

To the Board of Directors of Nestlé S.A.

Lausanne, 21 February 2024

Independent Assurance Report on selected Sustainability KPIs of Nestlé S.A.

We have been engaged to perform a limited assurance engagement (the engagement) on certain consolidated environmental, social and governance indicators listed in Appendix 1 (the “KPIs”) disclosed in the Annual Review and in the Creating Shared Value and Sustainability Report of Nestlé S.A. (“the Reports”) for the reporting period from 1 January 2023 to 31 December 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Reports, and accordingly, we do not express a conclusion on this information.



Applicable Criteria

Nestlé S.A. defined as Applicable Criteria (hereafter “Applicable Criteria”):

- ▶ Nestlé S.A.’s reporting guidelines, provided in the “Reporting Scope and Methodology for ESG Key Performance Indicators” on page 3 of the Creating Shared Value and Sustainability Report and
- ▶ Art. 964b of the Swiss Code of Obligations. Refer to pages 72-75 of the Creating Shared Value and Sustainability Report.

We believe that these criteria are a suitable basis for our limited assurance engagement.



Board of Directors’ responsibilities

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 disclosed KPIs in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.



Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board of Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our responsibility

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the 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 KPIs in the Reports are free from material misstatement, whether due to fraud or error.



Summary of work performed

Based on risk and materiality considerations, we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope 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 we performed a reasonable assurance engagement.

Although we considered the effectiveness of 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.
Inquiries of company's representatives responsible for collecting, consolidating and calculating the KPIs in order to assess the process of preparing the data, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement.
- ▶ Inspection of the relevant documentation of the systems and processes for compiling, analyzing and aggregating data and testing such documentation on a sample basis.
- ▶ Analytical procedures and inspection of documents on a sample basis with respect to the compilation and reporting of the KPIs.
- ▶ Site visits were conducted in the USA, Brazil, Chile, Italy, Spain, Japan, Malaysia and China based on quantitative and qualitative criteria:
 - Inquiries of personnel responsible for internal non-financial reporting and inspection of documents on a sample basis at the sites we visited.
- ▶ Assessing the aggregation process of data at Nestlé Group level.
- ▶ Checks that the calculations have been correctly applied in accordance with the methodologies outlined in the Applicable Criteria.

- ▶ Critical review of the Reports regarding plausibility and consistency of qualitative and quantitative information related to the KPI.
- ▶ For the KPI "% virgin plastic reduction", review of the 2018 baseline calculation consisting of consistency checks such as analytical review and checking organization boundaries. For the KPI "% Reduction of GHG emission vs 2018 baseline, including delivered removals" review of the 2018 baseline calculation consisting of checking that organizational boundaries and emission factors were applied consistently.

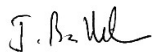
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs and the Reports have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Ernst & Young Ltd



Jeanne Boillet
Licensed audit expert
(Auditor in charge)



Laura Meadwell
Partner

Enclosures

- ▶ Appendix 1: Selection of consolidated environmental, social and governance indicators ("KPIs")

Appendix 1: Selection of consolidated environmental, social and governance indicators (“KPIs”)

Selected information	Reported Value
Environmental	
1. Net reduction of greenhouse gas (GHG) emissions (CO ₂ e) vs 2018 baseline (%)	13.58
2. Gross direct (Scope 1) GHG emissions (tCO ₂ e)	3.16 million tonnes
3. Gross market-based indirect (Scope 2) GHG emissions (tCO ₂ e)	0.31 million tonnes
4. Gross other indirect (Scope 3) GHG emissions (tCO ₂ e)	84.08 million tonnes
5. Energy consumption of factories (GJ)	76 824 313
6. Key ingredients Responsibly Sourced (%)	36.2
7. Primary supply chains for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee assessed as deforestation-free (%)	93.4
8. Key ingredients sourced from farmers adopting regenerative agricultural practices (%)	15.2
9. Total weight of packaging (kT)	3.4 million tonnes
10. Virgin plastic reduction vs 2018 baseline (%)	14.9
11. Plastic packaging designed for recycling (%)	83.5
12. Total weight of waste generated in tonnes, and a breakdown of this total by composition of the waste	1 564 810
13. Water use reduction in factories (million m ³)	3.0
14. Total direct output of Chemical Oxygen Demand load to the environment (mgO ₂ /l)	81
15. Aggregated annual Chemical Oxygen Demand concentration (kg)	1911 tonnes (1 910 717kgs)
Social & Governance	
16. Number of servings of micronutrient-fortified affordable nutrition (bn)	127.6
17. Total number of servings of micronutrient-fortified foods and beverages (bn)	205.8
18. Young people around the world with access to economic opportunities since 2017 (m)	7.74
19. Management positions held by women (%)	46.4
20. Recordable injury rate per million hours worked	1.17
21. Total recordable fatalities	1
22. Total irreversible injuries	10
23. FSSC certified manufacturing and R&D units that produce food and pet food for human and pets (cats and dogs) consumption (%)	98.4
24. Speak-up	
24.1 Total messages received through Speak Up System	2 874
24.2 Total messages substantiated through Speak Up System	691

24.3 Total messages closed through Speak Up System	2 341
25. Health Star	
25.1 Sales with Health Star Rating – Less than 1.5 (without PetCare) (%)	21
25.2 Sales with Health Star Rating – Between 1.5 and 3.5 (without PetCare) (%)	20
25.3 Sales with Health Star Rating – 3.5 and above (without PetCare) (%)	38
25.4 Sales with Specialized nutrition (without PetCare) (%)	21
25.5 Global NNS covered by the assessment (without PetCare) (%)	76
25.6 Sales with Health Star Rating – Less than 1.5 (with PetCare) (%)	17
25.7 Sales with Health Star Rating – Between 1.5 and 3.5 (with PetCare) (%)	16
25.8 Sales with Health Star Rating – 3.5 and above (with PetCare) (%)	31
25.9 Sales with Specialized nutrition (with PetCare) (%)	36
25.10 Global NNS covered by the assessment (with PetCare) (%)	95
26. Employees	
26.1 Total number of employees by employment contract (permanent and temporary), by gender	96 172 (Permanent, female) 149 800 (Permanent, male) 8 471 (Temporary, female) 7 857 (Temporary, male)
26.2 Total number of employees by employment contract (permanent and temporary), by region	58 304 (Permanent, Asia, Oceania, Africa) 18 280 (Permanent, Greater China) 53 732 (Permanent, Latin America) 38 495 (Permanent, North America) 77 222 (Permanent, Europe) 3 781 (Temporary, Asia, Oceania, Africa) 560 (Temporary, Greater China) 4 570 (Temporary, Latin America) 446 (Temporary, North America) 6 975 (Temporary, Europe)
26.3 Total number of employees by employment type (full-time and part-time), by gender	98 503 (Full-time, female) 154 752 (Full-time, male) 6 140 (Part-time, female) 2 905 (Part-time, male)
27. Average hours of technical or vocational training provided to workers in the Company's operations.	15.1

28. Volume of cocoa sourced from all countries covered by the CLMRS or other dedicated due diligence systems, with mass balance included (%)	70.6
29. Number of countries with audits on the Nestlé Policy on WHO Code	32
30. Instances of detected non-compliances with the Nestlé Policy on WHO Code	96

Below is a list of the consistency checks that formed part of EY's review of the KPIs above:

1. CO₂e removals delivered for the reporting year
2. % annual renewable electricity sourced (RE100)
3. Renewable electricity sourced in our manufacturing sites at year end
4. Global fleet of vehicles switched to lower emission options
5. Primary supply chains assessed as deforestation-free – Meat
6. Primary supply chains assessed as deforestation-free - Palm oil
7. Primary supply chains assessed as deforestation-free - Pulp and paper
8. Primary supply chains assessed as deforestation-free – Soy
9. Primary supply chains assessed as deforestation-free – Sugar
10. Primary supply chains assessed as deforestation-free – Cocoa
11. Primary supply chains assessed as deforestation-free – Coffee
12. Energy consumed that is renewable energy
13. Energy consumed that was supplied from grid electricity
14. Total (Scope 1+2+3) GHG emissions (CO₂e)
15. Weight of waste generated in metric tons breakdown - Hazardous Waste Generated – biomass
16. Weight of waste generated in metric tons breakdown - Non-hazardous Waste Generated - biomass
17. Weight of waste generated in metric tons breakdown - Hazardous Waste Generated - mixed waste
18. Weight of waste generated in metric tons breakdown - Non-hazardous Waste Generated - mixed waste
19. Trees secured for planting
20. Certified palm oil sourcing (RSPO or equivalent)
21. Cocoa sourced through the Nestlé Cocoa Plan
22. Coffee sourced through the Nespresso AAA Sustainable Quality™ Program
23. Coffee sourced through the Nescafé Plan
24. Coffee sourced through Nespresso AAA Sustainable Quality Program
25. Cage free eggs sourced
26. Number of forest and fruit trees distributed to cocoa farmers
27. Total water discharged
28. Total water withdrawn
 - i. Surface water
 - ii. Ground water
 - iii. Produced water
 - iv. Third-party water
29. Total water consumed
30. Water withdrawn in regions with High or Extremely High Baseline Water Stress
31. Water consumed in regions with High or Extremely High Baseline Water Stress
32. Packaging made from recycled and/or renewable materials
33. Packaging that is recyclable, reusable, and/or compostable
34. Recycled plastic in plastic packaging
35. Packaging pieces placed on the market
36. Global plastic use by weight and type
37. Global PET (Polyester) use (weight)
38. Global PE (Polyethylene) use (weight)
39. Global PP (Polypropylene) use (weight)
40. Global PO (Polyolefin) use (weight)
41. Global laminates use (weight)
42. Global use, other plastics (weight)
43. Total weight of plastic packaging
44. Percentage of packaging that is reusable
45. Speak Up total messages received and total cases substantiated through SpeakUp System- Abuse of power and/or Mobbing/Bullying
46. Speak Up total messages received and total cases substantiated through SpeakUp System - Unfair treatment
47. Speak Up total messages received and total cases substantiated through SpeakUp System - Labor practice
48. Speak Up total messages received and total cases substantiated through SpeakUp System - Harassment (excluding sexual harassment)
49. Speak Up total messages received and total cases substantiated through SpeakUp System - Fraud (misappropriation or misconduct on accounting/financial statement)
50. Speak Up total messages received and total cases substantiated through SpeakUp System - Safety and health
51. Speak Up total messages received and total cases substantiated through SpeakUp System - Violation of law/regulations

52. Speak Up total messages received and total cases substantiated through SpeakUp System - Gifts, families and relatives, conflict of interest
53. Speak Up total messages received and total cases substantiated through SpeakUp System - Bribery and corruption
54. Speak Up total messages received and total cases substantiated through SpeakUp System - Violence and discrimination
55. Speak Up total messages received and total cases substantiated through SpeakUp System - Sexual harassment
56. Speak Up total messages received and total cases substantiated through SpeakUp System - Confidential information, privacy policy (data privacy, trade secrets, intellectual property)
57. Speak Up total messages received and total cases substantiated through SpeakUp System - 3rd party compliance
58. Speak Up total messages received and total cases substantiated through SpeakUp System - Seeking compliance advice
59. Speak Up total messages received and total cases substantiated through SpeakUp System - MANCOM members related
60. Speak Up total messages received and total cases substantiated through SpeakUp System - Human rights (child labor, forced labor and modern slavery)
61. Speak Up total messages received and total cases substantiated through SpeakUp System - Environmental impact
62. Speak Up total messages received and total cases substantiated through SpeakUp System - Economic sanctions
63. Speak Up total messages received and total cases substantiated through SpeakUp System - Antitrust and fair dealing
64. Speak Up total messages received and total cases substantiated through SpeakUp System - Non compliance against WHO code
65. Speak Up total messages received and total cases substantiated through SpeakUp System - Executive board members/senior managers in Switzerland
66. Apprenticeship and traineeship opportunities
67. Young farmers trained through agripreneurship program
68. Young people impacted through digital events (e.g. career fairs, educational webinars, e-learning programs) that focus on upskilling young people and make them more employable
69. Young entrepreneurs who have received some basic, but tangible benefit from Nestlé
70. Nestlé employees hired under 30 years old, unlimited & temporary contract
71. GHG Split: CO2, CH4, N2O 2018 & 2023
72. Total number of permanent employees: female
73. Total number of temporary employees: female
74. Total number of permanent employees: male
75. Total number of temporary employees: male
76. Total number of permanent employees: Asia, Oceania and Africa
77. Total number of temporary employees: Asia, Oceania and Africa
78. Total number of temporary employees: Europe
79. Total number of temporary employees: Europe
80. Total number of permanent employees: Greater China
81. Total number of temporary employees: Greater China
82. Total number of permanent employees: Latin America
83. Total number of temporary employees: Latin America
84. Total number of permanent employees: North America
85. Total number of temporary employees: North America
86. Total number of full-time employees: female
87. Total number of part-time employees: female
88. Total number of full-time employees: male
89. Total number of part-time employees: male
90. % effluent water treated internally