



**Nestlé** Good food, Good life

## **NOMINATION AND SUSTAINABILITY COMMITTEE CHARTER**

Approved by the Board of Directors  
Vevey, 17<sup>th</sup> September 2020

## INDEX

	<i>Page</i>
1. MISSION	3
2. COMPOSITION	3
3. POWERS AND DUTIES	3
4. ORGANISATION	5
5. OTHER RESPONSIBILITIES	5

---

### *Abbreviations*

NSC      Nomination and Sustainability Committee

## THE NOMINATION AND SUSTAINABILITY COMMITTEE CHARTER

### 1. MISSION

The Nomination and Sustainability Committee (NSC) prepares the succession planning of the Board of Directors (the "Board"). It establishes the principles for the selection of candidates to the Board, selects candidates for election or re-election and prepares a proposal for the Board's decision and approval by shareholders. In addition to ensuring the Board's succession planning, the NSC periodically reviews other measures which ensure the Company's sustainability and how its long-term strategy relates to its ability to create shared value.

### 2. COMPOSITION

The Board appoints the Chair and the members of the NSC for a period of one year. The Chair shall be an independent and non-executive member of the Board, preferably the Lead Independent Director. The other members shall be the Chair of the Board and a minimum of two independent and non-executive members of the Board.

### 3. POWERS AND DUTIES

#### 3.1. General

The NSC shall

- a) **select candidates** for the election or re-election by shareholders as Chair of the Board or members of the Board and its Compensation Committee;
- b) ensure the **long-term succession planning** of the Board;
- c) prepare and recommend its **working guidelines** including criteria for the selection of members of the Board and for the independence evaluation of the Board;
- d) periodically prepare the evaluation of the performance of the Board through a **self-assessment process**;
- e) review, at least once a year, the **independence** of the members of the Board;
- f) review, at least once a year, the number of **mandates** in other companies held by the members of the Board and of the Executive Board;
- g) approve any new mandates of members of the Board and the Executive Board in companies outside Nestlé according to art. 21sexies of the Articles of Association;

- h) perform **other tasks** in relation to the nomination or removal of members of the Board or the sustainable development and corporate social responsibility of the Company, as may be delegated by the Board.

### 3.2 Nominations

The NSC shall

- a) evaluate and propose to the Board and the shareholders proposals for the election of candidates as Chair or members of the Board of Directors or its Compensation Committee as well as their re-election or removal. The NSC may dismiss candidates who do not meet the criteria for Board membership;
- b) ensure that the candidates shall possess the necessary qualifications and experience to discharge their duties. Newly appointed members of the Board shall receive an appropriate introduction into the business and affairs of the Company and the Group. If appropriate, the NSC shall arrange for further training.

### 3.3 Sustainability

Under its Articles of Association, Nestlé shall, in pursuing its business purpose, aim for long-term, sustainable value creation. Nestlé is conscious of the interdependence of economic, social and environmental interests and seeks to reconcile them in its daily business activities. Sustainability is an integral part of Nestlé's strategy and behaviour in business as described in Nestlé's Corporate Business Principles.

The NSC shall

- a) review reports and give advice on measures which ensure the **long-term sustainability** of the Company in its economic, social and environmental dimension;
- b) monitor the Company's performance against selected external sustainability **indexes**;
- c) review the annual **Nestlé in Society Report**;
- d) oversee the Company's response to **climate change** and related reporting and provide strategic guidance on climate-related matters, including reporting aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) and updates to the Board;
- e) ensure the Company carries out **human rights** due diligence and reports on its most severe risks to human rights, including how the Company is addressing those risks;
- f) oversee the Company's **human capital management** at Board level, including strategies for talent management and diversity and inclusion;

- g) periodically discuss how other **material non-financial issues** affect financial performance;
- h) periodically discuss how the Company's long-term strategy relates to its ability to **create shared value**;
- i) periodically review the Company's significant **stakeholders** and their material interests.

#### 4. ORGANISATION

The NSC shall meet at least twice a year and as frequently as necessary to fulfil its tasks. The Chair shall prepare an agenda in advance of each meeting, in consultation with the Chair of the Board. At least two members of the NSC must be present to have a quorum.

The Chair shall appoint a Secretary to the Committee. Minutes of the proceedings and the resolutions of the NSC shall be signed by the Chair and the secretary and made available prior to the next meeting and approved at that next meeting.

The CEO shall have a standing invitation. The NSC may ask members of management or outside consultants to attend the meeting or make presentations.

In case of need, the Board is free to appoint additional members to the NSC for specific situations where a particular experience is required.

The Chair shall report to the Board after each meeting of the NSC and keep the Board updated on the overall nomination policy of the Group and the material issues affecting the long-term sustainability of the Group.

The Chair shall interview each member of the Board prior to his nomination for re-election.

#### 5. OTHER RESPONSIBILITIES

The NSC shall

- a) periodically review and reassess the adequacy of this Charter and its principles and submit proposed changes to the Board for approval;
- b) conduct an annual self-evaluation of its own performance.

