



**Nestlé** Good food, Good life

## **SUSTAINABILITY COMMITTEE CHARTER**

Approved by the Board of Directors  
Vevey, 23<sup>rd</sup> September 2021

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### *Abbreviations*

SC      Sustainability Committee

## THE SUSTAINABILITY COMMITTEE CHARTER

### 1. PURPOSE

The Sustainability Committee (SC) reviews the Company's sustainability agenda including the 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 of Directors (the "Board") appoints the Chair and the members of the SC for a period of one year. The Chair shall be an independent and non-executive member of the Board. The other members shall include a minimum of two independent and non-executive members of the Board.

### 3. POWERS AND DUTIES

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 SC 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** and **internal metrics**;
- c) review the annual **Creating Shared Value and Sustainability Report**;
- d) review the Company's plans and actions with regard to
  1. **Climate change** and related reporting and provide advice on climate-related matters, including reporting aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) and updates to the Board;
  2. **Plastics and packaging** and the Company's progress towards ensuring that no packaging ends up as litter, in landfill or oceans;
  3. **Water management** in agriculture, communities, factories and watersheds;
  4. **Responsible sourcing** in the Company's key commodities.
- 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) review the Company's **diversity and inclusion management** and employee health and wellbeing;
- g) periodically discuss how other **material non-financial issues** affect financial performance and how the Company's long-term strategy relates to its ability to **create shared value**;
- h) periodically review the Company's significant **stakeholders** and their material interests and review emerging **trends in ESG and sustainability**.

#### 4. ORGANISATION

The SC shall meet at least four times a year. 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 SC 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 SC shall be signed by the Chair and the Secretary and made available prior to the next meeting and approved at that next meeting.

The SC 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 SC for specific situations where a particular experience is required.

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

#### 5. OTHER RESPONSIBILITIES

The SC shall

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

