolerable upper intake level to avoid excessive intake.

By using the latest deficiency data from international and national health authorities, we ensure that fortification efforts are locally relevant and scientifically grounded. Our Policy on Micronutrient Fortification of Foods and Beverages is implemented across product categories and geographies, and is a key enabler of our NHW strategy.

### Affordable nutrition portfolio

Our affordable nutrition portfolio targets the specific needs of approximately three billion lower-income consumers.

It aims to deliver quality products fortified with micronutrients at price points suitable for lower-income consumers. This typically includes smaller pack sizes, single-serve and value-pack formats across categories like dairy, nutrition and ambient foods.

Our affordable nutrition portfolio is guided by our Policy on Micronutrient Fortification of Foods and Beverages, and focuses on products that are widely consumed and regularly purchased by populations at risk of lacking essential micronutrients such as iron, iodine, vitamin A, or zinc.

Our affordable nutrition portfolio contributes directly to addressing **product accessibility for specific consumer groups** and **products and portfolio contributing to balanced and nutritional diets**.

By focusing on affordability, nutrition deficiencies and local relevance, our affordable nutrition portfolio helps address food insecurity and micronutrient gaps at scale.

### Nestlé Marketing Communication to Children Policy

The Nestlé Marketing Communication to Children Policy reflects our commitment to supporting healthier food environments for children through responsible and transparent marketing practices. As part of our NHW strategy, this policy sets clear, mandatory standards for how we communicate about food and beverage products to children across all media and marketing channels.

We do not advertise certain food categories to children under 16 years of age through paid media on any channel where age targeting is possible. We do not collect personal data from minors below the age of 18 years old for the purpose of serving marketing communication. We do not partner with influencers below the age of 18 years old.

This policy's requirements apply globally, and go beyond many local regulations and industry pledges. They cover a wide range of communication formats, including television, radio, print, cinema, outdoor advertising, digital media, social platforms, mobile apps, games, sampling, and point-of-sale promotions.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

To ensure consistent application, we monitor the global implementation of this policy through internal audits and compliance reviews. This contributes directly to **ensuring compliance with Nestlé marketing policies** and maintaining trust with consumers and stakeholders.

By setting clear boundaries and proactively managing how we engage with children and their caregivers, we aim to foster informed decision making and support healthier dietary habits from an early age.

### Nestlé Policy for Implementing the WHO Code

Guided by our belief that breastfeeding provides the best nutritional start in life for babies, the Nestlé Policy for Implementing the WHO Code provides specific guidance and rules related to the responsible marketing of infant formulas.

Our compliance system encompasses internal monitoring, internal audits and external audits, commissioned to an international certification agency, or external verifications by external stakeholders (e.g. FTSE4Good). This compliance system also includes *Speak Up* and the WHO Code Ombudsperson System.

Our Policy for Implementing the WHO Code reiterates the importance of breastfeeding and implementing the right measures to protect and support breastfeeding.

It provides a comprehensive set of measures, for example, on labeling of products, interactions with the healthcare system, and with the general public and mothers.

This policy covers the following scope of implementation:

- It applies to our entire Group.
- Compliance with the policy is mandatory for all our employees and third parties acting under our authorization.
- We respect the limitations set by local regulations and anti-trust laws.
- We have no direct influence on third-party businesses with no direct-service relationship to 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, and to 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 old.
- Complementary foods and drinks for infants younger than six months old.

In all countries, we comply with local regulation implementing the WHO Code and the provisions of our policy.

## Other Group Policies

In addition to the policies within our NHW strategy, we also address our **material IROs** with the following Group policies.

### Nestlé Consumer Communication Principles

The Nestlé Consumer Communication Principles set the foundation for how we engage with consumers across all marketing and communication channels. They are designed to ensure that our communication is responsible, transparent, and aligned with our commitment to helping consumers make informed choices.

We apply the highest standards to all consumer-facing communication, from advertising and packaging to digital and social media. All representations of our products must be accurate in terms of taste, size and content. Health and nutrition claims must be scientifically substantiated, comply with applicable legislation, and be clearly understandable to consumers.

Our Consumer Communication Principles also emphasize moderation in food consumption, including appropriate portion sizes and responsible messaging tailored to the target audience. As digital engagement becomes increasingly central, we aim to apply the standards set out in our Consumer Communication Principles consistently across emerging platforms, ensuring that our communication remains respectful, inclusive and socially responsible.

Our Consumer Communication Principles ensure we are preventing the provision of **unclear or insufficient product information** and support **ensuring compliance with Nestlé marketing policies**.

By embedding our Consumer Communication Principles into all aspects of consumer communication, we aim to build and maintain trust, guide consumers towards healthier diets, and contribute to more informed and empowered food choices.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Nestlé Claims Policy and Nestlé Claims Standards

The Nestlé Claims Policy and the Nestlé Claims Standards ensure that product claims – whether nutritional, health-related, environmental or functional – are accurate, substantiated and communicated responsibly. These are internal and apply globally across all our brands and product categories, including those sold through joint ventures and license partners.

Our Claims Policy mandates that all claims must be based on sound scientific evidence and comply with applicable local laws and regulations. Where no local regulation exists, we apply Codex Alimentarius guidelines that ensure consistency and consumer protection. Claims must be clear, not misleading and appropriate for the target audience.

Our Claims Standards provide detailed guidance on how to apply our Claims Policy, in practice, including requirements for substantiation, wording and visual presentation. They also outline the internal review and approval process to ensure compliance before claims are used in marketing or on-pack communication.

Our Claims Policy is designed so that we do not provide **unclear or insufficient product information** in our product claims and that product claims we do make are evidence-based.

## Nestlé Labelling Standards

We apply a suite of internal labeling standards to ensure that all product information is clear, consistent and transparent for consumers. The Nestlé Labelling Standards are designed to help consumers make informed choices and to maintain trust in our brands across all Markets.

We are committed to complying with applicable local regulations on food labeling, including requirements for ingredient lists, nutritional information and allergen declarations. In Markets where regulations are absent or less specific, we apply our internal standards to ensure a consistent level of transparency and quality.

Beyond regulatory compliance, we aim to enhance consumer understanding through our “Backstory” labeling approach, which provides clear guidance on how to use our products, as well as additional information on ingredient provenance, sustainability practices and brand purpose. This helps consumers understand the products they choose.

Our labeling practices address the risk of providing **unclear or insufficient product information**.

By providing accessible and meaningful information, we help in empowering consumers to make choices aligned with their health needs, values and preferences.

## Nestlé Privacy Program

The Nestlé Privacy Program is designed to protect the personal data of consumers and uphold their right to privacy across all Markets and digital touchpoints. It is composed of three core elements: the Nestlé Privacy Policy, the Nestlé Privacy Standard, and the publicly available Nestlé Privacy Notice.

- Our Privacy Policy sets out our global commitments to data protection and compliance with all applicable laws and regulations. It applies to all personal data we process, including that of consumers, employees, customers and suppliers, and it is mandatory for all employees and third-party service providers acting on our behalf.
- Our Privacy Standard operationalizes our Privacy Policy by defining how personal data must be handled across the organization. It includes requirements such as privacy-by-design, data minimization, data retention, and reporting data breaches. It also mandates regular training and establishes a governance structure, assigning responsibility to each Group entity to ensure compliance.
- Our Privacy Notice explains to consumers how their data is collected, used and shared, and how they can exercise their rights. It is available on all Nestlé websites, and covers both online and offline data collection channels.

Together, these address how we protect consumers’ personal data.

By embedding privacy into our governance, systems and culture, we aim to maintain consumer trust and ensure that personal data is handled responsibly and transparently.

## Processes for engaging consumers and end-users about our impacts

Our Consumer Complaint Management Standard sets out how we approach consumer complaints regarding our branded products and services, helping us to address our **material IROs**.

It ensures we make it easy for consumers to share their feedback via multiple contact channels, in particular Nestlé-owned social media accounts, messaging apps, and ratings and reviews.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

In providing a standardized way to collect and respond to consumer feedback, including complaints, our Consumer Complaint Management Standard helps to ensure that complaints about defects are managed in a way that allows us to investigate the root cause of complaints and take appropriate corrective action. In addition, in welcoming the voice of the consumer and analyzing consumer feedback about our impacts, it provides insights that help shape our actions and inspire new product development.

Our Consumer Complaint Management Standard operates in the context of the Nestlé Privacy Program, outlining how we strive to be transparent with individuals, including consumers, about how we process their personal data. It sets out how we aim to provide people with meaningful control over how their data is collected and used, including responding to consumer requests and complaints. We value and protect the personal data of everyone who interacts with us.

## Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

We provide multiple channels for consumers and end-users to raise concerns or complaints related to our products and services. We make sure any issues are dealt with efficiently and effectively, particularly those related to our **material IROs**. These include on-pack contact details, online forms, social media and our *Speak Up* platform. All complaints are logged and managed through a structured system that ensures timely and appropriate responses.

Where we have caused or contributed to a negative impact, we investigate the root cause and take corrective action. This may include product recalls, reformulation, improvements in packaging, labeling, and/or handling practices. Feedback is reviewed by cross-function teams and used to inform product development and continuous improvement.

In the area of data privacy, consumers can contact our Group Data Protection Office or local Data Protection Champions. Privacy-related concerns are assessed and addressed in line with applicable laws, with remedies provided where appropriate. Our systems are regularly audited to ensure effectiveness and accessibility.

## Actions and resources

In 2025, we continued to place our NHW strategy at the forefront of our actions, as it guides our approach to improving the nutritional value of our portfolio. In this section, we provide concrete examples of how we implemented our policies and frameworks to deliver positive impacts for consumers and end-users.

### **Nutrition, Health and Wellness strategy**

In 2025, we continued our focus on nutrition, guided by our purpose to unlock the power of food and beverages to enhance quality of life for everyone, today and for generations to come.

Our NHW strategy sets out how we manage several of our **material IROs** related to consumers and end-users. It guides our approach to improving the nutritional value of our portfolio, expanding access to affordable nutrition, supporting specific health needs, and ensuring responsible consumer communication.

In 2025, we reinforced the governance of our NHW strategy by establishing the Nutrition, Health and Wellness Council, which reports to the Executive Board (see [General Disclosures](#)).

### **Food safety and quality**

In 2025, we enacted targeted operational actions and capability-building initiatives. We expanded the global rollout of our digital Hazard Analysis and Critical Control Point (HACCP) system tool to standardize risk assessments and enhance responsiveness to emerging hazards. Internal and third-party audits across manufacturing sites and supplier facilities ensured compliance with FSSC 22000 and GFSI-recognized standards. In the event of product safety incidents, we activated recall protocols and conducted root cause analyses.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

To strengthen frontline capabilities, we delivered tailored training programs and practical workshops across Markets. Forty-four hands-on HACCP workshops across our three Zones engaged over 600 food safety professionals, with learnings cascaded globally. Additionally, our internal Food Safety Assessment Program, launched in 2024, has completed more than 230 factory assessments to date, leading to structured coaching and follow-up actions.

Executive oversight and annual reviews ensured strategic alignment of priorities and resources.

### Nutritional value of our portfolio

In 2025, actions to support **products and portfolio contributing to balanced and nutritional diets** and mitigate the **impacts of unhealthy diets** encompassed three key areas: establishing plans to enhance our research and development capabilities to enable biotechnology and clinical research into new nutritional solutions; innovation, reformulating key products to improve their nutritional value; and committing to greater reporting transparency.

We continuously make investments in research and development to deliver new solutions, leveraging technologies to drive smart innovation and reformulation, ultimately improving the nutritional value of our products.

Our approach encompasses both reformulation of existing products and the creation of new offerings to support balanced diets and meet evolving consumer needs. For example, we have launched high-protein *Milo Pro* to energize active teens and young adults, addressing specific nutritional gaps identified in regional research.

To support balanced diets, we offer options that sit alongside existing products to give consumers flexibility in their choice. Our “less of” options include *Milo* and *Coffeemate* variants made with new sugar reduction technology, and *Ninho* made with less fat. These innovations enable consumers to reduce their intake of sugars and fats without compromising taste or enjoyment. We also offer “more of” options, such as protein-rich foods like *Maggi Soya Chunks*, *Nido Milk & Soya*, and *Maggi Meat Extender*, designed to boost positive nutrients in light of diverse dietary needs and preferences.

Since 2005, we have been working to gradually reduce sodium across our global portfolio through ongoing product reformulation. We are continuing our commitment to reduce sodium in eight priority categories as part of our NHW strategy. In 2025, we met our sodium reduction objectives across 90% of the total sales volume in seven out of these eight categories.<sup>3</sup> This achievement reflects our long-standing dedication to improving the nutritional quality of our products.

We also prioritize transparency and accountability in reporting. Starting in the *Non-Financial Statement 2025* cycle, we enhanced our Health Star Rating (HSR) reporting to better track the evolution of our portfolio’s nutritional value. In line with stakeholder expectations, we included additional details on HSR following the Access to Nutrition initiative methodology, which excludes pure coffee, pet food, specialized nutrition and non-food products, as well as sales-weighted HSR by category. This more granular reporting enables us to monitor progress on high-in/low-in options and provides stakeholders with clear, comparable data on our product improvements.

By combining innovation, reformulation, fortification and transparent reporting, we continue to advance the nutritional quality of our portfolio, supporting consumers in making balanced choices and contributing to improved public health outcomes.

### Access to affordable and nutritious products

Ensuring access to nutritious products for most consumer groups is a core priority for Nestlé. Our actions address both affordability and the need for tailored nutritional solutions, supporting diverse populations across geographies and life stages.

### Affordable nutrition

We are committed to making nutritious food accessible for underserved and vulnerable populations to address **product accessibility for specific consumer groups**.

We work to ensure our actions are relevant to local needs. For example, in the Philippines, we expanded our popular *Bear Brand* range with a new affordable milk blended with plant-based protein, helping address undernutrition among school-age children. In Nigeria, the launch of *Nido Milk & Soya* provides an affordable, fortified dairy and plant-based blend to help combat anemia and support children’s growth.

<sup>3</sup> These categories include: bouillons and dehydrated seasonings, soups, noodles, pizzas, frozen prepared meals and recipe mixes (including ambient ready meals), ketchup, mayonnaise and dressings, and plant-based meal solutions.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

Our efforts also extend to rural communities, such as in Pakistan, where the *Nestlé BISP Rural Women Sales Program* empowers women to become sales representatives, improving both their livelihoods and access to affordable, micronutrient-fortified milks in hard-to-reach areas. These milks address iron deficiency, which is a widespread local concern, and support better nutrition for children and families.

We also partner with organizations like OzHarvest in Australia, to address food insecurity and nutrition education, providing meals to vulnerable Australians and supporting community nutrition programs.

### Tailored nutrition for specific needs

We are **addressing specific nutritional needs with tailored solutions** to meet the nutritional needs of specific groups, from pre-conception to adulthood and special health conditions. Our protein-rich foods include products designed to be a companion for GLP-1 weight loss medication users and consumers focused on weight management. The global rollout of *Sinergy* early life nutrition solutions aims to address the needs of infants and young children, supporting pediatric development from the start.

In Brazil, the *Materna* portfolio was transformed to provide a full range of supplements for women from preconception through post-birth. This comprehensive approach supports women with access to science-backed nutritional information throughout their pregnancy journey.

Our tailored nutrition solutions also include partnerships with healthcare professionals and the development of specialized products for rare conditions, such as Phenylketonuria (PKU), providing support to those with unique dietary needs.

### Responsible marketing and food choices

We apply strict internal standards and participate in leading industry pledges to ensure our communications support healthier choices and protect young audiences. With our NHW strategy, we aim to lead in best practices for responsible consumer communication, and education on nutrition, both of which determine the actions we take to address the potential negative impact of not **ensuring compliance with Nestlé marketing policies**.

### Responsible marketing to children

In 2025, as members of the Food Advertising Association in Belgium, we actively supported stronger protection for youth in food advertising, including the recent increase of the age limit for advertising to children from 12 to 16 years. Globally, we are signatories to the EU Pledge, the US Children’s Food and Beverage Advertising Initiative, and numerous local pledges, committing to high standards for responsible marketing to children across all media.

### Purpose-led campaigns

Our marketing also aims to drive positive social impact. For example, the *KitKat* “Screen Break” campaign, recognized at Cannes Lions, encouraged better digital habits by calling out screen addiction and promoting mindful breaks.

### Continuous monitoring and reporting

We continuously monitor our compliance with our internal policies, including the Nestlé Policy for Implementing the WHO Code on the marketing of breast milk substitutes. We remain committed to transparent reporting on our progress and compliance as part of this *Non-Financial Statement 2025*.

### Access to (quality) information

Empowering consumers to make informed choices is central to our approach. We are committed to providing clear, accessible and science-based information – both through our products and through educational initiatives – so that consumers can make informed decisions for themselves and their families. This enables us to address **unclear or insufficient product information**.

### Innovative tools for nutrition education

The *Nutripiatto* program in Italy is a standout example of local innovation. Developed with scientific partners, *Nutripiatto* is a visual plate and guidebook that can help children and families understand correct portioning and balanced meals. Since its launch, it has been recognized for its positive impact on food education and healthy lifestyles. The program’s success has led to adaptations in other countries, such as *VeggiePlate* in Eastern Europe.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Commitment to clear and transparent nutrition information

We are dedicated to providing simplified nutrition information on pack to help consumers make informed choices. We voluntarily apply government-endorsed front-of-pack labeling schemes in many regions, such as Nutri-Score in some European countries, Health Star Rating in Australia and New Zealand, color-coded guidelines daily amounts in the United Kingdom, and the Healthier Choice Symbol in parts of Southeast Asia.

Nutri-Score, for example, is a five-color label that rates the nutritional quality of products from A to E, making it easier for consumers to compare options at a glance. We were among the first adopters of Nutri-Score in Europe.

## Personal data protection

As part of our *Code of Business Conduct* review, we have updated the chapter about ethical data management, which covers **protecting consumers' personal data**, and added a new section on the responsible and ethical use of AI.

We have successfully implemented the Nestlé Binding Corporate Rules (BCR) for internal personal data transfers, with all Nestlé in-scope legal entities signing and implementing the BCR.

We have released our new Crisis Management Standard, which now includes a specific procedure and an escalation path for managing cyber security incidents, including personal data breaches, ransomware attacks and multi-Market data breaches.

We have updated our internal personal data breach procedures to further strengthen the collaboration between key stakeholders, and to ensure the timely involvement of the Group Data Protection Office when a data breach notification is expected.

## Metrics and targets<sup>4</sup>

In 2025, our actions translated into tangible progress for consumers and end-users. We increased the share of more nutritious products within our global portfolio, while continuing to strengthen our responsible marketing practices. The enhanced governance framework, introduced in 2025, positions us for sustained improvement, supported by evolved reporting that will enable transparent tracking of long-term progress.

### Consumption of unsafe products

In 2025, 98.9% of Nestlé's manufacturing and R&D sites were certified to FSSC 22000, an increase from 2024 due to newly completed certifications. Among Tier 1 supplier facilities, 95.6% held certification to a GFSI-recognized program.

Nestlé initiated 9 voluntary product recalls in 2025, up from 5 in 2024. The 2025 figure includes the infant formula recall initiated in December 2025 and subsequently expanded in early January 2026. Approximately two thirds of these recalls were linked to raw material quality issues. The learnings and actions from these cases form part of our risk-based supplier management approach, which focuses on early detection and mitigation of potential vulnerabilities in the upstream supply chain.

#### Nestlé Specific KPIs: quality and food safety

	2024	2025
Percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for human and pets (cats and dogs) consumption	95.3	98.9
Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	94.4	95.6
Number of food safety recalls issued	5	9

<sup>4</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Products and portfolio contributing to balanced and nutritious diets

We are working towards our 2030 ambition, as below:

- We have the ambition to grow the sales of our more nutritious products<sup>5</sup> by CHF 20–25 billion by 2030.<sup>6</sup>

Proportion of sales by Health Star Rating (HSR) score<sup>7,8</sup>

Nutritional value transparency: Health Star Rating (HSR)	Percentage of 2025 sales Incl. pet food Excl. non-food products	Percentage of 2025 sales Excl. pet food Excl. non-food products	Percentage of 2025 sales Excl. pure coffee Excl. pet food Excl. specialized nutrition Excl. non-food products <sup>9</sup>
	Percentage of sales covered by the assessment	94	75
HSR of 3.5 and above	31	40	30
HSR of between 1.5 and 3.5	15	19	35
HSR of less than 1.5	16	19	35
Specialized nutrition <sup>10</sup>	17	22	NA
Pet food	21	NA	NA

In 2025, 62% of our total sales – excluding pet food – came from products rated 3.5 stars and above on the HSR system or from specialized nutrition. This marks a continued improvement in the proportion of our sales coming from more nutritious products. To provide greater transparency on the foods that contribute most to daily diets, we now report a dedicated view on food and beverages, excluding pure coffee. This analysis represents 41% of our global sales. In addition, and to better track year-on-year nutritional progress, we are introducing the sales-weighted mean HSR for our global portfolio and key categories. The baseline year for this metric is 2025.

Sales-weighted mean HSR for the overall product portfolio and by key product category<sup>11,12</sup>

	2025 Sales-weighted mean HSR Excl. pet food Excl. specialized nutrition Excl. non-food products	2025 Sales-weighted mean HSR Excl. pure coffee Excl. pet food Excl. specialized nutrition Excl. non-food products <sup>13</sup>
Sales-weighted mean HSR	2.6	2.2
Key category		
Powdered and Liquid Beverages	3.0	1.9
Water	5.0	5.0
Milk products and Ice cream	2.1	2.1
Nutrition and Health Science <sup>14</sup>	3.9	3.9
Prepared dishes and cooking aids	2.6	2.6
Confectionery	0.8	0.8

<sup>5</sup> Products that have Health Star Rating 3.5 or above, including pure coffee and specialized nutrition, excludes PetCare and infant formula for babies 0–12 months old.

<sup>6</sup> The target assumes constant foreign exchange rates. Should any material acquisitions or divestitures take place, the target may be adjusted accordingly.

<sup>7</sup> HSR is an independent nutrient profiling system. Calculations are based on the recipe for each product and are not necessarily included on the product label.

<sup>8</sup> Non-food products: services, machines, accessories, dispensers, cups, pet litter, etc.

<sup>9</sup> This follows Access to Nutrition initiative methodology which excludes pure coffee, pet food, specialized nutrition and non-food products.

<sup>10</sup> Specialized nutrition: includes products sold by Nutrition and Nestlé Health Science, which provide nutrition benefits and for which the HSR system generally does not apply.

<sup>11</sup> HSR is an independent nutrient profiling system. Calculations are based on the recipe for each product and are not necessarily included on the product label.

<sup>12</sup> Non-food products: services, machines, accessories, dispensers, cups, pet litter, etc.

<sup>13</sup> This follows Access to Nutrition initiative methodology which excludes pure coffee, pet food, specialized nutrition and non-food products.

<sup>14</sup> This category in HSR includes only those products intended for the general population aged three years and above.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Impacts of unhealthy diets

By the end of 2026, we aim to have no more than 110 kilocalories in all children’s confectionery and ice cream portions. In addition, we aim to have all multi-serve products in these categories feature clear front-of-pack portion guidance to help consumers make informed choices.<sup>15</sup>

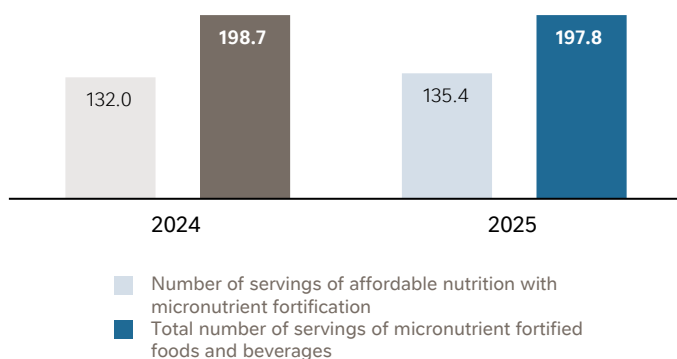
We have continued to make progress on our sodium reduction commitment. By the end of 2025, we met our objectives for seven-out-of-eight priority categories<sup>16</sup>, ensuring that at least 90% of sales volume in these categories meets the defined sodium targets. This progress reflects our long-standing effort to improve the nutritional quality of our portfolio and align with public health recommendations.

## Products accessibility for specific consumer groups

In 2025, the provision of foods fortified with essential micronutrients has further increased for affordable nutrition based on good growth in Zone AOA, and Nestlé’s strong brands.

- Number of servings of affordable nutrition with micronutrient fortification.
- Total number of servings of micronutrient fortified foods and beverages (all products).

Nestlé Specific KPIs: total and affordable servings of micronutrient<sup>17</sup> fortified foods and beverages (billions)



## Addressing specific nutritional needs with tailored solutions

Our specialized nutrition portfolio continues to address specific nutritional needs with targeted solutions. Contributing 22% of our total sales (excluding pet food), this segment represents a major lever for delivering positive impacts to consumers.

## Ensuring compliance with Nestlé marketing policies

We were the first breast milk substitute manufacturer to be included in the FTSE4Good Index in 2011, and we have remained there ever since. Our inclusion in this index requires annual public reporting on adherence to the Nestlé Policy for Implementing the WHO Code, non-compliances, and corrective actions taken.

In 2025, we observed 267 instances of non-compliance. Of these more than 90% were attributed to third parties that have a direct service relationship with Nestlé, like retailers and distributors. Of the total 267 cases of non-compliance, more than 90% were detected via internal monitoring, internal audits and cases internally reported through our grievance mechanisms, which include our whistleblowing platform *Speak Up* and the WHO Code Ombudsperson system. The remaining cases were reported by external stakeholders.

Audits form an important component of our overall approach to monitoring compliance with our policy. The annual Group audit plan, informed by a risk-based assessment, determines the number and scope of audits, including those focused on WHO Code compliance. The reduction in internal audits reflects this risk-based approach, which directed resources towards the areas of greatest potential impact, while maintaining strong overall compliance oversight. While we remain fully supportive of independent verification by external stakeholders, none took place in 2025.

Number of countries with audits on the Nestlé Policy for Implementing the WHO Code

	2024	2025
Number of countries with audits on the Nestlé Policy for Implementing the WHO Code <sup>18</sup>	33	16

<sup>15</sup> Implementation of portion sizing and guidance is subject to local regulatory requirements.

<sup>16</sup> These categories include: bouillons and dehydrated seasonings, soups, noodles, pizzas, frozen prepared meals and recipe mixes (including ambient ready meals), ketchup, mayonnaise and dressings, and plant-based meal solutions.

<sup>17</sup> The “big four” micronutrients are iron, vitamin A, iodine and zinc.

<sup>18</sup> No external audits were performed in 2025. Figures are from internal audits.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

All reported incidents are investigated. Digital and e-commerce-related instances of non-compliance represented the majority, accounting for more than 60% of cases. Of those cases, nearly 95% of non-compliance cases were attributable to third parties, mainly related to advertisements or promotion of products to consumers, such as discounts and rebates at point of sale.

The rise in identified cases in 2025 was anticipated following improvements in our internal monitoring governance systems. Throughout the year, we enhanced governance to strengthen consistent reporting and monitoring standards, which increased monitoring of the digital environment, particularly on third-party platforms. These improvements enhance our ability to detect and address non-compliances more effectively.

Instances of substantiated non-compliances with the Nestlé Policy for Implementing the WHO Code

	2024	2025
Instances of substantiated non-compliances with the Nestlé Policy for Implementing the WHO Code	186	267

The most common root cause of third-party non-compliance was lack of attention to the rules (67%). This is followed by e-commerce system algorithms, which accounted for 13% of cases, the majority of which were caused by an error and/or underlying programming on digital platforms that did not prevent discounts on products covered by the policy. To help mitigate these causes of non-compliance, we continue to raise awareness of, and compliance with, our policy among third-party partners.

Less than 10% of non-compliances were attributable to Nestlé. We proactively mitigate the causes of potential non-compliance by providing our employees working on maternal and early childhood activities with training upon hire, as well as reinforcing compliance on certain topics and internal reminders via our 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.

## Continuously improving Nestlé practices and compliance

As part of our commitment to continuous improvement in practices and compliance with the WHO Code, we have identified the following priority actions:

- Review third-party non-compliance cases to evaluate opportunities to reinforce adherence to the policy.
- Leverage data mining to highlight best practices across Markets and share learnings and insights to support consistent and compliant implementation.
- Continue exploring digital monitoring tools for compliance.

Regarding compliance with our Marketing Communication to Children Policy, our results confirm a consistently high level of compliance across channels. This year's expansion to Markets with higher media investment further reinforces the credibility and breadth of our review.

Compliance with Nestlé Marketing Communication to Children Policy<sup>19</sup> (percentage)

	2024	2025
TV	100.0	100.0
Digital media	92.3	94.9
Social media	89.6	91.0
Influencers		84.7
Average total	96.9	96.7

## Unclear or insufficient product information

Our year-end 2026 goal is as below:

- By the end of 2026, we aim to have all multi-serve products from confectionery and ice cream categories with clear front-of-pack portion guidance (where regulations allow).

<sup>19</sup> The compliance percentages are calculated based on sample testing in select Markets, rotated annually. In 2024, Brazil, Germany and the United Kingdom were in scope, and in 2025, Brazil, France, India, Australia and the United States were in scope. In 2024, the compliance percentage for influencers was not applicable as no campaigns existed that were in scope for testing.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	<b>Part 3 – Social Disclosures</b>	Part 4 – Governance Disclosures	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	------------------------------------	---------------------------------	------------

## Protecting consumers' personal data

We are committed to the highest data privacy and IT security standards. Our processes and practices to strengthen data privacy and IT security include the following:

- Data privacy maturity assessments are carried out by each of our Markets.
- Privacy impact assessments are required as part of our privacy-by-design practice.
- Regular internal and external data privacy and IT security audits.
- Close collaboration with our relevant vendors and data protection authorities in case of a data breach.
- Our data breach response procedure always includes the Nestlé IT security team running a root-cause analysis and taking mitigating measures.
- We regularly train our personnel on how to protect personal data and on how to report in case of a data breach.

Nestlé Specific KPIs: number of data breaches notified to authorities

	2024	2025
Number of data breaches notified to authorities <sup>20</sup>	16	17

<sup>20</sup> In 2024, 11 of the 16 data breaches reported impacted consumers; in 2025, 7 of the 17 data breaches reported impacted consumers.

Part 4

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# Governance Disclosures



Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

# Business conduct

Our corporate culture is rooted in respect, integrity and accountability. We aim to uphold the highest standards of responsible and ethical business conduct, both in our own operations and across our value chain. We ensure that compliance is everyone’s responsibility, and access to secure and trusted channels to mitigate risks is available to all.

● Positive impact ● Negative impact ● Risk

- 41 ● Lack of adherence to Nestlé’s values, principles, policies and applicable laws
- 42 ● Lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation

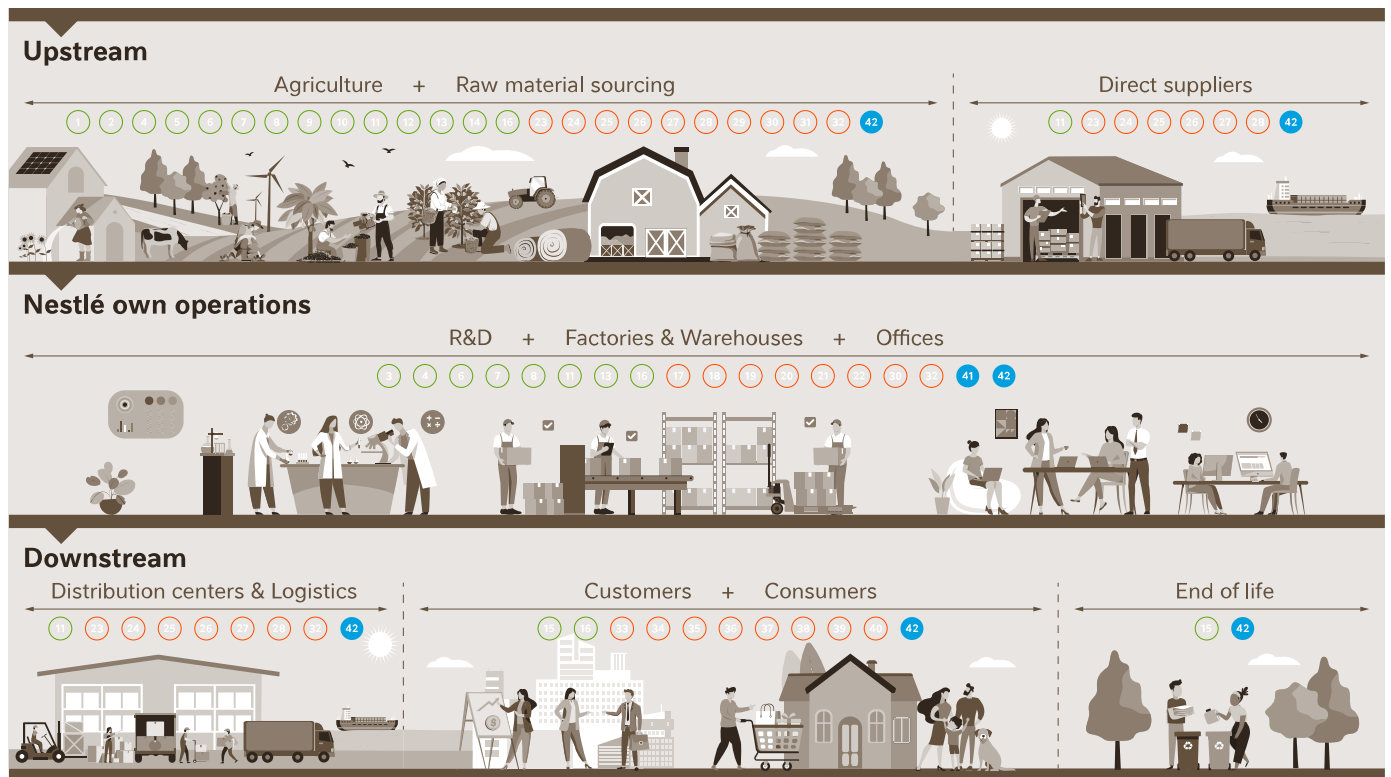


Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

## Material impacts, risks and opportunities

### IRO summary

IRO	Material IRO description
<b>Corporate culture</b>	
<b>Lack of adherence to Nestlé’s values, principles, policies and applicable laws</b> Negative impact (Own operations)	This negative impact in our own operations concerns how the lack of adherence to Nestlé’s values, principles, policies and applicable laws may result in a decline of employee and other stakeholders' trust.
<b>Protection of whistleblowers</b>	
<b>Lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation</b> Negative impact (Upstream/Own operations/Downstream)	This negative impact across our value chain relates to how the absence of an independent and secure reporting system can discourage individuals from reporting misconduct across our value chain. This may undermine transparency, reduce trust in corporate governance, and limit our company’s ability to detect and address non-compliance.

## Material impacts, risks and opportunities in detail

### Lack of adherence to Nestlé’s values, principles, policies and applicable laws

To mitigate any negative impact of **lack of adherence with Nestlé’s values, principles, policies and applicable laws**, we are committed to embedding ethical business conduct and compliance with all applicable laws in all Nestlé’s business strategies.

Compliance is everyone’s responsibility at Nestlé. Integrated assurance for our value chain is achieved through all our processes, systems and tools in our Compliance Program.

Our risk and control functions enable multiple lines of defense, which contribute to our Control and Assurance Framework.

We empower our employees via continuous training and monitoring of our expectations and non-negotiable requirements, in line with our values and principles.

The *Nestlé Corporate Business Principles* govern how we do business as a company and outline our responsibilities to shareholders, customers, employees, business partners and society. The *Nestlé Code of Business Conduct* (see [Code of Business Conduct update 2025](#)) defines the expected behaviors for all employees, reinforces why integrity matters, and defines how our principles should be applied in daily business activities, supporting a culture of accountability and trust.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

## Lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation

This negative impact is relevant across our value chain, particularly where employees, suppliers and third parties may need to report misconduct or raise concerns. If there is a **lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation** via secure and accessible reporting systems, then it can compromise transparency, reduce engagement, and increase exposure to reputational, legal and societal risks.

Specifically, this negative impact directly affects three business areas:

- 1 Internal operations: Employees must have access to secure and trusted channels to report unethical behavior or breaches of compliance.
- 2 Supply chain and sourcing activities: External partners must be able to report human rights violations, labor issues and/or environmental misconduct.
- 3 Corporate governance and oversight: Leadership and Compliance functions are responsible for ensuring the integrity and independence of reporting mechanisms.

We endeavor to provide access to secure and trusted channels to report unethical behavior or breaches of compliance across our value chain. This is a key area of our *Code of Business Conduct* and the Nestlé Responsible Sourcing Core Requirements, and in line with our *Corporate Business Principles*. We continuously improve communications, processes and training in order to ensure adherence to our *Code of Business Conduct* and our *Corporate Business Principles*, and to correct gaps whenever necessary. All of this enables the early identification and resolution of potential misconduct across our operations and supply chain.

Across the business, we share a clearly defined process for dealing with grievances, which, when combined with our strong commitment to non-retaliation, helps foster trust with our employees, suppliers and stakeholders. This trust encourages a virtuous circle, which increases the likelihood of the reporting of concerns related to breaches of our corporate values, principles, policies or applicable laws.

Through our grievance mechanisms (see *Speak Up*), we are supporting and promoting the key pillars of our business strategy: transparency, accountability and ethical decision making.

As a result, we mitigate legal and reputational risks and strengthen our culture of integrity.

## Governance bodies

Our business culture is shaped by Nestlé’s leadership, including the Board of Directors and the Executive Board (see [General Disclosures](#)).

The Audit Committee (see [Control and Assurance Framework](#)) supports our Board of Directors in the supervision of financial controls, oversees our reporting, receives and reviews the consolidated results from our *Speak Up* channel (see [Speak Up](#)) on a yearly basis, and the *Group Compliance Report* prepared by Group Compliance, which covers compliance matters including business conduct.

### Structures and frameworks

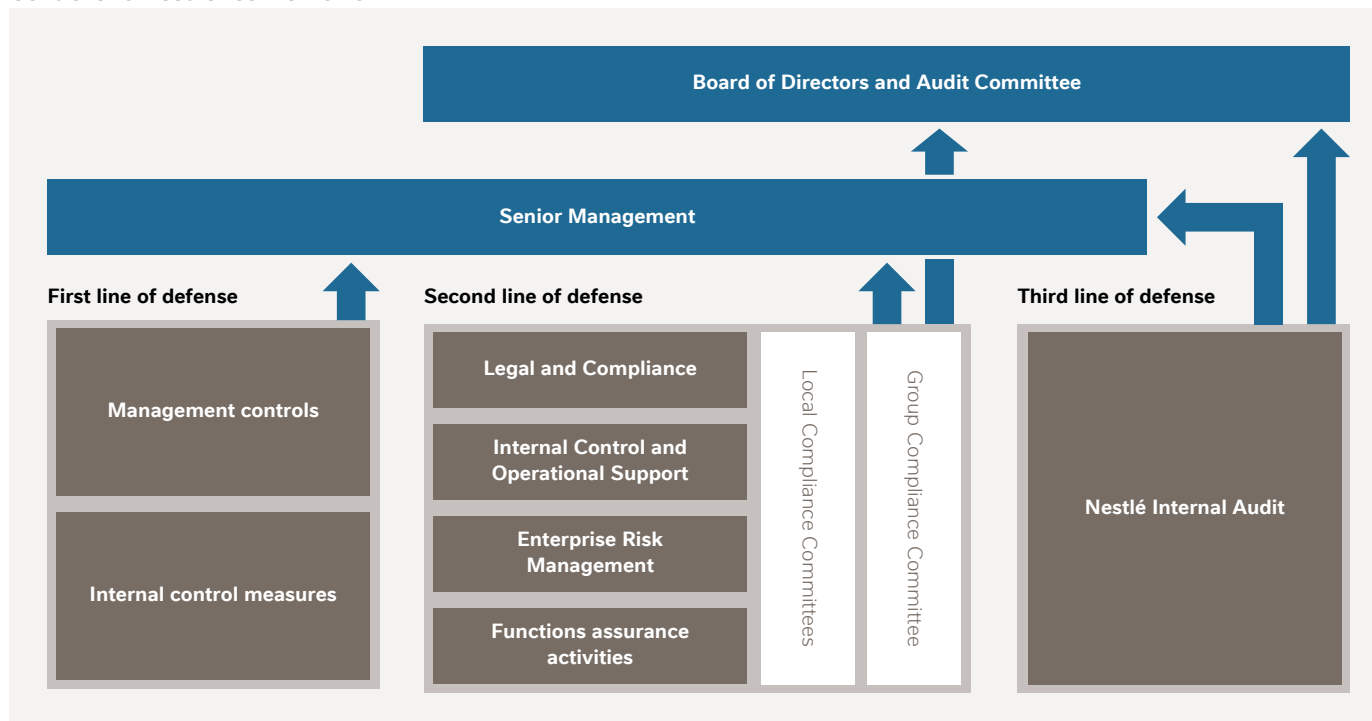
Markets have implemented a local Compliance Program and established a Compliance Committee in alignment with the Group model. They also have designated Compliance Officers who ensure adherence to our standards. This structured approach ensures that our commitment to ethical practices and regulatory compliance is maintained consistently across all levels of the organization.

Our management and supervisory bodies possess expertise in business conduct matters, which is also built into how the Group Compliance Committee (GCC), and our overall Control and Assurance Framework operate.

The GCC reviews and progresses our Group Compliance Program and its associated activities. As such, the GCC monitors communication and training on our business conduct culture. The GCC is chaired by the Chief Compliance Officer and has as permanent members Group function heads like Legal and Compliance, Human Resources, Regulatory, Safety and Health, Quality Management, Risk Management, IT Security and Compliance, Public Affairs, and Internal Audit.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

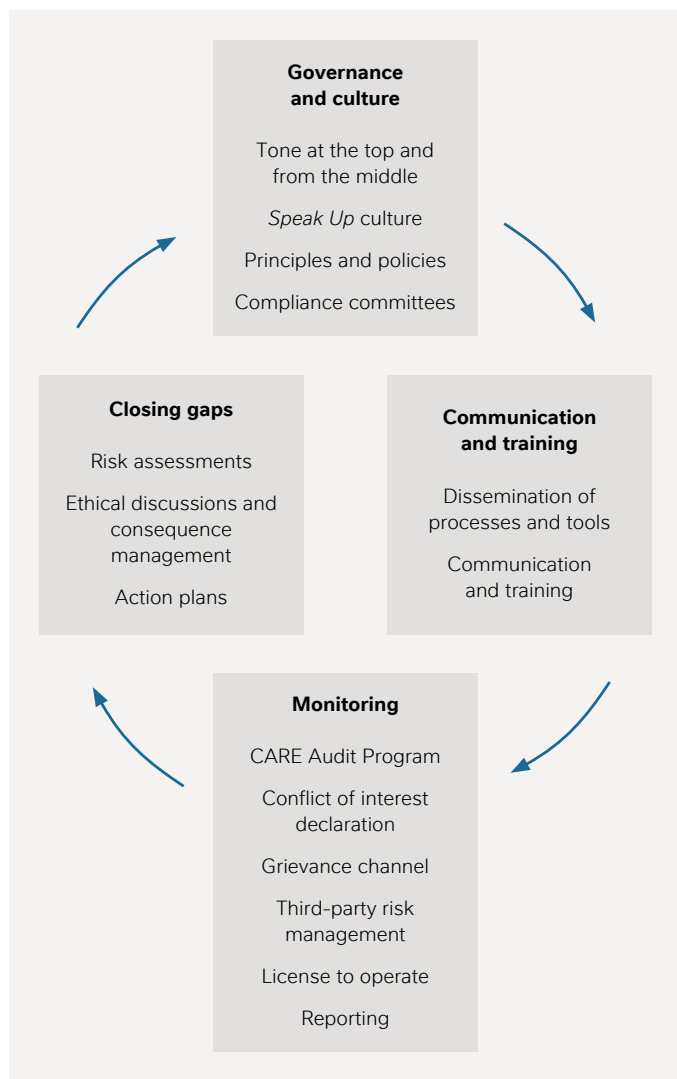
### Control and Assurance Framework



By leveraging the expertise of our management and supervisory bodies, we ensure that our business conduct practices are transparent and aligned with our core values.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

### Group Compliance Program pillars



### Compliance Management Framework

Our Compliance Management Framework is composed of policies, processes and controls to ensure compliance with our values and principles.

At its heart is the Group Compliance Program, which provides a comprehensive framework to ensure we conduct business in an ethical and principles-based manner. This ambition is executed following the four pillars as shown on this page.

Each year, we reinforce our compliance framework considering external factors such as society’s expectations and increasing regulatory requirements. We also consider internal factors such as the behaviors and findings observed in our audit programs, trends emerging from *Speak Up*, and insights provided by the functions for Internal Audit and Enterprise Risk Management.

Compliance responsibilities are embedded in each function, aligned to the three lines of defense (see previous page), supporting the mitigation of a **lack of adherence to Nestlé’s values, principles, policies and applicable laws**.

## Management of impacts, risks and opportunities

### Policies

In everything we do, business ethics and compliance are essential for sustainable business growth and are non-negotiable requirements. We are committed to acting with honesty, integrity and respect for our values, principles and policies, and for the laws and regulations where we operate.

### Nestlé Corporate Business Principles

The *Nestlé Corporate Business Principles* govern how we do business as a company and outline our responsibilities to shareholders, customers, employees, business partners and society. They provide a framework for how we operate with integrity – Creating Shared Value at each step of the journey. Our *Corporate Business Principles* set out our commitments on integrity, sustainability and respect for human rights.

We expect our *Corporate Business Principles* to be integrated into all business planning, operations, performance reviews and auditing.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

Our *Corporate Business Principles* are mandatory, and we are committed to making sure that our entire company is managed and acts according to these principles, and we require adherence to them from all our employees around the world. We ensure regular communication and training for employees on the guidance to prevent a **lack of adherence to Nestlé’s values, principles, policies and applicable laws**.

### Nestlé Code of Business Conduct

In 2025, we released the new *Nestlé Code of Business Conduct*, approved by our Board of Directors and Executive Board, aimed at alignment with global best practice, and to enable the introduction of a wider set of compliance/ethical topics. Our main objectives with the new update in 2025 were as follows:

- Further enhance and drive a strong integrity culture.
- Consolidate and bring clarity on our expectations of employee behavior.
- Guidance on how to improve decision making.

Our new *Code of Business Conduct* continues to apply across all operations and functions. It provides clear guidance on integrity, anti-bribery and reporting misconduct, and encourages reporting of misconduct that contradicts our values, principles, policies or the law.

In the case of an investigation, it includes a duty to cooperate and states our commitment to strict non-retaliation. It provides easy, immediate access to our grievance mechanism, *Speak Up* (see *Speak Up*), via a QR code placed repeatedly throughout the document. This supports our actions to mitigate against a **lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation**.

Training on the new *Code of Business Conduct* is mandatory for all employees, in support of our efforts to protect against a **lack of adherence to Nestlé’s values, principles, policies and applicable laws**. In addition, we provide mandatory training on other topics comprising human rights, data privacy, security, and the prevention of sexual harassment. By addressing these crucial subjects, we ensure a comprehensive approach to compliance and ethical practices throughout our business. Where general training needs to be supplemented, we provide tailored training to relevant employee groups to address specific topics, including, but not limited to, antitrust, sanctions, and transacting ethically and responsibly with a focus on anti-money laundering.

### CARE Audit Program

The global CARE Audit Program verifies that all employees and Nestlé-operated sites comply with local legislation, and our *Code of Business Conduct* and our *Corporate Business Principles* (see *Own workforce*).

Our program covers a broad range of topics, including human rights, working and employment conditions, business integrity, health and safety, environmental sustainability, security, community engagement, and labor accommodation. It is supported by an independent external audit network.

The 2024–2026 CARE cycle has been strengthened and enhanced, with a particular focus on assessing human rights at our sites. The review framework is based on established social auditing methodologies, including the Fair Labor Association Code of Conduct, and has been enriched with Nestlé-specific requirements.

Its scope includes health and safety, environmental practices, and working conditions – such as accommodation for on-site workers, prevention of forced labor, responsible recruitment, and verification of child and young worker labor. All operational sites undergo a business integrity review through the program, which assesses bribery and corruption prevention as well as related training activities. The CARE auditors and our internal auditors regularly audit our company’s practices to ensure alignment with these commitments.

### Nestlé Responsible Sourcing Core Requirements

In our supply chain, we operationalize human rights and environmental commitments via the Nestlé Responsible Sourcing Core Requirements. These are aligned with the United Nations Guiding Principles on Business and Human Rights, OECD Guidelines, International Labor Organization’s Core Conventions and the International Bill of Human Rights (see *Own workforce*). This approach is in line with our efforts to mitigate a **lack of mechanism to identify, report and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation**.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

## Actions and resources

Actions and resources for our **material IROs**, guided by the various policies, frameworks and/or strategies outlined in [Policies](#), are described in more detail below.

### Prevention and detection of anti-corruption and bribery

Nestlé has zero tolerance for bribery and corruption. We adhere to anti-bribery laws and our anti-corruption commitments under the UN Global Compact. We succeed based on our values, the quality of our products, our competitiveness and our sustainability performance, not by trying to obtain improper advantages.

We do not offer or promise to pay bribes, nor do we allow agents, intermediaries or other third parties to do so on our behalf. Similarly, we never accept anything of value in return for preferential treatment.

Our business partners must comply with anti-bribery laws and submit to our due diligence procedures, as per our Responsible Sourcing Core Requirements and our *Corporate Business Principles*.

No matter where we operate or what the situation is, we conduct business with the utmost integrity. Our zero tolerance for bribery and corruption applies even where local law is more lenient, and stricter local laws or procedures take precedence where they exist.

Our *Code of Business Conduct* is the foundation of our stance against bribery and corruption (see [Policies](#)). In the 2025 update of our *Code of Business Conduct*, we reinforced the expected behaviors related to this topic. We also issued a new document on, “Gift, Entertainment and Hospitality (GEH) Minimum Requirements”, to further enhance guidance for Markets to update local policies on their GEH in line with the new minimum approach.

We maintain awareness on anti-bribery and corruption in our annual compliance communication plan, and specialized mandatory training is provided to employees in certain roles. In 2025, our employees completed 7070 training modules on anti-bribery and corruption.

Through our CARE Audit Program, we monitor that Nestlé sites are aware of our zero-tolerance against bribery and corruption.

To identify and address potential risks or non-compliant behavior, we promote the *Speak Up* system, both within and outside the company.

### Speak Up

In line with our *Code of Business Conduct*, we encourage everyone in the organization to speak openly on any matter, including concerns or suspicion of unlawful behavior. This comprises incidents of corruption and bribery, harassment, discrimination, fraud, conflict of interest, or any other potential non-compliance, and any incident and/or behaviors that go against our values, *Corporate Business Principles*, *Code of Business Conduct*, and the laws and regulations where we operate.

*Speak Up* is a global platform that is accessible to both our employees and external stakeholders. It allows issues to be raised confidentially, and anonymously if desired, ensuring that concerns are professionally handled, providing the opportunity to raise non-compliance concerns.

*Speak Up* can be accessed via corporate websites, QR codes that redirect to a mobile application, or through a phone line. *Speak Up* is independently operated by a third party to maintain the confidentiality and anonymity of the reporter when requested. We prohibit any retaliation against an employee, individual or entity who has made a report in good faith. Measures to protect against retaliation include the implementation of trackers in the *Speak Up* case management system, providing adequate visibility on the execution of our commitment.

Each report received through *Speak Up* is handled professionally and confidentially. Substantiated cases from these reports lead to appropriate measures, including disciplinary actions such as termination of employment or contracts, reflecting the seriousness with which we approach these investigations.

Building on this commitment, in 2024, we 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

We have developed a toolkit, which is supported by training, on how to conduct investigations on behavior-related allegations to provide guidance and share best practices on the topic. This toolkit and training are used by human resources and compliance teams in the Markets involved in investigations, ensuring prompt and objective investigation practices throughout our company.

If 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. Several 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.

*Speak Up* is regularly communicated across Nestlé to encourage its use and increase its visibility as a reliable grievance mechanism and address a **lack of mechanism to identify, report, and investigate concerns about unlawful behavior, including related business conduct, and inadequate protection against retaliation.**

We announced on September 1, 2025, the dismissal of former Group Chief Executive Officer Laurent Freixe, following a breach of Nestlé's *Code of Business Conduct*.

## Metrics and targets<sup>1</sup>

Total *Speak Up* messages received and breakdown (number)

	2024	2025
Total messages received through <i>Speak Up</i> system	3218	3753
Total messages closed through <i>Speak Up</i> system	2420	3054
of which, cases substantiated through <i>Speak Up</i> system	644	759

In 2025, we received 3753 messages related to non-compliance allegations and compliance questions. Of the cases that were closed, 759 messages were substantiated.

Non-compliance messages raised through *Speak Up* selected sub-categories (number)

	Messages received	Cases substantiated
	2025	2025
Abuse of power and/or mobbing/ bullying	1063	241
Unfair treatment	734	79
Labor practice	331	56
Harassment (excluding sexual harassment)	268	78
Bribery and corruption (including conflict of interest) <sup>2</sup>	225	31
Safety and health	190	38
Discrimination and violence	175	38
Fraud (misappropriation or misconduct on accounting/financial statement)	166	56
Sexual harassment	121	35
Third-party compliance	114	30
Human rights issues not covered by other <i>Speak Up</i> categories	4	0
Other	362	77
Total	3753	759

<sup>1</sup> The definitions and calculation methodology applicable to track progress on these targets can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>2</sup> Cases substantiated did not involve government officials.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	<b>Part 4 – Governance Disclosures</b>	Appendices
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	--	------------

For 2025, we are including our commitment to disclose grievances in our supply chain, according to the Nestlé Human Rights Salient Issue Action Plans.

Number of grievances received through *Speak Up* or other channels related to human rights in our supply chain, number of grievances substantiated, of which either under remediation, remediated or the supplier terminated, and number of cases under investigation

	2025
Number of grievances received through <i>Speak Up</i> or other channels related to human rights in our supply chain:	9
Number of grievances substantiated	6
of which, under remediation	4
of which, remediated or supplier terminated	2
Number of grievances under investigation	3

In 2025, we received 9 grievances related to human rights in our supply chain. Of these, 6 were substantiated and are either under remediation, have been remediated or the supplier has been terminated. The remaining 3 grievances are still under investigation.

## Nestlé Specific KPIs

At Nestlé, we make political contributions to political parties in our home country, Switzerland.

Financial political contributions KPI

	2024	2025
Total monetary value of financial political contributions made by the organization in Switzerland (CHF)	225 000	225 000

# Appendices



Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

# Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators

## 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, the Sustainability Accounting Standards Board, and the World Economic Forum 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.

This Methodology Note is applicable for the 2025 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 2025*, “Part-1 – 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 2025 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## 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	Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment	General – Cross cutting
<b>Environment</b>		
3	Percentage net reduction of greenhouse gas (GHG) emissions versus 2018 baseline	Climate change
4	Total energy consumption related to own operations (factories only)	Climate change
5	Percentage of renewable electricity sourced in our manufacturing sites, owned R&D centers and owned distribution centers at year end	Climate change
6	Gross Scope 1 greenhouse gas (GHG) emissions	Climate change
7	Gross market-based Scope 2 greenhouse gas (GHG) emissions	Climate change
8	Gross Scope 3 greenhouse gas (GHG) emissions	Climate change
9	Total output of chemical oxygen demand (COD) load to the environment	Pollution
10	Average annual chemical oxygen demand (COD) concentration	Pollution
11	Water use reduction in factories	Water resources
12	Nestlé Waters & Premium Beverages sites certified to the Alliance for Water Stewardship (AWS) Standard	Water resources
13	Nestlé Waters & Premium Beverages volumetric water benefits delivered by implementing local water stewardship projects	Water resources
14	Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	Biodiversity and ecosystems
15	Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices	Biodiversity and ecosystems
16	Number and area (ha) of Nestlé sites in or near and could negatively affect biodiversity-sensitive areas	Biodiversity and ecosystems
17	Land footprint in agriculture (millions ha)	Biodiversity and ecosystems
18	Percentage of key ingredients sourced from priority ecosystems	Biodiversity and ecosystems
19	Land footprint for direct operations (ha)	Biodiversity and ecosystems
20	Percentage of volumes of key ingredients responsibly sourced	Climate change
21	Plastic packaging designed for recycling	Resource use and circular economy
22	Virgin plastic reduction versus 2018 baseline	Resource use and circular economy
23	Total weight of packaging	Resource use and circular economy
24	Total weight of waste generated in tonnes and a breakdown of this total by composition of the waste	Resource use and circular economy

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

#	Name of KPI	Related topics
<b>Social</b>		
25	Total number of employees (headcount)	Own workforce
25-1	Total number of employees with breakdown	Own workforce
26	Percentage of management positions held by women	Own workforce
27	Percentage of women executive officers	Own workforce
28	Recordable injury rate per million hours worked	Own workforce
29	Total recordable fatalities (injury-related)	Own workforce
30	Total irreversible injuries	Own workforce
31	Recordable illness rate per million hours worked	Own workforce
32	Total recordable fatalities (illness-related)	Own workforce
33	Total irreversible illnesses	Own workforce
34	Global mean (average) raw gender pay gap	Own workforce
35	Average hours of technical and vocational training completed by our employees in the company	Own workforce
36	Number of young people supported to develop future-ready skills (annual)	Affected communities
37	CARE audits performed	Own workforce
38	Total number of households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labor risks (24 months)	Workers in the value chain
39	Percentage volume of cocoa covered by due diligence systems for child labor risks, including CLMRS	Workers in the value chain
40	Percentage volume of green coffee covered by due diligence systems for child labor risks	Workers in the value chain
41	Number of significant non-compliances related to human rights identified through third-party audits of our direct suppliers (SMETA audits), of which number of non-compliances closed	Workers in the value chain
42	Community Giving investment: total amount	Affected communities
43	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
44	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
45	Nutritional value transparency: Health Star Rating (HSR) with & without pet food	Consumers and end-users
46	Nutritional value transparency: Health Star Rating (HSR) without pet food, pure coffee and specialized nutrition	Consumers and end-users
47	Health Star Rating (HSR): sales-weighted mean (HSR)	Consumers and end-users
48	Number of countries with audits on the Nestlé Policy for Implementing the WHO Code	Consumers and end-users
49	Instances of substantiated non-compliances with the Nestlé Policy for Implementing the WHO Code	Consumers and end-users
50	Compliance with Nestlé Marketing Communication to Children Policy	Consumers and end-users
51	Number of servings of affordable nutrition with micronutrient fortification	Consumers and end-users
52	Total number of servings of micronutrient fortified foods and beverages	Consumers and end-users
<b>Governance</b>		
53	Total number of messages received through <i>Speak Up</i> system, of which number closed and substantiated	Business conduct
54	Number of grievances received through <i>Speak Up</i> or other channels related to human rights in our supply chain, number of cases substantiated, of which either under remediation, remediated or the supplier terminated, and number of cases under investigation	Business conduct

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## 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 (including the Chief Executive Officer) is the management body.

#### Methodology, calculation and data collection

For the Executive Board, the target percentage of the variable pay of STI and LTI are reported in the *Nestlé Compensation Report 2025* in the section on 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 this report referred above.

#### Assumptions, scope and exclusions

The KPIs upon which the STI remuneration is based are:

- Percentage net reduction of greenhouse gas emissions versus 2018 baseline.
- Virgin plastic reduction versus 2018 baseline.
- Percentage of volumes of key ingredients<sup>1</sup> sourced from farmers adopting regenerative agriculture practices.
- 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 is: Percentage net reduction of greenhouse gas emissions versus 2018 baseline.

<sup>1</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced, can be found later in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

## KPI #2

# Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment

### Definition

This KPI measures the coverage of spend on our key ingredients covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment.

HREDD is a risk management process that organizations use to identify, prevent, mitigate, and remediate actual and potential adverse impacts on human rights and the environment. It is a requirement that applies to our direct suppliers. We verify compliance with this requirement by conducting HREDD maturity assessments.

### Methodology, calculation and data collection

The performance is measured using the percentage of spend of raw and packaging materials in scope of the KPI that have been covered through suppliers' HREDD maturity assessments.

$$\text{Percentage of key ingredients' spend covered by a HREDD maturity assessment} = \left( \frac{\text{Total spend of key ingredients in scope covered by a HREDD maturity assessment}}{\text{Total spend of key ingredients in scope} / 2} \right)$$

The reporting period of key ingredients' spend used to calculate this KPI is October 2024 to September 2025.

We use different HREDD maturity assessment tools to carry out this verification. The main one is the converged HREDD assessment tool, which was developed collaboratively by AIM-Progress, the Consumer Goods Forum Human Rights Coalition, the Fair Labor Association (FLA) and Proforest to converge assessment approaches to HREDD across industries and encourage mutual recognition of assessment efforts.

To be accepted as equivalent to the converged HREDD assessment tool, other tools need to follow these principles:

- The assessment covers both human rights and the environmental risks and impacts in own operations and in relevant supply chains (i.e. ingredient supply chains that Nestlé procures from the supplier).
- The assessment covers all six HREDD steps aligned to OECD Due Diligence Guidance.
- The results of the assessment are verified by a third party based on evidence and lead to the assignment of a maturity level.
- A time-bound action plan is developed and implemented by the supplier based on gaps found in the assessment. The following tools are currently considered equivalent:
  - Nestlé Palm Supplier HREDD Assessment Tool
  - Nestlé Sugar HREDD tool

These tools were created and deployed before the development of the converged HREDD assessment tool by our partner, Proforest.

### Assumptions, scope and exclusions

In scope for this KPI are Nestlé's direct suppliers of our key ingredients: cereals and grains; cocoa; coconut; green coffee; dairy (excluding fresh milk),<sup>2</sup> fish and seafood; hazelnuts; meat, poultry and eggs; palm oil; pulp and paper; soy; spices; sugar; and vegetables.

The top 50% of our key ingredients' spend constitutes the scope against which we report. Since our supplier base changes yearly (e.g. suppliers no longer supplying Nestlé; mergers and acquisitions among suppliers; important change of volumes with a supplier from one year to another), the list of suppliers making up the scope is reviewed on a yearly basis. The suppliers in scope of the reporting for Year N are selected based on the top 50% spend of the Year N-1.

<sup>2</sup> Fresh milk is excluded as most of our fresh milk sourcing is from Origins – either individual farmers or cooperatives. This tool only applies to direct suppliers.

## Environment

### KPI #3

## Percentage net reduction of greenhouse gas (GHG) emissions versus 2018 baseline

#### Definition<sup>3</sup>

This KPI aims to measure the reductions in greenhouse gas (GHG) emissions across all three Scopes of Nestlé activities versus base year 2018, in order to achieve net zero emissions by 2050.<sup>4</sup>

#### Methodology, calculation and data collection

$$\text{Percentage net reduction of GHG emissions versus 2018 baseline} = \left( \frac{\text{Net GHG emissions}_N - \text{Net GHG emissions}_{2018}}{\text{Net GHG emissions}_{2018}} \right)$$

$$\text{Net GHG emissions}_N = \left( \text{GHG emissions}_N - \text{GHG delivered removals}_N \right)$$

$$\text{Net GHG emissions}_{2018} = \left( \text{GHG emissions}_{2018} - \text{GHG delivered removals}_{2018} \right)$$

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. Projects' 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).

#### 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. Removals projects in Nestlé's sourcing landscapes are contributing to Nestlé's Net Zero target.

<sup>3</sup> Refer to KPIs #6, #7 and #8 for GHG emissions definition.

<sup>4</sup> Pending the publication of the SBTi guidance on Neutralization.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## 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; this encompasses energy coming from all sources, including energy purchased from external sources and energy produced by the entity itself.

### Methodology, calculation and data collection

Energy consumption data is reported by centralizing the 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.

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).

## KPI #5

# Percentage of renewable electricity sourced in our manufacturing sites, owned R&D centers and owned distribution centers at year end

### Definition

This KPI refers to the percentage of renewable electricity sourced and supplied at the end of the year, and from that point onwards, within our manufacturing sites, owned research and development (R&D) centers, and owned distribution centers.

### Methodology, calculation and data collection

The KPI is calculated as the sum of sourced renewable electricity across all sites within the scope divided by the sum of total electricity sourced at all sites within the scope (where sourced refers to purchased and delivered). This calculation is based on year-end data and extrapolated to annual values. This means that the KPI includes any renewable electricity projects initiated during the reporting year, which are then extrapolated annually to provide a value that accurately represents the renewable electricity supply at the end of the year and onward.

Data is reported by centralizing the activity data from all in-scope sites. The data comes from energy suppliers' invoices, and when these are not available, it is sourced from Nestlé's metering.

### Assumptions, scope and exclusions

The scope of this KPI includes factories, owned distribution centers, and owned R&D centers.

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 data, 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).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #6

### Gross Scope 1 greenhouse gas (GHG) emissions

## KPI #7

### Gross market-based Scope 2 greenhouse gas (GHG) emissions

## KPI #8

### Gross Scope 3 greenhouse gas (GHG) emissions

#### Definition<sup>5</sup>

**KPI #6:** Gross Scope 1 greenhouse gas (GHG) emissions.

**KPI #7:** Gross market-based Scope 2 greenhouse gas (GHG) emissions.

**KPI #8:** Gross Scope 3 greenhouse gas (GHG) emissions.

#### 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, the Corporate Value Chain (Scope 3) Standard and the Scope 2 Guidance.

The main data sources used for Nestlé's GHG emissions calculation are listed below in Table A.

#### Assumptions, scope and exclusions

In 2025, Nestlé discloses for GHG reporting, as follows:

- If a company is fully consolidated in the financial statements, 100% of the emissions of the company.
- The scope of the GHG KPI was changed in 2025 to align all financial and non-financial KPIs on the same boundaries. This change triggered the recalculation for all years since 2018 and led to a 1% decrease in Nestlé GHG emissions for all years without significant impact on the KPI 3 performance. Before 2025, emissions related to joint ventures with shared ownership (owned 50%) by Nestlé were included in Nestlé's GHG inventory proportionate to Nestlé's equity. Scope 1 and Scope 2 GHG emissions of non-consolidated joint ventures are now accounted for in the Scope 3 Category 15 investments as per GHG Protocol rules, and are excluded from the net zero commitment.

You can find the details of emission categories used for calculation and for the Nestlé SBTi target in table B on the following page.

For a limited number of recently acquired entities, while they are fully integrated into Nestlé's Information System, 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 Nestlé's Information System.

#### Restatement

Nestlé follows a restatement methodology in alignment with the Science Based Targets initiative (SBTi) rules. Significant changes of scope (above 1%), data improvement and methodology trigger the GHG emissions recalculation for all years. This is part of the continuous improvement process aimed at increasing the accuracy and robustness of the GHG exercise over years.

<sup>5</sup> KPIs are defined as in the GHG Protocol Corporate Standard.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

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”, Department for Business, Energy & Industrial Strategy (BEIS)/Dept. for Energy Security and Net Zero (DESNZ) and Refrigerant-related emissions taken from IPCC.
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)	One of the latest available versions of various recognized sources depending on categories: World Food Life Cycle Analysis (LCA) Database, DEFRA, IEA, Ecolinvent. 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 #9

# Total output of chemical oxygen demand (COD) load to the environment

## KPI #10

# Average annual chemical oxygen demand (COD) concentration

### Definition

**KPI #9:** Total output of chemical oxygen demand (COD) load to the environment.

**KPI #10:** Average annual chemical oxygen demand (COD) concentration.

The selected KPIs to represent the quality of effluents are the total output of COD load and average annual COD concentration of any effluent volumes originating from Nestlé’s factories at point of discharge to the environment (e.g. surface water or irrigation) outside Nestlé’s premises.

### Methodology, calculation and data collection

COD concentration in treated effluents is measured daily (working days) by the factory using globally recognized methods. The data is recorded locally together with the corresponding volumes of treated effluent discharged to the environment (m<sup>3</sup>).

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>. These inputs are used to calculate the COD load discharged to the environment.

The total output of COD load to the environment is calculated at site level as follows:

$$\text{Total output of COD load [T]} = \left( \frac{\text{COD [mgO}_2\text{/l]} \times \text{Total water discharge [m}^3\text{]}}{1\,000\,000} \right)$$

Where the total output results from:

$$\text{Total output COD load [T]} = \left( \begin{array}{l} \text{Total output COD load from} \\ \text{internal treatment [T]} \\ + \\ \text{Total output COD load from} \\ \text{third-party treatment [T]} \\ + \\ \text{Total output COD load from} \\ \text{clear water [T]} \end{array} \right)$$

The results are then aggregated at company level to arrive at the final KPI.

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 COD load, in tonnes, using the same site-level load calculation above. This conversion allows for aggregation at Market, Zone and company level.

The average annual COD concentration can then be derived from the calculated load using the following formula:

$$\text{Average annual COD concentration [mgO}_2\text{/l]} = \left( \frac{\text{Total output COD load [T]} \times 1\,000\,000}{\text{Total water discharge [m}^3\text{]}} \right)$$

This average annual COD concentration is therefore a company-level result derived from aggregated loads and discharges.

### Assumptions, scope and exclusions

The KPIs are measured for all Nestlé factories in scope for ESG reporting, discharging effluents after treatment, or via third-party effluent treatment plants to the environment (e.g. surface water or irrigation) outside Nestlé’s premises.

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 Wastewater 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #11

# Water use reduction in factories

### Definition

Annualized water use savings 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.

### 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.

### 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 of 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.

## KPI #12

# Nestlé Waters & Premium Beverages sites certified to the Alliance for Water Stewardship (AWS) Standard

### Definition

This KPI reports on the number of Nestlé Waters & Premium Beverages 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](#).

### 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.

### Assumptions, scope and exclusions

The scope comprises all entities that are (or were) Nestlé Waters & Premium Beverages factories on December 31, 2025.

## KPI #13

# Nestlé Waters & Premium Beverages volumetric water benefits delivered by implementing local water stewardship projects

### Definition

This KPI reports on the volumes of water annually ‘regenerated’ by projects implemented within the same watershed where Nestlé Waters & Premium Beverages (NW&PB) operates.

### Methodology, calculation and data collection

Each Nestlé Waters & Premium Beverages 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 towards 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 & Premium Beverages tracks the total VWB delivered through water stewardship projects; the number of sites (i.e. watersheds) where Nestlé Waters & Premium Beverages operates, that have projects delivering VWBs; and the percentage of total annual water withdrawal that are regenerated through the delivery of VWBs. Each project is reviewed by an external expert panel against the VWBA methodology. A water stewardship project qualifies to claim a VWB according to the following criteria: if it is relevant, additive, attributable, quantifiable, and timely. WASH projects are able to be claimed if there is a WASH local challenge, the WASH project does not compromise the local state of water resources, and the project is sustainable.

### KPI #13 calculation

$$\text{NW\&PB volumetric water benefits (VWB) delivered by implementing local water stewardship projects [m}^3\text{/year]} = \left( \frac{\text{Sum of all VWBs delivered per local water stewardship project [m}^3\text{/year]}}{\text{Total NW\&PB annual water withdrawal [m}^3\text{/year]}} \right)$$

The related volumetric water benefits metrics are calculated as per below

Percentage of total withdrawn water volumes that are “regenerated” Nestlé Waters & Premium Beverages

$$\text{Percentage of total withdrawn volumes that are "regenerated" NW\&PB} = \left( \frac{\text{The sum of all VWBs delivered per local water stewardship project [m}^3\text{/year]}}{\text{Total NW\&PB annual water withdrawal [m}^3\text{/year]}} \right)$$

Percentage of Nestlé Waters & Premium Beverage sites where projects started to deliver volumetric water benefits (VWB)

$$\text{Percentage of NW\&PB sites where projects started to deliver volumetric water benefits (VWB)} = \left( \frac{\text{The number of NW\&PB sites where projects have started to deliver VMB}}{\text{Total number of NW\&PB sites in scope (per the pledge)}} \right)$$

### Assumptions, scope and exclusions

The scope comprises all entities that are (or were) Nestlé Waters & Premium Beverages factories during the reporting calendar year and are in scope for ESG reporting. Sites supplied with sea water and bulk water sites are excluded from the scope.

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 & Premium Beverages level on a quarterly basis. Once the end date of a local water stewardship is reached, the VWBs delivered are maintained and will continue to count towards future years reporting (provided that the project is monitored and effectively continues delivering VWBs). Nestlé Waters & Premium Beverages accounts for VWBs from projects with start dates from 2016 onwards.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #14

# Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free

### Definition

“Deforestation-free” means that key ingredients in scope were assessed as produced on land that has not been subject to deforestation or conversion 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.

### Methodology, calculation and data collection



Volumes are in tonnes and come from datasets such as Nestlé’s Information System, third parties (including suppliers declarations), and GCQC systems (Nestlé internal coffee IT system) 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 key ingredients 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 Origins: 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. In the case of meat, volumes considered deforestation-free are traceable to national or sub-national regions not at high risk of deforestation, using 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), as well as 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 a traceability exercise.

### Assumptions, scope and exclusions

The key ingredients 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 byproducts and seafood meats), green coffee (excluding blended green coffee), cocoa (including cocoa beans, cocoa powder, cocoa liquor, cocoa butter and chocolate), and sugar (excluding caramel).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Volumes from companies not integrated into Nestlé’s Information System are excluded from the scope.

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).

The gap between the performance on this KPI and the target does not mean that the ingredients come from deforestation. It means that we have not yet obtained the relevant level of traceability to assess them.

## KPI #15

# Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices

### Definition

“Regenerative agriculture” is an approach to farming that aims to conserve 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.

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.

Nestlé has created crop-specific assessment tools (Nestlé Regen. Ag. Farm Assessment Tools), which include checklists of regenerative agriculture practices and a scoring system which are implemented in farms that are considered as part of our supply chain.

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 the sourced volumes. This ranking of farm maturity levels is done through individual farm assessments carried out by Nestlé agronomists or third-party partners.

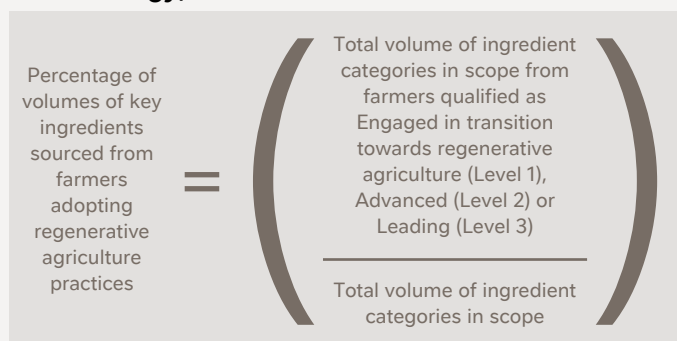
Level 1 is an entry point in regenerative agriculture and constitutes a transition towards more advanced practices of regenerative agriculture (Level 2 and Level 3). Farm assessments results have a validity of three years.

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



Volumes are in tonnes, covering the reporting year. The reporting period of raw material volumes consumption used by default is October Y-1 to September Y-1, 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Assumptions, scope and exclusions

The scope 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; and meat, poultry and eggs (co and byproducts excluded). The volumes include the purchased quantities of the above ingredients from the following systems: Nestlé’s Information System, Legendairy for fresh milk, and GCQC for green coffee.

Volumes from companies not integrated into Nestlé’s Information System, 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. The other ingredient categories have not been converted.

For the annual reporting, the total volume used is the actual volume delivered at factory level or its best estimate when closing data is not available. These volumes are aligned with the volumes of the KPI “Percentage of volumes 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 12-month 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 volumes in Nestlé’s Information System, but overall, the assumption is that this is in line with the actual volumes delivered at factory level.

## KPI #16

# Number and area (ha) of Nestlé sites in or near and could negatively affect biodiversity-sensitive areas

### Definition

This KPI is defined as:

- The number of sites owned or leased in or near Key Biodiversity Areas or Protected Areas where activities related to these sites have the potential to negatively affect these areas.
- The areas of sites owned or leased in or near Key Biodiversity Areas or Protected Areas where activities related to these sites have the potential to negatively affect these areas.

Key Biodiversity Areas are officially defined as sites identified as globally important for the long-term survival of biodiversity based on 11 criteria clustered into five categories: threatened biodiversity, geographically restricted biodiversity, ecological integrity, biological processes, and irreplaceability.

Protected Areas are officially defined by IUCN as a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.

For purposes of this KPI, “biodiversity-sensitive areas” include both Key Biodiversity Areas and Protected Areas.

### Methodology, calculation and data collection

This assessment covers all Nestlé sites (e.g. factories, distribution centers, warehouses, boutiques, R&D centers, head offices), including globally owned and leased sites (e.g. subleased, head leased or land leased).

We assessed the exposure of our own operations to Key Biodiversity Areas and Protected Areas.

To do so, we extracted from a geographic information system (GIS) all the sites that are in or near biodiversity-sensitive areas. Different buffer zones are applied per type of sites: a five-kilometer radius for factories is applied as a precautionary approach and a one-kilometer radius for all other sites.

Land and building surface areas are reported by centralizing all the surface areas from all direct operations sites that are in scope for this KPI. Data comes from real estate contracts and leased documentation and centralized internally in a database.

Sites with the same geolocation coordinates are identified to remove duplicate sites. The land and building surface areas of the removed duplicate sites are summed in the information of the remaining sites in order to maintain an accurate total surface area of sites.

For this KPI, Nestlé sums land surface areas and building surface areas from all sites located in or near a biodiversity-sensitive area and in scope based on our activities related to our sites.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Assumptions, scope and exclusions

This KPI evaluates specifically the sites that may negatively affect biodiversity-sensitive areas.

Based on our activities related to our sites, we excluded factories located downstream to the direction of the natural water flow within the watersheds of biodiversity-sensitive areas. For other sites, we excluded sites smaller than 0.01 ha and certain types of sites (e.g. co-working offices, sales offices, boutiques) mainly located in urban areas.

## KPI #17

# Land footprint in agriculture (millions of hectares)

### Definition

The land footprint in agriculture KPI measures the total land area required to produce all volumes of agricultural ingredients purchased by Nestlé, expressed in millions of hectares.

The KPI accounts for both crop-based and livestock-based products.

### Methodology, calculation and data collection

The KPI is calculated using the formula:

$$\text{Land footprint in agriculture [millions ha]} = \left( \text{Volumes of ingredients [T]} \times \text{Land factors [ha/T]} \right)$$

Volumes are derived from purchasing data from GPS (pulling activity data directly from Nestlé's central data systems, for example, purchasing data from Nestlé's Information System), converted into fresh equivalent volumes of ingredients and differentiated by sourcing location.

Land factors (ha/T) are calculated from yield data (kg/ha) matched to Nestlé spend categories. The main external data sources for yield data are FAOSTAT Data Portal for data per crop per country per year, and LCA databases for animal products and byproducts. Primary data is used instead of secondary data from external data sources when available and after data consistency checks.

### Assumptions, scope and exclusions

This KPI includes all volumes of ingredients purchased by Nestlé. It does not calculate a land footprint for fish and crustacean products as there is no land factor for this category of products.

Global averages are used when country-specific data is missing.

Land factors are refined based on traceability granularity, favoring primary data when available.

Finished goods land footprint is calculated separately using product-type averages and is summed to the non-finished goods land footprint to obtain the total land footprint

## KPI #18

# Percentage of key ingredients sourced from priority ecosystems

### Definition

The percentage of key ingredients sourced from priority ecosystems is measured through GIS statistics.

Key ingredients in scope for this KPI are coffee sourced through Farmer Connect and the *Nespresso AAA Sustainable Quality™ Program*, cocoa, fresh milk, palm oil and sugar.

Priority ecosystems are ecosystems located in our sourcing regions where we have identified potential material impacts in ecologically sensitive areas. Ecologically sensitive areas are defined as areas with exceptionally high biodiversity value – identified where a decline in ecoregion intactness has been observed, through STAR, and by their location within biodiversity-sensitive areas. This definition encloses areas of decline in integrity, areas of biodiversity significance and areas of risk of species extinction, as recommended by the TNFD.

This KPI is not considered as an indicator of performance in itself but helps identify sourcing locations with the highest potential biodiversity pressure and ecological significance in order to prioritize our efforts on biodiversity.

Ingredients are assessed as sourced from priority ecosystems when, according to our regular supply chain mapping, as described [here](#), they are sourced from locations where we have identified potential material impacts in ecologically sensitive areas.

Our potential material impacts are assessed through our biodiversity footprint, calculated with this formula:

$$\text{Biodiversity footprint} = \left( \text{Land footprint in agriculture (ha)} \times (1\text{-MSA}) \right)$$

To identify ecologically sensitive areas, sourcing locations of key ingredients in scope of this KPI are processed in GIS to extract State of Nature (SoN) indicators:

- Changes in Ecoregion Intactness between 1993 and 2009 (Beyer, H.L., Venter, O., Grantham, H.S. & Watson, J.E.M. (2019). Substantial losses in ecoregion intactness highlight urgency of globally coordinated action. (Conservation Letters)
- STAR<sub>TA</sub> scores quantifying the potential contributions that species threat abatement actions offer towards reducing global species extinction risk.
- Determine direct overlap with Key Biodiversity Areas or Protected Areas.

### Methodology, calculation and data collection

$$\text{Percentage key ingredients sourced from priority ecosystems} = \left( \frac{\text{Volumes of key ingredients sourced from priority ecosystems [T]}}{\text{Total volumes of key ingredients sourced during the given year [T]}} \right)$$

Volumes are derived from purchasing data from GPS (pulling activity data directly from Nestlé’s central data systems, for example, purchasing data from Nestlé’s Information System) and converted into fresh equivalent volumes of ingredients.

The reporting period for this KPI is per calendar year.

The reporting period of raw material volumes consumption used is calendar year. Traceability data used is October 2024 to September 2025, which represents the best traceability data available reflective of the reporting period.

This assessment is carried out on geolocation coordinates of Nestlé sourcing locations of key ingredients in scope for this KPI, in accordance with our supply chain mapping. The sourcing locations are prioritized based on Science-Based Targets for Nature Step 2 guidance by multiplying the biodiversity footprint with SoN indicators to identify volumes of key ingredients sourced from priority ecosystems.

Nestlé uses a percentile-driven methodology to identify locations with the greatest ecological significance and potential impact. Prioritization rankings include:

- High: top 10% (90th percentile or higher)
- Moderate: middle 45% (45th percentile to 89th percentile)

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Priority ecosystems are sourcing locations classified as:

- High prioritization ranking of Ecoregion Intactness decrease and STAR<sub>TA</sub> and the sourcing area is directly located within a Key Biodiversity Area or a Protected Area.
- High prioritization ranking of Ecoregion Intactness decrease and moderate prioritization ranking of STAR<sub>TA</sub> (or vice versa) and the sourcing area is directly located within a Key Biodiversity Area or a Protected Area.

### Assumptions, scope and exclusions

The commodities in scope include coffee sourced from direct suppliers through Farmer Connect and the *Nespresso AAA Sustainable Quality™ Program*, cocoa, fresh milk, palm oil and sugar. Traceability levels used per commodity are farm level for cocoa and coffee, farm and first intermediary levels for fresh milk, and mill level for palm oil and sugar. For fresh milk, third-party entities are not in scope as their traceability is available but not yet digitized.

When volumes split by farm are not available, the volumes are spread equally by farm locations.

## KPI #19

### Land footprint for direct operations (ha)

#### Definition

The land footprint for direct operations (ha) KPI measures the total land and building surface area (in hectares) of Nestlé owned and leased sites, including factories and distribution sites as well as other site types (offices, retail, R&D) during the reporting period.

#### Methodology, calculation and data collection

Land and building surface areas are reported by centralizing all the surface areas from all direct operations sites that are in scope for ESG reporting. Data comes from real estate contracts and leased documentation and is centralized internally in a database.

For the land footprint for direct operations KPI, land and building areas (in m<sup>2</sup>) are converted into hectares and summed for all active factories, distribution sites, boutiques, offices and other types of sites (e.g. land without buildings, R&D sites) in scope for ESG reporting.

#### Assumptions, scope and exclusions

This KPI only includes sites under financial control. A present limitation of this KPI is that areas from multi-story buildings are calculated by summing the footprint per story.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices Appendix 1
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	-----------------------

## KPI #20

# Percentage of volumes 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.

### Methodology, calculation and data collection

$$\text{Percentage of volumes of key ingredients responsibly sourced} = \left( \frac{\text{Total volume of key ingredients in scope that are responsibly sourced}}{\text{Total volume of key ingredients in scope (measured in tonnes)}} \right)$$

Volumes come from the following systems: Nestlé’s Information System, third parties (including supplier declarations), Legendairy for fresh milk and, GCQC for green coffee. These are Nestlé internal milk and coffee IT systems.

The reporting period of raw material volumes consumption used by default is October Y-1 to September Y-1, except for certain categories using either the previous calendar year volumes (i.e. pulp and paper), or April Y-1 to March Y1 for palm oil, or current calendar year volumes (i.e. coffee, soy and fresh milk) for various practicality reasons.

The volumes of key ingredients are reported in the following way:

- Fresh equivalent converted: fresh milk, dairy derivatives, eggs, vegetables and spices.
- Bean equivalent: cocoa.
- Non converted (i.e. purchased volumes): cereals and grains, coffee, soy, coconut, hazelnuts, sugar, palm oil, fish and seafood, and meat and poultry.
- Estimates of volumes based on spend: pulp and paper.

Key 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>6</sup> or mapped to the point of origin (e.g. 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).
- For certain ingredients and certifications, only segregated chain of custody is considered; 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), suppliers’ programs and other industry schemes.
- 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 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. These ingredients account for an average of 24 million metric tonnes sourced annually by Nestlé and represent 87% of total raw materials purchased volumes globally.

Estimation methods in case of inconsistent data or unavailability of data vary by key ingredient. 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).

<sup>6</sup> 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, Australia, Austria, Belgium, Canada, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Latvia, Liechtenstein, Luxembourg, Monaco, New Zealand, the Netherlands, Norway, San Marino, Sweden, Switzerland, and the United Kingdom. The Pulp and paper category has an adjusted country list.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #21

# Plastic packaging designed for recycling

### Definition

Nestlé has developed its publicly available Rules of Packaging Sustainability, which is composed of “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”.

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), metalized materials, and separability from the other materials constituting the packaging.

The KPI reflects the status of the packaging portfolio at the end of 2025. The KPI is calculated using the last available material specifications applied to the packaging quantities of the full reporting period:

- Sales data, used to calculate packaging quantities sold to consumers which are reflected in the KPI.
- Production data, used to obtain the detailed composition of the packaging sold.

### Assumptions, scope and exclusions

This KPI covers all finished products sold by Nestlé, produced by Nestlé’s factories or produced by co-manufacturers for Nestlé.

The KPI includes the sales of all entities using Nestlé’s Information System, plus of Nestlé’s 20 largest businesses (manually reported), such as the Nestlé Waters & Premium Beverages 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 (this accounts for less than 10% of Nestlé products’ packaging weight). Nestlé is working on including this data in the future.

### 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 plastic packaging is Designed for Recycling (D4R) and to compute the indicator during the 2025 reporting process 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 based films (i.e. compatible polymers in recycling stream) are considered as D4R.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #22

# 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.

### Methodology, calculation and data collection

$$\text{Virgin plastic reduction versus 2018 baseline} = \left( \frac{\text{Reduction of usage of virgin plastic between the reporting period and 2018}}{\text{Total virgin plastic volume of 2018}} \right)$$

$$\text{Virgin plastic volume} = \left( \text{Total plastic packaging volume of the period} - \text{Recycled plastic volume} \right)$$

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.

The main sources of data for this KPI are:

- Sales data, used to calculate packaging quantities sold to consumers which are reflected in the KPI.
- Production data, used to obtain the detailed composition of the packaging sold.

### Assumptions, scope and exclusions

This KPI covers all finished products sold by Nestlé, produced by Nestlé’s factories or produced by co-manufacturers for Nestlé.

The KPI includes the sales of all entities using Nestlé’s Information System, plus of Nestlé’s 20 largest businesses (manually reported), such as the Nestlé Waters & Premium Beverages 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 are estimated based on similar internal finished products in the same category, country and brand (this accounts for less than 10% of Nestlé products’ packaging weight).

Nestlé is working on including this data in the future.

## KPI #23

# 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.

### Methodology, calculation and data collection

This KPI is volume of packaging in kilograms.

The main sources of data for this KPI are:

- Sales data, used to calculate packaging quantities sold to consumers which are reflected in the KPI.
- Production data, used to obtain the detailed composition of the packaging sold.

### Assumptions, scope and exclusions

This KPI covers all finished products sold by Nestlé, produced by Nestlé’s factories or produced by co-manufacturers for Nestlé.

The KPI includes the sales of all entities using Nestlé’s Information System, plus of Nestlé’s 20 largest businesses (manually reported), such as Nestlé Waters & Premium Beverages 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 are estimated based on similar internal finished products in the same category, country and brand (this accounts for less than 10% of Nestlé products’ packaging weight).

Nestlé is working on including this data in the future.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #24

# 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: “Byproduct”).
- 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:

- 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.

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 for ESG reporting are included.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social

### KPI #25

## Total number of employees (headcount)

### KPI #25-1

## Total number of employees with breakdown

#### Definition

**KPI #25:** Total number of employees (headcount)  
The KPI aims to measure the number of employees.

#### Methodology, calculation and data collection

Basis for the calculation are reports from Nestlé’s Human Resources Information System (HRIS). This data is then merged with the manually collected headcount data from companies not using HRIS, which then gives the total headcount for the Group. The headcount will be disclosed as a year-end (December, 31 of the respective reporting period) metric: One headcount equals one person (irrespective of full-time or part-time).

#### Assumptions, scope and exclusions

Headcounts represent only Nestlé employees (excludes temporary agency workers, third-party employees, self-employed workers and co-manufacturer employees).

#### Definition

**KPI #25-1:** Total number of employees with breakdown

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

#### Methodology, calculation and data collection

Reporting will provide the following segmentation options:

- Employment type: permanent and temporary.
- Full-time/part-time employment.

#### Assumptions, scope and exclusions

In scope are all employees employed by Nestlé who are maintained on its HRIS:

- Included are all contract types (i.e. permanent, temporary).

Excluded are:

- Retirees.
- External workers.
- Employees not maintained on HRIS (the most common reason for companies not to be integrated on Nestlé’s HRIS is that they have been acquired).

Assumptions:

- One person counts as one headcount, irrespective of whether they work part-time or not.
- The headcount will be provided as of year end (December 31 of respective reporting year).
- The total number of employees for KPIs that have a breakdown (e.g. by contract type, gender) will not add up to the total number of employees as some of the data breakdowns are not available for employees not maintained on HRIS. 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #26

# Percentage of management positions held by women<sup>7</sup>

### 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).

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).

### Methodology, calculation and data collection

$$\text{Percentage of management positions held by women} = \left( \frac{\text{Number of management positions held by women}}{\text{Total population of Nestlé employees currently holding management positions}} \right)$$

For the employees maintained on Nestlé’s Human Resources Information System (HRIS), the reports from this system are used. For the employees not maintained in HRIS, the data is collected manually for largest entities, and for minor business units an extrapolation is applied in the calculation.

### Assumptions, scope and exclusions

The entities which are recorded in HRIS and 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.

## KPI #27

# Percentage of women executive officers

### Definition

This KPI aim is to measure the percentage of women on the Executive Board as of December 31.

### Assumptions, scope and exclusions

The Executive Board is officially published on the [Nestlé website](#).

### Methodology, calculation and data collection

$$\text{Percentage of women executive officers} = \left( \frac{\text{Number of women on the Executive Board}}{\text{Total number of employees on the Executive Board}} \right)$$

<sup>7</sup> In 2025, the scope of KPI reporting has increased and now covers all companies not integrated into Nestlé’s Human Resources Information System. For comparability, and as it is impracticable to restate the 2024 figure under the new KPI scope, we disclose here what the 2025 figure would have been under the 2024 scope: 48.4%.

## KPI #28

# Recordable injury rate per million hours worked

### Definition

This KPI is the number of recordable injuries (on a monthly and an 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.

### Methodology, calculation and data collection

$$\text{Recordable injury rate per million hours worked} = \left( \frac{\text{Number of recordable injuries} \times 1\,000\,000}{\text{Number of hours worked in the given time period}} \right)$$

The recordable injury and the worked hours for the given period are reported by each site in the Nestlé global platform.

The data is readily available and used for analysis by the Markets, Zones, the Globally Managed Businesses, and the entire company.

Global monitoring is performed by the corporate operations, manufacturing, engineering and safety.

### 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 external workers (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 of this KPI includes all sites that are registered in the Nestlé global platform.

Total recordable injuries include: fatalities, irreversible cases, lost-time cases, restricted work cases, and medical treatment cases beyond first aid cases.

## KPI #29

# 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 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 performance measure of the KPI is an absolute number.

Each case is reported by the respective site in the Nestlé global platform.

The data is readily available and used for analysis by the Markets, Zones, the Globally Managed Businesses, and the entire company.

Global monitoring is performed by the corporate operations, manufacturing, engineering and safety.

### 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 external workers (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 of this KPI includes all sites that are registered in the Nestlé global platform.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #30

# 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, that the affected person is likely to have for the rest of their life.<sup>8</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. Each case is reported by the respective site in the Nestlé global platform.

The data is readily available and used for analysis by the Markets, Zones, the Globally Managed Businesses and the entire company.

Global monitoring is performed by corporate operations, manufacturing, engineering and safety.

### 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 external workers (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 of this KPI includes all sites that are registered in the Nestlé global platform.

<sup>8</sup> Disfigurement refers to significant and extensive harm to the affected person’s appearance. 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 where appropriate.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #31

# 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.

### Methodology, calculation and data collection

$$\text{Recordable illness rate per million hours worked} = \left( \frac{\text{Number of recordable illnesses} \times 1\,000\,000}{\text{Number of hours worked in the given period}} \right)$$

The recordable illnesses and the worked hours for the given period are reported by each site in the Nestlé global platform.

The data is readily available and used for analysis by Markets, Zones, Globally Managed Businesses and the entire Company.

Global monitoring is performed by the Corporate Employee Health and Well-being function and by the Human Resources Leadership Team.

### 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 external workers (including third-party workers providing services to Nestlé and 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 of this KPI includes all sites that are registered in the Nestlé global platform.

Total recordable illnesses include: fatalities, irreversible cases, lost-time cases, restricted work cases, and medical treatment cases beyond first aid cases.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #32

### 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.

The data is readily available and used for the analysis by Markets, Zones, Globally Managed Businesses and the entire company.

Global monitoring is performed by the Corporate Employee Health and Well-being function and by the Human Resources Leadership Team.

#### 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 external workers (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 of this KPI includes all sites that are registered in the Nestlé global platform.

## KPI #33

### 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 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 classified as irreversible (as defined before).

Examples include:

- Noise-induced hearing loss, arising from noise exposure.
- Musculo-skeletal diseases 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.

The data is readily available and used for analysis by Markets, Zones, Globally Managed Businesses and the entire company.

Global monitoring is performed by the Corporate Employee Health and Well-being function and by the Human Resources Leadership Team.

#### 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 external workers (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 of this KPI includes all sites that are registered in the Nestlé global platform.

## KPI #34

### Global mean (average) raw gender pay gap

#### Definition

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

#### Methodology, calculation and data collection

$$\text{Global mean (average) raw gender pay gap}^9 = \frac{\text{Average pay in CHF for male} - \text{Average pay in CHF for female}}{\text{Average pay in CHF for male}}$$

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 Human Resources Information System (HRIS), for whom remuneration data is fully integrated into the system.
- Compensation (i.e. pay) components of basic salary and the annual bonus at target, converted to one common currency (CHF) using the Nestlé Treasury Foreign Exchange rate as at December 31 of the reported year.
- Gender of employees (male or female) is informed by the employees themselves and recorded in HRIS.

#### Assumptions, scope and exclusions

Excluded from scope:

- Individuals classified as expatriates (all types as per Nestlé programs), retired, and external workers.
- 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, and therefore excluded from the calculation.

## KPI #35

### Average hours of technical and vocational training completed by our employees in the company

#### Definition

This KPI measures the average annual hours of technical and vocational training completed by Nestlé employees.

#### Methodology, calculation and data collection

$$\text{Average hours of technical and vocational training completed by employees in the company} = \frac{\text{Total hours of completed technical and vocational training at the date of reporting}}{\text{Total number of active employees in Nestlé at the date of reporting}}$$

Data is sourced annually from Nestlé’s global digital platform for learning and development. The platform tracks completed training activities, including mandatory training, online courses, and in-person sessions for each employee. The platform operates on a real-time basis, recording the training completion as it happens; employee details are sourced from Nestlé’s Human Resources Information System (HRIS) ensuring accuracy and consistency across the organization.

#### Assumptions, scope and exclusions

The scope of this KPI includes active employees who work in the entities that are registered in Nestlé’s HRIS, and training completed in Nestlé’s global digital platform for learning and development. This data is complemented by manually collected input for one business not registered in HRIS.

<sup>9</sup> Average pay in CHF for male and for female is on an annualized basis.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #36

# Number of young people supported to develop future-ready skills

### 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.

### Methodology, calculation and data collection

The KPI is measured based on three pillars:

- 1 Employability
- 2 Agripreneurship
- 3 Entrepreneurship

The three pillars have the following sub-groups:

- 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
- 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).

The data provided is collected at the country level across the three pillars annually. 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>10</sup>

For 2025, the reporting cut-off date for data collection was December 31.

The type of data collected and processed is adjusted for compliance with local regulations. 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).

<sup>10</sup> 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #37

### 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 2025 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

This KPI comprises every CARE audit performed in 2025 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 collected is the static data considering the date when the reports were extracted from the available tools.

## KPI #38

### Total number of households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labor risks (24 months)

#### Definition

This KPI addresses the total number of households within a Child Labor Monitoring and Remediation System (CLMRS) which have been visited by an agent within the previous 24 months. 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) (as of December 15, 2025) CLMRS in Cote d’Ivoire and Ghana who entered between 2012–2025 and who received at least one household visit within the previous 24 months.

The 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 the members, considered the “head of household”. However, a household may consist of only one member.

A “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 five and 17-years old present at the time of the visit. The aim is to visit a household each year, but at a minimum it must be at least once since the household has entered the CLMRS.

“Proximity agents” are agents which are members of local cocoa producing communities who have received special training. Agents can be hired and paid by the co-operatives, or by the suppliers. Agents can have formal contracts with salaries, or written agreements with allowances. Agents can be dedicated to CLMRS, or work part time. Agents have numerous different agreements within the CLMRS.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## 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 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 household 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 calculations 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 standard operating procedures, to ensure alignment with CLMRS core functions as defined in the "[Benchmarking study: Overview and definition of Child Labour Monitoring and Remediation Systems](#)", which was endorsed by the sector in 2021. These supplier assessments were last performed in 2024.

The reporting period is from January of the prior year to December of the current year (24 months).

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

The scope is currently the *Nestlé Cocoa Plan* (NCP) cooperatives in Côte d'Ivoire and Ghana.

Data from cooperatives who have left the NCP is excluded.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices Appendix 1
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	-----------------------

## KPI #39

# Percentage volume of cocoa covered by due diligence systems for child labor risks, including CLMRS<sup>11</sup>

### 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](#)”.

This KPI is measured by the percentage volume of Nestlé’s cocoa sourced, which is covered by due diligence systems for child labor, including CLMRS.

- 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.

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 Brazil, Ecuador, Venezuela and Mexico are verified by an external body according to Nestlé’s cocoa verification code.
- Child labor is included as a priority point and verified by an external body. Any non-compliance will be actioned by the Nestlé local team or supplier as relevant. Any further system to be added will be validated internally by the KPI owner and human rights team.
- Audits are done once every two years at a minimum.

### Methodology, calculation and data collection

$$\text{Percentage volume of cocoa covered by due diligence systems for child labor risks, including CLMRS (including mass balance)} = \left( \frac{\text{Volume of cocoa covered by due diligence systems for child labor risks, including CLMRS (including mass balance)}}{\text{Total volume of cocoa in scope}} \right)$$

Reporting period: October 2024 to September 2025.

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.50 of the Rainforest Alliance Sustainable Agriculture Standard – Farm Requirements, with further details in the Annex Chapter 5 Social: Social Annex. Traceability types include: mass balance<sup>12</sup>, segregated, mixed identity preserved, and identity preserved.

### Assumptions, scope and exclusions

The scope is all Nestlé businesses in Nestlé’s Information System. It includes all of the following cocoa categories: cocoa beans, cocoa butter, cocoa powder, cocoa liquor, and chocolate.

Only beans have the Origins 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 Nestlé’s Information System data, and volume KPIs are calculated from this.

The same Origins of the figures are used as for the KPI: “Percentage of volumes of key ingredients responsibly sourced”.

<sup>11</sup> Including mass balance.

<sup>12</sup> 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

The numerator is 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 of 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 #40

# Percentage volume of green coffee covered by due diligence systems for child labor risks

### Definition

Due diligence system refers to a process in place to identify, address, and report on actual or potential human rights risks, including child labor. Programs implemented by suppliers or Nestlé must be verified by a third party at least every three years.

Due diligence systems are outlined below:

Certification programs:

- Common Code for the Coffee Community (4C)
- Rainforest Alliance (RA)

Both 4C and RA require certified entities to implement measures to prevent child labor, supported by monitoring and remediation systems to ensure compliance.

Verification programs:

- OFI AtSourceV
- *Nespresso AAA Sustainable Quality™ Program*

Verification programs refer to private programs, which include child labor and human rights due diligence.

### Methodology, calculation and data collection

Reporting period pertains to the full reporting calendar year (January 1 to December 31, 2025), as monitored in real time with the Nestlé Green Coffee Quality Control (GCQC) tracking platform.

Basis for calculation (expressed as a percentage):

$$\text{Percentage volume coffee sourced covered by dedicated due diligence systems} = \left( \frac{\text{Volume of coffee covered by dedicated due diligence systems}}{\text{Total volume of coffee in scope}} \right)$$

Units are measured in tonnes, then converted to a percentage share versus the grand total usage.

Volumes are taken from the GCQC system, covering January to December of the reporting year.

Only volumes delivered from the validated programs for child labor risks due diligence systems are considered in the numerator of this KPI calculation.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #41

# Number of significant non-compliances related to human rights identified through third-party audits of our direct suppliers (SMETA audits), of which number of non-compliances closed

### Definition

This KPI relates to the verification of our direct suppliers' compliance with our Responsible Sourcing Core Requirements through third-party audits, using the Sedex SMETA audit framework (hereinafter: the "Tier 1 supplier audit program").

The Tier 1 supplier audit program contributes to the industry effort around the usage of SMETA audits to verify the ethical conditions at suppliers of Fast-Moving Consumer Goods companies.

The metric provides a) the number of significant human right related non-compliances identified through SMETA audits which took place between January 1 to December 31, 2025 at Nestlé suppliers in scope of the program and which are reported in Sedex platform on the date of the extract (i.e. January 15, 2025), and b) the number of these gaps which are closed as of the date of the extract (i.e. January 15, 2026).

### Methodology, calculation and data collection

All suppliers undergoing a SMETA audit in the context of the Tier 1 supplier audit program have their audit documents uploaded into Sedex by the third-party auditors. The audit documents shared with Nestlé in Sedex are of past, present and potential suppliers (based on suppliers that consent to share information with us) to maintain sourcing flexibility at Nestlé and ensure alignment with our Nestlé Responsible Sourcing Core Requirements.

To calculate the metric, Nestlé extracts from the Sedex system the gaps associated with audits which took place during the reporting period. By reference to Sedex classification of issues, "significant non-compliances" considered in the metric calculation include the following categories of non-compliances: "Business Critical", "Critical" and "Collaborative action required". This metric only considers the above categories of "non-compliances" that are associated with one of the 10 Nestlé human rights salient issues.<sup>13</sup> The number of these which have been closed are used to calculate the second metric.

### Assumptions, scope and exclusions

Suppliers in scope of this metric are those which have been in scope of the Tier 1 supplier audit program. The suppliers are selected for the program scope following a combination of criteria:

- All suppliers of raw materials, packaging, and finished goods corresponding to a significant annual spend for Nestlé.<sup>14</sup>
- Suppliers of indirect materials (machinery, agriculture supplies, etc.) and services corresponding to a significant annual spend for Nestlé and which are considered at-risk from either a worker vulnerability perspective or from an activity-based risk perspective.

Because of Nestlé's annual contracting cycle, some suppliers included in the KPI calculation may not be under contract with Nestlé when the KPI is published.

Suppliers in the following categories are not in scope for this metric:

- Suppliers managed by non-Procurement teams (this will be addressed in the future).
- Farms with no processing/manufacturing operation as they are in scope of other Responsible Sourcing programs when prioritized.
- Clients or competitors with whom we share the expenses related to distribution or marketing.
- Sponsoring of events.
- Suppliers only supplying to companies that are not integrated into Nestlé's Information System.
- Suppliers (partly) owned by governmental institutions who strongly push back against our program.
- Licensing/fees (no work is performed by the supplier).
- Private schools (no work is performed for Nestlé).
- Suppliers exclusively supplying Nestlé Waters & Premium Beverages managed globally or regionally.

<sup>13</sup> Child labor and access to education, Forced labor and responsible recruitment, 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.

<sup>14</sup> Currently, Nestlé is using a spend threshold as a way to prioritize our due diligence efforts with direct suppliers on which we have the most degree of influence or leverage.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #42

# Community Giving investment: total amount

### Definition

Nestlé's voluntary contributions to non-profit organizations, foundations, associations, or other charitable causes spread across four main Community Giving pillars: Disaster Relief, Food Access, Community life and Employee Giving.

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 product donations, which constitute the majority of the total contributions.

### 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 includes:

- All voluntary external grants (formally labeled 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 for charitable purpose or for improving Nestlé corporate brand image awareness within the community.

The amount reported is the actual amounts paid to third parties.

Product donations cover:

- Donation of finished products.
- Donation of salvage stock.

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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	Appendices Appendix 1
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	-----------------------

## KPI #43

# Percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for human and pet (cats and dogs) consumption

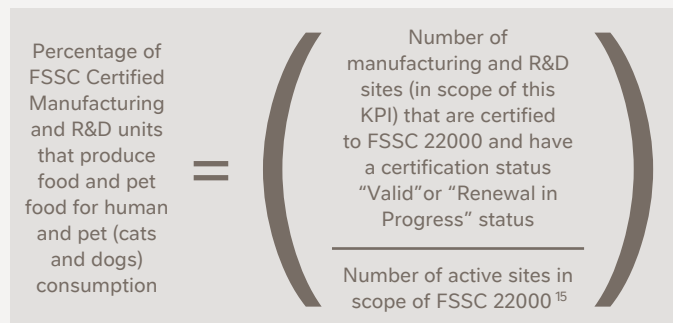
### Definition

With its commitment to food safety, Nestlé ensures that manufacturing and R&D sites that produce food for human consumption and pet food for pet (i.e. cats and dogs) 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 for human consumption and pet food for pet (i.e. 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.

### Methodology, calculation and data collection



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, which automatically monitors the certificates’ validity dates and has preset notifications that alert editors in due time.

### Assumptions, scope and exclusions

In scope:

- All entities that are consolidated into the *Consolidated Financial Statements of the Nestlé Group 2025*.
- The following *Nestlé Health Science* (NHS) categories are also in scope: Food for Special Medical Purposes; meal replacements; and food for special dietary needs (i.e. weight control).

Excluded from scope:

- NHS and Vitamins, Minerals, Herbal, Supplements category.
- Cereal Partners Worldwide, joint ventures and co-manufacturers.

<sup>15</sup> 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #44

# 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-Recognized Certification Program 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 and 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 ingredients 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 monitored quarterly and reported annually.

### Assumptions, scope and exclusions

The scope of the KPI is Tier 1 active suppliers for ingredients. Tier 1 active suppliers are vendors with which purchase orders have been placed in the past 12 months.

Excluded from scope:

- Companies not integrated into Nestlé’s Information System.
- 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 cereals and leguminous, cocoa beans, coffee beans, fresh milk, fresh fruits and vegetables, and fresh eggs.
- Vendors sites that are fishing vessels.

### 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 active sites from which we have received materials, in the current year.

$$\begin{array}{l}
 \text{Percentage of} \\
 \text{ingredients sourced} \\
 \text{from Tier 1 supplier} \\
 \text{facilities certified to a} \\
 \text{Global Food Safety} \\
 \text{Initiative (GFSI)} \\
 \text{recognized food safety} \\
 \text{certification program}
 \end{array}
 =
 \left( \frac{\text{Spend of a vendor site} \\ \text{with a GFSI-recognized} \\ \text{certificate}}{\text{Spend of vendor site with no} \\ \text{GFSI-recognized certificates} \\ + \\ \text{Spend of vendor site with a} \\ \text{GFSI-recognized certificate}} \right)$$

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #45

# Nutritional value transparency: Health Star Rating (HSR) with and without pet food

## KPI #46

# Nutritional value transparency: Health Star Rating (HSR) without pet food, pure coffee and specialized nutrition

### Definition

The Health Star Rating (HSR) system is a nutrient profiling system developed for Australia and New Zealand. It is recognized as a front-of-pack nutrition labeling scheme in these countries and is used by the Access to Nutrition Initiative (ATNi). HSR considers the total energy of a food, the amount of positive nutrients and ingredients, (fiber, protein, fruit, vegetables, nuts and legumes), and the amount of nutrients of concern (sugar, saturated fat and sodium) 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:

- HSR of less than 1.5 (0.5-1 stars).
- HSR of 1.5 to less than 3.5 (1.5-3 stars).
- HSR of 3.5 stars or above (3.5-5 stars).

### Methodology, calculation and data collection

$$\% \text{ sales of HSR} = \left( \frac{\text{Sales of each identified HSR grouping}}{\text{Total sales covered by the assessment}} \right)$$

We apply three variations to the calculation above, depending on scope:

- Including pet food, but excluding non-food products (denominator is adjusted).
- Excluding pet food and non-food products (denominator is adjusted).
- Excluding pet food, non-food products, specialized nutrition and pure coffee (denominator is adjusted).

The main source of data for this KPI is the SAP Recipe Management system. HSR scores are calculated automatically from 2025 for each Food and Beverage product using Nestlé's recipe data, setting common rules for recipe classification to define HSR categories. There are exceptions for a number of recipes which have been calculated by local Markets.

As per HSR guidelines, only products reconstituted with water were assessed "as prepared".

Entities where Nestlé does not have recipes stored centrally have assessed their products separately.

The [HSR Implementation Guide](#) is used.

### Assumptions, scope and exclusions

The scope includes all Nestlé Food and Beverage products in scope of HSR assessment: some products are excluded from HSR assessment in line with the [HSR Implementation Guide](#) as they are not for human consumption or are specialized nutrition products. These are:

- Nutrition products for infants and young children.
- Nestlé Health Science products.
- Pet food products.

Nutrition and Nestlé Health Science products are reported as "specialized nutrition". Pet food products are listed separately for reporting purposes, but were not assessed as per HSR guidelines.

The HSR calculation guidelines were followed, with the following specificity: roast and ground coffee, whole beans, pure coffee capsules and pod products are assessed generically and rated with a HSR of 3.5 stars.

Nestlé's final results are reported both with and without pure coffee.

Items not intended 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #47

# Health Star Rating: Sales-weighted mean HSR

### Definition

The Health Star Rating (HSR) system is a nutrient profiling system developed for Australia and New Zealand. It is used as a front-of-pack nutrition labeling scheme in these countries and is used by the Access to Nutrition Initiative (ATNi). HSR considers the total energy of a food, the amount of positive nutrients and ingredients (fiber, protein, fruit, vegetables, nuts and legumes), and the amount of nutrients of concern (sugar, saturated fat and sodium) 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 calculation of a sales-weighted mean HSR for the overall product portfolio and for the following key product categories:

- Confectionery
- Powdered and Liquid Beverages
- Nutrition and Health Science
- Prepared Dishes and Cooking Aids
- Milk Products and Ice Cream
- Nestlé Waters & Premium Beverages

### Assumptions, scope and exclusions

The scope includes all Nestlé Food and Beverage products in scope of HSR assessment: some products are excluded from HSR assessment in line with the [HSR Implementation Guide](#) as they are not for human consumption or are specialized nutrition products. These are:

- Nutrition products for infants and young children.
- Nestlé Health Science products.
- Pet food products.

The HSR calculation guidelines were followed, with the following specificity: roast and ground coffee, whole beans, pure coffee capsules and pod products are assessed generically and rated with a HSR of 3.5 stars.

Nestlé’s final results are reported both with and without pure coffee.

Items not intended 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.

### Methodology, calculation and data collection

The sales-weighted mean HSR is a metric that represents the average HSR of a product portfolio, weighted by the sales volume of each product.

The sales of key product categories are published in the Group financial statements.

$$\text{Sales-weighted mean: Health Star Rating (HSR)} = \frac{\text{Sum of (Sales per product} \times \text{HSR score)}}{\text{Total sales of food and beverage products in scope}}$$

We apply two variations to the calculation above, for the overall portfolio and per key category, depending on scope:

- Excluding pet food, non-food products, and specialized nutrition.
- Excluding pet food, non-food products, specialized nutrition and pure coffee (denominator is adjusted).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #48

# Number of countries with audits on the Nestlé Policy for Implementing the World Health Organization Code (WHO Code)

## KPI #49

# Instances of substantiated non-compliances with the Nestlé Policy for Implementing the WHO Code

### Definition

Guided by our belief that breastfeeding provides the best nutritional start in life for babies, our [Nestlé Policy for Implementing the WHO Code](#) provides specific guidance and rules related to the responsible marketing of infant formulas. 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 local 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 detect and address any instances of non-compliance that may occur.

**KPI #48:** Number of countries with audits on the Nestlé Policy for Implementing the WHO Code.

This KPI measures the number of countries in which an internal or external audit covering the Nestlé Policy for Implementing the WHO Code was conducted in a calendar year.

**KPI #49:** Instances of substantiated non-compliances with the Nestlé Policy for Implementing the WHO Code.

This KPI measures the number of substantiated cases of non-compliance with the Nestlé Policy for Implementing the WHO Code identified through internal monitoring systems, audits, and independent stakeholder verifications (the WHO Monitoring System), as well as through internal and external grievance channels – such as the WHO Code Ombudsperson System, the *Speak Up* system, and allegations reported in third-party documents and reports (collectively referred to as “grievance mechanisms”).

### Methodology, calculation and data collection

Data reported in the sources comprising the grievance mechanisms is consolidated on a quarterly basis and processed into a single database. Instances of substantiated non-compliance reported in the WHO Code Monitoring System are assessed and counted based on the nature of the WHO Code violation.

### Assumptions, scope and exclusions

**KPI #48 and #49** are tracked on a quarterly basis and the consolidated data of a calendar year is reported annually.

**For KPI #48** the internal<sup>16</sup> and external<sup>17</sup> 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 #49** the number of instances of substantiated non-compliance with the Nestlé Policy for Implementing the WHO Code are those reported in the WHO Monitoring System and the grievance mechanisms and attributable to Nestlé Group and third parties with a direct contractual relationship with Nestlé, excluding third parties with no direct relationship.

The data collection is the static data considering the date when the reports were extracted from the available tools.

<sup>16</sup> Internal audit following the Nestlé Internal Audit Manual.

<sup>17</sup> Audits performed by third parties.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #50

# 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 Mediasense testing are rotated on an annual basis. The countries in scope for 2025 are USA, Brazil, India, France, and Australia, 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 representative 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, displays appropriate portion sizes, promotes a healthy or active lifestyle and educational development, and does not portray children as “commercial assets,” among other criteria.

Each of the sub-KPIs will then be weighted based on share of total media spend to provide a final KPI. 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #51

# Number of servings of affordable nutrition with micronutrient fortification

## KPI #52

# 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 economies as defined in the United Nations' World Economic Situation and Prospects 2024 document.<sup>18</sup>

For each KPI, the sales that meet the below criteria are counted:

- Products that 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 economies). (KPI #51 and KPI #52).
- Products that meet the definition for popularly positioned products (PPP). Affordable nutrition products covered by this KPI are micronutrient fortified products affordable for those on lower incomes. (KPI 51).

### Methodology, calculation and data collection

These two KPIs focus on the number of total micronutrient fortified servings and those of affordable nutrition in emerging economies based on the quantity sold, connected to the sales in a calendar year.

Fortified servings are based on the quantity sold maintained in Nestlé's Information System for the Group during the given year.

Calculations are made in accordance with the following formula:

$$\text{Number of fortified servings sold} = \left( \frac{\text{Volumes sold [kg]} \times 1000}{\text{Serving size [g]}} \right)$$

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 the 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 economies based on the classification provided by the United Nations' World Economic Situation and Prospects 2024 document.<sup>19</sup>

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 these KPIs.

<sup>18</sup> Including developing economies and economies in transition as defined by the UN: [www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP\\_2024\\_Web.pdf](http://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP_2024_Web.pdf) (page 133).

<sup>19</sup> Including developing economies and economies in transition as defined by the UN: [www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP\\_2024\\_Web.pdf](http://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP_2024_Web.pdf) (page 133).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Governance

### KPI #53

## Total number of messages received through *Speak Up* system, of which number closed and substantiated

#### Definition

- Total messages received through *Speak Up* system
- Total messages closed through *Speak Up* system
- 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.

#### Methodology, calculation and data collection

The methodology comprises every message received through *Speak Up* and (or) uploaded in the Case Management System in 2025. 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. Compliance Framework).

The data collected is the static data considering the date when the reports were extracted from the *Speak Up* Case Management 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. Confirmed duplicated messages are those that 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 1</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## KPI #54

Number of grievances received through *Speak Up* or other channels related to human rights in our supply chain, number of cases substantiated, of which either under remediation, remediated or the supplier terminated, and number of cases under investigation

### Definition

- Total number of grievances received through *Speak Up* or other channels related to human rights in our supply chain.
- Total number of grievances substantiated through *Speak Up* or other channels related to human rights in our supply chain:
  - of which, total number of grievances under remediation,
  - of which, total number of grievances remediated, or the supplier terminated.
- Total number of grievances under investigation through *Speak Up* or other channels related to human rights in our supply chain.

For clarification purposes:

- **Grievance under investigation:** Information is being collected to assess the validity and scope of the investigation as well as the parties involved.
- **Grievance under remediation:** The remedial action plan has been agreed or is being implemented but not yet closed.
- **Grievance remediated or supplier terminated:** Can include a grievance that has been resolved through completed remediation; or once a supplier (direct or indirect) is terminated.

### Methodology, calculation and data collection

The methodology comprises every grievance received during the reporting period through the *Speak Up* system or other channels related to human rights grievances in our supply chain, including the number substantiated, the number under remediation or remediated, and the number under investigation.

The count is based on the data extracted from the Supply Chain Grievance Case Management System and in the *Speak Up* system, if complaints related to human rights grievances within our supply chain were reported in the latter.

The data extracted from the Supply Chain Grievance Case Management System only considers the focus area of human rights.

### Assumptions, scope and exclusions

The scope is all human rights grievances in our supply chain, including Nestlé’s direct suppliers or upstream supply chain actors. General complaints (i.e. commercial complaints not related to a non-compliance allegation) and confirmed duplicated messages are excluded from the scope.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 2</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## 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 2026 Annual General Meeting of Nestlé S.A. is on the information contained in the reference pages.<sup>2</sup>

### Description of the business model

Disclosure in the <i>Non-Financial Statement 2025/Annual Review 2025</i>	Page reference
General Disclosures	13
<i>Annual Review 2025</i>	9-33

### 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 the <i>Non-Financial Statement 2025</i>	Page reference
<b>Governance</b>		
Board’s oversight	General Disclosures, Environmental Disclosures	10, 35
Management’s role	General Disclosures, Environmental Disclosures	10, 35
<b>Strategy</b>		
Climate-related risks and opportunities	General Disclosures	13
Impacts of climate-related risks and opportunities	General Disclosures, Environmental Disclosures	13, 35
Resilience of the organization’s strategy	General Disclosures, Environmental Disclosures	13, 35
<b>Risk management</b>		
Processes for identifying and assessing climate-related risks	General Disclosures, Environmental Disclosures	13, 35
Processes for managing climate-related risks	General Disclosures, Environmental Disclosures	13, 35
Integration into the organization’s overall risk management	General Disclosures, Environmental Disclosures	13, 35
<b>Targets</b>		
Targets used to manage climate-related risks, opportunities and performance	Environmental Disclosures	35
<b>Metrics</b>		
Metrics used to assess and manage climate-related risks, opportunities and performance	Appendix 5 – TCFD Index, Appendix 4 – Nestlé’s Sustainability Key Performance Indicators	221, 201

<sup>1</sup> References are to the sections starting on the page mentioned.

<sup>2</sup> 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 topic chapters for each matter pursuant to Article 964b CO.

<sup>3</sup> Recommendations of the Task Force on Climate-related Financial Disclosures, version as of June 2017 (the text can be downloaded at [www.fsb-tcfid.org](http://www.fsb-tcfid.org) > Recommendations).

<sup>4</sup> Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, version as of October 2021 (the text can be downloaded at [www.fsb-tcfid.org](http://www.fsb-tcfid.org) > Publications > Implementing guidance).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 2</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environmental matters

	Disclosures in the <i>Non-Financial Statement 2025</i>	Page reference
<b>Environmental matters</b>		
	Climate change	35
	Pollution	60
	Water resources	66
	Biodiversity and ecosystems	73
	Resource use and circular economy	83
<b>Metrics</b>		
Metrics used to manage environmental-related risks, opportunities and performance	Appendix 4 – Nestlé’s Sustainability Key Performance Indicators	201

## Social matters

	Disclosures in the <i>Non-Financial Statement 2025</i>	Page reference
<b>Social matters</b>		
	Own workforce	96
	Workers in the value chain	107
	Affected communities	117
	Consumers and end-users	125
<b>Metrics</b>		
Metrics used to manage social matters-related risks, opportunities and performance	Appendix 4 – Nestlé’s Sustainability Key Performance Indicators	201

## Employee-related matters

	Disclosures in the <i>Non-Financial Statement 2025</i>	Page reference
<b>Employee-related matters</b>		
	General Disclosures	8
	Own workforce	96
	Business conduct	141
<b>Metrics</b>		
Metrics used to manage employee-related risks, opportunities and performance	Appendix 4 – Nestlé’s Sustainability Key Performance Indicators	201

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 2</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Respect for human rights

	Disclosures in the <i>Non-Financial Statement 2025</i>	Page reference
<b>Respect for human rights</b>		
	Resource use and circular economy	83
	Own workforce	96
	Workers in the value chain	107
	Affected communities	117
	Consumers and end-users	125
	Business conduct	141
<b>Metrics</b>		
Metrics used to manage human rights-related risks, opportunities and performance	Appendix 4 – Nestlé’s Sustainability Key Performance Indicators	201

## Combating corruption

	Disclosures in the <i>Non-Financial Statement 2025</i>	Page reference
<b>Combating corruption</b>		
	Business conduct	141
<b>Metrics</b>		
Metrics used to manage corruption-related risks, opportunities and performance	Appendix 4 – Nestlé’s Sustainability Key Performance Indicators	201

## Material risks

Disclosure in the <i>Non-Financial Statement 2025/Annual Review 2025</i>	Page reference
General disclosures	8
<i>Annual Review 2025</i>	52-55
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.	–

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 2</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Policies

<b>Disclosure in <i>Non-Financial Statement 2025/Annual Review 2025</i></b>	<b>Page reference</b>
Appendix 7 – Key policies and documents	234
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 <i>Non-Financial Statement 2025/Annual Review 2025</i></b>	<b>Page reference</b>
General Disclosures	8
Global Reporting Initiative Content Index	224
Sustainability Accounting Standards Board Index	224

## Coverage of subsidiaries

<b>Disclosure in <i>Non-Financial Statement 2025/Annual Review 2025</i></b>	<b>Page reference</b>
General Disclosures	8

<sup>5</sup> KPIs referenced in this Non-Financial Statement 2025 follow the criteria as specified in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 3</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--

## 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 on its 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>

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Workers in the value chain, which is available [here](#).

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Nestlé Human Rights Policy, which is available [here](#).

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Nestlé Human Rights Framework and Roadmap, which is available [here](#).

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Nestlé Responsible Sourcing Core Requirements, which is available [here](#).

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*Nestlé Corporate Business Principles*, particularly section 6 thereof, which is available [here](#).

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Nestlé Salient Issue Action Plans: Child Labor and Access to Education, which is available [here](#).

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<sup>1</sup> Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor of December 3, 2021.

<sup>2</sup> Including the policies, frameworks and other documents referenced within each of the documents shown in the table above. Nestlé’s supply chain policy in relation to child labor consists of the following, collectively: the Nestlé Human Rights Framework and Roadmap, the Nestlé Responsible Sourcing Core Requirements, the Nestlé *Corporate Business Principles*, the *Nestlé Code of Business Conduct* and the Nestlé Salient Issue Action Plans: Child labor and Access to Education.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--

## Appendix 4 – Nestlé’s Sustainability Key Performance Indicators

For definitions and calculations methodology of these indicators please refer to [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

### General disclosures

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts								
Short-term Incentive – Management	Percent				15	15	2-19-b	
Long-term Incentive – Management	Percent				20	20		
Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment	Percent					70.3	414-1	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
<b>Climate change<sup>1</sup></b>								
Total energy consumption related to own operations (factories only)	Gigajoules		80 131 120	76 824 313	78 784 554	77 120 623	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Total energy consumption related to own operations (factories only)	MWh				21 884 598	21 422 395	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Total energy consumption from renewable sources (factories only)	Gigajoules				29 286 167	31 308 158	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Total energy consumption from renewable sources (factories only)	MWh				8 135 046	8 696 711	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Fuel consumption from coal and coal products	Gigajoules				1 415 269	833 152	302-1-a	
Fuel consumption from coal and coal products	MWh				393 130	231 431	302-1-a	
Fuel consumption from crude oil and petroleum products	Gigajoules				6 552 519	5 553 373	302-1-a	
Fuel consumption from crude oil and petroleum products	MWh				1 820 144	1 542 604	302-1-a	
Fuel consumption from natural gas	Gigajoules				39 688 112	37 941 022	302-1-a	
Fuel consumption from natural gas	MWh				11 024 476	10 539 173	302-1-a	
Fuel consumption from other fossil sources	Gigajoules				0	0	302-1-a	
Fuel consumption from other fossil sources	MWh				0	0	302-1-a	
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	Gigajoules				2 020 047	1 654 063	302-1-e, 302-1-a, 302-1-c	
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh				561 124	459 462	302-1-e, 302-1-a, 302-1-c	
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	Gigajoules				22 299 055	24 077 023	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh				6 194 182	6 688 062	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Consumption of self-generated non-fuel renewable energy	Gigajoules				52 789	73 126	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Consumption of self-generated non-fuel renewable energy	MWh				14 664	20 313	302-1-e, 302-1-b, 302-1-c	FB-PF-130a.1
Percentage of fossil sources in total energy consumption	Percent				62.7	59.4	302-1-a	FB-PF-130a.1
Percentage of renewable sources in total energy consumption	Percent		30.6	35.0	37.2	40.6	302-1-b	FB-PF-130a.1
Percentage of renewable electricity sourced in our manufacturing sites, owned R&D centers and owned distribution centers at year end <sup>2</sup>	Percent		78.4	91.9	95.3	98.6		FB-PF-130a.1
Global fleet of vehicles switched to lower-emission options	Percent		41.0	49.3	54.2	60.3		
Percentage net reduction of GHG emissions versus 2018 baseline	Percent		4.02	16.62	19.92	24.52	305-5-a	

<sup>1</sup> For GHG-related KPIs, figures from past periods are restated as explained in Climate change, Methodology and assumptions.

<sup>2</sup> In 2025, the scope of KPI reporting has increased from only factories, to adding own R&D centers and owned distribution centers. This change has not triggered any impact on the number reported.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Total GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	87.09	83.84	73.34	71.26	69.04	305-1, 305-2, 305-3	
Total net GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	87.09			69.74	65.74	305-1, 305-2, 305-3	
Gross Scope 2 greenhouse gas emissions (location-based emitted indirectly)	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	2.38			2.42	2.48	305-2	
Scope 3 (not in scope for Net Zero roadmap)	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	9.99	9.75	9.46	9.24	8.78	305-3	
Gross Scope 1 greenhouse gas (GHG) emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	3.21	3.23	3.06	3.02	2.82	305-1, 305-2, 305-3	
Gross market-based Scope 2 greenhouse gas (GHG) emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	1.94	0.76	0.31	0.24	0.22	305-1, 305-2, 305-3	
Gross Scope 3 greenhouse gas (GHG) emissions <sup>3</sup>	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	81.94	79.85	69.98	68.00	66.01	305-1, 305-2, 305-3	
GHG footprint breakdown FLAG/ non-FLAG								
SBTi FLAG gross GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	40.56			31.46	30.43		
Percentage reduction of SBTi FLAG gross GHG emissions versus 2018 baseline	Percent				22.4	25.0		
SBTi non-FLAG gross GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	46.54			39.79	38.61		
Percentage reduction of SBTi non-FLAG gross GHG emissions versus 2018 baseline	Percent				14.5	17.0		
SBTi Net zero gross GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	87.09			71.26	69.04		
Percentage reduction of SBTi Net zero gross GHG emissions versus 2018 baseline	Percent				18.2	20.7		
SBTi FLAG GHG removals	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	0.00			1.47	3.02		
SBTi net Zero GHG removals	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	0.00			0.04	0.29		

<sup>3</sup> In scope for Net Zero Roadmap.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
SBTi FLAG net GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	40.56			29.99	27.41		
Percentage reduction of SBTi FLAG net GHG emissions versus 2018 baseline	Percent				26.1	32.4		
SBTi net zero net GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	87.09			69.74	65.74		
Percentage reduction of SBTi net zero net GHG emissions versus 2018 baseline	Percent				19.92	24.52		
GHG emissions per key commodity and category								
Sourcing ingredients – cocoa	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	7.84			4.79	4.19		
Percentage reduction of GHG emissions sourcing ingredients – cocoa versus 2018 baseline	Percent				38.9	46.5	305-5	
Sourcing ingredients – coffee	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	2.96			2.66	2.51		
Percentage reduction of GHG emissions sourcing ingredients – coffee versus 2018 baseline	Percent				10.0	15.2	305-5	
Sourcing ingredients – fresh milk	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	12.17			7.75	7.57		
Percentage reduction of GHG emissions sourcing ingredients – fresh milk versus 2018 baseline	Percent				36.3	37.8	305-5	
Sourcing ingredients – dairy derivatives	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	11.19			10.14	9.82		
Percentage reduction of GHG emissions sourcing ingredients – dairy derivatives versus 2018 baseline	Percent				9.4	12.3	305-5	
Sourcing ingredients – sugar	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	1.38			1.19	1.12		
Percentage reduction of GHG emissions sourcing ingredients – sugar versus 2018 baseline	Percent				14.0	19.4	305-5	
Sourcing ingredients – vegetable fats and oils	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	3.25			2.29	2.06		
Percentage reduction of GHG emissions sourcing ingredients – vegetable fats and oils versus 2018 baseline	Percent				29.4	36.7	305-5	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Sourcing ingredients – animal fats, meat and byproducts	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	4.69			4.89	4.74		
Percentage reduction of GHG emissions sourcing ingredients – animal fats, meat and byproducts versus 2018 baseline	Percent				-4.2	-1.0	305-5	
Sourcing ingredients – other	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	7.53			7.66	7.51		
Percentage reduction of GHG emissions sourcing ingredients – other versus 2018 baseline	Percent				-1.69	0.35	305-5	
Packaging	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	9.98			9.19	8.90		
Percentage reduction of GHG emissions packaging versus 2018 baseline	Percent				8.0	10.8	305-5	
Distribution	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	5.71			4.87	4.79		
Percentage reduction of GHG emissions distribution versus 2018 baseline	Percent				14.7	16.2	305-5	
Manufacturing	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	6.12			4.07	3.85		
Percentage reduction of GHG emissions manufacturing versus 2018 baseline	Percent				33.5	37.2	305-5	
Overheads	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	6.79			5.86	5.75		
Percentage reduction of GHG emissions overheads versus 2018 baseline	Percent				13.6	15.3	305-5	
Others (including finished goods)	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	7.46			5.89	6.25		
Percentage reduction of GHG emissions others (including finished goods) versus 2018 baseline	Percent				21.1	16.3	305-5	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
GHG protocol emissions category								
Scope 1: Direct emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	3.21	3.23	3.06	3.02	2.82	305-1, 305-2, 305-3	
Scope 2: Indirect emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	1.94	0.76	0.31	0.24	0.22	305-1, 305-2, 305-3	
Scope 3:								
1. Purchased goods and services	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					51.10		
1. Purchased goods and services (purchased services)	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					5.33		
2. Capital goods	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					2.72		
3. Fuel and energy-related activities	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					0.94		
4. Upstream transportation and distribution	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					1.70		
5. Waste generated in operations	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					0.05		
6. Business travel	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					0.11		
7. Employee commuting	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					0.36		
8. Upstream leased assets	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					0.11		
9. Downstream transportation and distribution	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					7.51		
10. Processing of sold products	NA							
11. Use of sold products	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					0.40		
12. End-of-life treatment of sold products	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					1.46		
13. Downstream leased assets	NA							

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
14. Franchises	NA							
15. Investments	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					0.22		
Non-integrated into Nestlé's Information System	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					2.79		
Optional: 11. Use of sold products	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					8.19		
Actual removals:								
Actual SBTi FLAG GHG removals – Supply chain	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)				1.47	3.02		
Actual GHG removals – Sourcing landscape	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)				0.04	0.29		
Disaggregation of GHG emissions by GHG category (for ingredients, packaging and manufacturing only)								
Carbon dioxide (CO <sub>2</sub> )	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	42.58			34.08	32.39	305-5	
Methane (CH <sub>4</sub> )	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	17.35			14.35	13.86	305-7-iv	
Nitrous oxide (N <sub>2</sub> O)	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	5.85			5.10	4.92	305-7-a-i	
Percentage of Scope 1 GHG emissions from regulated emission trading schemes <sup>4</sup>	Percent				7.1	6.6	305-1-2.1.1	
Total GHG emissions location-based	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	87.53			73.44	71.31	305-1, 305-2, 305-3	
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 of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)				0.73	0.77	305-1-c	
Total GHG emissions intensity location-based	Metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)/Million CHF					797	305-4	
Total GHG emissions intensity market-based	Metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)/Million CHF					772	305-4	

<sup>4</sup> In 2024, the KPI covered all GHG emissions from sites located in countries or states that implemented emission trading schemes (ETS). In 2025, we have refined the KPI methodology to cover only the GHG emissions covered by regulated ETS and have restated the 2024 figure for comparability.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Absolute CO <sub>2</sub> e reductions and removals from projects	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)					19.09	305-5	
Ingredients – dairy and livestock	Percent					17.7	305-5	
Ingredients – soil and forest	Percent					37.4	305-5	
Removals	Percent					17.3	305-5	
Manufacturing	Percent					13.5	305-5	
Packaging	Percent					4.9	305-5	
Logistics	Percent					3.1	305-5	
Product portfolio	Percent					6.1	305-5	
Total GHG reversals	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)				0.0000	0.0041	305-5	
Total GHG removals	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)		0.25	0.73	1.51	3.31	305-5	
GHG removals and GHG mitigation projects financed through carbon credits outside of the value chain								
Total amount of carbon credits outside value chain that are verified against recognized quality standards and canceled during the year	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)				0.0000	0.0035	305-5	
Total amount of carbon credits outside value chain that are verified against recognized quality standards and planned to be canceled in the future	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)				0.00503	0.00000	305-5	
Carbon credits: share (percentage of volume) of reduction projects	Percent				0.0	6.0		
Carbon credits: share (percentage of volume) of removal projects	Percent				100.0	94.0		
Carbon credits: share (percentage of volume) for each recognized quality standard	Percent				100.0	100.0		
Carbon credits: share (percentage of volume) issued from projects in the EU	Percent				0.0	0.0		
Percentage of volumes of key ingredients responsibly sourced <sup>5</sup>	Percent		22.0	36.2	44.5	49.8	308	FB-PF-430a.1
Percentage of certified palm oil sourcing (RSPO or equivalent)	Percent		71.0	100.0	100.0	100.0	308	FB-PF-430a.1
Percentage of cocoa sourced through the <i>Nestlé Cocoa Plan</i>	Percent		68.3	85.5	88.9	96.2	308	FB-PF-430a.1
Percentage cage-free eggs sourced	Percent		71.7	72.9	74.4	81.7		
Percentage of <i>Nespresso Coffee</i> sourced through the <i>Nespresso AAA Sustainable Quality™ Program</i>	Percent		93.1	94.4	91.4	91.0	308	FB-PF-430a.1

<sup>5</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced, can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Percentage of coffee supplies responsibly sourced (excluding Nespresso)	Percent		87.0	92.5	93.0	94.3	308	FB-PF-430a.1
Farmers trained on practices	Number		419 228	497 395	472 732	437 907	404-2	
Number of farmers in the Nestlé Cocoa Plan	Number		157 157	179 399	163 643	178 821		
Number of forest and fruit trees distributed to cocoa farmers	Number		1 470 614	1 386 240	1 737 740	2 075 278		

### Pollution

Total output of chemical oxygen demand (COD) load to the environment	Metric tonnes			1911	4540	4944		
Average annual chemical oxygen demand (COD) concentration	mgO <sub>2</sub> /l			81.0	86.0	95.9		
Percentage of effluent water treated internally <sup>6</sup>	Percent			51.0	52.0	49.8	303-4	

### Water resources

Total water withdrawn	Million cubic meters		97.1	95.6	97.9	96.1	303-3-a	FB-PF-140a.1
Water use reduction in factories	Million cubic meters		2.4	3.0	2.7	2.9		FB-PF-140a.3
Water use reduction for factories in scope (where it matters)	Million cubic meters					2.0		FB-PF-140a.3
Total water consumed	Million cubic meters		43.9	47.2	45.0	44.7	303-5-a	FB-PF-140a.1
Total water discharged	Million cubic meters		53.2	48.4	52.9	51.4	303-4-a	
Water consumed in regions with High or Extremely High Baseline Water Stress (million cubic meters)	Million cubic meters				25.0	23.9	303-5-b	FB-PF-140a.1
Water consumed in regions with High or Extremely High Baseline Water Stress (percentage)	Percent		51.5	48.6	55.5	53.5	303-5-b	FB-PF-140a.1
Water withdrawn in regions with High or Extremely High Baseline Water Stress (percentage)	Percent		36.1	36.7	44.8	44.4	303-3-b	FB-PF-140a.1
Percentage of Nestlé Waters & Premium Beverages sites where projects started to deliver volumetric water benefits	Percent				67.6	100.0		FB-PF-140a.3
Percentage of total withdrawn water volumes that are "regenerated" – Nestlé Waters & Premium Beverages	Percent				39.8	70.0		FB-PF-140a.3
Nestlé Waters & Premium Beverages volumetric water benefits delivered by implementing local water stewardship projects	Million cubic meters		2.3	4.4	8.2	14.1		
Nestlé Waters & Premium Beverages sites certified to the Alliance for Water Stewardship's (AWS) Standard	Number		21	23	25	39	303-1	FB-PF-140a.1

<sup>6</sup> Metrics reported only relate to factories.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
<b>Biodiversity and ecosystems</b>								
Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	Percent			93.4	93.5	96.7	101-6	
Meat	Percent			99.9	100.0	100.0	101-6	
Palm oil	Percent			96.0	96.3	96.3	101-6	
Pulp and paper	Percent			98.2	99.0	99.4	101-6	
Soy	Percent			97.9	96.1	97.9	101-6	
Sugar	Percent			98.1	97.8	97.0	101-6	
Cocoa	Percent			42.3	46.4	91.7	101-6	
Coffee	Percent			92.8	93.1	94.2	101-6	
Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices <sup>7</sup>	Percent		6.8	15.2	21.3	27.6		
Number of Nestlé sites in or near and could negatively affect biodiversity-sensitive area							101-5	
Factories	Number					183	101-5	
Distribution centers	Number					24	101-5	
Offices, R&D and Lands	Number					104	101-5	
Total	Number					311	101-5	
Area of Nestlé sites in or near and could negatively affect biodiversity-sensitive area							101-5	
Factories	Hectares					3771	101-5	
Distribution centers	Hectares					37	101-5	
Offices, R&D and Lands	Hectares					394	101-5	
Total	Hectares					4202	101-5	
Land footprint for direct operations	Hectares					10 330	101-2	
Land footprint in agriculture	Millions of hectares					12.8	101-2	
Percentage of key ingredients sourced from priority ecosystems	Percent					2.8	101-2	
Number of trees planted under Global Reforestation Program <sup>8</sup>	Number			6 826 000	7 039 421	8 773 352		

<sup>7</sup> The key ingredients in scope for KPI #15 Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices, can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>8</sup> Commitment is cumulative, however, all numbers provided here are annual achievements.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Environment (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
<b>Resource use and circular economy</b>								
Plastic packaging designed for recycling	Percent		81.9	83.5	86.4	87.5	306-2	FB-PF-410a.1
Virgin plastic reduction versus 2018 baseline	Percent		10.5	14.9	21.3	28.0	306-2	
Percentage of packaging that is recyclable, reusable or compostable	Percent		85.8	86.6	89.5	89.5	306-2	FB-PF-410a.1
Total weight of waste generated by Nestlé factories and breakdown by composition of the waste	Metric tonnes		1 811 947	1 564 810	1 771 759	1 839 067	306-3-a	
Hazardous waste generated – biomass <sup>9</sup>	Metric tonnes		839	3157	2249	2201	306-3-a	
Non-hazardous waste generated – biomass	Metric tonnes		1 414 716	1 027 439	1 174 624	1 249 375	306-3-a	
Hazardous waste generated – other waste	Metric tonnes		33 061	9622	13 506	8793	306-3-a	
Non-hazardous waste generated – other waste	Metric tonnes		363 331	524 592	581 380	578 698	306-3-a	
Total weight of packaging	Million metric tonnes		3.6	3.4	3.4	3.3	301-1-a	FB-PF-410a.1
Total weight of plastic packaging	Million metric tonnes		0.93	0.90	0.87	0.86		FB-PF-410a.1
Global plastic use by weight percentage and type								
PET (Polyethylene Terephthalate)	Percent		34.8	34.2	33.3	34.3		
PE (Polyethylene)	Percent		19.1	19.1	19.2	20.5		
PP (Polypropylene)	Percent		21.6	23.7	25.9	25.7		
PO (Polyolefin)	Percent		6.6	6.5	7.2	6.8		
Laminates	Percent		17.2	15.3	13.6	11.6		
Other plastics	Percent		0.7	1.2	0.8	1.0		
Packaging made from recycled and/or renewable materials	Percent		36.0	41.5	43.2	56.2	301-2-a	FB-PF-410a.1
Recycled content in packaging	Percent					40.8	306-2	FB-PF-410a.1
Recycled content in plastic packaging	Percent		7.7	9.3	14.7	20.6	306-2	FB-PF-410a.1
Percentage of packaging that is reusable	Percent		1.00	0.84	0.49	0.51	306-2	FB-PF-410a.1
Packaging pieces placed on the market	Billion pieces		330	320	321	318	306-2	

<sup>9</sup> The 2024 biomass value reported in the *Non-Financial Statement 2024* has been adjusted due to updated biomass volumes.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
<b>Own workforce</b>								
CARE audits performed	Number		264	194	245	223	2-16-b	
CARE audit gaps identified <sup>10</sup>	Number		511	298	227	212	2-16-b	
CARE audit gaps closed <sup>11</sup>	Number		283	186	84	124	2-16-b	
Average hours of technical and vocational training completed by employees in the company <sup>12</sup>	Number				13.8	11.7	404-1-a	
Average hours of technical and vocational training completed by employees in the company	Number		9.3	15.1			404-1-a	
Recordable injury rate per million hours worked	Number		1.21	1.17	1.14	1.13	403-9-a-iii	
Total irreversible injuries	Number		22	10	18	15	403-9-a-ii	
Recordable illness rate per million hours worked	Number		0.66	0.66	0.50	0.40	403-10-a	
Total irreversible illnesses	Number		20	16	10	4	403-10-a	
Total recordable fatalities (injury-related)	Number		6	1	4	2	403-9-a-i	
Total recordable fatalities (illness-related)	Number		0	0	0	0	403-10-a-i	
Number of employees having access to My Health Numbers program	Number		233 385	233 385	235 396	255 159		
Employees having participated in My Health Numbers program (cumulative)	Number		108 830	118 401	123 592	128 444		
Number of employees that completed #HealthyLives, a global training on physical activity, mental health, nutrition and sleep (cumulative)	Number		33 136	37 157	38 924	40 512		
Number of views of #HealthyLives (global training on physical activity, mental health, nutrition and sleep) videos (cumulative)	Number		509 974	530 340	564 041	573 711		
Countries offering a nap room or equivalent to rest	Percent		55	38	48	51		
Canteens offering a balanced meal	Percent		95	96	96	96		
Number of views of HealthTalks webinar	Number		4066	3885	2991	13 725		
Number of views of the global employee health and well-being communication campaigns (Healthy Life Days)	Number		156 600	227 000	322 319	1 139 011		
Number of activations in Pleaz platform to support mental health and physical activity (cumulative)	Number		60 452	123 374	155 589	190 791		

<sup>10</sup> Gaps identified in a calendar year, as defined in the 2024 CARE audit guide, excluding observations.

<sup>11</sup> Total number of gaps closed out of the total identified gaps in a calendar year.

<sup>12</sup> The 2024 KPI has been expanded to employees in all functions, whereas the previous KPI was based only on the operations workforce.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Countries offering Employee Assistance Program (EAP) to support employee's mental health and well-being	Percent			93	97	96	403-6-a	
Countries providing supportive measures for employees working with cancer or other critical health conditions	Percent			93	76	92	403-6-a	
Number of primary and secondary caregivers having used paid parental leave	Number			58 272	55 119	43 666	401-3-b	
Retention of primary and secondary caregivers having used paid parental leave after one year	Percent			92.7	91.0	91.8	401-3-e	
Total number of employees by employment type (permanent and temporary), by gender: <sup>13</sup>	Number		257 600	262 300	259 930	247 364		
Permanent Male	Number		147 310	149 800	147 187	139 896	2-7-b-i	
Permanent Female	Number		94 072	96 172	96 313	92 724	2-7-b-i	
Permanent Other	Number				53	66	2-7-b-i	
Temporary Male	Number		7883	7857	7916	7508	2-7-b-ii	
Temporary Female	Number		8335	8471	8455	7167	2-7-b-ii	
Temporary Other	Number				6	3	2-7-b-ii	
Total number of employees by employment type (full-time and part-time), by gender: <sup>14,15</sup>	Number		257 600	262 300	259 930	247 364		
Full-time employees: male	Number		152 629	154 752	152 722	144 846	2-7-b-iv	
Full-time employees: female	Number		95 991	98 503	99 064	93 978	2-7-b-iv	
Full-time employees: other	Number				55	64	2-7-b-iv	
Part-time employees: male	Number		2564	2905	2381	2558	2-7-b-v	
Part-time employees: female	Number		6416	6140	5704	5913	2-7-b-v	
Part-time employees: other	Number				4	5	2-7-b-v	
Gender distribution in number of employees in total management level	Number				37 583	39 616		
Male	Number				19 781	20 528	405-1-b-i	
Female	Number				17 798	19 084	405-1-b-i	
Other	Number				4	4	405-1-b-i	
Gender distribution in percentage of employees in total management level	Percent				100.0	100.0		
Male	Percent				52.6	51.8	405-1-b-i	
Female	Percent				47.4	48.2	405-1-b-i	
Other	Percent				0.0	0.0	405-1-b-i	

<sup>13</sup> These KPI breakdowns are exclusively sourced from Nestlé's Human Resources Information System (HRIS). Therefore, the aggregate number of these breakdowns will not correspond to the KPI "Total number of employees (headcount)", which also includes employee data from non-HRIS units. In addition, 2024 and 2025 breakdowns are not comparable since some entities have been disintegrated from HRIS in 2025.

<sup>14</sup> "Other" gender has been added to this KPI for 2025. It was omitted in the 2024 report.

<sup>15</sup> These KPI breakdowns are exclusively sourced from Nestlé's Human Resources Information System (HRIS). Therefore, the aggregate number of these breakdowns will not correspond to the KPI "Total number of employees (headcount)", which also includes employee data from non-HRIS units. In addition, 2024 and 2025 breakdowns are not comparable since some entities have been disintegrated from HRIS in 2025.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Percentage of management positions held by women <sup>16</sup>	Percent			46.4	47.4	48.2	405-1-b-i	
Percentage of women on company board	Percent			33.3	38.5	36.4	405-1-b-i	
Chairperson is a woman	Yes/No			No	No	No		
Gender balance in board leadership	Percent			20.0	20.0	0.0		
Chief Executive Officer (CEO) is a woman	Yes/No			No	No	No		
Woman Chief Financial Officer (CFO) or equivalent	Yes/No			No	Yes	Yes		
Percentage of women executive officers	Percent			31.2	40.0	38.5	405-1-b-i	
Chief Diversity Officer (CDO)	Yes/No			Yes	Yes	Yes		
Percentage of women in senior management	Percent			34.6	36.0	36.6	405-1-b-i	
Percentage of women in middle management	Percent			47.0	47.9	48.9	405-1-b-i	
Percentage of women in non-managerial positions	Percent			38.9	39.2	39.0	405-1-b-i	
Percentage of women in total workforce	Percent			39.8	40.3	40.4	405-1-b-i	
Percentage of women total promotions	Percent			51.7	51.4	53.0		
Percentage of women IT/Engineering	Percent			14.0	14.6	14.8		
Percentage of new hire are women	Percent			44.7	47.1	46.9	401-1-a	
Percentage of women attrition	Percent			45.8	45.9	45.9		
Number of weeks of fully paid primary parental leave offered	Weeks			18	18	18	401-2	
Number of weeks of fully paid secondary parental leave offered	Weeks			4	4	4	401-3	
Parental leave retention rate	Percent			91.9	91.0	91.2	401-3-e	
Flexible working policy	Yes/No			Yes	Yes	Yes		
Employee resource groups for women	Yes/No			Yes	Yes	Yes		
Annual anti-sexual harassment training <sup>17</sup>	Yes/No			Yes	No	No		
Unconscious bias training	Yes/No			Yes	Yes	Yes		
Global mean (average) raw gender pay gap <sup>18</sup>	Percent			6.7	-9.1	-9.4	405-2	
Total number of employees (headcount) <sup>19</sup>	Number				277 000	271 000	2-7-a	
Total number of employees (headcount)	Number		275 000	270 000			2-7-a	
Percentage of total employees covered by collective bargaining agreements	Percent		56.3	52.7	51.3	53.5	2-30-a	

<sup>16</sup> In 2025, the scope of KPI reporting has increased and now covers all companies not integrated into Nestlé's Human Resources Information System. For comparability, and as it is impracticable to restate the 2024 figure under the new KPI scope, we disclose here what the 2025 figure would have been under the 2024 scope: 48.4%.

<sup>17</sup> Corrected 2024 response from "Yes" to "No". The training is effectively mandatory on a bi-annual basis.

<sup>18</sup> 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.

<sup>19</sup> In 2024, Nestlé changed the methodology used to calculate number of employees. In 2022-2023, the KPI was reporting full-time equivalents and from 2024 headcounts, as defined in Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
<b>Workers in the value chain</b>								
Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment	Percent					70.3	414-1	
Number of significant non-compliances related to human rights identified through third-party audits of our direct suppliers (SMETA audits), of which number of non-compliances closed							414-2	
Number of significant non-compliances related to human rights identified	Number					5126	414-2	
Number of significant non-compliances related to human rights closed	Number					1209	414-2	
Number of grievances received through <i>Speak Up</i> or other channels related to human rights in our supply chain:	Number					9	2-26-a-ii	
Number of grievances substantiated	Number					6	2-26-a-ii	
of which, under remediation	Number					4	2-26-a-ii	
of which, remediated or supplier terminated	Number					2		
Number of grievances under investigation	Number					3	2-26-a-ii	
Percentage of volumes of key ingredients responsibly sourced <sup>20</sup>	Percent		22.0	36.2	44.5	49.8	308	FB-PF-430a.1
Percentage volume of green coffee covered by due diligence systems for child labor risks	Percent					86.8	408-1-c	FB-PF-430a.1
Percentage volume of cocoa covered by due diligence systems for child labor risks, including CLMRS <sup>21</sup>	Percent			70.6	88.9	96.2	408-1-c	FB-PF-430a.1
Total number of households covered by the CLMRS to prevent and address child labor risks (24 months)	Number					97 122	408-1-c	
Total number of households covered by the CLMRS to prevent and address child labor risks (since 2012) <sup>22</sup>	Number		87 422	108 810	123 953	121 104	408-1-c	
Total number of children who have received support through prevention and remediation actions as part of the CLMRS <sup>23</sup>	Number				96 580	52 456	408-1-c	

<sup>20</sup> The key ingredients in scope for KPI #20 Percentage of volumes of key ingredients responsibly sourced can be found in [Appendix 1 – 2025 Reporting Scope and Methodology for ESG Key Performance Indicators](#).

<sup>21</sup> Including mass balance. Covers the period October 1, 2024, to September 30, 2025.

<sup>22</sup> This KPI originally covered all households ever visited since 2012 and still in the system. In 2025, we have introduced an amended KPI covering only households visited in the past 24 months and still in the system. This is to align with emerging industry standards for reporting on CLMRS systems (see [CLMRS Core Criteria | ICI Cocoa Initiative](#)). For 2025 only, we also maintain the original KPI for comparability purposes.

<sup>23</sup> In 2025, we observed a decrease in this KPI number, compared to 2024. The decrease is due to changes in reporting systems that led our suppliers to mostly record remediation actions, rather than prevention actions. We continue working with our suppliers on both prevention and remediation.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Total number of children who have received support through prevention and remediation actions as part of the CLMRS <sup>24</sup>	Number		15 035	28 583				
Total number of children who reported no longer engaging in potentially hazardous activities as part of the CLMRS (24 months)	Number					11 431		
Total number of children who reported no longer engaging in potentially hazardous activities as part of the CLMRS (since 2012) <sup>25</sup>	Number		8974	12 135	26 857	31 403	408-1-c	

## Affected communities

Number of young people supported to develop future-ready skills								
Cumulative (since 2017)	Millions		5.6	7.7	10.2	12.8		
Annual	Millions			2.1	2.5	2.6		
Apprenticeship and traineeship opportunities	Number		11 495	10 807	10 612	10 080		
Young farmers trained through agripreneurship program	Number		5121	8464	9574	12 747		
Young people impacted through digital events (e.g. career fairs, educational webinars, e-learning programs) that focus on upskilling young people for employability	Number		1 415 687	1 393 147	1 648 290	1 374 800		
Young entrepreneurs who have received some basic but tangible benefit from Nestlé	Number		64 977	72 630	70 838	245 009		
Nestlé employees hired under 30 years old, on unlimited or temporary contract	Number		26 610	23 804	23 238	20 880	401-1	
Community giving investment:								
Financial aid	CHF			39 265 000	38 532 000	36 870 000	201-1-a-ii	
Product donations	CHF			135 490 000	110 219 000	120 084 000	201-1-a-ii	
Others	CHF			2 716 000	3 571 000	4 363 000	201-1-a-ii	
Total	CHF			177 471 000	152 322 000	161 317 000	201-1-a-ii	

<sup>24</sup> 2022 and 2023 data only include children helped for the first time. Therefore, they are not directly comparable with 2024 and 2025 data which include all children helped, whether for the first time or more.

<sup>25</sup> This KPI originally covered all children who have reported since 2012. In 2025, we have introduced an amended KPI covering only children who have reported in the past 24 months. This is to align with emerging industry standards for reporting on CLMRS systems (see [CLMRS Core Criteria](#) | ICI Cocoa Initiative). For 2025 only, we also maintain the original KPI for comparability purposes.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
<b>Consumers and end-users</b>								
Percentage of FSSC Certified Manufacturing and R&D units that produce food and pet food for human and pet (cats and dogs) consumption	Percent		98.0	98.4	95.3	98.9		
Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	Percent		91.9	92.9	94.4	95.6		FB-PF-250a.2
Number of food safety recalls issued	Number		10	13	5	9		FB-PF-250a.4
Nutritional value transparency: Health Star Rating (HSR)								
Percentage of sales covered by the assessment – including pet food and excluding non-food products	Percent		97	95	92	94		
Health Star Rating – 3.5 and above	Percent		30	31	30	31		
Health Star Rating – Between 1.5 and 3.5	Percent		18	16	16	15		
Health Star Rating – Less than 1.5	Percent		17	17	17	16		
Specialized nutrition	Percent		35	36	37	17		
Pet food	Percent					21		
Percentage of sales covered by the assessment – excluding pet food and non-food products	Percent		79	76	73	75		
Health Star Rating – 3.5 and above	Percent		37	38	38	40		
Health Star Rating – Between 1.5 and 3.5	Percent		22	20	20	19		
Health Star Rating – Less than 1.5	Percent		21	21	21	19		
Specialized nutrition <sup>26</sup>	Percent		20	21	21	22		
Percentage of sales covered by the assessment – excluding pure coffee, pet food, specialized nutrition and non-food products <sup>27</sup>	Percent					41		
Health Star Rating – 3.5 and above	Percent					30		
Health Star Rating – Between 1.5 and 3.5	Percent					35		
Health Star Rating – Less than 1.5	Percent					35		

<sup>26</sup> From 2022-2024, specialized nutrition included pet food. In 2025, pet food is identified separately.

<sup>27</sup> This follows Access to Nutrition initiative methodology, which excludes pure coffee, pet food, specialized nutrition and non-food products.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Social (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Sales-weighted mean HSR – excluding pet food, specialized nutrition and non-food products	Number					2.6		
Powered and Liquid Beverages	Number					3.0		
Water	Number					5.0		
Milk products and Ice cream	Number					2.1		
Nutrition and Health Science <sup>28</sup>	Number					3.9		
Prepared dishes and cooking aids	Number					2.6		
Confectionery	Number					0.8		
Sales-weighted mean HSR – excluding pure coffee, pet food and specialized nutrition	Number					2.2		
Powered and Liquid Beverages	Number					1.9		
Water	Number					5.0		
Milk products and Ice cream	Number					2.1		
Nutrition and Health Science	Number					3.9		
Prepared dishes and cooking aids	Number					2.6		
Confectionery	Number					0.8		
Number of servings of affordable nutrition with micronutrient fortification	Billions		129.2	127.6	132.0	135.4		
Total number of servings of micronutrient fortified foods and beverages	Billions		202.1	197.1	198.7	197.8		
Number of countries with audits on the Nestlé Policy for Implementing the WHO Code <sup>29</sup>	Number		32	39	33	16		
Instances of substantiated non-compliance with the Nestlé Policy for Implementing the WHO Code	Number		96	125	186	267	416-2	FB-PF-270a.3
Compliance with Nestlé Marketing Communication to Children policy:								
TV	Percent				100.0	100.0	417-3	
Digital media	Percent				92.3	94.9	417-3	
Social media	Percent				89.6	91.0	417-3	
Influencers	Percent					84.7	417-3	
Average total	Percent				96.9	96.7	417-3	
Number of data breaches notified to authorities	Number		8	8	16	17	418-1-b	

<sup>28</sup> This category in HSR includes only those products intended for the general population aged three years and above.

<sup>29</sup> No external audits were performed in 2025. Figures are from internal audits.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Governance

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
<b>Business conduct</b>								
Total messages received through <i>Speak Up</i> system	Number		2516	2874	3218	3753	2-26-a-ii	
Non-compliance messages received through <i>Speak Up</i> by selected sub-categories: <sup>30</sup>								
Abuse of power and/or mobbing/bullying	Number				921	1063	2-26-a-ii	
Unfair treatment	Number				646	734	2-26-a-ii	
Labor practice	Number		272	249	292	331	2-26-a-ii	
Harassment (excluding sexual harassment)	Number		168	214	216	268	2-26-a-ii	
Bribery and corruption (including conflict of interest)	Number		88	47	189	225	2-26-a-ii	
Safety and health	Number		122	88	155	190	2-26-a-ii	
Discrimination and violence	Number		86	172	146	175	2-26-a-ii	
Fraud (misappropriation or misconduct on accounting/ financial statement)	Number		128	131	130	166	2-26-a-ii	
Sexual harassment	Number		81	104	72	121	2-26-a-ii	
Third-party compliance	Number				106	114	2-26-a-ii	
Human rights issues not covered by other <i>Speak Up</i> categories	Number		16	1	3	4	2-26-a-ii	
Other	Number		1555	1868	342	362		
Total cases substantiated through <i>Speak Up</i> system	Number		578	691	644	759	2-26-a-ii	
Non-compliance cases substantiated through <i>Speak Up</i> by selected sub-categories: <sup>31</sup>								
Abuse of power and/or mobbing/bullying	Number				235	241	2-26-a-ii	
Unfair treatment	Number				79	79	2-26-a-ii	
Labor practice	Number		69	69	37	56	2-26-a-ii	
Harassment (excluding sexual harassment)	Number		52	44	42	78	2-26-a-ii	
Bribery and corruption (including conflict of interest) <sup>32</sup>	Number		22	5	33	31	2-26-a-ii	
Safety and health	Number		21	21	28	38	2-26-a-ii	
Discrimination and violence	Number		16	53	35	38	2-26-a-ii	
Fraud (misappropriation or misconduct on accounting/ financial statement)	Number		35	43	46	56	2-26-a-ii	
Sexual harassment	Number		36	29	26	35	2-26-a-ii	
Third-party compliance	Number				34	30	2-26-a-ii	
Human rights issues not covered by other <i>Speak Up</i> categories	Number		0	1	0	0	2-26-a-ii	
Other	Number		327	426	49	77		

<sup>30</sup> We disclose the sub-categories most frequently addressed through *Speak-Up* messages in the reporting year. In addition, we consistently disclose “human rights issues not covered by other *Speak Up* categories”. For new sub-categories in 2025, the 2024 figures are included for comparison.

<sup>31</sup> We disclose substantiated cases under the sub-categories of the previous KPI on messages received.

<sup>32</sup> Cases substantiated did not involve government officials.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 4</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--

## Governance (continued)

Indicator	Unit	Baseline value (2018)	2022	2023	2024	2025	GRI index	SASB index
Total messages closed through <i>Speak Up</i> system	Number		1758	2341	2420	3054	2-26-a-ii	
Number of grievances received through <i>Speak Up</i> or other channels related to human rights in our supply chain:	Number					9	2-26-a-ii	
Number of grievances substantiated	Number					6	2-26-a-ii	
of which, under remediation	Number					4	2-26-a-ii	
of which, remediated or supplier terminated	Number					2	2-26-a-ii	
Number of grievances under investigation	Number					3	2-26-a-ii	
Total monetary value of financial political contributions made by the organization in Switzerland	CHF			225 000	225 000	225 000	415-1-a	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 5</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Appendix 5 – TCFD Index<sup>1</sup>

### Governance

	Disclosure in the Nestlé Non-Financial Statement 2025	Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)
Board's oversight	Page 10	Oversight of climate-related risks and opportunities is embedded at the highest level. The Board has oversight of climate-related matters and monitors progress towards 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 sustainability strategy and approves its Non-Financial Statement for submission to the Annual General Meeting.
Management's role	Page 10	The Executive Board is responsible for executing sustainability strategies, including the Nestlé Net Zero Roadmap, through the ESG and Sustainability Council.

### Strategy

	Disclosure in the Nestlé Non-Financial Statement 2025	Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)
Climate-related risks and opportunities	Pages 38-43	<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 SSP1-1.9, Intermediate – RCP4.5 and High – RCP8.5. 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 26 selected raw materials representing at least 80% or more of our annual raw material expenditure, 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 38-43	
Resilience of the organization's strategy	Pages 38-43	

<sup>1</sup> Nestlé has prepared disclosures referenced in this appendix according to the TCFD Recommendations published in 2017 and 2021.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 5</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Risk management

	Disclosure in the Nestlé Non-Financial Statement 2025	Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)
Processes for identifying and assessing climate-related risks	Pages 38-41	<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 value chain and downstream value chain. 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 risks, 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 the Board of Directors, Sustainability Committee, and the ESG and Sustainability Council 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 38-41	
Integration into the organization's overall risk management	Pages 38-41	

## Metrics and targets

	Disclosure in the Nestlé Non-Financial Statement 2025	Summary of Nestlé's alignment with the Task Force on Climate-related Financial Disclosures (TCFD)
Targets used to manage climate-related risks, opportunities and performance	Page 42, 223	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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 5</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Key selected metrics<sup>2</sup>

	Unit	2022	2023	2024	2025	Related target	
Percentage net reduction of GHG emissions versus 2018 baseline	Percent	4.02	16.62	19.92	24.52	Nestlé's Net Zero Roadmap with intermediate targets: – Reduce by 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest	
Gross Scope 1 greenhouse gas (GHG) emission <sup>3</sup>	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	3.23	3.06	3.02	2.82		
Gross market-based Scope 2 greenhouse gas (GHG) emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	0.76	0.31	0.24	0.22		
Gross Scope 3 greenhouse gas (GHG) emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	79.85	69.98	68.00	66.01		
Total GHG emissions	Million metric tonnes of CO <sub>2</sub> equivalents (tCO <sub>2</sub> e)	83.84	73.34	71.26	69.04		
Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	Percent		93.4	93.5	96.7		
Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices	Percent	6.8	15.2	21.3	27.6		
Percentage of renewable electricity sourced in our manufacturing sites, owned R&D centers and owned distribution centers at year end	Percent	78.4	91.9	95.3	98.6		
Total energy consumption from renewable sources (factories only)	Gigajoules			29 286 167	31 308 158		
Total energy consumption from renewable sources (factories only)	MWh			8 135 046	8 696 711		
Virgin plastic reduction versus 2018 baseline	Percent	10.5	14.9	21.3	28.0		Part of Nestlé's packaging sustainability strategy. Nestlé committed to 33% virgin plastic reduction by year end 2025 compared to 2018.
Water use reduction in factories	Million cubic meters	2.4	3.0	2.7	2.9		Nestlé sets annual targets of water use reduction in its manufacturing sites, especially in those located in water stressed areas.

<sup>2</sup> For GHG-related KPIs, figures from past periods are restated as explained in Climate change, Methodology and assumptions.

<sup>3</sup> In the *Non-Financial Statement 2024*, the historic values (2021-2023) for the Gross Scope 1,2 and 3 GHG emissions and Total Scope 1, 2 and 3 GHG emissions metrics were incorrectly disclosed in Appendix 5. For the correct values (according to the 2024 methodology/baseline) please refer to Appendix 4 – Nestlé's Sustainability Key Performance Indicators of the *Non-Financial Statement 2024*.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

# Appendix 6 – Global Reporting Initiative and Sustainability Accounting Standards Board Indexes 2025

## About this index

This content index accompanies Nestlé’s *Non-Financial Statement 2025*, 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 conducted with 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 relates to the fiscal year ending December 31, 2025, unless otherwise stated.

## Global Reporting Initiative Index

Nestlé has reported the information cited in this GRI content index for the period calendar year ending December 2025, with reference to the GRI Standards. Nestlé used GRI 1: Foundation 2021.

Disclosure	Disclosure in the <i>Nestlé Non-Financial Statement 2025</i>	Further information
<b>GRI 2: General disclosures 2021</b>		
<b>General disclosures</b>		
2-1 Organizational details	About this <i>Non-Financial Statement 2025</i> , page 4	<a href="#">Annual Review 2025</a>
2-2 Entities included in the organization’s sustainability reporting	About this <i>Non-Financial Statement 2025</i> , page 4	
2-3 Reporting period, frequency and contact point	About this <i>Non-Financial Statement 2025</i> , page 4	
2-4 Restatements of information	Climate change, page 35 Pollution, page 60 Own workforce, page 96 Reinforcing diversity, equity and inclusion, page 103 Consumers and end-users, page 125	
2-5 External assurance	About this <i>Non-Financial Statement 2025</i> , page 4	
2-6 Activities, value chain and other business relationships	General Disclosures, Strategy, business model and value chain, page 13	<a href="#">Annual Review 2025</a>
2-7 Employees	Own workforce, page 96	
2-9 Governance structure and composition	General Disclosures, Sustainability governance, page 10	<a href="#">Annual Review 2025</a>
2-10 Nomination and selection of the highest governance body		<a href="#">Corporate Governance Report 2025</a>

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025	Further information
2-11 Chair of the highest governance body		<i>Corporate Governance Report 2025</i>
2-12 Role of the highest governance body in overseeing the management of impacts	General Disclosures, Sustainability governance, page 10	
2-13 Delegation of responsibility for managing impacts	General Disclosures, Sustainability governance, page 10	
2-14 Role of the highest governance body in sustainability reporting	General Disclosures, Sustainability governance, page 10	
2-15 Conflicts of interest	Business conduct, Governance bodies, page 143	<i>Code of Business Conduct</i>
2-16 Communication of critical concerns	Business conduct, <i>Speak Up</i> , page 147	
2-17 Collective knowledge of the highest governance body		<i>Corporate Governance Report 2025</i>
2-19 Remuneration policies	General Disclosures, Sustainability governance, page 10	<i>Compensation Report 2025</i>
2-20 Process to determine remuneration	General Disclosures, Sustainability governance, page 10	<i>Compensation Report 2025</i>
2-22 Statement on sustainable development strategy	Executive summary, page 6	
2-23 Policy commitments	General Disclosures, Policies overview, page 29 Appendix 7 – Key Policies and Documents, page 234	
2-24 Embedding policy commitments	Business conduct, page 141 and throughout the <i>Non-Financial Statement 2025</i> under relevant individual sustainability matters	
2-25 Processes to remediate negative impacts	Business conduct, page 141 and throughout the <i>Non-Financial Statement 2025</i> under relevant individual sustainability matters	
2-26 Mechanisms for seeking advice and raising concerns	Business conduct, <i>Speak Up</i> , page 147	
2-27 Compliance with laws and regulations	Business conduct, page 141	
2-28 Membership associations	General Disclosures, Interests and views of stakeholders, page 14	<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	General Disclosures, Interests and views of stakeholders, page 14	
2-30 Collective bargaining agreements	Own workforce, page 96	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--

Disclosure	Disclosure in the <i>Nestlé Non-Financial Statement 2025</i>	Further information
<b>GRI 3: Material topics 2021</b>		
<b>Material topics</b>		
3-1 Process to determine material topics	General Disclosures, Double materiality assessment, page 17	
3-2 List of material topics	General Disclosures, Double materiality assessment, page 17	
3-3 Management of material topics	General Disclosures, Double materiality assessment, page 17 and throughout the <i>Non-Financial Statement 2025</i> under relevant individual sustainability matters	
<b>GRI 200: Economic performance</b>		
<b>GRI 201: Economic performance 2016</b>		
201-1 Direct economic value generated and distributed		<i>Annual Review 2025</i>
201-2 Financial implications and other risks and opportunities due to climate change	Climate Change, Assessing and addressing climate-related risks, page 38 Climate Change, Assessing climate-related opportunities, page 41	
<b>GRI 203: Indirect economic impacts 2016</b>		
203-1 Infrastructure investments and services supported	Actions and resources section in each chapter throughout the <i>Non-Financial Statement 2025</i>	
<b>GRI 205: Anti-corruption 2016</b>		
205-1 Operations assessed for risks related to corruption	Business conduct, page 141	
205-2 Communication and training about anti-corruption policies and procedures	Business conduct, page 141	
205-3 Confirmed incidents of corruption and actions taken	Business conduct, page 141	
<b>GRI 206: Anti-competitive behavior 2016</b>		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business conduct, page 141	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025	Further information
<b>GRI 207: Tax 2019</b>		
207-1 Approach to tax management-strategy		<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	Resource use and circular economy, Metrics and targets, page 92 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
301-2 Recycled input materials used	Resource use and circular economy, Metrics and targets, page 92 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
301-3 Reclaimed products and their packaging materials	Resource use and circular economy, Metrics and targets, page 92 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
<b>GRI 302: Energy 2016</b>		
302-1 Energy consumption within the organization	Climate change, Metrics and targets, page 49 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
302-2 Energy consumption outside of the organization	Climate change, Metrics and targets, page 49 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025	Further information
<b>GRI 303: Water and Effluents 2018</b>		
303-1 Interactions with water as a shared resource	Water resources, page 66 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
303-2 Management of water discharge-related impacts	Water resources, page 66	
303-3 Water withdrawal	Water resources, page 66 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
303-4 Water discharge	Water resources, page 66 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
303-5 Water consumption	Water resources, page 66 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
<b>GRI 304: Biodiversity 2016</b>		
304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and ecosystems, page 73	
304-3 Habitats protected or restored	Biodiversity and ecosystems, page 73	
<b>GRI 305: Emissions 2016</b>		
305-1 Direct (Scope 1) GHG emissions	Climate change, Gross Scopes 1, 2, 3 and total GHG emissions, page 50 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
305-2 Energy indirect (Scope 2) GHG emissions	Climate change, GHG footprint breakdown by Scope (million tonnes CO <sub>2</sub> e), page 51 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
305-3 Other indirect (Scope 3) GHG emissions	Climate change, GHG footprint breakdown by Scope (million tonnes CO <sub>2</sub> e), page 51 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
305-5 Reduction of GHG emissions	Climate change, Gross Scopes 1, 2, 3 and total GHG emissions, page 50 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025	Further information
<b>GRI 306: Waste 2020</b>		
306-1 Waste generation and significant waste-related impacts	Resource use and circular economy, page 83	
306-2 Management of significant waste-related impacts	Resource use and circular economy, page 83 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
306-3 Waste generated	Resource use and circular economy, page 83 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
<b>GRI 400: Social disclosures</b>		
<b>GRI 401: Employment 2016</b>		
401-3 Parental leave	Own workforce, Reinforcing diversity, equity and inclusion, page 103	
<b>GRI 403: Occupational health and safety 2018</b>		
403-1 Occupational health and safety management system	Own workforce, page 94	
403-2 Hazard identification, risk assessment and incident investigation	Own workforce, page 94	
403-3 Occupational health services	Own workforce, page 94	
403-4 Worker participation, consultation and communication on occupational health and safety	Own workforce, page 94	
403-5 Worker training on occupational health and safety	Own workforce, page 94	
403-6 Promotion of worker health	Own workforce, page 94	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workers in the value chain, Metrics and targets, page 113	
403-9 Work-related injuries	Own workforce, Health and safety-related KPIs (own workforce) (number), page 103 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
403-10 Work-related ill health	Own workforce, Health and safety-related KPIs (own workforce) (number), page 103 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025	Further information
<b>GRI 404: Training and education 2016</b>		
404-1 Average hours of training per year per employee	Own workforce, Training for our employees, page 103 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
404-2 Programs for upgrading employee skills and transition assistance programs	Own workforce, Actions and resources, page 102 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
<b>GRI 405: Diversity and equal opportunity 2016</b>		
405-1 Diversity of governance bodies and employees	Own workforce, Metrics and targets, page 103 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
405-2 Ratio of basic salary and remuneration of women to men	Own workforce, Metrics and targets, page 103 Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	
<b>GRI 406: Non-discrimination 2016</b>		
406-1 Incidents of discrimination and corrective actions taken	Business conduct, page 141	
<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 107	
<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 107	
<b>GRI 413: Local communities 2016</b>		
413-1 Operations with local community engagement, impact assessments, and development programs	Affected communities, page 119	
<b>GRI 415: Public policy 2016</b>		
415-1 Political contributions	Appendix 4 – Nestlé’s Sustainability Key Performance Indicators, page 201	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025	Further information
<b>GRI 416: Customer health and safety 2016</b>		
416-1 Assessment of the health and safety impacts of product and service categories	Consumers and end-users, page 125	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Consumers and end-users, page 125 Business conduct, page 141	
<b>GRI 417: Marketing and labeling 2016</b>		
417-1 Requirements for product and service information and labeling	Consumers and end-users, page 137	
417-2 Incidents of non-compliance concerning product and service information and labeling	Consumers and end-users, Metrics and targets, page 3 Business conduct, page 141	
417-3 Incidents of non-compliance concerning marketing communications	Consumers and end-users, Ensuring compliance with Nestlé marketing policies, page 137 Business conduct, page 141	
<b>GRI 418: Customer privacy 2016</b>		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Consumers and end-users, Protecting consumers' personal data, page 139 Business conduct, page 141	

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## SASB Index

Accounting metric	Code	Relevant GRI Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025
<b>Energy management</b>			
(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	FB-PF-130a.1	302-1	Climate change, Energy consumption and mix, page 49
<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, Water use disclosures, page 71
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, Annual targets of water use reduction in our manufacturing sites, page 71
<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, Consumption of unsafe products, page 135
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, Consumption of unsafe products, page 135
(1) Number of recalls issued and (2) total amount of food product recalled	FB-PF-250a.4	416-2	Consumers and end-users, Consumption of unsafe products, page 135
<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 125
<b>Product labeling and marketing</b>			
Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-PF-270a.3	417-2, 417-3	Consumers and end-users, Ensuring compliance with Nestlé marketing policies, page 137

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 6</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Accounting metric	Code	Relevant GRI Disclosure	Disclosure in the Nestlé Non-Financial Statement 2025
<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, Metrics and targets, page 92
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 83
<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	Climate change, Metrics and targets, page 45
<b>Ingredient sourcing</b>			
List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	FB-PF-440a.2	308-1, 414-1	Climate change, Responsible sourcing, page 57 Climate change, Climate-related physical risks, page 43

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 7</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--

## Appendix 7 – Key Policies and Documents<sup>1</sup>

### 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.

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 on 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 agriculture journey.

### Nestlé Code of Business Conduct

In 2025, the *Nestlé Code of Business Conduct* (the “Code”) was updated to reflect a new chapter at Nestlé, which is marked by the company being more focused than ever on putting consumers, customers and our people at the heart of everything we do.

The Code continues to act as a practical guide on how to uphold Nestlé’s values and business principles and perform to high standards.

Nestlé operates in a complex global environment, and it is crucial that its work is rooted in integrity and respect. It is a personal and collective responsibility of everyone to do the right thing at Nestlé, every day, everywhere the company operates.

While the Code cannot provide answers to every situation, it sets out a framework to help people act with integrity at Nestlé and make good ethical decisions.

Compliance with the Code is mandatory for all Nestlé employees, including our Executive Board, senior leaders, people managers, employees and those who are temporary agency workers. It also applies to our Board of Directors and to all employees of Nestlé Group subsidiary companies.

Our suppliers and business partners are expected to follow equivalent standards of ethical practice as set out in the Nestlé Responsible Sourcing Core Requirements and our *Corporate Business Principles*.

### Nestlé Corporate Business Principles

The *Nestlé Corporate Business Principles* govern how Nestlé does business as a company, and outline our responsibilities to shareholders, customers, employees, business partners, and society.

The *Nestlé Corporate Business Principles* provide a strong ethical framework. The Principles ensure integrity of action and compliance with laws, regulations, and with Nestlé’s own commitments, including the aim of creating 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.

Specifically, the *Nestlé Corporate Business Principles* focus on consumers, employees, the value chain, business integrity, transparent interaction and communication, and compliance.

The *Nestlé Corporate Business Principles* apply to all employees and are available on the Nestlé website.

### 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*.

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 on the Nestlé website.

<sup>1</sup> The Board of Directors has oversight of all key policies and documents, as shown in – Key Policies and Documents.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 7</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Nestlé Global Guideline on Disability Inclusion

The Global Guideline on Disability Inclusion aims to provide a consistent approach for advancing disability inclusion across all Nestlé Markets and Business Units.

The Guideline emphasizes the importance of creating an inclusive, safe and healthy work environment where individuals with disabilities feel respected, empowered and understood. The Guideline outlines several key objectives, including serving as a framework for Markets to adopt and adapt initiatives to create an intentionally inclusive working environment, providing guidance to employees and HR Business Partners, and supporting Markets in addressing gaps identified in their DE&I Market Maturity Profile.

The Guideline applies to all Nestlé Group Companies and encourages Markets to review, adopt and adapt resources in line with their respective sociocultural environments and local laws and regulations. It defines disability according to the United Nations Convention on the Rights of Persons with Disabilities and emphasizes the shift from the medical model to the social model of disability. The Guideline also outlines the roles and responsibilities of Nestlé Markets, leaders and all employees in making the workplace as inclusive as possible for people with disabilities. The Guideline applies to all employees and is available on the Nestlé website.

## 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. It applies to all employees and is available on the Nestlé website.

## Nestlé Human Rights Framework and Roadmap

The Nestlé Human Rights Framework and Roadmap 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 Guidelines for Multinational Enterprises. Nestlé has due diligence processes in place to assess, address and report transparently on actual and potential salient human rights risks across its value chain in line with the UNGPs.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 7</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Nestlé values dialogue with stakeholders in its value chain, including employees, on-site contactors, suppliers, business partners, workers and farmers and 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>2</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 on 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 carried out between 2009 and 2017 and the human rights risk assessment 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 of Nestlé’s 10 salient issues, as follows:

- 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 Policy

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.

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’s Global Index.

<sup>2</sup> 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 7</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

The Policy is targeted at Nestlé legal and compliance, marketing and sales globally, corporate communications and public affairs globally, regulatory and scientific affairs, Nutrition, Health and Wellness managers, and nutritionists. The Policy is available on the Nestlé website.

## 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 actioned via a series of decarbonization levers which influence areas, such as: how Nestlé collaborates with suppliers, farmers and communities to increase use of regenerative agriculture practices; investments in logistics, packaging and manufacturing activities; and approaches to reducing the risk of deforestation. Nestlé’s Net Zero Roadmap also includes actions related to the implementation of natural climate solutions. Key milestones include aiming to achieve a 20% reduction in emissions by 2025 and 50% reduction by 2030 from the 2018 baseline year, and reach net zero by 2050 at the latest.<sup>3</sup>

## Nestlé Nutrition, Health and Wellness strategy

Nutrition is central to people’s health, well-being and quality of life. Guided by our purpose to unlock the power of food and beverages for everyone, today and for future generations, our strategy starts with the individuals, families and pets we serve. Their expectations are evolving rapidly: people increasingly want diets that are healthy, tasty, affordable and made with familiar, simple ingredients, while also fitting their diverse lifestyles and cultural preferences.

To meet these needs, we draw on our global footprint, scientific expertise and broad portfolio. Science is at the core of our approach. We continuously innovate and reformulate our food, beverages and specialized nutrition products so that they taste great, contribute to daily nutritional needs and remain widely affordable.

We also recognize that nutritional needs vary across life stages and health conditions. Our tailored nutrition approach supports specific outcomes – from maternal and infant health to healthy aging, metabolic health and muscle or cognitive function.

Across our portfolio, we are committed to growing products that contribute positively to nutrition, supported by responsible marketing practices and by transparency regarding the ingredients we use and the nutritional value of our products. Our Nutrition, Health and Wellness strategy helps future fit our portfolio to better meet the needs and expectations of families and their pets.

## Nestlé Policy Against Discrimination, Violence and Harassment at Work

This Policy is founded on the principle of respect for all individuals, aiming to foster an inclusive, safe and healthy work environment. The company is committed to upholding the personal dignity, privacy and rights of every employee, as outlined in the United Nations Global Compact’s guiding principles. The Policy applies to all Nestlé employees, contractors, interns and anyone working at, or interacting with, Nestlé sites, covering a wide range of work-related situations, including the workplace, work-related travel, communications, and employer-provided accommodation.

The core principles of the Policy include respectful behavior, equality, zero tolerance for discrimination, violence, and harassment, proportionality and fairness in addressing incidents, privacy and confidentiality, and non-retaliation for good faith reporting. The Policy defines violence and harassment broadly, encompassing verbal, physical, written, visual, sexual, and psychological forms, and prohibits discrimination based on protected characteristics such as race, gender, health, age, and more. Preventive measures include risk assessments, awareness and training, regular communication, and monitoring through tools like the CARE Audit Program.

The Policy is available on the Nestlé website.

## 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.

<sup>3</sup> 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).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 7</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

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 six to 12 months.
- Complementary foods and drinks for infants younger than six 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 on the Nestlé website.

### **Nestlé Policy on Conditions of Work and Employment**

This Policy outlines Nestlé’s commitment to providing good working conditions and a safe, healthy and flexible work environment for its employees worldwide. The Policy emphasizes the importance of sustainable business success through engaged employees who have a sense of purpose and personal commitment to their work and organization. It also extends this commitment to individuals working under contractual obligations with third parties, ensuring that suitable working conditions are made available to their employees as well.

The Policy defines various forms of work arrangements within Nestlé, including regular employment, temporary employment and external workers. Regular employment is the predominant model, but the Policy also recognizes the need for temporary employment to fulfill business needs, such as seasonal activities. The Policy sets minimum requirements for work arrangements and working conditions, ensuring compliance with local laws and collective bargaining agreements. It also highlights the importance of ethical recruitment practices, non-discrimination and providing a living wage to all employees. The Policy also emphasizes the need for a safe and healthy workplace, including physical and mental health. The implementation of this Policy is a joint effort at both corporate and local levels, with the aim of enhancing Nestlé’s social compliance culture and ensuring good working conditions for all employees.

The Policy applies to all employees and is available on the Nestlé website.

### **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, 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 on the Nestlé website.

### **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>4</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.

<sup>4</sup> Guidelines on nutrition labeling (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).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 7</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

The Policy applies to foods and beverages for human consumption that are sold under brands owned by Nestlé.<sup>5</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 on the Nestlé website.

### 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 entire 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, which includes periodic self-assessments and specific audits, 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.

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 on the Nestlé website.

### Nestlé's Popularly Positioned Products 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, it ensures continuous innovation across a range of nutritious and affordable foods. Nestlé has grown to be the world's biggest food and beverages PPP company in both developed and emerging economies. Nestlé's current PPPs comprise culinary products to beverages, and dairy to confectionery, with more than 4000+ products overall, sold under a number of major global brands including *Maggi*, *Nido* and *Nescafé*.

### Nestlé Quality Policy

Nestlé products and brands are trusted and chosen by millions of people all over the world to fulfill their nutrition, health and wellness needs, at every moment of the day and across their lifetime.

The Nestlé 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.
- 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.

<sup>5</sup> Subject to the terms of the relevant license agreements when brands are licensed to third parties.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 7</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

The Nestlé Quality Policy, which applies across the entire 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 fulfill policies, principles and standards.

The Quality Policy is reviewed annually and communicated to employees and third parties.

## Nestlé Responsible Sourcing Core Requirements

We define “responsible sourcing” by reference to our Nestlé Responsible Sourcing Core Requirements. The minimum environmental, social and governance expectations that we apply to our supply chain is included in our Responsible Sourcing Core Requirements.

The Responsible Sourcing Core Requirements need to be complied with by all actors forming, directly or indirectly, part of Nestlé’s supply chain.

The Responsible Sourcing Core Requirements constitute an integral part of Nestlé’s contracts with its direct suppliers.

Nestlé verifies alignment to and compliance with the Responsible Sourcing Core Requirements using different methods at different tiers of the supply chain.

The Responsible Sourcing Core Requirements 2024 version replaces and supersedes the Nestlé Responsible Sourcing Standard adopted in 2018.

## Nestlé Rules of Packaging Sustainability

The Nestlé Rules of Packaging Sustainability are aimed at addressing how Nestlé designs its plastic- and paper-based packaging. Nestlé’s vision is that none of its packaging, including plastics, ends up in landfill or as litter.

The Nestlé Rules of Packaging Sustainability are applied to all plastic and paper 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 help their sortability and recyclability.
- The Negative List: a list of materials, additives, packaging concepts and items which are or will be considered obsolete based on the lack of evolution of recycling technologies and infrastructure, industry design guidelines and legal/regulatory frameworks.

The Rules of Packaging Sustainability follow industry standards for design for recycling where the product is marketed, such as EPBP for PET, 4evergreen for paper-based packaging, CEFLEX for flexibles, both with a strong focus on Europe, and APR for plastic packaging in the United States.

The Rules of Packaging Sustainability are available on the Nestlé website.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 8</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

## Appendix 8 – Glossary

The Nestlé glossary supplements the EU published [ESRS glossary](#).

Defined term	Definition
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 carries out verification and monitoring to ensure these principles are upheld.
<a href="#">Access to Nutrition Initiative (ATNI)</a>	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 means: <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 conserve and restore farmland and landscapes.</li> <li>– <i>Food systems</i> encompassing actors, activities, processes and products 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>
<a href="#">Alliance for Water Stewardship (AWS)</a>	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.
Bad goods	Bad goods are classified into three main categories: (1) Sales-Related Bad Goods – these include expired, damaged, infested, or lost products in Nestlé or third-party warehouses, transport damages, inventory differences, and theft; (2) Non-Sales-Related Bad Goods – these refer to spoilage, recalls, and withdrawals due to quality issues not caused by the factory but occurring within Nestlé’s distribution network; and (3) Hidden Bad Goods – these include salvage and second-grade goods such as unusable raw and packaging materials due to expiration, damage or leftover seasonal stock.
CARE Audit Program	The Nestlé CARE Audit Program aims to verify that all employees and Nestlé-operated sites comply with international standards and local legislation, as well as our <i>Corporate Business Principles</i> and <i>Code of Business Conduct</i> .
Child Labor Monitoring and Remediation System (CLMRS)	Together with the International Cocoa Initiative (ICI), we developed and implemented the Child Labour Monitoring and Remediation System (CLMRS) as a means of targeting prevention, mitigation and remediation assistance to children involved in or at risk of child labor, as well as to their families and communities.
Community Relations Process (CRP) 2.0	Nestlé Waters & Premium Beverages has introduced the Community Relations Process 2.0 in an effort to assess and to address impacts from Nestlé Waters & Premium Beverages operations. Nestlé Waters & Premium Beverages 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 & Premium Beverages 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 Chief Executive Officer, together with the Chair of the Board, and reviews performance relevant to compensation and determines individual compensation and benefit conditions for designated senior executives.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 8</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Defined term	Definition
Consumer Goods Forum (CGF) Forest Positive Coalition	The Consumer Goods Forum (CGF) Forest Positive Coalition of Action aims to drive collective, transformative change in order to remove deforestation, forest conversion and degradation from key commodity supply chains and support forest positive businesses.
Consumer Goods Forum (CGF) Human Rights Coalition	The Consumer Goods Forum (CGF) Human Rights Coalition is the leading collective of consumer goods companies strengthening due diligence throughout their business practices to ensure human rights are protected, respected and remedied at every step of the value chain.
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) is a European Union law requiring companies to provide detailed, standardized reports on their environmental, social, and governance (ESG) impacts.
Direct suppliers	Direct supplier(s) are entities or individuals having a direct business relationship with Nestlé (e.g. through a contract or because they invoice Nestlé), which includes their employees, agents, and subcontractors, as well as co-manufacturers.
EcoVadis self-assessment questionnaire	The EcoVadis sustainability assessment is a paid service that assesses company's material sustainability impacts based on documented evidence.
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 impact and support the achievement of Nestlé's long-term business strategy.
<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.
Food Safety System Certification (FSSC)	FSSC 22000 is a complete certification Scheme for Food Safety Management Systems aligned with the ISO Management System approach and the ISO Harmonized Structure. It applies to the food manufacturing industry and related supply chain and is designed to ensure food safety standards and processes. FSSC 24000 is a Social Management System Scheme created to assist organizations in the consumer goods industry and relevant supply chains in meeting social sustainability and performance requirements.
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 Reforestation Program (GRP)	In support of Nestlé's Net Zero Roadmap, the Global Reforestation Program (GRP) implements large-scale reforestation projects in Nestlé's supply chains and sourcing landscapes.
Global Reporting Initiative (GRI)	The Global Reporting Initiative (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.
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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 8</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Defined term	Definition
Health Star Rating (HSR) system	The Health Star Rating (HSR) system is a front-of-pack labeling system that rates the overall nutritional profile of packaged food and assigns it a rating from ½–5 stars. It provides a quick, easy, standard way to compare similar packaged foods. The more stars, the more nutritionally valuable the food.
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 (GHG) emissions.
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.
Human Rights and Environmental Due Diligence (HREDD)	Human Rights and Environmental Due Diligence (HREDD) is a structured approach to risk management, which helps businesses to identify, prevent, mitigate and remediate potential or actual human rights and environmental risks and impacts in their operations and supply chains. It is based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. HREDD is increasingly required by regulations.
Impacts, risks and opportunities (IROs)	Impacts, risks and opportunities (also referred to as IROs) aid the understanding of what a business’s impact is in terms of environmental, social and governance matters, from the perspective of impact materiality, financial materiality, or both.
Indirect suppliers	Indirect supplier(s) are entities or individuals that do not have a direct contract with Nestlé but supply goods or services to Nestlé direct suppliers. They are part of the extended supply chain.
<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.
Markets	Market(s) is used to describe geographic entities where Nestlé operates.
<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 is 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 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 adverse 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 the Corporate Governance and Compensation Reports, and the Financial Statements.
Nestlé Environmental Requirements 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 Farmer Connect	Nestlé Farmer Connect focuses on training farmers in good agricultural practices, helping them grow safe, high-quality raw materials, and develop resilient farms.
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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 8</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Defined term	Definition
Nestlé Global Property Loss Prevention Program	The Nestlé Global Property Loss Prevention Program is managed centrally by Nestlé’s corporate Group Risk Services department and provides an in-depth identification of hazards exposure, such as floods and windstorms, interruption of supply, and others, for existing sites and greenfield projects.
Nestlé’s Human Resources Information System (HRIS)	Nestlé uses SAP/SuccessFactors as Nestlé’s Human Resources Information System (HRIS). Should an employee not appear on Nestlé’s HRIS it is typically due to a recent acquisition.
Nestlé’s Information System	Nestlé’s Enterprise Resource Planning (ERP) System is SAP, with the majority of companies and their data respectively integrated with SAP. Should a company not appear on Nestlé’s ERP it is typically due to a recent acquisition.
<a href="#">Nestlé Institute of Packaging Sciences</a>	The Nestlé Institute of Packaging Sciences enables Nestlé to accelerate its efforts to bring functional, safe and sustainability-related packaging solutions to Markets and to address the global challenge of plastic packaging waste.
Nestlé Leadership Framework	The Nestlé Leadership Framework identifies the key leadership competencies and behaviors that we expect of everyone at Nestlé. It supports the development of our employees worldwide and addresses the way we work within Nestlé – how people achieve their targets and objectives. The concept for the Nestlé Leadership Framework is derived from the <i>Nestlé Corporate Business Principles</i> .
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 sustainability strategy, which includes ensuring compliance with mandatory reporting obligations. The implementation of Nestlé’s 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 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 Management of Environmental Exceptional Compliance Issues Standard	This Standard is a mandatory framework for all Nestlé-managed sites globally, ensuring that any temporary deviation from environmental laws or Nestlé Environmental Requirements is promptly identified, transparently reported, and effectively resolved through structured corrective actions.
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 People Strategy	The Nestlé People Strategy is an internal global framework to build a future-ready, diverse and purpose-driven workforce. It focuses on cultivating an agile culture, enabling lifelong learning and empowering inclusive leadership.
Nestlé Roadmap for Employee Health	The Nestlé Roadmap for Employee Health outlines Nestlé’s priorities and summarizes the Employee Health Vision, Principles and Pillars, and provides key milestones and deliverables to serve as a reference for Markets when developing their employee health strategies.
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.
Origins	Origins are entities or individuals responsible for the harvest or primary production of the materials and ingredients we source for the manufacturing of our products (e.g. farms, plantations, fishing vessels), including packaging materials.
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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 8</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Defined term	Definition
Representative Concentration Pathways (RCP)	These pathways are standardized greenhouse gas (GHG) concentration trajectories that predict future climate change patterns, based on assumptions about human activity and its impact on the atmosphere.
<a href="#">Science Based Targets initiative (SBTi)</a>	The SBTi is a corporate climate action organization.
Science Based Targets Network (SBTN)	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 labor, health and safety, environmental performance, and ethics within their own operations or at a supplier site.
Shared Socioeconomic Pathways (SSP)	These pathways are potential scenarios for the future of society related to the impacts of climate change. They project socioeconomic developments such as population growth and economic development.
Silvo-pastoral systems	Silvo-pastoral systems are when trees, hedgerows and agricultural/horticultural crops and/or livestock are produced on the same piece of land, providing co-benefits such as additional sources of farm income, carbon sequestration in trees and soil organic matter, protection against wind erosion, improved water management and provision of habitats for beneficial insects, pollinators, birds and other species.
Surplus food	Surplus food refers to edible food products, ingredients or partly processed items that remain unsold or unused due to factors like specification mismatches, production or labeling errors, supply-demand imbalances, or date-marking restrictions. Surplus food may be redistributed if it is safe for human consumption and complies with local safety and information rules (cf. European Commission Notice – EU Guidelines on Food Donation C/2017/6872).
<a href="#">Sustainability Accounting Standard Index (SASB)</a>	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.
Sustainable Agriculture Initiative (SAI) Platform	The Sustainable Agriculture Initiative (SAI) Platform is the primary global value chain initiative for sustainable agriculture.
Sustainability Committee	Nestlé's Sustainability Committee has oversight over the structure and content of Nestlé's sustainability reporting and validates that the overall approach is in line with Nestlé's strategy.
Tier 1 suppliers	A Tier 1 supplier is any legal business entity from which any Nestlé entity or affiliate purchased a service or material.
<a href="#">Too Good to Go's Consumption Dates Pact</a>	<i>Too Good to Go's Pact</i> brings together industry, retail, NGOs, trade organizations and digital operators in the fight against food wastage.
The Taskforce on Nature-related Financial Disclosures (TNFD)	The Taskforce on Nature-related Financial Disclosures (TNFD) is a market-led, science-based and government-supported global initiative providing organizations with a risk management and a disclosure framework to act on evolving nature-related dependencies, impacts, risks and opportunities.
The UK Food and Drink Pact (formerly Courtauld Commitment 2030)	The UK Food and Drink Pact (formerly Courtauld Commitment 2030) is a cross-industry program to reduce waste, cut emissions and protect water resources to make the nation's food system more sustainable.
UN Global Compact Ten Principles	The UN Global Compact is a call to companies to align strategies and operations with 10 universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals – including the Sustainable Development Goals.
United Nations Environment Programme/ Ellen McArthur Foundation – New Plastics Economy Global Commitment	The United Nations Environment Programme drives global efforts to end plastic pollution by promoting a circular economy, focusing on reducing, reusing, and recycling packaging. Key initiatives include the New Plastics Economy Global Commitment with the Ellen MacArthur Foundation, which aims to eliminate unnecessary plastic and encourage sustainable, reusable, or compostable alternatives.
Verisk Maplecroft	<i>Verisk Maplecroft</i> is a global risk analytics company providing ESG, climate, political, and economic risk data for leading institutional investors and multinational corporations. It combines proprietary risk datasets with expert research on countries, industries and commodities.
Verified Carbon Standards (VCS)	The Verified Carbon Standard (VCS) Program is a widely used GHG crediting program. VCS drives finance towards activities that reduce and remove emissions, improve livelihoods, and protect nature.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices Appendix 8</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	---------------------------------------

Defined term	Definition
WASH4Work	WASH4Work is a multi-stakeholder initiative launched in 2016 to mobilize business action on water access, sanitation and hygiene (WASH) in workplace operations, in communities where companies operate, and across supply chains.
'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.
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 three geographical Zones: <ul style="list-style-type: none"> <li>– Zone Americas (AMS)</li> <li>– Zone Asia, Oceania and Africa (AOA)</li> <li>– Zone Europe (EUR)</li> </ul>

<sup>1</sup> 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) into Zone Americas (AMS). Further, Zone Greater China (GC) became part of Zone Asia, Oceania and Africa (AOA).

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 9</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--

## Appendix 9 – Assurance Statement



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To the Board of Directors of Nestlé S.A.

Lausanne, 18 February 2026

### 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 2025 to 31 December 2025 (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 "2025 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 "2025 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.

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 9</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--



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Page 2



### Independence and quality management

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 *ISQM 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)

Table of Contents	About this Non-Financial Statement 2025	Executive Summary	Part 1 – General Disclosures	Part 2 – Environmental Disclosures	Part 3 – Social Disclosures	Part 4 – Governance Disclosures	<a href="#">Appendices</a> <a href="#">Appendix 9</a>
-------------------	---	-------------------	------------------------------	------------------------------------	-----------------------------	---------------------------------	--



- 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, Brazil, Germany, Spain, Italy, Saudi Arabia, Côte d'Ivoire, India, Indonesia, China, and Australia 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: Selected environmental, social and governance (ESG) KPIs



#### Annex 1: Selected environmental, social and governance (ESG) KPIs

Selected KPIs	Reported value
<b>General</b>	
1. Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts	Management Short-term Incentive: 15% Long-term Incentive: 20%
2. Percentage of key ingredients spend covered by a Human Rights and Environmental Due Diligence (HREDD) maturity assessment	70,3%
<b>Environmental</b>	
3. Percentage net reduction of greenhouse gas (GHG) emissions versus 2018 baseline	24,52%
4. Total energy consumption related to own operations (factories only)	77 120 623 gigajoules
5. Percentage of renewable electricity sourced in our manufacturing sites, owned R&D centers and owned distribution centers at year end	98,6%
6. Gross Scope 1 greenhouse gas (GHG) emissions	2,82 million tonnes CO <sub>2e</sub>
7. Gross market-based Scope 2 greenhouse gas (GHG) emissions	0,22 million tonnes CO <sub>2e</sub>
8. Gross Scope 3 greenhouse gas (GHG) emissions	66,01 million tonnes CO <sub>2e</sub>
9. Total output of chemical oxygen demand (COD) load to the environment	4944 tonnes
10. Average annual chemical oxygen demand (COD) concentration	95,9 mgO <sub>2</sub> /l
11. Water use reduction in factories	2,9 million cubic meters
12. Nestlé Waters & Premium Beverages sites certified to the Alliance for Water Stewardship (AWS) Standard	39 sites
13. Nestlé Waters & Premium Beverages volumetric water benefits delivered by implementing local water stewardship projects	14,1 million cubic meters per year
14. Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free	96,7%
15. Percentage of volumes of key ingredients sourced from farmers adopting regenerative agriculture practices	27,6%
16. Number and area (ha) of Nestlé sites in or near and could negatively affect biodiversity-sensitive areas	311 sites 4202 hectares
17. Land footprint in agriculture (millions ha)	12,8 millions of hectares
18. Percentage of key ingredients sourced from priority ecosystems	2,8%
19. Land footprint for direct operations (ha)	10 330 hectares
20. Percentage of volumes of key ingredients responsibly sourced	49,8%



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Page 5

21.	Plastic packaging designed for recycling	87.5%
22.	Virgin plastic reduction versus 2018 baseline	28.0%
23.	Total weight of packaging	3.3 million tonnes
24.	Total weight of waste generated in tonnes	1 839 067 tonnes
24.1	Total weight of waste generated in tonnes and a breakdown of this total by composition of the waste (Hazardous)	2201 tonnes (Biomass) 8793 tonnes (Other waste) 10 994 tonnes (Total)
24.2	Total weight of waste generated in tonnes and a breakdown of this total by composition of the waste (Non-hazardous)	1 249 375 tonnes (Biomass) 578 698 tonnes (Other waste) 1 828 073 tonnes (Total)
<b>Social</b>		
25.	Total number of employees (headcount)	271 000
25.1	Total number of employees with breakdown by employment type (permanent and temporary), by gender	139 896 (Permanent, male) 92 724 (Permanent, female) 66 (Permanent, other) 7508 (Temporary, male) 7167 (Temporary, female) 3 (Temporary, other)
25.2	Total number of employees with breakdown by employment type (full-time and part-time), by gender	144 846 (Full-time, male) 93 978 (Full-time, female) 64 (Full-time, other) 2558 (Part-time, male) 5913 (Part-time, female) 5 (Part-time, others)
26.	Percentage of management positions held by women	48.2%
27.	Percentage of women executive officers	38.5%
28.	Recordable injury rate per million hours worked	1.13
29.	Total recordable fatalities (injury related)	2
30.	Total irreversible injuries	15
31.	Recordable illness rate per million hours worked	0.40
32.	Total recordable fatalities (illness related)	0
33.	Total irreversible illnesses	4
34.	Global mean (average) raw gender pay gap	-9.4%
35.	Average hours of technical and vocational training completed by our employees in the company	11.7 hours
36.	Number of young people supported to develop future-ready skills (annual)	2.6 million
37.	CARE audits performed	223
38.	Total number of households covered by the Child Labor Monitoring and Remediation System (CLMRS) to prevent and address child labor risks (24 months)	97 122
39.	Percentage volume of cocoa covered by due diligence systems for child labor risks, including CLMRS	96.2%



40.	Percentage volume of green coffee covered by due diligence systems for child labor risks	86.8%
41.	Number of significant non-compliances related to human rights identified through third-party audits of our direct suppliers (SMETA audits), of which number of non-compliances closed	5126 (Identified) 1209 (Closed)
42.	Community Giving investment: Total amount	161 317 000 CHF
43.	Percentage of Food Safety System Certification (FSSC) Certified Manufacturing and R&D units that produce food and pet food for human and pets (cats and dogs) consumption	98.9%
44.	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	95.6%
45.	Nutritional value transparency: Health Star Rating (HSR) with & without pet food	
45.1	Nutritional value transparency: Health Star Rating (HSR) with pet food	94% (Percentage of sales covered by the assessment) 31% (HSR of 3.5 and above) 15% (HSR of between 1.5 and 3.5) 16% (HSR of less than 1.5) 17% (Specialized nutrition) 21% (Pet food)
45.2	Nutritional value transparency: Health Star Rating (HSR) without pet food	75% (Percentage of sales covered by the assessment) 40% (HSR of 3.5 and above) 19% (HSR of between 1.5 and 3.5) 19% (HSR of less than 1.5) 22% (Specialized nutrition) NA (Pet food)
46.	Nutritional value transparency: Health Star Rating (HSR) without pet food, pure coffee, and specialized nutrition	41% (Percentage of sales covered by the assessment) 30% (HSR of 3.5 and above) 35% (HSR of between 1.5 and 3.5) 35% (HSR of less than 1.5) NA (Specialized nutrition) NA (Pet food)
47.	Health Star Rating (HSR): sales-weighted mean (HSR)	
47.1	Health Star Rating (HSR): sales-weighted mean (HSR) without pet food and specialized nutrition	2.6 (Sales-weighted mean HSR) 3.0 (Powdered and Liquid Beverages) 5.0 (Water) 2.1 (Milk products and Ice cream) 3.9 (Nutrition and Health Science) 2.6 (Prepared dishes and cooking aids) 0.8 (Confectionery)



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Page 7

47.2	Health Star Rating (HSR): sales-weighted mean (HSR) without pure coffee, pet food, and specialized nutrition	2.2 (Sales-weighted mean HSR) 1.9 (Powdered and Liquid Beverages) 5.0 (Water) 2.1 (Milk products and Ice cream) 3.9 (Nutrition and Health Science) 2.6 (Prepared dishes and cooking aids) 0.8 (Confectionery)
48.	Number of countries with audits on the Nestlé Policy for Implementing the WHO Code	16
49.	Instances of substantiated non-compliances with the Nestlé Policy for Implementing the WHO Code	267
50.	Compliance with Nestlé Marketing Communication to Children Policy	96.7%
51.	Number of servings of affordable nutrition with micronutrient fortification	135.4 billion
52.	Total number of servings of micronutrient fortified foods and beverages	197.8 billion
<b>Governance</b>		
53.	Total number of messages received through <i>Speak Up</i> system, of which number closed and substantiated	
53.1	Total number of messages received through <i>Speak Up</i> system	3753
53.2	Total number of messages closed through <i>Speak Up</i> system	3054
53.3	Total number of messages closed through <i>Speak Up</i> system, of which, cases substantiated through <i>Speak Up</i> system	759
54.	Number of grievances received through <i>Speak Up</i> or other channels related to human rights in our supply chain:	9
54.1	Number of grievances substantiated	6
54.2	Number of grievances substantiated, of which, under remediation	4
54.3	Number of grievances substantiated, of which, remediated or supplier terminated	2
54.4	Number of grievances under investigation	3