



Nestlé Good food, Good life

Reporting Scope and Methodology for Nutritional Value Transparency Key Performance Indicators

Introduction

In its *2022 Creating Shared Value (CSV) and Sustainability Report*, for the first time Nestlé provides transparency on the nutritional value of its portfolio, globally and in 13 selected countries, using government-endorsed nutrient profiling systems.

Given the geographical scope of this reporting and the number of different nutrient profiling systems used, this note provides the full methodology used to calculate the various Nutritional Value Transparency Key Performance Indicators presented on p.39 of the *CSV and Sustainability Report*. This methodology note applies to reporting based on sales in the 2022 calendar year. Nestlé may review the methodology and indicators annually to reflect changes to business priorities, regulatory requirements, industry best practices and standards, and stakeholder feedback.

Scope

“In Scope” companies

A company is “in scope” for reporting when the financial performance of such company is consolidated in the Nestlé S.A. consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and excludes associates and joint-ventures. The only exception is Cereal Partners Worldwide (CPW) – makers of Nestlé breakfast cereals in which Nestlé owns a 50% shareholding – since breakfast cereals are in scope of all the nutrient profiling models of selected countries. Please refer to Nestlé’s consolidated IFRS financial statements for further details. Exceptions to this are described in the section ‘Acquisition & Divestiture’ below and within the scope for each indicator.

Data and performance of legal entities outside companies “in scope” are not considered for the Nutritional Value Transparency KPIs unless specifically stated otherwise in this note.

Acquisition and divestitures

The data and performance for 2022 excluded entities newly acquired during 2022 as well as divested entities, except when expressly stated otherwise in this Note¹. As per internal rules, acquisitions during 2022 will be included in our reporting from January 1, 2024.

“In Scope” products

The general product scope of the Nutritional Value Transparency assessment are all foods and beverages sold by “in scope” companies, as well as Petcare products.

Nutrient profiling systems focus on foods and beverages for the general population, i.e., generally excluding infant and medical nutrition, with varying scopes of food and beverages categories for which the system can be applied. As a result, we report separately foods and beverages in-scope of the relevant nutrient profiling system and products out-of-scope of these systems. This note contains the details for the global reporting and for each country (or group of countries).

¹ Newly acquired entities will be included in Nestlé Tracking and Reporting for the selected KPIs as from January 1st of the following year once elapsed a period of 12 months from the closing of the acquisition.

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Geographical scope and associated Nutrient Profiling Systems

Table 1 details the nutrient profiling systems used for the global reporting and in the 13 reporting countries.

Table 1: Geographical Scope of the Nutrition Value Transparency reporting

| Product Portfolio Geographical scope | Nutrient Profiling System used for portfolio assessment | page |
|--------------------------------------|---|------|
| Global | Health Star Rating System (HSR) | 5 |
| Europe | | |
| France | Nutri-Score | 6 |
| Germany | Nutri-Score | 7 |
| United Kingdom | UK Nutrient Profiling Model (HFSS) | 8 |
| Asia and Oceania | | |
| Australia | Health Star Rating System (HSR) | 9 |
| New Zealand | Health Star Rating System (HSR) | 9 |
| Malaysia | Malaysian Healthier Choice Logo | 10 |
| Singapore | Singapore Healthier Choice Symbol | 11 |
| Thailand | Thailand Healthier Choice Logo | 12 |
| Central & South America | | |
| Argentina | Nutrient-based Warning Legends | 13 |
| Brazil | Nutrient-based Warning Legends | 14 |
| Chile | Nutrient-based Warning Legends | 15 |
| Mexico | Nutrient-based Warning Legends | 16 |
| Peru | Nutrient-based Warning Legends | 17 |

Note: For country reporting, products assessed were only those which were sold in the country and generated sales, irrespective of place of production. Products manufactured for export only, were out of scope for the assessment for manufacturing countries, unless specifically stated otherwise in this note.

Data collection

The data reported covers the 2022 calendar year, unless mentioned otherwise in the KPI details. All data was extracted from our own systems or systems from third parties with their authorization when relevant. Data not available in the systems was construed in good faith according to best practice and industry standards.

The nutritional data used to calculate the various nutrient profiling systems were derived from the recipe management systems and nutritional labels, or a combination of both. For products requiring reconstitution, e.g., powders, the nutrient profiling systems rules applied, or the manufacturer's instructions in the absence of such rules. Where applicable, the calculations were done using the official tools and were certified by the issuing organization.

All financial data were retrieved from Nestlé systems.

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Performance Measure

Percentage defined by the sum of the Net Sales Value from the specific grouping of products divided by Total Net Sales Value of products sold in 2022, globally or in the specified country:

Global reporting, without Petcare

Net sales from target group of products in scope (excl. Pet food)

Total Net Sales of food and beverage products (excl. Pet food)

Global reporting, with Petcare

Net sales from target group of products

Total Net Sales excluding nonfood items only

Country reporting

Net sales from target group of products

Country(ies) Total Net Sales

Global Reporting

Nutrient profiling system: Health Star Rating (HSR)

Health Star Rating (HSR) system is a nutrient profiling system used by the Access to Nutrition Index and on front-of-pack nutrition labels in some countries. HSR considers the total energy of a food, the amount of positive nutrients and ingredients, such as fiber, protein and legumes, as well as the amount of nutrients of concern, such as sugar, saturated fat and salt. The resulting score is then translated into a rating of between 0.5 and 5 stars.

The official HSR calculator was used:
[Health Star Rating - Excel Calculator](#)



The HSR scoring algorithm enables the grouping of products into one of three scoring buckets (plus specialized nutrition):

| | |
|-----------------------------|--|
| 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] |
| Specialized nutrition | Products not included in the HSR rating system |

Scope

Some products are excluded from the HSR system such as infant formula products, food for infants, supplementary foods, foods for special medical purposes, and Pet food products. These products were assigned as “specialized nutrition” for reporting:

- Nestlé Nutrition products for children < 3 years of age
- Nestlé Health Science products
- Pet food products (For Petcare, we report both with and without Petcare)

Items not meant for human or pet consumption are considered out of scope of the nutritional value transparency reporting, including but not limited to accessories, coffee machines, dispensers, cups, non-food promotional items, pet litter, and other revenues. These are completely excluded from the assessment and are not included in the Total sales figures.

Assumptions

The HSR calculation guidelines were followed, with the following specificities:

- Roast and ground coffee, whole beans, pure coffee capsules and pod products are assessed generically and rated with a HSR score of 3.5 stars.
- Standardized rules were used to extrapolate for any missing nutritional data.

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France

Nutrient Profiling System: Nutri-Score



Assumptions

N/A

Scope

The scope of the reporting is described in the table below.

| In scope of Nutri-Score assessment | Out-of-scope of Nutri-Score | |
|--|--|---|
| Reported as Nutri-Score A, B, C, D, E | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages with Nutri-Score applied on pack | Pure coffee and teas Nestlé Professional (Nutri-Score available only online) Starbucks products (brands not owned by Nestlé) Confectionery Gifting Non-food items PetCare | - Nestlé Health Science - Infant Nutrition for children < 3 years of age |

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Germany

Nutrient Profiling System: Nutri-Score



Assumptions

N/A

Scope

The scope of the reporting is described in the table below.

| In scope of Nutri-Score assessment | Out-of-scope of Nutri-Score | |
|--|--|---|
| Reported as Nutri-Score A, B, C, D, E | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages with Nutri-Score applied on pack | Pure coffee and teas Nestlé Professional (Nutri-Score available only online) Starbucks and Dallmayr products (brands not owned by Nestlé) Confectionery Gifting Small packs (no room for Nutri-Score Logo and officially no need to show Nutri-Score) Non-food items PetCare | - Nestlé Health Science - Infant Nutrition for children < 3 years of age |

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United Kingdom

Nutrient Profiling System: UK Nutrient Profiling Model (HFSS)

The UK Nutrient Profiling Model (NPM) criteria used to determine if a product is High in Fat, Sugar or Salt (HFSS) is different to the UK front-of-pack nutrition labeling criteria used to determine the color coding for fat, saturates, sugar and salt. The HFSS status of a product is not shown on pack.

UK government nutrient profiling model

Assumptions

N/A

Scope

The scope of the reporting is described in the table below.

Note: Some products sold for export were included in the assessment.

| In scope of UK NPM assessment | Out-of-scope of UK NPM | |
|---|--|---|
| Reported as "Non-HFSS" / "HFSS" | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages in scope of the UK NPM, except those reported in the 'out-of-scope' categories. | Non-food items (e.g. coffee machines) PetCare | - Nestlé Health Science - Infant Nutrition for children < 3 years of age |

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Australia & New Zealand

Nutrient Profiling System: Health Star Rating

The official HSR calculator (version 4.2) was used:

[Health Star Rating - Excel Calculator](#)



Assumptions

N/A

Scope

The scope of the reporting is described in the table below.

| In scope of HSR assessment | Out-of-scope of HSR | |
|--|---|---|
| Reported in three bands (<1.5; [1.5; 3.5]; >= 3.5) | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All retail foods and beverages in scope of the HSR model were assessed, irrespective of whether the HSR logo was present on pack at the end of 2022. | Coffee, Medicated Confectionery, Nestlé Professional (Out of Home), Industrial Products. PetCare | <ul style="list-style-type: none">- Nestlé Health Science- Infant Formula, Food and beverages for children < 3 years of age |

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Malaysia

Nutrient Profiling System: Healthier Choice Logo



Assumptions

N/A

Scope

The scope of the reporting is described in the table below.

| In scope of Healthier Choice Logo assessment | Out-of-scope of Healthier Choice Logo | |
|---|---|--|
| Reported as "Logo" / "No Logo" | Reported as 'Other' | Reported as 'Specialized nutrition' |
| Nestlé products in the following categories: <ul style="list-style-type: none">- Cereal, cereal products & flour confection- Dairy & Dairy Products- Beverages- Convenience Food | <ul style="list-style-type: none">- Nestlé Professional- Confectionery- Ice-cream- Petcare | <ul style="list-style-type: none">- Nestlé Health Science- Nestlé & Wyeth Nutrition |

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Singapore

Nutrient Profiling System: Healthier Choice Symbol



Assumptions

N/A

Scope

The scope of the reporting is described in the table below.

| In scope of Healthier Symbol Logo assessment | Out-of-scope of Healthier Symbol Logo | |
|---|---------------------------------------|--|
| Reported as "Logo" / "No Logo" | Reported as 'Other' | Reported as 'Specialized nutrition' |
| Nestlé products in the following categories: <ul style="list-style-type: none">- Beverages- Cereals- Protein- Sauces, spreads and Condiments- Snack- Convenience meal- Desserts | Non-food / beverage items PetCare | <ul style="list-style-type: none">- Nestlé Health Science- Infant Formula, Food and beverages for children < 1 year of age |

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Thailand

Nutrient Profiling System: Healthier Choice Logo



Assumptions

Total net sales do not cover *Nespresso*.

Scope

The scope of the reporting is described in the table below.

| In scope of Healthier Choice Logo assessment | Out-of-scope of Healthier Choice Logo | |
|---|--|---|
| Reported as "Logo" / "No Logo" | Reported as 'Other' | Reported as 'Specialized nutrition' |
| Nestlé products in the following categories: <ul style="list-style-type: none"> - Coffee mixes, Pure soluble coffee, Tea, Coffee capsule, Ready to drink coffee - Dairy sport nutrition & Adult nutrition - Sauces - Ice cream - Growing up milk (1 year above powder & UHT milk) - Nestlé Professional categories with common products with retail - Breakfast cereal - Nestlé Health Science registered as beverage | <ul style="list-style-type: none"> - Creamer - Water - Confectionery - Nestlé Professional categories for operators - PetCare | <ul style="list-style-type: none"> - Nestlé Health Science registered as Medical & complete diet - Baby food, Infant & follow-on milk < 1y |

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Argentina

Nutrient Profiling System: Nutrient-based warning legends

Reference: Argentina Law N^o 27.642 and Decree No. 151/2022



The nutrient profiling legislation will take effect in May 2023. The assessment has been done for 2022 based on the thresholds set and isn't necessarily reflected in the labels in the market during this time.

Assumptions

- Single ingredient and bulk products have been assigned 0 Warning Legends (the bulk products represent 4.4% of Argentina's net sales)
- Caffeine and sweeteners were not taken into consideration in the number of warning legends

Scope

The scope of the reporting is described in the table below.

| In scope of Warning legend assessment | Out-of-scope of Warning legends | |
|--|---------------------------------|---|
| Reported as 0 to 5 warning legends | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages, except those reported in the 'out-of-scope' categories. | Non-food items PetCare | - Nestlé Health Science - Infant Nutrition for children < 3 years of age |

Reporting Scope and Methodology for Nutritional Value Transparency Key Performance Indicators

Brazil

Nutrient Profiling System: Nutrient-based warning legends

Reference: Brazil Law RDC N° 429 and IN N° 75 (2020)



The nutrient profiling legislation will take effect in October 2023. The assessment has been done for 2022 based on the thresholds set and isn't necessarily reflected in the labels in the market during this time.

Assumptions

- Single ingredient and bulk products have been assigned 0 Warning Legends (the bulk products represent <0.1% of Brazil's net sales)

Scope

The scope of the reporting is described in the table below.

| In scope of Warning legend assessment | Out-of-scope of Warning legends | |
|--|---------------------------------|---|
| Reported as 0 to 3 warning legends | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages, except those reported in the 'out-of-scope' categories. | Non-food items PetCare | - Nestlé Health Science - Infant Nutrition for children < 3 years of age |

Reporting Scope and Methodology for Nutritional Value Transparency Key Performance Indicators

Chile

Nutrient Profiling System: Nutrient-based warning legends

Reference: Amendment to Food Sanitary Regulation (2015)



Assumptions

- Single ingredient and bulk products have been assigned 0 Warning Legends (the bulk products represent 0.9% of Chile's net sales)

Scope

The scope of the reporting is described in the table below.

| In scope of Warning legend assessment | Out-of-scope of Warning legends | |
|--|---------------------------------|--|
| Reported as 0 to 4 warning legends | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages, except those reported in the 'out-of-scope' categories. | Non-food items PetCare | <ul style="list-style-type: none">- Nestlé Health Science- Infant Nutrition for children < 3 years of age and without added sugars |

Mexico

Nutrient Profiling System: Nutrient-based warning legends

Reference: Amendment of NOM-051-SCFI/SSA1-2010 (2020)



The nutrient profiling legislation has 3 implementation stages: October 2020, October 2023 and October 2025, each one with a stricter Nutrient Profile. The majority of the Mexican portfolio has been evaluated using the 2nd nutrient profiling requirements. However, there are a few cases where products were evaluated using the 1st nutrient profiling requirements.

Assumptions

- Single ingredient and bulk products have been assigned 0 Warning Legends (the bulk products represent 2.0% of Mexico's net sales)
- Trans fatty acids naturally present in dairy and meat ingredients were not considered for nutrient profile evaluation
- Presence of caffeine or sweeteners was not taken into consideration in the number of warning legends

Scope

The scope of the reporting is described in the table below.

| In scope of Warning legend assessment | Out-of-scope of Warning legends | |
|--|---------------------------------|---|
| Reported as 0 to 5 warning legends | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages, except those reported in the 'out-of-scope' categories. | Non-food items PetCare | - Nestlé Health Science - Infant Nutrition for children < 3 years of age |

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Peru

Nutrient Profiling System: Nutrient-based warning legends

Reference: Reglamento 017(2017)



Assumptions

- Single ingredient and bulk products have been assigned 0 Warning Legends (the bulk products represent <0.1% of Peru's net sales)

Scope

The scope of the reporting is described in the table below.

| In scope of Warning legend assessment | Out-of-scope of Warning legends | |
|--|---------------------------------|---|
| Reported as 0 to 4 warning legends | Reported as 'Other' | Reported as 'Specialized nutrition' |
| All foods and beverages, except those reported in the 'out-of-scope' categories. | Non-food items PetCare | - Nestlé Health Science - Infant Nutrition for children < 2 years of age |