Driving Sustainable Value Creation in Zone Americas

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Disclaimer

This presentation contains forward looking statements which reflect Management’s current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.
A strong footprint in the Americas

2020

Americas¹
CHF 37.7 bn

Zone AMS³
CHF 34.0 bn
87% of sales in #1 position

Where²

North America 74%
Latin America 26%

What²

Petcare 26%
Milk products & ice cream 15%
Prepared dishes & cooking aids 15%
Beverages (incl. coffee) 14%
Nutrition & Health Science 13%
Water 12%

Resources³:
90,510 employees
142 factories
96 distribution centers

Resilient supply chain:
>80% sourced locally
Local for local manufacturing

1) Zone AMS, Nestlé Health Science and Nespresso
2) Zone AMS, Nestlé Health Science
3) Zone AMS

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Built upon power brands

> CHF 1.5 bn

> CHF 1 bn
Accelerating momentum...

<table>
<thead>
<tr>
<th>Organic growth</th>
<th>Structural costs</th>
<th>Underlying TOP Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017: 0.7%</td>
<td>2017 – 2020</td>
<td>2017 – 2020</td>
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<tr>
<td>2018: 2.1%</td>
<td>-220 bps</td>
<td>+80 bps</td>
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<tr>
<td>2019: 3.4%</td>
<td></td>
<td></td>
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<tr>
<td>2020: 4.8%</td>
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Note: Full scope managed by Zone Americas, incl. Waters
... transforming for the long term ...

**Portfolio**

**IN**
- CHF 3.2 bn
- Starbucks
- Nestlé
- Nature’s Heart
- Sweet Earth
- Freshly
- Chameleon
- Nation

**OUT**
- CHF 2.9 bn
- Nestlé
- Gerber Life
- Post
- Waggin Train
- Nestlé Ninos
- UHT

**Investments in factories**
- PetCare / Coffee / Frozen foods

**Distribution**
- U.S. frozen transformation (DSD to warehouse delivery)

**Digital transformation**
- End-to-end and e-commerce acceleration

**Sustainability**
- From farm to fork

IN and OUT Impact: 25% of Zone AMS NNS, 40% of US NNS

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... while managing Covid-19 crisis

Protecting our people

Ensuring business continuity

Supporting communities
Sustainability at the core of our strategic framework

**OUR VISION**
To be the leading, most respected and trusted Food, Beverage and NHW company in the Americas.

**OUR PURPOSE**
We unlock the power of food to enhance quality of life for everyone, today and for generations to come.

**OUR MODEL**
The Strategic Virtuous Circle: more relevant than ever.
# Driving efficiencies as a fuel for growth

## Past (2016 – 2020)

<table>
<thead>
<tr>
<th>Organizational agility &amp; new capabilities</th>
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<tbody>
<tr>
<td>• New head offices in US and Brazil</td>
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<td>• Organization redesign of PetCare North America</td>
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<tr>
<td>• Media consolidation in Latin America, including programmatic</td>
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<tr>
<td>• Flawless integration of Starbucks &amp; divestment of US confectionery and ice cream</td>
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<tr>
<th>Relentless focus on cost</th>
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<tr>
<td>•Exiting company-owned Frozen DSD in the US</td>
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<td>• From &gt;15 IT organizations to 2</td>
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<tr>
<td>• Shared service centers</td>
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<tr>
<td>• Standardization of specifications for raw and packaging materials</td>
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<table>
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<th>Continuous focus on digital transformation</th>
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<td>• Digital transformation</td>
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## Future (2021 – 2025)

<table>
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<th>Digital transformation</th>
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<tr>
<td>• Connected factory</td>
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<tr>
<td>• Connected supply chain</td>
</tr>
<tr>
<td>• Consumer data architecture</td>
</tr>
<tr>
<td>• Strategic revenue management</td>
</tr>
<tr>
<td>• Intelligent enterprise</td>
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</table>

Zone Americas is the largest contributor to structural cost reduction of the Group
Investing in growth

Brands & innovation

- Nutrition
  - Plant-based
  - Local origins
  - Ready-to-drink
  - Open innovation programs

Technology / Data

- e-commerce
  - 10% of sales
- Direct-to-consumer / first party data acquisition

Manufacturing

- Capex from ~ 4% of sales in 2018 to ~ 6% in 2021/22
- Hartwell, Georgia (2019)
- Veracruz, Mexico (2020)
- Jonesboro, Arkansas (2020)
- Eden, N. Carolina (2022)
- Batavia, Ohio (2023)

Sustainability

- Responsible sourcing
- Sustainable packaging
- Carbon emissions
- Caring for water

Technology / Data

- Responsible sourcing
- Sustainable packaging
- Carbon emissions
- Caring for water

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Sustainability driven from farm to fork and beyond

1. Sustainable operations
   - Regenerative agriculture
   - Renewable energy
   - Reduced water usage

2. Efficiencies
   - CLOSED LOOP partners
   - 7x.energy™ SOLAR EVOLVED
   - Avina

3. Infrastructure investments
   - Nestlé PLAN
   - Cocoa Plan
   - Fundación Azafrán

4. Consumer engagement
   - Beyond the cup
   - Loop

5. Innovation & business models
   - Coca-Cola
   - Algramo

Strategic for our brands – source of competitive advantage & value creation
Reducing our packaging: Fit for Purpose

CHF 100 m savings

Reduction of ~ 30K tons of packaging
3 Supporting infrastructure and circular economy

Recycling infrastructure

Nestlé invests USD 30 m in Closed Loop Leadership Fund

Point of sales collection point

Renewable energy infrastructures

Circular economy

✓ Main platform in Latin America and Caribbean driving circular economy via inclusive recycling

Nestlé invests to expand renewable energy availability
Driving consumer engagement

Building carbon neutral brands

- By 2022
  - perrier
  - S.Pellegrino
  - Nespresso

- By 2025
  - Gerber
  - Sweet Earth
  - Nature's Heart

Communicating responsibly sourced ingredients

- 100% responsibly sourced coffee and cocoa by 2025
  - Nescafé Plan
  - KitKat

Driving behavior
Driving product innovation and new business models

Expanding plant-based offerings

Core brands

Born pure brands

Driving new business models

Minority investment

New Route to Market
Zone Americas key takeaways

• Strong footprint across the Americas

• Americas as a key contributor to Nestlé’s profitable growth journey

• Accelerating and transforming the business for the long-term

• Supporting investment in growth through efficiencies and digital transformation

• Sustainability core to our strategic framework and value creation model