



Nestlé Good food, Good life

Invitation to the Annual General Meeting 2024 of Nestlé S.A.

157th Annual General Meeting
Thursday, April 18, 2024 at 2:30 p.m.
SwissTech Convention Center EPFL
Rue Louis-Favre 2
1024 Ecublens / Lausanne, Switzerland



Table of Contents

Letter from the Chairman	3
Agenda and Proposals of the Board of Directors	7
General Information	19

Letter from the Chairman

Dear Shareholder,

In 2023, Nestlé remained steadfast in times of uncertainty. Our Nutrition, Health and Wellness strategy is our past, present and future. Within this framework we continue to set new priorities. Our value creation model, which combines the balanced pursuit of top-line and bottom-line growth with resource efficiency, empowers us to invest, renovate and grow. Our industry-leading research and development, conducted at our main research center, the five scientific institutes, and 23 technology centers globally support our growth ambitions. We have embraced digital technologies, making them omni-present in our company. At the same time, our commitment to Creating Shared Value ensures that our shareholders, customers, consumers and society can rely on us.

We are on track to achieve our near-term climate commitments, guided by our detailed Climate Roadmap to achieve zero net greenhouse gas emissions by 2050. Peak carbon and peak plastic are behind us, even as our business continues to grow. You, our shareholders, strongly supported this ambition at our 2021 Annual General Meeting. This year, you will have the opportunity to vote on our comprehensive Creating Shared Value and Sustainability Report, which from now on will be subject to a vote of our shareholders every year. We thank you for the strong support you showed at our last meeting for the revised Articles of Association, which allowed us to implement the new Swiss corporate law a year ahead of schedule.

We actively engage with our shareholders through roadshows, investor days, meetings, and Chairman's roundtables in different locations around the world. These interactions with our shareholders throughout the year provide us with valuable insights and help us refine our strategic priorities and our environmental, social and governance agenda.

After three years of prioritizing public safety due to the pandemic, we resumed our Annual General Meeting last year, adopting a new location and a modernized format that allows shareholders to connect with us remotely. Once again this year, you will be able to follow the proceedings live through our electronic shareholder portal "GVMANAGER-Live". You can access the portal using your personal login or the QR code displayed in the invitation letter. You can also provide your voting instructions to the Independent Representative electronically through this shareholder portal. You can send any questions in advance of the meeting by submitting them to our share registry. The Chairman and the CEO will address major topics in their speeches, which will be webcast. We will enable online participation by live-streaming the meeting from the Swiss Tech Convention Center in Lausanne. Please note that there is very little parking space at the venue.

We continuously refresh our Board of Directors by appointing members who bring unique experience and expertise directly relevant to Nestlé's success. These include topics such as marketing, digital, agriculture, sustainability, geopolitics, and finance.

At the upcoming meeting, Henri de Castries, after 12 years of dedicated service to the Company will not stand for further re-election. Having joined the Board of Directors in 2012, Henri de Castries has served as the Board's Lead Independent Director since 2017 and its Vice Chairman since 2018. He chaired the Nomination and Sustainability Committee from 2017 until 2021 and has chaired the Nomination Committee since 2021. Henri de Castries has also been a member of the Audit Committee since 2012 and the Chair's and Corporate Governance Committee since 2017.

For personal reasons, Kimberly A. Ross has decided not to stand for re-election. Kimberly A. Ross joined the Board of Directors in 2018 and has served on the Audit Committee since then.

The Board of Directors would like to extend its sincere gratitude to Henri de Castries and Kimberly A. Ross for their highly appreciated engagement and outstanding service over the past years.

At the Annual General Meeting, we will propose the re-election of all other Board members and the Chairman for annual terms. Detailed profiles of each candidate are available on our website. If elected, I will be honored to continue to serve as the Chairman of the Board of Directors. If elected, Pablo Isla will assume the role of Lead Independent Director and Vice-Chairman, and he will chair the Board's Nomination Committee. Dick Boer, if elected, will chair the Compensation Committee.

Furthermore, we will propose the election of one new member to the Board of Directors. Geraldine Matchett has served as the Co-Chief Executive Officer and CFO at DSM-Firmenich AG (formerly Royal DSM N.V.) from 2020 to September 2023, having previously been CFO from 2014 to 2020. Prior to that, she served as CFO at SGS S.A. and held financial auditor roles at Deloitte Touche Tohmatsu Ltd. and at KPMG. Her addition to the Board will further enhance our strategic, operational and financial expertise.

On behalf of our Board, executive management and the global Nestlé community, I would like to thank you, our shareholders, for your unwavering trust and support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Bulcke', with a large, sweeping flourish at the end.

Paul Bulcke
Chairman of the Board of Directors

Agenda and Proposals of the Board of Directors

1 Annual Report 2023

1.1 Annual Review, financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group for 2023

Proposal

Approval of the Annual Review, the financial statements of Nestlé S.A. and the consolidated financial statements of the Nestlé Group for 2023

Explanation

As per Nestlé S.A.'s Articles of Association, the Board of Directors submits the Annual Review, the financial statements of Nestlé S.A. as well as the consolidated financial statements of the Nestlé Group for the financial year 2023 to the shareholders for approval. The Annual Review, the financial statements and the reports of the auditors are part of Nestlé's Annual Report and are available on the internet (www.nestle.com/investors/publications) or from the Share Registry in Cham.

In their audit reports, Ernst & Young Ltd recommend approving the financial statements of Nestlé S.A. and the consolidated financial statements of the Nestlé Group for 2023.

1.2 Advisory vote on the Compensation Report 2023

Proposal

Acceptance of the Compensation Report 2023 (advisory vote)

Explanation

As per Nestlé S.A.'s Articles of Association, the Board of Directors submits the Compensation Report 2023 to an advisory vote of the shareholders. The Compensation Report is part of the Corporate Governance Report included in the Annual Report. It is available on the internet (www.nestle.com/investors/publications) or from the Share Registry in Cham.

Ernst & Young Ltd have audited the Compensation Report as required by law and confirm that the Compensation Report 2023 complies with Swiss law and the Articles of Association.

1.3 Advisory vote on the Creating Shared Value and Sustainability Report 2023

Proposal

Acceptance of the Creating Shared Value and Sustainability Report 2023 (advisory vote)

Explanation

As per Nestlé S.A.'s Articles of Association, the Board of Directors established a report on non-financial matters in accordance with the provisions of the law and submits it to the shareholders for approval in an advisory vote. The Creating Shared

Value and Sustainability Report 2023 contains the report on non-financial matters as per article 964b of the Swiss Code of Obligations. The full Report is available on the internet (www.nestle.com/investors/publications).

Ernst & Young Ltd have provided limited assurance on selected KPIs, as referenced on page 71 of the Report, and assessed whether the Report complies with article 964b of the Swiss Code of Obligations. Ernst & Young Ltd provide an unqualified limited assurance conclusion in this regard.

2 Discharge of the Board of Directors and of the Management

Proposal

Discharge to the members of the Board of Directors and of the Management for the financial year 2023

Explanation

As per Nestlé S.A.'s Articles of Association, the Board of Directors proposes to the shareholders to grant discharge to the members of the Board of Directors and of the Management for 2023.

3 Appropriation of available earnings resulting from the balance sheet of Nestlé S.A.

Proposal

Retained earnings

Profit brought forward from 2022	CHF	16 204 510 328
Dividends on own shares not distributed ^(a)	CHF	283 919 753
Cancellation of 80 000 000 shares (share buyback)	CHF	(9 136 617 465)
Profit for the year 2023	CHF	12 671 082 922
Total	CHF	<u>20 022 895 538</u>

Proposed appropriation

Dividend for 2023, CHF 3.00 per share on 2 670 000 000 shares ^(b) (2022: CHF 2.95 on 2 750 000 000 shares)	CHF	<u>8 010 000 000</u>
Retained earnings to be carried forward	CHF	<u>12 012 895 538</u>

^(a) The amount of CHF 8 112 500 000 proposed to be distributed as dividend for 2022 was reduced by CHF 283 919 753 due to 96 243 984 treasury shares held by the Nestlé Group at the dividend payment date.
^(b) Depending on the number of shares issued as of the last trading day with entitlement to receive the dividend (April 19, 2024). No dividend is paid on treasury shares held by the Nestlé Group.

Explanation

Pursuant to Nestlé S.A.'s Articles of Association, the Board of Directors proposes to the shareholders to approve the dividend of CHF 3.00 per share. In their audit report, Ernst & Young Ltd confirm that the proposed appropriation of available earnings complies with Swiss law and the Articles of Association.

Provided that the proposal of the Board of Directors is approved, the gross dividend will amount to CHF 3.00 per share, representing a net amount of CHF 1.95 per share after payment of the Swiss withholding tax of 35%.

The last trading day with entitlement to receive the dividend is April 19, 2024. The shares will be traded ex-dividend as of April 22, 2024. The net dividend will be payable as from April 24, 2024.

4 Elections

4.1 Re-elections of the Chair and of the members of the Board of Directors

Proposal

Individual re-elections of Paul Bulcke as member and as Chairman of the Board of Directors, and of Ulf Mark Schneider, Pablo Isla, Renato Fassbind, Patrick Aebischer, Dick Boer, Dinesh Paliwal, Hanne Jimenez de Mora, Lindiwe Majele Sibanda, Chris Leong, Luca Maestri, Rainer Blair as well as Marie-Gabrielle Ineichen-Fleisch as members of the Board of Directors (each for a term of office until the end of the next Annual General Meeting)

Explanation

At the Annual General Meeting 2023, the shareholders elected the Chairman and all members of the Board of Directors for a term of office of one year in accordance with the Articles of Association. Their mandates will expire at the end of the Annual General Meeting of April 18, 2024.

Henri de Castries will not stand for further re-election after 12 years of dedicated service to the Company. Having joined the Board of Directors in 2012, Henri de Castries has been the Board's Lead Independent Director since 2017 and its Vice Chairman since 2018. He chaired the Nomination and Sustainability Committee from 2017 until 2021 and the Nomination Committee since 2021. Henri de Castries has also served on the Audit Committee since 2012 and on the Chair's and Corporate Governance Committee since 2017. The Board of Directors wishes to extend its sincere gratitude to Henri de Castries for his highly appreciated and outstanding services during all these years.

Kimberly A. Ross has decided not to stand for re-election for personal reasons. Kimberly A. Ross joined the Board of Directors in 2018 and has served on the Audit Committee since then. The Board of Directors wishes to extend its sincere gratitude to Kimberly A. Ross for her engagement and her highly appreciated contributions.

Pursuant to Nestlé S.A.'s Articles of Association, the Board of Directors proposes the individual re-election of each of the following Directors, who have provided most valuable services to the Company as members of the Board of Directors:

- 4.1.1 Paul Bulcke, Belgian/Swiss, born 1954, Chairman of the Board of Directors, Chair of the Chair's and Corporate Governance Committee and member of the Nomination Committee. Paul Bulcke was the CEO (administrateur délégué) of Nestlé S.A. from 2008 to 2016. As a Nestlé S.A. representative, he serves as Vice Chairman of L'Oréal S.A., France. The Board of Directors proposes to re-elect Paul Bulcke as a member and also as Chairman of the Board of Directors in a single vote.
- 4.1.2 Ulf Mark Schneider, German/American, born 1965, CEO (administrateur délégué) of Nestlé S.A., member of the Chair's and Corporate Governance Committee. U. Mark Schneider was the CEO of Fresenius Group, Germany, from 2003 until June 2016. He serves as member of the Board of Directors of Roche Holding Ltd, Switzerland.
- 4.1.3 Renato Fassbind, Swiss, born 1955, Chair of the Audit Committee and member of the Chair's and Corporate Governance Committee. Renato Fassbind was a member of various Boards such as Kühne + Nagel International AG and Swiss Re AG, the latter in the position of Vice Chairman.
- 4.1.4 Pablo Isla, Spanish, born 1964, Chair of the Compensation Committee and member of the Chair's and Corporate Governance Committee. Pablo Isla was the Executive Chairman of Inditex, Spain, one of the world's largest fashion retailers holding brands such as Zara. He is the former Co-Executive Chairman of Altadis and was the General Secretary and an Executive Member of Banco Popular, both in Spain.
- 4.1.5 Patrick Aebischer, Swiss, born 1954, member of the Compensation Committee. He is the President Emeritus of the Swiss Federal Institute of Technology Lausanne (EPFL). Patrick Aebischer serves as a member of the Board of Directors of Logitech International S.A. and of PolyPeptide Group AG, both in Switzerland.
- 4.1.6 Dick Boer, Dutch, born 1957, member of the Compensation Committee and of the Sustainability Committee, was President and CEO of Ahold Delhaize N.V., Netherlands, until 2018. Prior to the merger of Ahold and Delhaize in 2016, he served as President and CEO of Ahold N.V., Netherlands. Dick Boer is member of the Board of Shell plc, United Kingdom. He is also Chairman of the Advisory Board of the Rijksmuseum Fonds and serves as Chairman of the Supervisory

Board of the Royal Concertgebouw N.V. and as non-executive Board member of SHV Holdings N.V., all in the Netherlands. He is also the Chairman of the Supervisory Board of Just Eat Takeaway.com, Netherlands.

- 4.1.7 Dinesh Paliwal, American/Indian Overseas Citizenship, born 1957, member of the Compensation Committee and of the Nomination Committee, was Senior Advisor to the Harman International Industries Inc./Samsung Board and CEO until December 2020, after having been the CEO of Harman from 2007 to April 2020. Dinesh Paliwal is a partner at KKR & Co. Inc. in the USA. He also serves as Non-Executive Chairman of Marelli & Koki Holding Co. Ltd., Japan.
- 4.1.8 Hanne Jimenez de Mora, Swiss, born 1960, Chair of the Sustainability Committee and member of the Chair's and Corporate Governance Committee, is co-founder of a-connect (group) ag, a management consultant firm based in Switzerland, which she founded in 2002. Hanne Jimenez de Mora was partner at McKinsey & Company in Switzerland and has held non-executive director roles at large publicly traded companies, including AB Volvo, Sandvik, Telenor and Tomra Systems. She is the Chairperson of Microcaps AG, Switzerland, and serves also as Vice Chair and as member of the Supervisory and Foundation Boards of IMD Business School, Switzerland.
- 4.1.9 Lindiwe Majele Sibanda, Zimbabwean, born 1963, member of the Sustainability Committee, is Professor Extraordinary at the University of Pretoria, South Africa. Lindiwe Majele Sibanda is the Managing Director of Linds Agriculture Services Pvt Ltd., Harare, Zimbabwe and serves as Chairwoman of the Consultative Group of International Agricultural Research Centres (CGIAR) System Board.
- 4.1.10 Chris Leong, Malaysian, born 1967, member of the Sustainability Committee, is Chief Marketing Officer and member of the Executive Committee of Schneider Electric SE, France. Before joining Schneider Electric in 2012, she led Nokia's Greater China, Korea and Japan region. Previously, Chris Leong was with WPP plc, United Kingdom, including managing its advertising agencies based in Asia.
- 4.1.11 Luca Maestri, Italian/American, born 1963, member of the Audit Committee, is Apple Inc.'s Senior Vice President and CFO since 2014. Prior to joining Apple, Luca Maestri was CFO at Xerox Corporation, USA, from 2011 to 2013, and at Nokia Siemens Networks, Germany, from 2008 to 2011. He started his career at General Motors Europe, Switzerland.

4.1.12 Rainer Blair, American, born 1964, is the President and CEO of Danaher Corporation, a global science and technology company, since 2020. He joined Danaher in 2010 and held leadership roles across several of its operating companies before being appointed Executive Vice President of Danaher's Life Sciences in 2017. Prior to Danaher, Rainer Blair was President and CEO of MAPEI Americas, a global construction chemical corporation. He spent 15 years with BASF Group in various leadership roles on three continents. Rainer Blair is a member of the Board of the Analytical Life Science and Diagnostics Association, USA.

4.1.13 Marie-Gabrielle Ineichen-Fleisch, Swiss, born 1961, member of the Nomination Committee, was the State Secretary and Director of the Swiss State Secretariat for Economic Affairs (SECO) from 2011 to 2022. From 2007 to 2011, she was the Swiss Ambassador and Delegate for Trade Agreements and Switzerland's Chief Negotiator to the World Trade Organization (WTO) as well as Head of the World Trade Division and member of the Executive Management of SECO. Previously, she held various positions at SECO, the Swiss Federal Office of Foreign Economic Affairs (BAWI), the World Bank in the USA and at McKinsey & Company in Switzerland. Marie-Gabrielle Ineichen-Fleisch serves on the Boards of KIBAG Holding AG, Schweizerische Mobiliar Genossenschaft and F.G. Pfister AG, all in Switzerland.

For further details on the nominees as well as their qualifications, see biographies in the Corporate Governance Report 2023 or on the internet (www.nestle.com/investors/corporate-governance/management/boardofdirectors).

4.2 Election to the Board of Directors

Proposal

Election of Geraldine Matchett as member of the Board of Directors (for a term of office until the end of the next Annual General Meeting)

Explanation

The Board proposes to elect Geraldine Matchett as member of the Board of Directors.

Geraldine Matchett, a Swiss, British and French citizen, born 1972, has been the Co-Chief Executive Officer and Chief Financial Officer at DSM-Firmenich AG, Switzerland, from 2020 to September 2023. From 2014 to 2020, she served as CFO at Royal DSM N.V., Netherlands. Prior to DSM, she was Global CFO and member of the Operations Council of SGS S.A. in Switzerland.

She started her career as a management trainee at Thames Water Utilities Ltd., UK, and subsequently held financial auditor roles at KPMG LLP, UK, and Deloitte Touche Tohmatsu Ltd., Switzerland.

Geraldine Matchett holds a Master's degree in Sustainable Development from the University of Cambridge, a Bachelor's degree in Physical and Human Geography from the University of Reading, both in the UK, and is a Certified Chartered Accountant from ICAEW, London, UK.

Geraldine Matchett is a member of the Board of ABB Ltd., Switzerland, and FCLT Global Boston, USA. She serves also as an Advisory Board member of Catalyst Inc., USA, and as a member of the Foundation Board of IMD Business School, Switzerland.

The Board believes that her extensive experience will significantly contribute to the Board's strategic, operational and financial expertise.

For further details on the nominee as well as her qualifications and current mandates, see biography on the internet (www.nestle.com/investors/corporate-governance/annualgeneralmeeting).

4.3 Elections of the members of the Compensation Committee

Proposal

Individual elections of Dick Boer, Patrick Aebischer, Pablo Isla and Dinesh Paliwal as members of the Compensation Committee (each for a term of office until the end of the next Annual General Meeting)

Explanation

The Board of Directors proposes the individual election of the following candidates, for a term of office until the end of the next Annual General Meeting. If elected, Dick Boer will be appointed Chair of the Compensation Committee.

4.3.1 Dick Boer

4.3.2 Patrick Aebischer

4.3.3 Pablo Isla

4.3.4 Dinesh Paliwal

4.4 Election of the statutory auditors

(Financial statements of Nestlé S.A. and consolidated financial statements of the Nestlé Group 2024)

Proposal

Re-election of Ernst & Young Ltd, Lausanne branch, as statutory auditors for the financial year 2024

Explanation

As per Nestlé S.A.'s Articles of Association, the Board of Directors proposes to the shareholders to elect Ernst & Young Ltd, Lausanne branch, as auditors for the financial year 2024.

4.5 Election of the Independent Representative

Proposal

Re-election of Hartmann Dreyer, Attorneys-at-law, P.O. Box, 1701 Fribourg, Switzerland, as Independent Representative (for a term of office until the end of the next Annual General Meeting)

Explanation

In accordance with Nestlé S.A.'s Articles of Association, the Board of Directors proposes to the shareholders to re-elect Hartmann Dreyer, Attorneys-at-law, as Independent Representative for a term of office until the end of the next Annual General Meeting.

5 Compensation of the Board of Directors and of the Executive Board

Pursuant to Nestlé S.A.'s Articles of Association, the Board of Directors submits the compensation of the Board of Directors and of the Executive Board for approval by the shareholders.

5.1 Compensation of the Board of Directors

Proposal

Approval, prospectively, for the period from the Annual General Meeting 2024 to the Annual General Meeting 2025, of a total compensation for the 13 non-executive members of the Board of Directors (including the Chairman, but excluding the CEO) of CHF 10.0 million, including approximately CHF 3.0 million in cash remuneration, CHF 6.5 million in Nestlé S.A. shares (blocked for a 3-year period) and CHF 0.5 million for social security contributions and other fees

Explanation

Please refer to the Report of the Board of Directors on the Proposals for the Compensation of the Board of Directors and of the Executive Board which is available on the internet (www.nestle.com/investors/corporate-governance/annualgeneralmeeting).

5.2 Compensation of the Executive Board

Proposal

Approval, prospectively, for the period from January 1, 2025 to December 31, 2025, of a total maximum amount of compensation for the 16 members of the Executive

Board, including the CEO, of CHF 80 million, including approximately CHF 18.5 million for base salary, CHF 28 million for short-term bonus (based on maximum target achievement), CHF 21 million for long-term incentive plans (based on market value at grant), CHF 6.5 million for contributions for future pension benefits and CHF 6.0 million for social security contributions, other benefits and unforeseen expenses

Explanation

Please refer to the Report of the Board of Directors on the Proposals for the Compensation of the Board of Directors and of the Executive Board which is available on the internet (www.nestle.com/investors/corporate-governance/annualgeneralmeeting).

6 Capital reduction

Proposal

- Reduction of the share capital of CHF 267 000 000 by CHF 5 000 000 to CHF 262 000 000;
- Execution of the capital reduction by cancellation of 50 000 000 own shares which were repurchased under the ongoing share buyback program;
- Allocation of the amount of the capital reduction to reduce correspondingly the position of own shares in the balance sheet

Explanation

The Board of Directors proposes that the shareholders approve the cancellation of 50 000 000 own shares which were repurchased under Nestlé S.A.'s ongoing share buyback program of up to CHF 20 billion launched on January 3, 2022 on a second trading line of SIX Swiss Exchange.

The capital reduction by cancellation of shares requires a notice to the creditors which was published in the Swiss Official Gazette of Commerce on February 26, 2024 and a report by the auditors Ernst & Young Ltd pursuant to art. 653m of the Swiss Code of Obligations confirming that the claims of the creditors are fully covered even after the capital reduction. The report by the auditors will be based on the results of the notice to the creditors and on the financial statements 2023 of Nestlé S.A. The Board of Directors will inform the Annual General Meeting on the results of the auditors' report.

The amount of the capital reduction will be allocated to reduce correspondingly the position of own shares in the balance sheet of Nestlé S.A. (art. 659a para. 4 and art. 959a para. 2 clause 3 lit. e of the Swiss Code of Obligations).

Provided that the proposal is approved, the Board of Directors will execute the capital reduction by cancellation of own shares, amend the Articles of Association and record the capital reduction in the Commercial Register.

7 Shareholder proposal for an Amendment to the Articles of Association regarding sales of healthier and less healthy foods

The following text is a proposal made by shareholders in accordance with art. 9 para. 3 of Nestlé S.A.'s Articles of Association. **The Board of Directors recommends voting against this shareholder proposal.**

Proposal by shareholders acting through ShareAction:

In particular, and with regard to this item on the agenda, the shareholders propose to amend the company's Articles of Association by adding an Article 23bis following the Article 23 and reading as follows:

Article 23bis: Report on non-financial matters [new]

For each financial year, the Board of Directors shall prepare a report on sustainable development, social issues, employment matters, respect for human rights and anti-corruption, which presents the results achieved in relation to certain environmental, social and governance (ESG) key performance indicators (KPIs).

These KPIs will include absolute and proportional sales figures for food and beverage according to their healthfulness, as defined by a government-endorsed Nutrient Profiling Model. The company will set a timebound target to increase the proportion of its sales derived from these healthier products.

Explanation by shareholders acting through ShareAction:

Nestlé consistently states that health and good nutrition are at the core of its strategic aims, "applying its expertise in nutrition, health and wellness to help people live happier, healthier lives".

However, Nestlé relies heavily on the sales of less healthy foods, which have a major impact on public health. More than 50% of Nestlé's sales do not meet the Health Star Rating (HSR) healthier threshold of 3.5 or above, exposing itself to financial, regulatory, legal and reputational risks.

Increasing public health policies, such as sugar taxes and marketing restrictions, threaten sales. Regulatory compliance creates legal risks. Reputational risks arise from increasing societal scrutiny. Meanwhile, consumer demand for healthier alternatives is increasing.

Shareholders have been calling for the company to reduce its reliance on sales of less healthy products. However, whereas Nestlé has announced a target to increase sales from 'nutritious' products by 50% by 2030, this growth is simply in line with its overall growth guidance (4-6%/yr), so that sales of less healthy products would also increase by 50%.

Moreover, some products have been included in the "nutritious" category, while HSR does not apply to them. This is for example the case for infant food and milk formula for children aged over 12 months, despite these products often not being

recommended by health professionals. It is also the case for coffee, contrary to HSR guidelines. This enables the company to meet its healthier food sales target solely by increasing the sales of these products and prevents shareholders from correctly assessing the applicable risks.

Investors want to see a strategic shift to reduce over-reliance on the sale of less healthy foods, mitigating the risks these expose the company to, and capitalising on growing demand for healthier products. This resolution supports that aim, requiring the company to set targets to increase sales of healthier products in both absolute and relative terms, while correctly applying government-endorsed methodology.

Proposal by the Board of Directors:

The Board of Directors proposes to vote “No” on this shareholder proposal

Explanation by the Board of Directors:

The Board of Directors recommends voting against this shareholder proposal. It is not in the best interests of the company, its shareholders or consumers.

Nestlé S.A.'s Articles of Association already foresee the publication of a comprehensive annual report on non-financial matters that covers ESG topics, as mandated by Swiss law. Moreover, Nestlé's report voluntarily exceeds the transparency standards provided by most competitors, by disclosing detailed information on the nutritional value of its portfolio. It is unnecessary to prescribe specific additional content for this report in the Articles of Association.

Nutrition, Health and Wellness have been and will continue to be Nestlé's past, present and future. The company has committed to grow the more nutritious part of its portfolio. Nestlé recognizes the growing demand for healthier food and has strategies in place to meet these consumer expectations. However, this proposal would curtail the flexibility of the company to continuously evolve its product offerings.

Last year, Nestlé voluntarily adopted industry-leading responsible marketing practices to guide people towards balanced diets, and set an ambitious, timebound target to increase the sales of more nutritious products by CHF 20-25 billion by 2030. The target was positioned at the higher end of the company's mid-term sales growth expectations. ShareAction's proposal is to change this from an absolute target to a proportional target that requires faster growth in one part of the portfolio and slower growth, contraction, or divestment in another. Weakening valuable portfolio segments would create opportunities for competitors to fill the void. Restricting the company's growth strategy in this manner would not serve the best interests of Nestlé shareholders, nor would it yield public health benefits.

Nestlé was the first food and beverage company to provide transparency on the nutritional value of its entire portfolio utilizing a government-endorsed Nutrient Profiling Model. This transparency underscored its commitment to offer a diverse

range of products that is not reliant on indulgent or less nutritious options. Notably, 50% of its sales are derived from coffee, pet care and Nestlé Health Science products.

Nestlé's strength comes from its presence in multiple categories. The scale and balance of the portfolio enables Nestlé to invest in industry-leading research and development. That investment supports growth within the more nutritious segment. Imposing limitations on growth in certain categories would effectively reduce investment in product innovation and renovation. Nestlé's objective is to achieve success across all categories, ensuring that we address responsibly the diverse needs and preferences of all our consumers.

General Information

Invitation, Voting rights

Only shareholders who are on record in the share registry with voting rights on April 11, 2024 at 12:00 noon (CEST) are entitled to exercise their voting rights. The registration of shares for voting purposes does not affect the tradability of such shares.

Shareholders registered with voting rights on March 28, 2024 will automatically receive an invitation to the Annual General Meeting.

Shareholders whose registration in the share registry with voting rights is made as from March 29, 2024 and who wish to attend the Annual General Meeting or grant a proxy to the Independent Representative are asked to contact the Share Registry.

Only shareholders or their duly appointed representatives will be entitled to participate in person in the Annual General Meeting.

Livestream

As a shareholder, you have the possibility to follow the Annual General Meeting in full via livestream by accessing the electronic shareholder portal "GVMANAGER-Live" on www.gvmanager-live.ch/nestle (using your personal access or QR code displayed in the Invitation Letter).

Questions

Shareholders can send their questions ahead of the Annual General Meeting to the Share Registry of Nestlé S.A., P.O. Box, 6330 Cham, Switzerland, or e-mail them to shareregister@nestle.com.

Proxy to the Independent Representative

If you wish your voting rights to be exercised by the Independent Representative, Hartmann Dreyer, Attorneys-at-law, P.O. Box, 1701 Fribourg, Switzerland, please provide your voting instructions electronically by accessing the shareholder portal "GVMANAGER-Live" via www.gvmanager-live.ch/nestle (using your personal access or QR code displayed in the Invitation Letter) or by using the reverse side of the Proxy and Voting Instructions form which should be sent to the Independent Representative in the enclosed envelope by April 11, 2024.

Admission card

You can order an admission card for yourself or for a personal representative by accessing the electronic shareholder portal "GVMANAGER-Live" via www.gvmanager-live.ch/nestle (using your personal access or QR code displayed in the Invitation Letter) or by using the Admission Card Request, which should be returned to the Share Registry by April 11, 2024 in the enclosed envelope.

Documentation

Please find enclosed the summary of the Annual Report 2023 with an overview of the financial results of Nestlé S.A. and of the Nestlé Group for the business year 2023. For more detailed information on the financial results and an insight into our different areas of activity, we invite you to consult our full Annual Report 2023 (which includes the Corporate Governance and Compensation Reports 2023) on our website (www.nestle.com/investors/publications). On the same website, you will also find the Creating Shared Value and Sustainability Report 2023.

A printed copy of the full Annual Report 2023 can be ordered by ticking the corresponding box on the Admission Card Request. Using the same document, you can also pre-order a printed copy of the Half-Year Report January - June 2024 which will be published in July 2024 and be available on our website.

Please address all correspondence regarding the Annual General Meeting to the Share Registry of Nestlé S.A., P.O. Box, 6330 Cham, Switzerland, telephone +41 41 785 20 20 or e-mail shareregister@nestle.com.

Information

All shareholder information is available at www.nestle.com/investors.

Nestlé S.A.
Board of Directors
Cham and Vevey (Switzerland), March 19, 2024

