



Nestlé Good food, Good life

Annual Review 2024

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



Our purpose

Nestlé. Unlocking the power of food to enhance quality of life for everyone, today and for generations to come.



Above

N3
N3 milk uses Nestlé’s proprietary technology to reduce lactose – a sugar found in cow’s milk – through specialized enzymes, thereby generating beneficial prebiotic fibers that can deliver gut microbiome benefits.

Front cover

Nescafé Espresso Concentrate
Launched in select locations in 2024, Nescafé Espresso Concentrate brings barista-style, personalized cold coffee to consumers at home, with worldwide rollout planned over the coming years.

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Accompanying reports

Corporate Governance Report 2024
Compensation Report 2024
Financial Statements 2024
Non-Financial Statement 2024

Online

You can find more information about the Nestlé Group at www.nestle.com

Our financial performance

We drive growth through our Nutrition, Health and Wellness strategy.

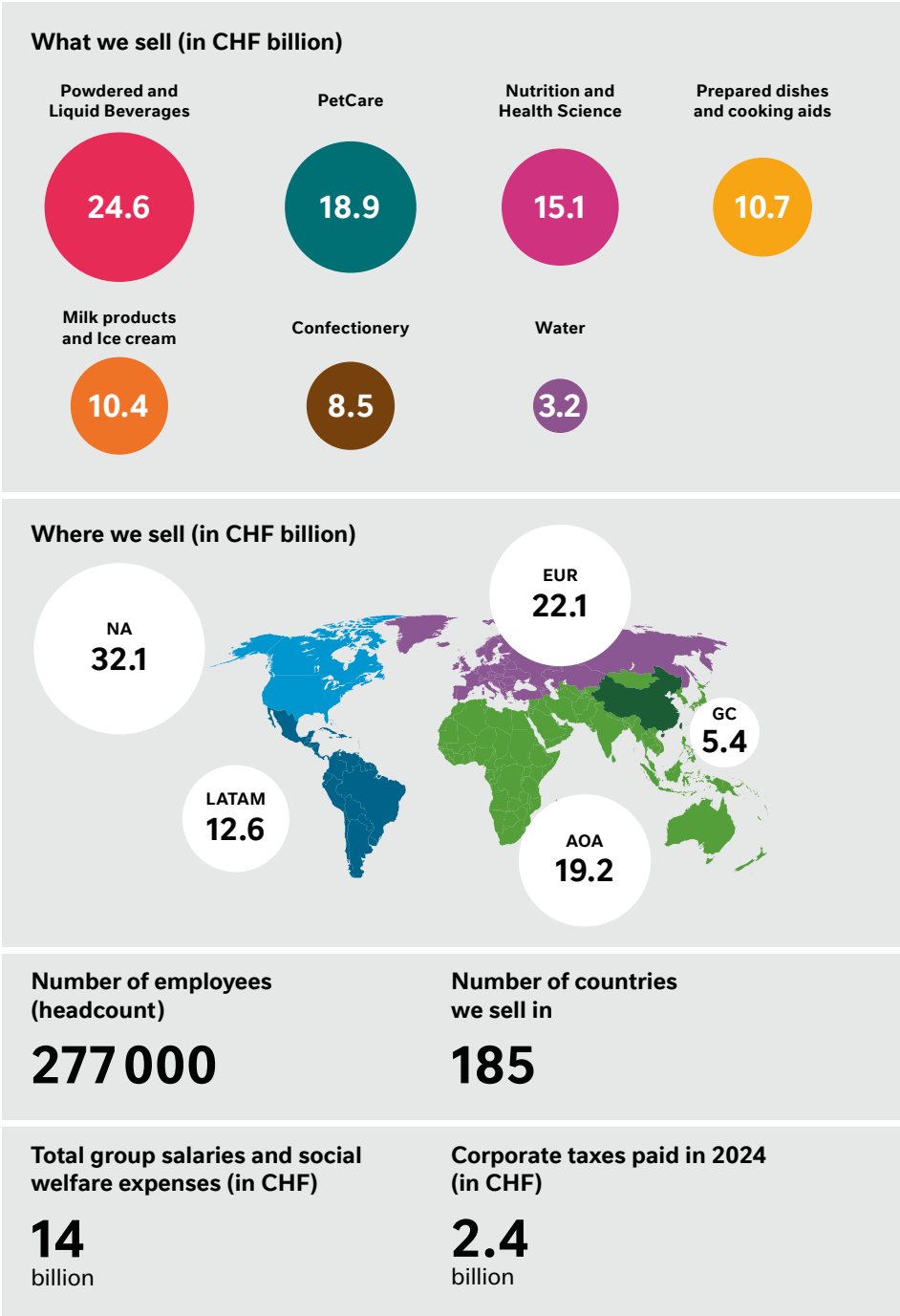
A summary of the 2024 full-year results is shown here. For full results, please consult the 'Financial review' section.

Group sales (in CHF) 91.4 billion	Organic growth * + 2.2%	Real internal growth * + 0.8%
Underlying trading operating profit * (in CHF) 15.7 billion	Underlying trading operating profit margin * 17.2%	Underlying trading operating profit margin * + 0 Basis point Constant currency
Trading operating profit * (in CHF) 14.6 billion	Trading operating profit margin * 16.0%	Trading operating profit margin * + 50 Basis points Constant currency
Earnings per share (in CHF) 4.19	Earnings per share −1.0%	Underlying earnings per share * + 2.5% Constant currency
Operating cash flow (in CHF) 16.7 billion 29.8% of net financial debt	Free cash flow * (in CHF) 10.7 billion	
Proposed dividend (in CHF) 3.05	Proposed dividend increase + 1.7%	

* Financial performance measures not defined by IFRS.

Our business

We apply our expertise to help people and pets live happier, healthier lives.



Our key non-financial performance

We create shared value through our social and environmental commitments and supporting actions.

To measure our progress, we use a comprehensive set of indicators that support our business performance and generate value for our shareholders and other stakeholders. Some key performance indicators are included here – the full set is in our *Non-Financial Statement*.

Climate

We aim to reduce our greenhouse gas (GHG) emissions by 20% by 2025 and 50% by 2030 from 2018 levels, on the road to net zero by 2050 at the latest

Our KPI

20.38%
net reduction of GHG emissions versus 2018 baseline^(a)

^(a) Covers emissions related to our net zero commitment. Net reductions (%) includes removals from both insetting and landscape projects.

Nature

We aim to achieve and maintain 100% assessed deforestation-free primary supply chains (for meat, palm oil, pulp and paper, soy, sugar, cocoa and coffee)*

Our KPI

93.5%
assessed deforestation-free for stated primary supply chains

Packaging

By 2025, we aim to reduce virgin plastics by one third versus our 2018 baseline

Our KPI

21.3%
virgin plastic reduction versus 2018 baseline

Diversity, equity and inclusion

Our KPI

47.4%
management positions held by women

Youth

By 2030, Nestlé’s ambition is to help 10 million young people around the world have access to economic opportunities through the *Nestlé needs YOUth* Initiative

Our KPI

10.2 million
young people around the world with access to economic opportunities since 2017

Health and Nutrition

Our KPI

132.0 billion
servings of affordable nutrition with micronutrient fortification provided in 2024

Non-financial performance metrics are defined in the 2024 Reporting Scope and Methodology for ESG Key Performance Indicators (KPIs) – Appendix 1 in the *Non-Financial Statement*.

EY has performed limited assurance on the six key performance indicators on this page. The assurance statement with EY’s independent conclusion can be found in the *Non-Financial Statement*.

* by 2025

Fueling and accelerating growth

Dear fellow shareholders,

Nestlé is the *Good food, Good life* company for people and pets everywhere throughout all stages of life. With our global presence and strong portfolio of iconic brands, we are confident in our ability to unlock growth through our Nutrition, Health and Wellness strategy and our Creating Shared Value approach to business.

Nutrition is essential to life. Good food provides energy, enhances health and brings enjoyment. Yet, because of economic pressures, extreme weather events, supply disruptions and other challenges, many people around the world are struggling to obtain good nutrition. Our company is dedicated to doing its part to help create sustainable, resilient food systems so that people everywhere have access to affordable, good food – today and tomorrow.

With a broad portfolio of products that touch people's lives at every stage, during every moment of the day, Nestlé holds a unique opportunity with consumers. From pre-conception and pregnancy to infancy and early childhood through to adulthood and old age, we offer nutrition, health and wellness products for everyone, ranging from *Materna* prenatal support for women to *Yiyang* functional milk for healthy longevity. We provide beloved beverages to people of all ages, such as *Nido* growing-up milks, *Milo* for active children and *Nescafé* for busy adults. And for those cherished cats and dogs, our *Purina* business aims to maximize every joyful moment.

Setting clear priorities

Throughout our more than 150-year history, we have remained true to our purpose and values, even as we evolve to address changing consumer needs and new challenges. Moving forward, Nestlé aims to reinforce its position as a dependable, reliable company that consistently creates value for all stakeholders. Our top

priorities are increasing consumer and customer preference for our products and expanding our market share.

To achieve these goals, we must make consumer-focused investments in our business. We strive to create efficiencies to fund those investments that enable us to succeed in the marketplace, thereby driving profitable growth. We call this continuous process the Nestlé Virtuous Circle. Our focus is execution excellence and, to that end, we prioritize quality, safety, simplicity, speed and agility.

Playing to our strengths

Nestlé has unparalleled strengths, with our iconic brands, global presence, unmatched local knowledge, unique in-market execution capabilities, R&D expertise and exceptional people. Our portfolio is balanced by different categories that appeal to broad populations. We consistently assess our portfolio against consumer preferences, making investments accordingly.

Our decentralized structure means we have deep local expertise. With short, integrated supply chains, we are close to consumers, our partners and the farmers that provide our raw materials. Our leaner Executive Board structure will increase simplicity, speed up decision-making and strengthen the momentum behind global initiatives, as we build on the strengths of our people for consistent in-market execution.

Investing in innovation

Our global R&D network powers Nestlé's innovation ecosystem – the most advanced science and innovation network in the food and beverage industry. We have over 4000 employees working across 23 sites globally and invest over CHF 1.7 billion annually as an engine for growth.

Through our investments, we prioritize the most promising innovation efforts. With select consumer-centric global launches each year, we aim for multi-market scaling and excellence in execution to advance growth. We expect half of our growth in the next couple of years to come from impactful innovations and renovations.



Laurent Freixe, Chief Executive Officer (left), and Paul Bulcke, Chairman (right)

Transforming for continued performance

As we perform, we also aim to transform to ensure our long-term success. We are accelerating our end-to-end digital transformation to become an intelligent, AI-powered company, seamlessly connected from farm to fork. We already have a strong data backbone with global reach that we are streamlining for real-time data that supports planning for our entire enterprise.

To support long-term sustainability, we continue our journey towards achieving net zero emissions while being mindful of natural resources, nature and biodiversity. We support farmers in transitioning to regenerative agricultural practices that help improve their resilience and livelihoods, while protecting the supply of raw materials. Consumers expect this from us, and we aim to better communicate our work to them to gain a competitive advantage.

Strengthening our foundational capabilities

Moving forward, we strive to set clear priorities and achieve strong goal alignment across Nestlé. We are

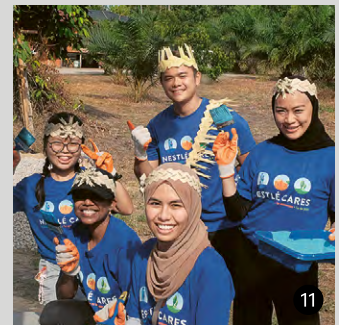
articulating these priorities and a distinct vision for brand investment, ensuring that every part of our business can thrive and reach its full potential. We remain focused on outcompeting rivals at every step of the value chain – from product quality to taste preference to consumer engagement – leveraging our unique in-market execution capabilities.

Our long-term value creation model guided by operational efficiency, smart resource allocation and continuous investment has served us well for over 150 years. We are confident that it will continue to serve us as we move forward. We are grateful for the support of our employees, business partners, consumers and communities. And we thank you, our shareholders, for your continued trust.

Paul Bulcke
Chairman

Laurent Freixe
Chief Executive Officer

Together, we make Nestlé



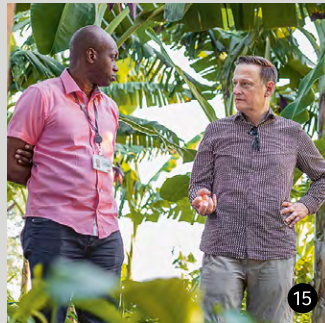
① Fostering excellence in execution in the Caribbean.
② Celebrating the team in the UK.
③ Enhancing the shopping experience with improved merchandising in Brazil.

④ Supporting local communities through cultural initiatives at HQ.
⑤ Strengthening Nestlé Nigeria's role as Africa's largest culinary manufacturing operation.
⑥ Doubling down efforts on World Health and Safety Day in France.

⑦ Celebrating Purina Cares month by volunteering at an animal shelter in Thailand.
⑧ Promoting balanced diets to schoolchildren in Bulgaria.
⑨ Advancing healthy habits in Pakistan with the *Nestlé for Healthier Kids* program.

⑩ Celebrating "Veganuary" with the Nestlé Professional team in Germany.
⑪ Improving sanitation for the indigenous Orang Asal community in Malaysia.

We are constantly in close connection with internal and external stakeholders. From supporting farmers to visiting retailers, from celebrating improved operations to volunteering in the communities where we work, we connect with our fellow employees, business partners and community members.



⑫ Employing electric trucks in our operations between Singapore and Malaysia.
⑬ Getting together to understand competition and market dynamics in Taiwan.

⑭ Supporting integrated coffee farming practices in Indonesia for better livelihoods.
⑮ Visiting a research farm in Côte d'Ivoire.

⑯ Helping to protect marine spaces in Japan.
⑰ Strengthening unity among Latin American youth.
⑱ Volunteering to pack Nestlé products for distribution in Egypt.

⑲ Spreading the word about regenerative agriculture initiatives in Switzerland.
⑳ Getting together to celebrate World Milk Day in Burkina Faso.



②1 Sharing best practices on regenerative agriculture in France.
 ②2 Showcasing world cuisine at the Montreux Jazz Festival in Switzerland.
 ②3 Engaging with cocoa-farming communities in Côte d'Ivoire.

②4 Working on our #JourneyToBetter campaign in Germany.
 ②5 Applauding brand development and corporate marketing initiatives in Vietnam.
 ②6 Driving resilience through advanced agricultural techniques in Mexico.

②7 Discussing innovation and leadership with marketers in the United States.
 ②8 Showcasing a new Maggi product with the Nestlé Professional team in Sri Lanka.
 ②9 Growing Nestlé leaders of tomorrow at our International Learning Center in Switzerland.

③0 Inspecting new product packaging favored by consumers in China.
 ③1 Creating shared value by investing in our operations in the Philippines.
 ③2 Celebrating 30 years of commitments and achievements in Bulgaria.



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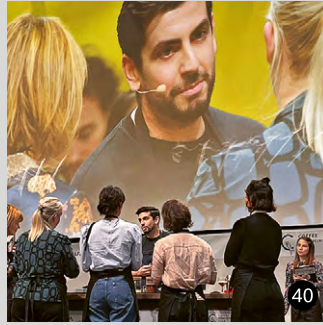
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33 Volunteering to support community food systems in the United States.
34 Reaching people in need with fortified nutrition at a food bank in Egypt.
35 Embracing digitalization and automated physical flows in the UK.

36 Brainstorming opportunities and solutions in Germany.
37 Celebrating the strength and resilience of women entrepreneurs in Côte d'Ivoire.
38 Educating young safety ambassadors in Vietnam.

39 Mixing the art of gastronomy and coffee in Switzerland.
40 Creating 12 coffee drinks in just 15 minutes to become Swiss Barista Champion.
41 Teaching and encouraging young chefs in Nigeria.

42 Meeting growing pet food demand by investing in a new US factory.
43 Getting together for strategic planning at HQ.
44 Striving to be the best in everything we do.

Powering our growth strategy



Our purpose is unlocking the power of food to enhance quality of life for everyone, today and for generations to come. We fulfill our purpose by achieving efficiencies that fuel additional investments for value creation, so that we can win in the marketplace and accelerate profitable growth.

Nestlé is the *Good food, Good life* company. Our Nutrition, Health and Wellness strategy aims to meet people’s nutritional and health needs throughout their lives, from pre-conception to healthy longevity, with the Nestlé Virtuous Circle as our compass.

Our values are rooted in respect: for ourselves, for others, for diversity and for the future. That is why we aim to create value for all our stakeholders in the way we do business. This touches everything we do, from our interactions with farmers to engagements with consumers, to our impact on the planet we all share. We conduct our business in this way out of the conviction that this is essential to our ongoing success. We call this Creating Shared Value (CSV).

1. Achieving efficiencies

Long-term growth is only achievable with the right investments. That is why we are focused on achieving efficiencies in every dimension of our business to generate resources for our growth investments. As announced in late 2024, Nestlé aims to deliver

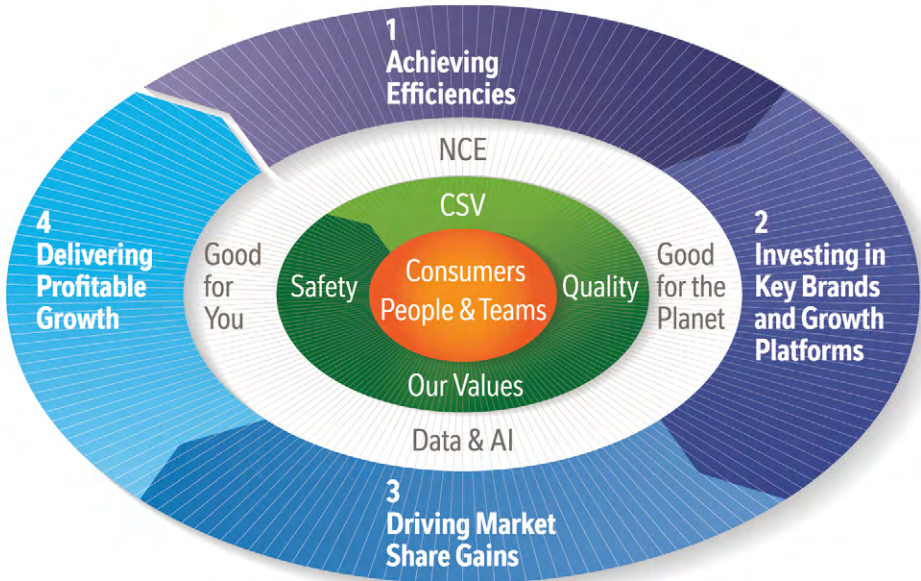
incremental cost savings of at least CHF 2.5 billion by the end of 2027, on top of existing cost-savings programs. Work on key initiatives across procurement, commercial investments and structural costs is ongoing.

Nestlé Continuous Excellence (NCE). The NCE approach is our key driver for accelerating efficiency and improving performance. Our focus is on reducing complexity and eliminating unnecessary activities that are not creating consumer value. We are aligning our goals across the entire organization, from senior management all the way to the factory floor. We ensure that the entire organization is aligned to our key business priorities and is executing on specific tasks that will drive performance.

Leveraging our procurement scale. Our procurement teams worldwide are enhancing sourcing flexibility and agility by leveraging our scale. We are continuously reviewing our specifications, both globally and locally, to drive simplification and efficiency.

Optimizing commercial investment. Our commercial spend on promotional activities – such as discounts, rebates, in-store displays, merchandising and pricing – helps us gain a competitive edge in the retail landscape. Through increased automation and advanced analytics, we can more effectively determine the initiatives that yield returns and eliminate inefficiencies. In addition, our sales, marketing and finance functions are intensifying their collaboration to make more effective decisions on the best use of our capital, and we are also working with our partners to optimize our resources in this space.

NESTLÉ VIRTUOUS CIRCLE





Our six big bets for 2025

We are focusing on winning value propositions as key contributors to growth: *NAN* with *Sinergity*, *Nescafé* Espresso Concentrate, *Maggi* Air Fryer seasonings, *Nestlé Choco Trio* and other *Chocobakery* opportunities, *Purina Gourmet Revelations* and *Nescafé Dolce Gusto* Neo coffee system.

2. Investing in key brands and growth platforms

We have strong brands and, through strategic investments, we aim to strengthen our connections with the consumer and expand market share. Our investments aim to help us continuously perform and transform.

Unlocking the full potential of our portfolio. Our aim is to expand winners, build new growth engines and address underperformers. We look to optimize our investments in our biggest global brands and in our most iconic regional brands. By focusing on consumer needs and wishes, with at least 60% consumer taste preference, we strive to continuously develop and expand these winning brands through innovation, new formats and launches in new geographies.

Investments in our core brands happen alongside the continued optimization of our portfolio. We focus on products with the greatest growth potential that consumers find appealing. This allows us to simplify our value chain, free up resources and make better use of our assets.

When there are parts of our portfolio that are underperforming, we take steps to address the issues. We are reorganizing our waters business so that, as of 2025, our water and premium beverages activities will operate as a standalone business to better drive the specifics of this category. Under this new structure the management team will evaluate the strategy for this segment of our portfolio, including exploring partnership opportunities, to enable Nestlé's leading water brands and growth platforms to achieve their full potential.

Fewer, bigger and better global launches. Our R&D teams are able to quickly adapt to trends and capture new opportunities. We are taking a more disciplined approach to innovation, scaling fewer, bigger and better high-quality innovations that we believe will have a powerful impact with consumers. We prioritize them for swift and broad rollout through a strategy underscored by governance, speed, scalability and execution excellence.

Our science and technology platforms enable us to capture high-growth opportunities to drive differentiation. Based on consumer research, data and internal capabilities, we have identified the following six high-growth opportunity areas:

- Nutrition across life stages and for health concerns: We cater to people and pets throughout their lifespans and strive to address their health needs. Our proprietary *Sinergity*, for example, leverages our expertise on biotics to combine a specific probiotic with six human milk oligosaccharides (HMOs) to support age-adapted infant development. We are also relaunching our *Materna* range to address the specific nutritional needs of pregnant women. For GLP-1 users and consumers focused on weight management, we are developing solutions that are high in protein and dense in nutrients for brands such as *Boost* and *Vital Pursuit*.
- Coffee shop experience: We continue to innovate for home baristas, developing trendy options with high growth potential, such as cold coffee with *Nescafé* Espresso Concentrate or *Nespresso* special cold editions.
- Mindful snacking and ready-to-eat/drink: We recognize consumers' need for convenient nutrition

on the go and offer easy, nutritious snacks, such as *Maggi* instant noodles or *Milo* Activ-Go with six vitamins and minerals.

- **Affordable nutrition:** We strive to make good nutrition affordable for consumers in all parts of the world. We provide micronutrient fortification with powdered milks from *Bear Brand* and *Nido*. We also develop new affordable protein options like *Maggi* Rindecarne, which provides a mix of soy and spices that doubles the amount of protein servings when combined with meat.
- **New flavors and textures:** People and pets increasingly want to enjoy new and elevated food experiences. With *Purina Gourmet Revelations*, for instance, cats can enjoy a variety of recipes in a pyramid-shaped delicate mousse covered with a tasty sauce.
- **Modern cooking:** Taking advantage of the increasing popularity of air fryers, we have launched several products across different geographies, including air fryer seasonings by *Maggi* and *Totole* as well as *Stouffer's Melt-FULLS* frozen sandwiches.

Delivering tasty and balanced diets. In line with our Nutrition, Health and Wellness strategy, we are committed to helping people enjoy tasty, balanced diets. Through our innovation and renovation efforts, we continue to reduce sugars, salt and saturated fats. At the same time, we know that people consume food and beverages not only for nutrition but also for enjoyment. Nestlé aims to offer the right products for these occasions as part of a balanced diet and provides on-pack portion guidance.

We are committed to growing the nutritional value of our global portfolio and we provide complete transparency. In 2024, Nestlé products with a Health Star Rating (HSR) of 3.5 stars or more – together with specialized nutrition products, such as baby foods, vitamin and mineral supplements, and medical nutrition – accounted for close to 59% of our food (excluding pet food) and beverage sales.

End-to-end digitalization. We are accelerating our digital agenda to become a more intelligent enterprise from end to end – connected from farm to fork – empowered by real-time data and artificial intelligence (AI). We want data to be transmitted across our entire value chain so that we can react faster in our decisions about procurement, manufacturing and distribution – avoiding wasteful spending and lost opportunities. To optimize our digital investments, we are also upskilling our people to take full advantage of new technologies.

Our digital transformation will support enterprise business planning by providing consistent, real-time data across all functions, which will help to improve

forecasting accuracy. Our Brazilian market, for example, already has the end-to-end connectivity we strive for globally. Using predictive sales analytics, the Brazil team can predict the sell-out of a product over a 12-week period with 94% accuracy. More accurate forecasting enables us to quickly intervene if we see a gap, for example, by ramping up supply or production. It helps us to better predict changes in the market and recognize consumer needs faster. With this data we can also offer the right promotions at the right time, tailor our communication to different consumer groups and target them on the channels they use most.

Protecting climate and resources. Investments to enhance the resilience of our food producers and stabilize food systems are essential to ensuring the long-term success of our business. We continue our journey towards net zero emissions while being mindful of natural resources. Protecting our access to high-quality raw materials in sufficient quantities through regenerative practices helps drive competitive advantages.

In 2024, Nestlé achieved a 20.38% net reduction of greenhouse gas (GHG) emissions versus 2018 baseline, meeting one year ahead of time Nestlé Net Zero SBTi milestone of 20% by 2025. Reductions are due to the decarbonization of our own operations and our raw materials. We increased our use of renewable energy and improved the agricultural practices within our supply chains. We are actively pursuing further reductions to reach our goal of a 50% reduction in GHG emissions by 2030.

We want all our raw materials to be traceable to the point of origin and farmed using methods aligned to our Responsible Sourcing Core Requirements, delivering benefits to people, nature and climate. In 2024, 44.5% of 14 priority raw materials were responsibly sourced as outlined by the requirements in our Nestlé Responsible Sourcing Framework.

3. Driving market share gains

With a focused portfolio of attractive categories, strong brands and innovative products, we want to grow our market share in all the markets where we are present. Following reduced investment in marketing during the pandemic, we are stepping up our marketing spend.

Executing with excellence. One of our biggest strengths is that we have superior in-market knowledge and capabilities. We are on the ground, close to consumers and customers. We know how to engage with them to improve our connections. Our goal is to increase our share of voice by making our products highly visible through prime shelf space and higher levels of advertising and marketing.



Star 4

Nestlé plant scientists and agronomists developed *Star 4*, a novel high-yielding Arabica coffee variety selected for its resilience, characteristic Brazilian coffee taste and optimized cultivation that results in a reduced carbon footprint.

Investment in advertising and marketing is being stepped up to 9% of sales by the end of 2025 to support growth. In 2024, over 70% of our media budget was spent digitally, utilizing over 340 million first-party data records. Our 45 content studios and integrated marketing operation centers use AI and machine learning to create bespoke digital content for diverse media platforms.

Nestlé's content engine also supports online sales. Our e-commerce sales continue to grow, now accounting for more than 25% of our total sales in eight markets, including our top two markets: the United States and China.

Employing high standards of food safety and quality.

High standards of food safety and quality are fundamental in our engagement with consumers. Without them, gaining market share is impossible. Quality is embedded in our purpose and values – integral to our *Corporate Business Principles*. Our end-to-end approach to food safety and quality applies to design, delivery and consumption. We apply international standards, and help raise the bar in our industry using rigorous processes and leading scientific techniques.

We update our food safety and quality systems to respond to changes, such as revised regulations, changes to suppliers or ingredients, introduction of regenerative agriculture practices, new packaging and geopolitical developments.

4. Delivering profitable growth

Our long-term value creation model is based on the balanced pursuit of top- and bottom-line growth as well as improved capital efficiency. We create value guided by three strategic pillars:

- Operational efficiency
- Resource and capital allocation with clear priorities
- Growth through efficiencies and continuous investment

Through the Nestlé Virtuous Circle, we free up resources to invest in our products and brands. Growth is the primary driver of value creation. Nestlé is taking action to deliver superior, sustainable and profitable growth. In the medium term, organic growth is expected to be 4% plus in a normal operating environment, with an underlying trading operating profit margin of 17.0% plus.

Satisfying the growing demand for cold coffee

Cold coffee is increasingly the coffee drink of choice, especially among Gen Z and Millennials. We are capitalizing on this fast-growing opportunity with a broad and complementary portfolio of innovative products under our leading brands, empowering consumers to create café-style cold coffee at home.

Inspired by the coffee shop experience, consumers are experimenting and recreating their favorite coffee drinks for at home or on-the-go, with cold coffee playing an important and growing role. Social media offers a space for people to share their recipes, as creating and enjoying coffee beverages is becoming a pleasurable daily ritual for more and more people.

Nestlé is meeting the trend with several innovative products. The new *Nescafé Espresso Concentrate* is the ultimate cold coffee hack for creating barista-style coffees at home using the premium liquid concentrate. The product was rolled out in Australia, New Zealand and China in 2024, with launches planned in North America, the UK, Japan and Thailand in 2025.

The product complements other cold launches: *Nescafé Ice Roast* instant coffee dissolves quickly in any cold liquid. Mixing cold with a trendy flavor, *Nespresso Sunny Almond Vanilla Over Ice* was the hero of the 2024 summer, contributing to strong *Vertuo* cold growth. And ready-to-drink cold coffee in several geographies targets young consumers' on-the-go lifestyles.

OUR VOICES

"Nescafé Espresso Concentrate allows our consumers to make their favorite iced coffee in whatever way they like – imagination is the only limit."

Don Howat
Global Lead Nescafé
Switzerland



IN FIGURES



Connecting through our brands

Our broad portfolio of more than 2000 brands, from global icons to local favorites, are enjoyed by people around the world.

Powdered and Liquid Beverages

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PetCare

Page 18



Nutrition and Health Science

Page 20





Prepared dishes and cooking aids

Page 22



Milk products and ice cream

Page 24



Confectionery

Page 26



Water

Page 28



POWDERED AND LIQUID BEVERAGES

Perfecting the world's favorite beverages

Our Powdered and Liquid Beverages category includes our coffee, cocoa, malt and other beverage businesses. This category features iconic coffee brands *Nescafé*, *Nespresso* and *Starbucks*, plus the world's most popular chocolate malt beverage, *Milo*.

At a glance

24.6

Sales (in CHF billion)

20.0%

UTOP margin

26.9%

Percentage of Nestlé's sales



Starbucks Iced Coffee Blend

Starbucks Iced Coffee Blend enables cold coffee lovers in the US and Canada to easily make delicious café-style Signature Black or Vanilla iced coffee at home, using K-cup pods.

Nescafé Ready to Drink

Launched in Brazil and the Middle East, *Nescafé Ready to Drink* offers consumers three great-tasting options for a refreshing cold coffee experience wherever and whenever they desire it.

Milo Pro

Launched in Australia for active teenagers who seek high-protein beverages with great taste, *Milo Pro* delivers 15 grams of protein per serving when prepared with milk.

Nespresso Coffee+

The expanded *Nespresso Coffee+* range now offers four enhanced options for consumers: *Melozio Boost* and *Stormio Boost* with extra caffeine, *Vivida* with B12 and *Ginseng Delight* with ginseng extract.

Pursuing opportunities to deliver on flavored

Consumers, particularly the younger generation, are seeking new and exciting coffee experiences that go beyond the traditional cup. Unlocking this significant opportunity, Nestlé has been at the forefront of innovation to supply coffee enthusiasts with the flavors they crave.

We are taking advantage of this opportunity by catering to consumer flavor preferences across our iconic coffee brands. Just this past year we unveiled several new Nescafé, Nespresso and Starbucks flavored coffee products.

Nestlé launched its first flavored soluble Nescafé coffees in 2024. Two flavors – Rich Caramel and Smooth Vanilla – launched in Europe under

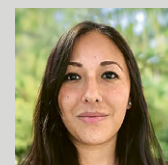
the Nescafé Classic brand, and can be consumed hot or cold. In the UK, Rich Caramel and Smooth Vanilla are available under the Nescafé Gold label for a perfectly balanced cup of flavored hot coffee, with a touch of sweetness without added sugar. And Nescafé Clásico in Mexico now offers Vanilla, Chocolate and Hazelnut.

In March, we launched the Nespresso Maple Pecan seasonal flavor with incredible success. We brought it back in September at the request of our consumers, making it a new autumnal favorite. Also, the Starbucks by Nespresso Smooth Caramel and Creamy Vanilla coffee capsules received rave reviews and were awarded 2024 *Produit de l'Année* (product of the year) in France.

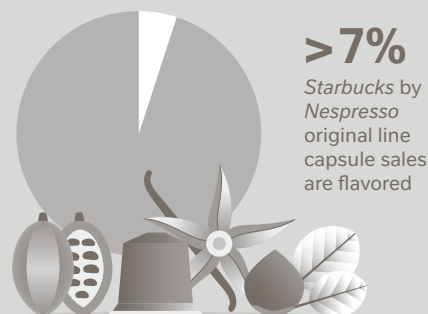
OUR VOICES

"These latest launches illustrate Nestlé's dedication to developing coffee innovations that attract and engage new and existing consumers."

Betsabé Díaz
Global Coffee R&D
Manager
Switzerland



IN FIGURES



Caring for pets and people

Our PetCare business delivers nutrition for pets that helps them thrive. Purina is guided by science and driven by passion to enrich the lives of pets, the people who love them and the planet we all share.

At a glance

18.9

Sales (in CHF billion)

21.6%

UTOP margin

20.7%

Percentage of Nestlé's sales



Felix Megamix

The leading *Felix* brand continues to expand to new regions, launching across Latin America in 2024 with a new, unique formula that combines seven proteins.

Gourmet Nature's Creations

This new line of delectable recipes for cats is inspired by nature and features high-quality selected natural ingredients rich in beef, lamb, poultry or fish, garnished with vegetables.

Purina One True Instinct

Fueling continuous growth of the *Purina One* brand, the new *Purina One True Instinct* Lean Muscle Support keeps dogs active and healthy by optimizing protein for lean body mass.

Purina Pro Plan Veterinary Supplements

Purina Pro Plan Veterinary Supplements expanded its range with canine Multi Care, offering a daily chew combining three multi-active blends to proactively support skin, immune and gut health in dogs.

Delivering insights and solutions for cat owners

Cat owners want new ways to see into the world of their mysterious feline companions and would like reassurance that they are doing the best for their pets. Purina developed the *Petivity* Smart Litterbox Monitor to help them personalize diet and supplement choices.

The litter box is a window into cat well-being, since changes in behavioral or physical health can manifest as changes in litter box patterns. Cats often mask their symptoms, making it challenging for people to notice these early indicators of health issues.

The *Petivity* Smart Litterbox Monitor provides a glimpse into cat behavior that helps owners proactively manage the health of their cats. The monitor sits

under the existing litter box to passively track fluctuations in weight and elimination patterns using proprietary AI. It can even identify individual cats within multi-cat households. The monitor provides user-friendly data and information that pet owners can take to veterinarians to help diagnose health issues.

In addition to signaling potential health issues, the *Petivity* Smart Litterbox Monitor uses cat profiles and real-time data to offer personalized nutritional recommendations. Cat owners are then empowered to personalize diet and supplements based on unique needs. Purina offers several nutritional solutions, including *Pro Plan* Hydra Care to promote hydration and *Pro Plan* Vital Systems for overall health.

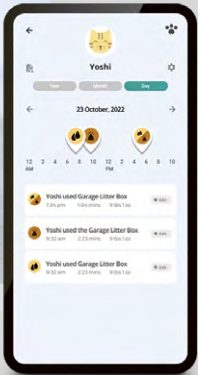
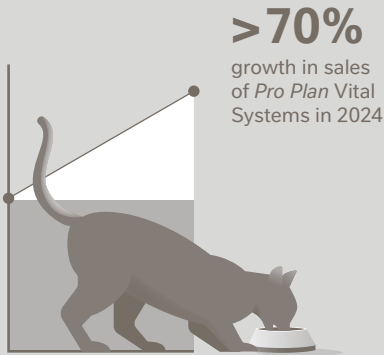
OUR VOICES

“The *Petivity* Smart Litterbox Monitor supports owners in caring for their cats and serves as a tool for us to develop innovative nutritional solutions.”

Ragen T.S. McGowan
Director Digital
Solutions
United States



IN FIGURES



NUTRITION AND HEALTH SCIENCE

Optimizing health through nutrition

Our nutrition business provides science-based products and solutions for mothers, babies and children. Our Nestlé Health Science business supports healthier lives by offering an extensive portfolio of science-based consumer care and medical nutrition.

At a glance

15.1

Sales (in CHF billion)

19.9%

UTOP margin

16.6%

Percentage of Nestlé's sales



Wyeth illuma

Wyeth *illumina* ready-to-feed is the first liquid infant formula in mainland China that contains human milk oligosaccharides (HMOs), known for their wide-ranging benefits, such as improved immunity and gut health.

S-26

Now rolled out across Asia, Greater China and Latin America, S-26 with new *Nutrilearn Connect* offers a distinct nutrient blend clinically shown to increase myelination for brain development.

Nature's Bounty Optimal Solutions

Newly available as gummies, the popular *Nature's Bounty* Optimal Solutions Hair Growth featuring *Advanced Hair Complex* is clinically shown to help grow thicker, fuller hair in three months.

Vital Proteins

The B Corp certified brand is transitioning its best-selling collagen peptides in the United States from plastic packaging to an 80% paperboard canister made from fibers from FSC-certified forests.

Supporting patients with special nutritional requirements

Up to 40% of malnourished patients give up on their oral nutritional supplement because of inability to tolerate large fluid volumes or taste fatigue. *Resource Ultra+* is a new range of groundbreaking oral nutritional supplements formulated to optimize nutritional intake in a super-concentrated solution.

Resource Ultra+ was developed for people with special nutritional requirements. With a low glycemic index, *Resource Ultra+* offers the highest concentration of milk protein, providing a balanced blend of fast-acting (60% whey) and long-lasting (40% casein) high-quality proteins. These proteins are proven to enhance net protein balance, a crucial factor for driving muscle growth.

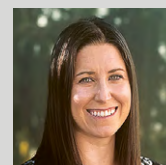
Many patients struggling with cancer and other diseases have difficulty drinking large quantities. The unique technology used in *Resource Ultra+* products allows for the concentration of protein alongside low viscosity. Along with great taste and a wide range of flavors, patients can meet their recommended nutrient intake by consuming smaller volumes.

With its focus on concentrated protein, low viscosity and exceptional taste, *Resource Ultra+* products have a significant competitive advantage in the market. Launched in 2022 in France as *Clinutren Ultra* and in Spain as *Meritene Clinical Extra Protein*, in 2024, it rolled out across 18 new countries – from Brazil to Australia – as *Resource Ultra+*.

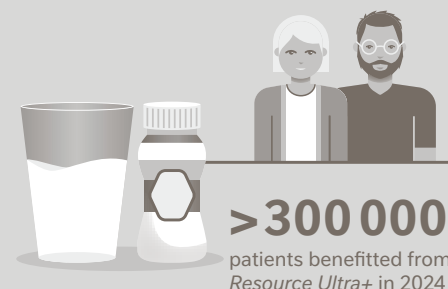
OUR VOICES

“We conquered technical challenges and achieved the world’s highest concentration of intact dairy protein, making every sip count for patients.”

Nancy Ingalls
Senior Scientist,
Product Technology
& Development
United States



IN FIGURES



PREPARED DISHES AND COOKING AIDS

Advancing delicious and nutritious food

Our prepared dishes and cooking aids category provides daily essentials, including bouillons, chilled culinary products, and frozen food and pizzas. Iconic brands such as *Maggi*, *Stouffer's* and *DiGiorno* cater to regional and local tastes.

At a glance

10.7

Sales (in CHF billion)

19.9%

UTOP margin

11.7%

Percentage of Nestlé's sales



Totole

Made from carefully selected Matsutake mushrooms from the Yunnan forest, the new *Totole* Xian Matsutake Bouillon provides a richer Xian taste without sweeteners, artificial flavors or preservatives.

Vital Pursuit

New *Vital Pursuit* Garlic Herb Grilled Chicken Bowl is a thoughtfully portioned, delicious meal with high protein and essential nutrients for consumers on weight loss medications or a weight loss journey.

Maggi Nutri-licious

New *Maggi Nutri-licious* Chatpata Besan Noodles are made with nutrient dense chickpeas, rich in both protein and fiber, offering Indian consumers a compelling dish that is both spicy and tangy.

Maggi Magic Asia

Launched in Europe, new *Maggi Magic Asia* Tikka Masala offers consumers a ready-made sauce crafted with authentic spices and other natural ingredients, for an Indian-inspired dish in just ten minutes.

Making popular world cuisine accessible to all

With the rise of travel and social media, once local-only cuisines have become global favorites. Nestlé continues to be at the forefront of giving consumers affordable, delicious and wholesome options for trying new dishes from around the world at home.

As a truly global company with very local insights, Nestlé understands consumer preferences. Whether bringing beloved local dishes to consumers in India or Thai food to consumers in Europe, our chefs in R&D can make it just right for local tastes. This advantage is helping us bridge culinary cultures and bring sought-after cuisine to our consumers, wherever they live.

The Maggi Magic Asia range offers European consumers a range of tasty

and wholesome options that celebrate the iconic flavors of Asia, such as Curry, Teriyaki and Sweet Chili. Developed in close collaboration with Asian and European chefs, the range includes noodles, sauces and recipes, enabling simple and intuitive cuisine preparation and discovery.

In the United States, Nestlé is collaborating with *Tapatio* to bring a range of frozen Mexican meals, including the newly launched Chicken Enchiladas with 27 grams of protein per serving. Nestlé is also collaborating with celebrity Chef Ming Tsai to create frozen Asian meals, enabling consumers to enjoy classic dishes from the Asian continent, such as *Mings* Sichuan-inspired Spicy Dan Dan Noodles.

OUR VOICES

“We are driven by relentless consumer obsession. Our new global offerings deliver delicious authentic experiences our consumers love.”

Tom Moe
Meals Division
President
United States



IN FIGURES



USD 16 billion

US annual spend on in-home world cuisine, led by Mexican and Chinese



MILK PRODUCTS AND ICE CREAM

Providing options for everyone

Our milk products business delivers nutritional products for all stages of life, ambient dairy, plant-based alternatives and coffee creamers. Our ice cream business offers a variety of special treats.

At a glance

10.4

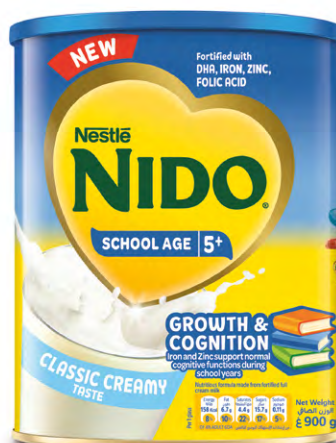
Sales (in CHF billion)

23.5%

UTOP margin

11.4%

Percentage of Nestlé's sales



Häagen-Dazs exträaz

Launched in Canada, the new Häagen-Dazs exträaz flavors are specially crafted to deliver exciting tastes and a captivating multisensory experience that appeals to younger ice cream consumers.

Coffee mate Dirty Soda

The new Coffee mate Dirty Soda Coconut Lime developed in collaboration with Dr Pepper capitalizes on the viral TikTok dirty soda trend, creating a new consumer occasion for the iconic brand.

Nido School Age

Nido School Age launched in Brazil and the Middle East, with nutrients specifically selected to support kids' normal cognitive development during the critical school-age period.

Yiyang

Yiyang continues to solidify its position as a key player in the healthy aging market in China thanks to a portfolio addressing senior Chinese consumer needs and advanced nutritional science.

Using novel technologies to improve nutrition

One of Nestlé’s key pillars is developing new science-based solutions to enhance the nutritional value, affordability and sustainability of our products. This past year we were pleased to announce the development of a breakthrough method that reduces fat in milk powders while increasing creaminess.

We continuously leverage our nutrition science and product development expertise to offer nutritious options without compromising on taste and texture. In particular, we look for ways to reduce added sugars, sodium and saturated fat, while providing positive nutrients.

Nestlé R&D teams developed a method to reduce the fat present in milk powder

by a significant proportion, while keeping the quality, taste and creamy texture that consumers enjoy. Key to this innovation is the controlled aggregation of milk proteins, where the texture, viscosity and mouthfeel of milk fat is mimicked by protein. This leads to lower calorie levels but with the same taste and creaminess profile as a full-fat milk.

The new technology is an important milestone in Nestlé’s journey to offer healthier options without compromising on taste. It was successfully implemented in the *Nido* Brazil portfolio: *Ninho Adulto*, *Ninho Proteen* and *Ninho School Age*. And we are rolling out the technology across our *Nido* portfolio globally, which will help drive demand for this technology.

OUR VOICES

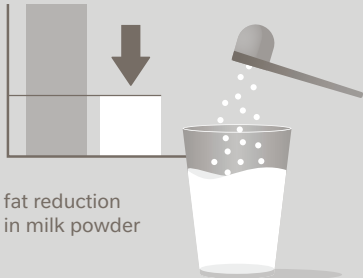
“*Nido* is a hugely popular brand globally and our sustained innovation will ensure we continue to meet ever-evolving customer expectations.”

Laurent Alsteens
Global Category Head,
Nutrition
Switzerland



IN FIGURES

up to 60%



CONFECTIONERY

Delighting consumers with tasty treats

Our confectionery business includes the iconic *KitKat* brand and a portfolio of much-loved regional and local brands. We innovate to create great-tasting chocolate products and snacks.

At a glance

8.5

Sales (in CHF billion)

15.4%

UTOP margin

9.2%

Percentage of Nestlé's sales



Milo Enersnakz

The beloved *Milo* brand launched an affordable, better-for-you snack in Nigeria that is locally produced with the goodness of malt, maize and cocoa, and fortified with vitamins and minerals.



Nestlé Sustainably Sourced

The new travel retail-exclusive *Nestlé Sustainably Sourced* range, in partnership with the Rainforest Alliance, reflects Nestlé's commitment to responsible sourcing through the *Nestlé Cocoa Plan*.



Baci Perugina Coffee

Our leading praline brand in Italy expanded its range with the new *Baci Perugina Coffee*, featuring gianduja-flavored filling enriched with coffee extract and a coffee-flavored dark chocolate coating.



Garoto Chocobakery

Garoto employs its chocolate expertise by collaborating with Nestlé biscuit brands to develop innovative products, pushing boundaries in the fast-growing Chocobakery category.

Continuing to grow a billionaire brand

KitKat has consistently been one of our fastest-growing billionaire brands. It is well positioned to continue outperforming in the market, as Nestlé fuels growth through investment, innovation and new marketing strategies.

KitKat was launched in 1935 in York, England, as a snack that people could take to work – the genesis of its tagline: Have a break, Have a KitKat. Building on this rich history and forging new paths, KitKat continues to drive accelerated growth and market share.

Sold now in over 90 countries, KitKat has broad reach, balanced among emerging and developed economies, which continues to grow thanks to new formats and products. In India,

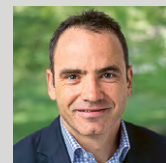
KitKat is the #1 countline, with a broad range of formats that meet key price points. In Turkey, KitKat Chunky has driven significant growth through its core portfolio. And in Australia, the new KitKat Drumstick tablet brings two favorite brands together.

Investment in new global market strategies is also driving continued KitKat growth. Reaching mobile game players, our partnership with Candy Crush has KitKat integrated into the game in over 50 countries. A new global campaign utilizes the renowned Queen song, “I Want to Break Free,” to inspire people to take better-quality breaks with a KitKat. And in 2025, KitKat is embarking on a landmark global partnership that makes KitKat the official chocolate bar of Formula 1.

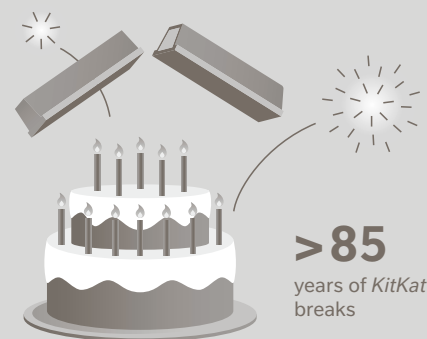
OUR VOICES

“We are upping our game to drive best-in-class marketing and execution to create the iconic break brand for the next generation.”

Chris O'Donnell
Global Category Lead
KitKat
Switzerland



IN FIGURES



WATER

Offering much more than hydration

Our water business is dedicated to providing healthy hydration and enhancing quality of life while contributing to a sustainable future. The strategic focus is on international premium water brands as well as healthy and functional offerings.

At a glance

3.2

Sales (in CHF billion)

9.3%

UTOP margin

3.5%

Percentage of Nestlé's sales



S. Pellegrino

S. Pellegrino celebrates 125 years of bringing its gentle bubbles to the best dining tables around the world with a special limited-edition of the iconic green bottle to commemorate the milestone.



Vittel

Vittel is relaunching its range of flavored waters made of natural origin ingredients, with four refreshing options: Lemon Lime, Strawberry, Exotic Fruit and the new Peach Touch of Ginger.



La Vie

La Vie Light offers a unique blend of six essential minerals with a new refreshing taste to cater to Southern Vietnam consumers, comprising the largest share of the Vietnamese market.



Levissima+

Levissima+ added two new functional options: *Levissima+* Draining targets excess fluid with hibiscus flower extract and vitamins. *Levissima+* Toning tonifies the skin with vitamins and rosehip extract.

Building upon an iconic brand

Perrier brings a piece of the irresistible French *art de vivre* to consumers worldwide. The new *Maison Perrier* brand builds upon that reputation with a reinvention of the timeless French icon that meets the expectations of a new generation.

Over the past few years, our consumers have shown a growing appetite for healthy and pleasurable hydration offerings. Younger consumers are also drawn to novelty and unique taste experiences.

Maison Perrier caters to this growing demand in the most dynamic water market segments with the launch of four premium ranges: Forever, Magnetic Juice, Chic and Energize.

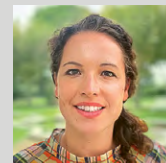
The latter three fall within our Powdered and Liquid Beverages category. Within the Water category, the *Maison Perrier* Forever range offers an assortment of 13 flavored sparkling water-based drinks with zero calories and zero sugar.

Bursting with creativity and color, *Maison Perrier* Forever is building upon the strong cultural heritage of *Perrier* to carve out a new modern identity. Its launch leveraged a 360 digital media campaign starring Lily Collins (protagonist of Netflix's *Emily in Paris*) and local influencers, reinforced by strong in-store activations, sampling and animations. The brand is now live in major markets, with consumers showing strong demand.

OUR VOICES

"We have positioned *Maison Perrier* as the epitome of creativity to recruit a new generation of enthusiasts."

Elisa Gregori
French Business Unit
Director, Perrier Global
France



IN FIGURES



Financial review

Key figures (consolidated)

In millions of CHF (except for data per share and employees)

	2023	2024
Results		
Sales	92 998	91 354
Underlying trading operating profit ^(a)	16 053	15 704
as % of sales	17.3%	17.2%
Trading operating profit ^(a)	14 520	14 633
as % of sales	15.6%	16.0%
Profit for the year attributable to shareholders of the parent (Net profit)	11 209	10 884
as % of sales	12.1%	11.9%
Balance sheet and Cash flow statement		
Total Equity	36 387	36 693
Net financial debt ^(a)	49 638	56 005
Ratio of net financial debt to total equity (gearing)	136.4%	152.6%
Operating cash flow	15 941	16 675
as % of net financial debt	32.1%	29.8%
Free cash flow ^(a)	10 403	10 666
Capital additions	7 159	7 685
as % of sales	7.7%	8.4%
Data per share		
Weighted average number of shares outstanding (in millions of units)	2 646	2 596
Basic earnings per share	CHF 4.24	4.19
Underlying earnings per share ^(a)	CHF 4.80	4.77
Dividend as proposed by the Board of Directors of Nestlé S.A.	CHF 3.00	3.05
Market capitalization, end December		
	255 604	192 645
Number of employees (in thousands) ^(b)		
	275	277

Principal key figures ^(c) (illustrative) in CHF, USD, EUR

In millions (except for data per share)	Total CHF 2023	Total CHF 2024	Total USD 2023	Total USD 2024	Total EUR 2023	Total EUR 2024
Sales	92 998	91 354	103 584	103 754	95 730	95 914
Underlying trading operating profit ^(a)	16 053	15 704	17 880	17 835	16 525	16 488
Trading operating profit ^(a)	14 520	14 633	16 173	16 619	14 947	15 364
Profit for the year attributable to shareholders of the parent (Net profit)	11 209	10 884	12 485	12 361	11 539	11 427
Total Equity	36 387	36 693	43 245	40 605	39 081	38 998
Market capitalization, end December	255 604	192 645	303 784	213 185	274 532	204 750
Data per share						
Basic earnings per share	4.24	4.19	4.72	4.76	4.36	4.40

(a) Certain financial performance measures are not defined by IFRS Accounting Standards. For further details, see Foreword on page 32.

(b) 2023 figures have been restated following the change in reference base: from full-time equivalent to headcount.

(c) Income statement figures translated at average annual rate; Balance sheet figures at year-end rate.

Group overview

Foreword

The Financial review contains certain financial performance measures, that are not defined by IFRS Accounting Standards (thereafter "IFRS"), that are used by management to assess the financial and operational performance of the Group. They include among others:

- Organic growth, Real internal growth and Pricing;
- Underlying trading operating profit margin and Trading operating profit margin;
- Net financial debt;
- Free cash flow; and
- Underlying earnings per share (EPS) and EPS in constant currency.

Management believes that these non-IFRS financial performance measures provide useful information regarding the Group's financial and operating performance.

The *Alternative Performance Measures* document published under www.nestle.com/investors/publications defines these non-IFRS financial performance measures.

Group sales

Total reported sales decreased by 1.8% to CHF 91.4 billion, including negative impacts of 3.7% from foreign exchange movements and 0.3% from net divestitures. Organic growth was 2.2%. Pricing was 1.5%, reflecting a reduction in inflation across most categories after two years of high input cost and price increases. Real internal growth (RIG) returned to positive growth at 0.8% and was still impacted by soft consumer demand in many markets, including consumer hesitancy towards global brands in certain markets. Additionally, actions taken to reduce customer inventory in the second half of the year reduced full-year RIG by approximately 20 basis points.

By geography, organic growth was driven by emerging markets and Europe, which together more than offset a decrease in North America. In developed markets, organic growth was 1.2%, with positive pricing and RIG. In emerging markets, organic growth was 3.7%, led by pricing with positive RIG.

Organic growth by product category was as follows:

- Coffee was the largest growth contributor with mid single-digit growth, supported by the three leading coffee brands: *Nescafé*, *Nespresso* and *Starbucks*.
- Sales in confectionery grew at a mid single-digit rate, led by *KitKat* and key local brands.
- PetCare delivered low single-digit growth, driven by continued momentum for science-based premium brands *Purina ProPlan*, *Purina ONE* and *Friskies*.
- Nestlé Health Science achieved mid single-digit growth, with double-digit growth in the second half of the year.
- Water reported low single-digit growth, with solid growth for *S.Pellegrino* and supported by the successful launch of *Maison Perrier*.
- Infant Nutrition sales grew at a low single-digit rate, supported by continued momentum for *NAN* and *Lactogen*.

- Dairy posted negative growth, as a decline in coffee creamers and ambient dairy more than offset growth for affordable milks and dairy culinary solutions.
- Culinary reported negative growth, with mid single-digit growth in *Maggi* more than offset by a decline in frozen food in North America.

By channel, organic growth in retail sales was 2.1%. Organic growth of out-of-home channels was 3.2%. E-commerce sales grew organically by 11.3%, reaching 18.9% of total Group sales.

Sales by geographic area			
	Differences 2024/2023 (in %)		
	in CHF	in local currency	in CHF millions
By principal markets			2024
North America	-1.3%	(a)	32 123
United States	-1.2%	+0.8%	29 682
Canada	-3.1%	+0.3%	2 441
Europe	-0.9%	(a)	22 086
United Kingdom	+2.5%	+1.7%	3 617
France	-3.1%	-1.1%	3 437
Germany	-9.2%	-7.4%	2 008
Other markets of geographic area	+0.1%	(a)	13 024
of which Switzerland	-3.5%	-3.5%	1 062
Asia, Oceania and Africa	-3.5%	(a)	19 180
Philippines	-0.1%	+4.9%	2 674
India	+1.0%	+4.4%	2 013
Australia	+1.3%	+4.0%	1 469
Other markets of geographic area	-5.3%	(a)	13 024
Latin America	-1.8%	(a)	12 533
Brazil	-2.2%	+7.6%	4 040
Mexico	-2.5%	+2.8%	3 839
Chile	-13.3%	-0.6%	1 137
Other markets of geographic area	+4.1%	(a)	3 517
Greater China	-1.7%	(a)	5 432
Greater China	-1.7%	+1.9%	5 432
Total	-1.8%	(a)	91 354

(a) Not applicable.

Gross profit and operating profit

Gross profit was flat at CHF 42.7 billion, and the gross profit margin increased by 80 basis points to 46.7%. The gross profit margin reached 47.2% in H1, then declined 90 basis points sequentially to 46.3% in H2, driven by higher input costs in coffee and cocoa.

Distribution expenses as a percentage of sales was flat versus the prior year at 8.3%. Marketing and administration expenses as a percentage of sales increased by 90 basis points to 19.8%. This comprised: advertising and marketing expenses as a percentage of sales up 40 basis points to 8.1%, as we began to step up investment; and administration expenses as a percentage of sales up 50 basis points to 11.7% of sales, largely reflecting higher labor costs, the appreciation of the Swiss Franc and one-off items. Research and development costs as a percentage of sales was flat versus the prior year at 1.8%.

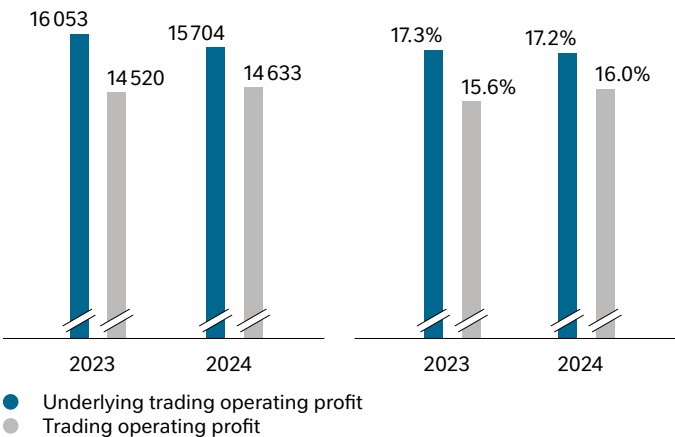
Underlying trading operating profit (UTOP) was CHF 15.7 billion, a decrease of 2.2% on a reported basis and an increase of 1.3% in constant currency. The underlying trading operating profit margin was 17.2%, a decrease of 10 basis points on a reported basis and flat in constant currency.

Restructuring and net other trading items was CHF 1.1 billion compared with CHF 1.5 billion in the prior year, with the reduction mainly due to lower restructuring costs. Trading operating profit increased by 0.8% to CHF 14.6 billion. The trading operating profit margin reached 16.0%, an increase of 40 basis points on a reported basis and 50 basis points in constant currency.

Underlying trading operating profit and Trading operating profit

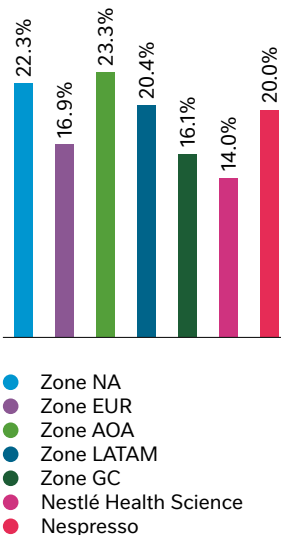
In millions of CHF

In % of sales



Underlying trading operating profit by operating segment

In % of sales



Trading operating profit by operating segment

In % of sales



Net financial expenses and Income tax

Net financial expenses increased to CHF 1.5 billion from CHF 1.4 billion, reflecting a higher level of average net debt and an increase in interest rates. The average cost of net debt was 2.6% compared to 2.5% in 2023.

The Group reported tax rate was 25.0%, compared to 18.2% in the prior year. The increase was mainly due to a write-off in deferred tax assets from changes in utilization projections and the absence of the favorable one-off items that positively impacted 2023. The underlying tax rate increased by 70 basis points to 21.9%, driven by higher corporate and withholding tax rates in some jurisdictions, as well as changes in the geographical and business mix of profits.

Net profit and Earnings per share

Net profit decreased by 2.9% to CHF 10.9 billion. Basic earnings per share decreased by 1.0% to CHF 4.19, reflecting the movement in net profit and the impact of the share buyback program.

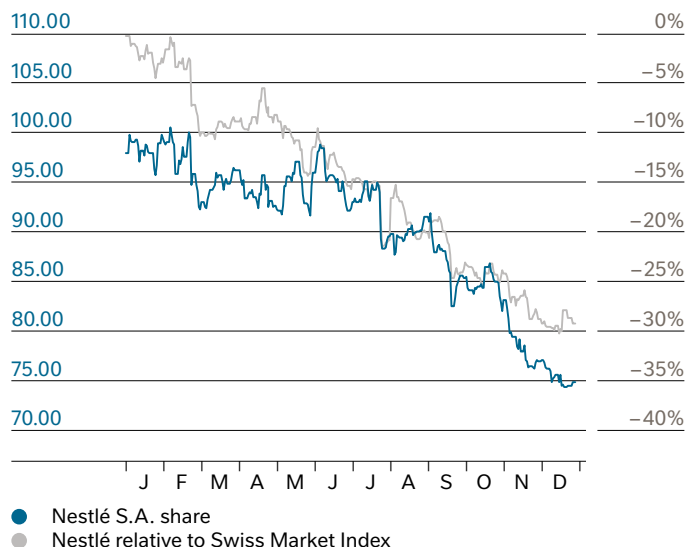
Underlying net profit was CHF 12.4 billion, a decrease of 2.6%, and an increase of 0.6% in constant currency. Underlying earnings per share was CHF 4.77, a decrease of 0.8%, and an increase of 2.5% in constant currency. The share buyback program contributed 1.1% to the underlying earnings per share change, net of finance costs.

Cash flow

Cash generated from operations increased to CHF 19.6 billion from CHF 19.2 billion in 2023. Free cash flow was CHF 10.7 billion compared to the prior year free cash flow of CHF 10.4 billion, which included CHF 0.6 billion proceeds from the disposal of a financial asset, with the increase primarily due to lower taxes paid and lower cash restructuring costs, as well as reduced capital expenditure.

Evolution of the Nestlé S.A. share in 2024

In CHF



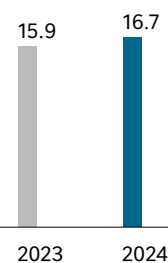
Earnings per share

In CHF

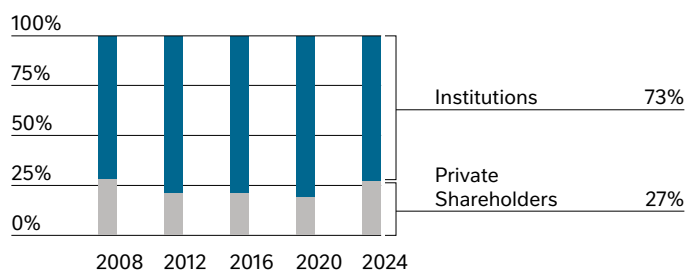


Operating cash flow

In billions of CHF



Share capital by investor type, long-term evolution (a)



(a) Percentage derived from total number of registered shares. Registered shares represent 43.9% of the total share capital. Statistics are rounded, as at 12/31/2024.

Dividend

At the Annual General Meeting on April 16, 2025, the Board of Directors will propose a dividend of CHF 3.05 per share, an increase of 5 centimes. Nestlé has maintained or increased the dividend in Swiss francs over the last 65 years. We remain committed to the long-held practice of increasing the dividend in Swiss francs every year.

The last trading day with entitlement to receive the dividend will be April 17, 2025. The net dividend will be payable as from April 24, 2025. Shareholders entered in the share register with voting rights on April 9, 2025, at 12:00 noon (CEST) will be entitled to exercise their voting rights.

Share buyback program

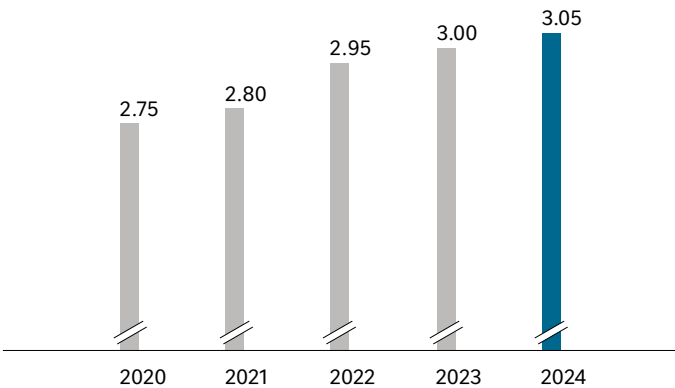
In 2024, the Group repurchased 48.2 million Nestlé S.A. shares for CHF 4.4 billion under the CHF 20.0 billion share buyback program that began in January 2022 and was completed as planned in December 2024. Under the program, 187.4 million shares were repurchased in the three-year period, of which 143.9 million have so far been cancelled. At the upcoming Annual General Meeting, the Board of Directors will propose the cancellation of the remaining 43.5 million repurchased shares, reducing the share capital of Nestlé S.A. from CHF 262 000 000 to CHF 257 652 000. We do not currently anticipate initiating a new share buyback program in 2025.

Net debt

Net debt was CHF 56.0 billion as at December 31, 2024, compared to CHF 49.6 billion at December 31, 2023. The increase largely reflected cash outflows for the dividend payment of CHF 7.8 billion and share buybacks of CHF 4.5 billion as well as the impact of foreign exchange movements. The ratio of net debt to Adjusted EBITDA was 2.90 times at December 31, 2024, compared to 2.54 times at December 31, 2023. This is towards the top of our target range of 2 to 3 times for net debt to Adjusted EBITDA.

Dividend per share

In CHF



Return on invested capital

Return on invested capital was 14.1%, compared to 13.9% in 2023. This improvement reflects a lower base of average invested capital, mainly linked to working capital, and a reduction in restructuring costs.

Minority participations

In late 2024, we established Nestlé Equity Holdings to consolidate ownership of many of our minority participations, enhancing governance and allowing for a more consistent and efficient approach to managing these interests.

Guidance

Our 2025 guidance is in line with the outlook we provided at the Capital Markets Day, with accelerated delivery of cost efficiencies offsetting recent increases in key commodity prices, especially in coffee and cocoa. In 2025, organic sales growth is expected to improve compared to 2024, strengthening through the year as we continue to deliver on our growth plans. UTOP margin is expected to be at or above 16.0% as we invest for growth. Guidance assumes no significant change in key macroeconomic variables.

Our objective remains to deliver superior, sustainable and profitable growth. In the medium term, we continue to expect organic sales growth to be at 4% plus in a normal operating environment, with an underlying trading operating profit margin at 17.0% plus.

Sales, employees and factories by geographic area

	Sales		Employees (a)		Factories	
	2023	2024	2023	2024	2023	2024
NA	35.0%	35.2%	14.7%	14.2%	56	56
EUR (b)	24.0%	24.2%	28.9%	28.9%	96	93
AOA	21.4%	21.0%	25.9%	25.5%	100	100
LATAM	13.7%	13.7%	21.9%	22.8%	65	65
GC	5.9%	5.9%	8.6%	8.6%	23	23

(a) 2023 figures have been restated following the change in reference base: from full-time equivalent to headcount.

(b) 8566 employees in Switzerland in 2024 (2023: 8678 employees).

Employees by activity (a)

In thousands

	2023	2024	
Factories	135	139	
Administration and sales	140	138	
Total	275	277	

(a) 2023 figures have been restated following the change in reference base: from full-time equivalent to headcount.

Product category and operating segment review

In millions of CHF

	2023	2024	Proportion of total sales (%)	RIG (%)	OG (%)
Powdered and Liquid Beverages					
Soluble coffee/coffee systems	16 648	16 679	 67.8%		
Other	8 138	7 919	 32.2%		
Total sales	24 786	24 598		+1.6%	+3.3%
Underlying trading operating profit	5 130	4 920	20.0%		
Trading operating profit	4 945	4 499	18.3%		
Water					
Total sales	3 320	3 180		-1.0%	+2.3%
Underlying trading operating profit	351	297	9.3%		
Trading operating profit	161	259	8.2%		
Milk products and Ice cream					
Milk products	10 092	9 597	 92.3%		
Ice cream	889	800	 7.7%		
Total sales	10 981	10 397		-0.7%	-0.6%
Underlying trading operating profit	2 688	2 442	23.5%		
Trading operating profit	2 601	2 393	23.0%		
Nutrition and Health Science					
Total sales	15 278	15 137		+1.9%	+2.8%
Underlying trading operating profit	2 831	3 006	19.9%		
Trading operating profit	2 291	2 771	18.3%		
Prepared dishes and cooking aids					
Frozen and chilled	5 095	4 304	 40.2%		
Culinary and other	6 571	6 407	 59.8%		
Total sales	11 666	10 711		-2.2%	-1.7%
Underlying trading operating profit	2 136	2 137	19.9%		
Trading operating profit	1 849	2 000	18.7%		
Confectionery					
Chocolate	6 208	6 567	 77.7%		
Sugar confectionery	676	668	 7.9%		
Snacking and biscuits	1 223	1 214	 14.4%		
Total sales	8 107	8 449		-0.2%	+6.2%
Underlying trading operating profit	1 364	1 299	15.4%		
Trading operating profit	1 231	1 190	14.1%		
PetCare					
Total sales	18 860	18 882		+2.1%	+2.7%
Underlying trading operating profit	3 912	4 087	21.6%		
Trading operating profit	3 862	4 047	21.4%		

Review of Zones, Nestlé Health Science and Nespresso

Zone North America (NA)

Sales	CHF 25.3 billion
Organic growth	–0.5%
Real internal growth	–0.8%
Underlying trading operating profit margin	22.3%
Underlying trading operating profit margin	+ 10 basis points
Trading operating profit margin	22.1%
Trading operating profit margin	+80 basis points

Our growth in North America in 2024 was disappointing. Organic sales growth of –0.5% reflects mixed delivery across the portfolio, in the context of a challenging consumer environment. We delivered RIG-led positive organic growth in approximately two-thirds of the business by sales. This was offset by weak performance in frozen food and coffee creamers. Turnaround plans are underway in both businesses. In Zone North America, UTOP margin increased modestly, which was the result of an improvement in gross profit margin and a step-up in growth investments.

Segment performance summary

- Organic growth was –0.5%, with –0.8% RIG and 0.4% pricing. Pricing was negative in H2, driven by competitive dynamics in PetCare and price adjustments in frozen food and coffee creamers.
- Reported sales decreased by 2.5% to CHF 25.3 billion, including a –2.0% impact from foreign exchange movements and –0.1% from net divestitures.
- Market share gains were achieved in coffee, while we lost market share in frozen pizza and coffee creamers.
- UTOP margin increased by 10 basis points to 22.3%. Gross profit margin expanded, supported by pricing, price pack architecture and mix management, and structural cost control was strong. Advertising and marketing investment was increased significantly to support future growth.

Key sales growth drivers by product category

- PetCare was the largest growth contributor, with low single-digit growth driven by premium brands, particularly in the cat and therapeutic diets segments.

Zone NA

In millions of CHF

	2023	2024	Proportion of total sales (%)	RIG (%)	OG (%)
United States and Canada	25 995	25 336			
Powdered and Liquid Beverages	3 892	3 917	 15.5%		
Water	990	966	 3.8%		
Milk products and Ice cream	3 065	2 938	 11.6%		
Prepared dishes and cooking aids	4 790	4 275	 16.9%		
Confectionery	682	755	 3.0%		
PetCare	11 504	11 563	 45.6%		
Nutrition and Health Science	1 072	922	 3.6%		
Total sales	25 995	25 336		–0.8%	–0.5%
Underlying trading operating profit	5 768	5 640	22.3%		
Trading operating profit	5 546	5 588	22.1%		
Capital additions	2 401	2 239	8.8%		

- Confectionery grew at a double-digit pace, driven by *Tollhouse* baking products and pricing actions particularly in the second half of the year.
- Beverages (including coffee and coffee creamers) delivered positive growth overall, with new product launches supporting continued strong momentum for *Nescafé* and *Starbucks*, offsetting a decrease in *Coffee mate*.
- Infant Nutrition saw a sales decrease, with a decline in *Gerber* in the context of a category slowdown in baby food.
- Frozen food posted negative growth, primarily reflecting the impact of price competition in pizza and the winding down of the frozen meals business in Canada.

Zone Europe (EUR)

Sales	CHF 18.9 billion
Organic growth	+3.3%
Real internal growth	+0.8%
Underlying trading operating profit margin	16.9%
Underlying trading operating profit margin	+ 50 basis points
Trading operating profit margin	15.3%
Trading operating profit margin	+ 120 basis points

In Zone Europe, our sales growth was broad-based, with improved market share trends in a number of categories. Growth was mainly pricing led, reflecting the inflationary environment for coffee and confectionery, supported by positive RIG in coffee and PetCare. Growth was impacted by temporary delistings in the third quarter, but recovered in the fourth quarter, driven by coffee and confectionery. UTOP margin increased, with improved gross profit margin and portfolio optimization helping fund the step-up in growth investment.

Segment performance summary

- Organic growth was 3.3%, comprising 0.8% RIG and 2.5% pricing.
- Reported sales decreased by 1.0% to CHF 18.9 billion, including –2.5% impact from foreign exchange movements and –1.9% from net divestitures.
- Market share gains were achieved in coffee and PetCare, with losses in confectionery and water.
- UTOP margin increased by 50 basis points to 16.9%, driven by strong gross profit margin improvement and supported by portfolio optimization.

Key sales growth drivers by product category

- Coffee posted mid single-digit growth, driven by *Nescafé* soluble coffee and *Starbucks* products.
- Sales in confectionery grew at a mid single-digit pace, driven by *KitKat* and key local brands.
- PetCare delivered low single-digit growth, led by *Purina ONE*, *Gourmet* and *ProPlan*.
- Nestlé Professional achieved mid single-digit growth, driven by beverage solutions.
- Water saw low single-digit growth, impacted by supply constraints in the second half of the year.
- Infant Nutrition posted negative growth, reflecting a category slowdown.

Zone EUR

In millions of CHF

	2023	2024	Proportion of total sales (%)	RIG (%)	OG (%)
Western Europe	13 488	13 245	 70.1%		
Eastern Europe	4 022	4 051	 21.4%		
Türkiye and Israël	1 588	1 614	 8.5%		
Powdered and Liquid Beverages	5 066	5 119	 27.1%		
Water	1 573	1 581	 8.4%		
Milk products and Ice cream	381	377	 2.0%		
Prepared dishes and cooking aids	2 610	2 292	 12.1%		
Confectionery	3 027	3 141	 16.6%		
PetCare	5 056	5 070	 26.8%		
Nutrition and Health Science	1 385	1 330	 7.0%		
Total sales	19 098	18 910		+0.8%	+3.3%
Underlying trading operating profit	3 127	3 192	16.9%		
Trading operating profit	2 698	2 895	15.3%		
Capital additions	1 680	1 480	7.8%		

Zone Asia, Oceania and Africa (AOA)

Sales	CHF 16.8 billion
Organic growth	+3.4%
Real internal growth	+0.6%
Underlying trading operating profit margin	23.3%
Underlying trading operating profit margin	–20 basis points
Trading operating profit margin	22.5%
Trading operating profit margin	0 basis point

We achieved solid organic sales growth in Zone AOA, with most categories and regions reporting positive RIG. We improved market share trends, particularly for key global brands like *KitKat*, reignited growth momentum in PetCare and significantly stepped up e-commerce growth. Several macroeconomic headwinds weighed on growth, with consumer hesitancy towards global brands linked to geopolitical tensions persisting throughout the year. In the fourth quarter, we took action to reduce customer inventories in our infant nutrition and dairy categories. For the year, UTOP margin declined, driven by increased investment in advertising and marketing.

Segment performance summary

- Organic growth was 3.4%, with 0.6% RIG and 2.8% pricing.
- Reported sales decreased by 4.1% to CHF 16.8 billion, strongly impacted by foreign exchange movements, which reduced sales by 7.5%.
- Key markets driving growth were Central and West Africa, the Middle East and North Africa, and the Philippines.
- Key market share developments were gains in PetCare and losses in dairy and culinary.
- UTOP margin decreased by 20 basis points to 23.3%, driven by increased investment in advertising and marketing.

Key sales growth drivers by product category

- Coffee posted mid single-digit growth, driven by *Nescafé* soluble and ready-to-drink offerings.
- Culinary delivered high single-digit growth fueled by strong sales momentum for *Maggi*.
- Nestlé Professional achieved high single-digit growth, with strong contributions from most geographies and categories.

Zone AOA

In millions of CHF

	2023	2024	Proportion of total sales (%)	RIG (%)	OG (%)
ASEAN	6 880	6 488			
Oceania and Japan	2 802	2 740			
South Asian Subcontinent	3 042	3 024			
Middle-East and Africa	4 795	4 541			
Powdered and Liquid Beverages	5 767	5 505			
Water	582	551			
Milk products and Ice cream	3 310	3 079			
Prepared dishes and cooking aids	2 476	2 346			
Confectionery	1 332	1 336			
PetCare	662	678			
Nutrition and Health Science	3 390	3 298			
Total sales	17 519	16 793		+0.6%	+3.4%
Underlying trading operating profit	4 109	3 916	23.3%		
Trading operating profit	3 944	3 777	22.5%		
Capital additions	928	843	5.0%		

- Confectionery grew at a mid single-digit pace, driven by *KitKat* and supported by new product launches.
- PetCare achieved high single-digit growth, led by key brands *Felix* and *Purina ONE*.
- Infant Nutrition posted low single-digit growth following actions to reduce customer inventories.
- Dairy saw a sales decline, impacted by the introduction of a sales tax in Pakistan as well as actions to reduce customer inventories and reshape the portfolio.

Zone Latin America (LATAM)

Sales	CHF 11.9 billion
Organic growth	+2.5%
Real internal growth	–0.3%
Underlying trading operating profit margin	20.4%
Underlying trading operating profit margin	–30 basis points
Trading operating profit margin	19.1%
Trading operating profit margin	–10 basis points

Sales growth in Zone Latin America was pricing-led growth, with RIG declining slightly. During the year, consumer demand softened and financial pressure on customers increased in several markets due to higher borrowing costs. These headwinds led to actions to reduce customer inventories, which weighed on RIG in Q3. Improved growth in Q4 was driven by confectionery and coffee, with new price increase measures being taken in both categories. UTOP margin for the year declined due to increased investments in growth as well as higher costs linked to the acquisition of the Grupo CRM confectionery business.

Zone LATAM

In millions of CHF

	2023	2024	Proportion of total sales (%)	RIG (%)	OG (%)
Latin America and Caribbean	12 196	11 933			
Powdered and Liquid Beverages	2 543	2 511	 21.0%		
Water	129	45	 0.4%		
Milk products and Ice cream	3 126	2 971	 24.9%		
Prepared dishes and cooking aids	888	921	 7.7%		
Confectionery	2 218	2 370	 19.9%		
PetCare	1 510	1 445	 12.1%		
Nutrition and Health Science	1 782	1 670	 14.0%		
Total sales	12 196	11 933		–0.3%	+2.5%
Underlying trading operating profit	2 520	2 429	20.4%		
Trading operating profit	2 346	2 278	19.1%		
Capital additions	923	1 687	14.1%		

Segment performance summary

- Organic growth was 2.5%, with –0.3% RIG and 2.7% pricing.
- Reported sales decreased by 2.2% to CHF 11.9 billion, with a negative impact of 4.9% from foreign exchange movements.
- Key markets driving growth were Brazil and Mexico; weaker performance in smaller markets such as Peru and Colombia.
- Market share developments included gains in portioned coffee and culinary, with losses in dairy and soluble coffee.
- UTOP margin decreased by 30 basis points to 20.4%. The reduction follows increased advertising and marketing investments.

Key sales growth drivers by product category

- Confectionery delivered high single-digit growth, driven by key local brands, particularly *Garoto*, and supported by new product launches in chocobakery.
- Nestlé Professional grew at a double-digit pace, underpinned by customer acquisition.
- Coffee saw mid single-digit growth, led by *Nescafé*, with strong growth for *Nescafé Dolce Gusto*.
- Culinary reported low single digit growth supported by strong sales momentum for *Maggi*.
- PetCare posted flat growth, supported by *Felix* and *Friskies*.
- Infant Nutrition and dairy reported sales declines as robust demand for *NAN* infant formula was more than offset by a sales decline in *Nido*.

Zone Greater China (GC)

Sales	CHF 5.0 billion
Organic growth	+2.1%
Real internal growth	+4.3%
Underlying trading operating profit margin	16.1%
Underlying trading operating profit margin	–40 basis points
Trading operating profit margin	15.5%
Trading operating profit margin	+620 basis points

In Zone Greater China, growth was underpinned by positive RIG delivery in every quarter despite soft consumer demand and intense price competition in several categories. This performance was achieved by driving faster innovation in key categories and adapting route-to-market and channel strategies to capture new growth opportunities. The decline in UTOP margin reflects increased commodity costs and higher growth investments.

Segment performance summary

- Organic growth was 2.1%, with 4.3% RIG and –2.1% pricing.
- Reported sales decreased by 1.3% to CHF 5.0 billion, as foreign exchange reduced sales by 3.5%.

- Market share developments included gains in Infant Nutrition and confectionery, with losses in culinary and dairy.
- UTOP margin decreased by 40 basis points to 16.1%, reflecting higher input costs and increased advertising and marketing investments.

Key sales growth drivers by product category

- Infant Nutrition was the largest contributor to organic growth, with high single-digit growth, driven by *NAN* and supported by improved sales momentum for *illumina*.
- Coffee posted mid single-digit growth, driven by distribution expansion and new innovations, particularly in *Nescafé* ready-to-drink offerings.
- Confectionery grew at a mid single-digit rate, with solid growth for *Hsu Fu Chi* and *Shark Wafer*, supported by new product launches and e-commerce growth.
- Nestlé Professional delivered low single-digit growth in challenging market conditions, while culinary and dairy-related categories reported negative growth.

Zone GC

In millions of CHF

	2023	2024	Proportion of total sales (%)	RIG (%)	OG (%)
Greater China	5 037	4 973			
Powdered and Liquid Beverages	936	947			19.0%
Water	46	38			0.8%
Milk products and Ice cream	1 080	1 017			20.5%
Prepared dishes and cooking aids	902	876			17.6%
Confectionery	800	801			16.1%
PetCare	128	126			2.5%
Nutrition and Health Science	1 145	1 168			23.5%
Total sales	5 037	4 973		+4.3%	+2.1%
Underlying trading operating profit	832	803			16.1%
Trading operating profit	468	770			15.5%
Capital additions	161	133			2.7%

Nestlé Health Science

Sales	CHF 6.7 billion
Organic growth	+ 6.2%
Real internal growth	+ 5.5%
Underlying trading operating profit margin	14.0%
Underlying trading operating profit margin	+ 200 basis points
Trading operating profit margin	11.8%
Trading operating profit margin	+ 150 basis points

Nestlé Health Science delivered a significant step-up in growth and margin in 2024, with all segments contributing to the improved performance. Organic growth recovered through the year, with double-digit growth in the second half. A key driver of the improved performance was the resolution of supply constraints for our U.S. vitamins, minerals and supplements (VMS) business. UTOP margin increased strongly, driven by growth leverage, mix improvement and cost efficiencies.

Segment performance summary

- Organic growth was 6.2%, with 5.5% RIG and 0.7% pricing.
- Reported sales increased by 3.7% to CHF 6.7 billion, including a foreign exchange impact reducing sales by –2.8%.
- Market share increased in Medical Nutrition and stabilized in VMS after declining in the second half of 2023.
- UTOP margin improved by 200 basis points to 14.0%. The increase was driven by growth leverage, mix improvement and cost efficiencies.

Key sales growth drivers

- By geography, North America posted mid single-digit growth, Europe delivered double-digit growth and other regions combined saw positive growth.
- VMS achieved mid single-digit growth, with double-digit growth in the second half and an improvement in market share trends.
- Active Nutrition posted mid single-digit growth, supported by strong momentum for *Orgain*, *Vital Proteins* and healthy aging products.
- Medical Nutrition delivered double-digit growth, with continued market share gains. Growth was driven by strong sales momentum for adult medical care products, particularly *Peptamen* and *Resource*, as well as *Vitaflo*. Sales for gastrointestinal products continued to grow at a double-digit rate.

Nestlé Health Science

In millions of CHF

	2023	2024		RIG (%)	OG (%)
Total sales	6 498	6 739		+ 5.5%	+ 6.2%
Underlying trading operating profit	777	943			14.0%
Trading operating profit	670	794			11.8%
Capital additions	478	522			7.7%

Nespresso

Sales	CHF 6.4 billion
Organic growth	+ 2.2%
Real internal growth	+ 1.6%
Underlying trading operating profit margin	20.0%
Underlying trading operating profit margin	– 30 basis points
Trading operating profit margin	17.0%
Trading operating profit margin	– 310 basis points

Nespresso delivered solid RIG-led growth, driven by the continued rollout of *Vertuo*, particularly in the U.S., and continued good growth in out-of-home channels. Q4 saw the highest quarterly growth of the year, supported by strong seasonal campaigns and the impact of pricing actions. UTOP margin decreased as we invested behind the expansion of *Vertuo* and structural costs increased.

Segment performance summary

- Organic growth was 2.2%, with 1.6% RIG and 0.6% pricing.
- Reported sales increased by 0.1% to CHF 6.4 billion, including – 2.4% impact from foreign exchange movements.
- We achieved market share gains in the U.S., but lost some share in Europe.
- UTOP margin was down 30 basis points to 20.0%, driven by increased advertising and marketing investments as well as higher structural costs.

Key sales growth drivers

- By geography, sales in North America grew at a mid single-digit rate with continued market share gains. In Europe, sales posted close to flat growth.
- By system, growth was driven by the *Vertuo* system, with strong sales momentum across all geographies. Sales for out-of-home channels grew at a mid single-digit rate backed by the continued rollout of the *Momento* system.

Nespresso

In millions of CHF

	2023	2024	RIG (%)	OG (%)
Total sales	6 372	6 378	+ 1.6%	+ 2.2%
Underlying trading operating profit	1 291	1 278	20.0%	
Trading operating profit	1 283	1 081	17.0%	
Capital additions	282	448	7.0%	

Principal risks and uncertainties

The Group aims to adopt a risk profile aligned to our purpose and business strategy. We strive to create long-term value through a balance of sustainable growth and resource efficiency. Our culture and values – rooted in respect for ourselves, others, diversity and the future – guide our decisions and actions. Our Creating Shared Value approach helps us prioritize those areas that maximize value creation for shareholders and cultivate positive societal and environmental impacts.

The Nestlé Group Enterprise Risk Management (ERM) framework is designed to assess and mitigate risks in order to minimize their potential impact and support the achievement of Nestlé's long-term purpose and business strategy. A top-down assessment is performed at Group-level once a year. A bottom-up assessment occurs in parallel, resulting in aggregation of the individual market assessments. This creates a good understanding of the company's key risks in order to allocate ownership to drive specific actions around them and take any relevant steps to address them.

Additionally, Nestlé engages with external stakeholders to better understand the issues that are of most concern to them. A materiality assessment (detailed in the *Non-Financial Statement*) helps us to focus on sustainability impacts, risks and opportunities that are most relevant to both Nestlé and our stakeholders. This helps to ensure that wider sustainability issues are incorporated into the risks and opportunities under consideration across the company.

Risk assessments and any mitigating actions are the responsibility of the individual line management. If Group-level intervention is required, responsibility for mitigating actions will generally be determined by the Executive Board. The annual Group risk assessment is reported annually to the Executive Board, Audit Committee and Board of Directors. Under the Group's governance, the full Board is responsible for risk oversight. Further details of the ERM processes can be found in the *Corporate Governance Report*.

We are committed to transparency and action on climate-related risks and opportunities. We have aligned our reporting disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which can be found in our *Non-Financial Statement*.

The risks listed below are considered the most relevant for our business and performance. Many of the longer-term mitigation strategies are expanded on in our *Non-Financial Statement*.

Principal risk *	Description	Potential impact	Key mitigations
Business transformations	Failure of strategic transformations such as large-scale change management projects, restructuring, mergers and acquisitions, etc.	– Failure to realize anticipated benefits – Impairments – Low employee morale and/or engagement	– Executive sponsorship of transformations with aligned targets and appropriate levels of resources to support successful execution
Climate change	– Climate-related physical disruption (e.g., increasing frequency and severity of weather events, land use change, deforestation, biodiversity loss, etc.) – Climate-related transitional disruption (e.g., policy actions, technological advances, market sentiment, etc.) disrupting our operations and/or consumer demand	– Volatility in supply and price of raw materials due to physical climate changes (e.g., water stress, heat stress, etc.) – Policy impacts (e.g., carbon tax, land use restrictions, agricultural subsidy shifts, etc.) on operating costs – Increased consumer and/or stakeholder concern regarding climate change impacting reputation	– Implementation of Nestlé's Net Zero Roadmap, including the Nestlé Agriculture Framework and Nestlé Responsible Sourcing Core Requirements – Progress on mitigation and adaptation is reported in the <i>Non-Financial Statement</i> and Nestlé's CDP questionnaires
Consumer behaviors	– Failure to adequately anticipate evolving consumer behaviors and consumption habits – Failure to innovate relevant, competitive products and brands; and/or execute at speed	– Negative effect on Nestlé's reputation and/or brands – Failure to achieve growth targets, loss of market share	– Nestlé's <i>Good for You</i> strategy – Acceleration of consumer-centric innovation – Scientific and nutritional know-how applied to enhance nutrition, health and wellness – Improved accessibility of safe and affordable food
Customer and channel management	Failure to build and maintain trading relationships across traditional and emerging channels	– Reduced distribution of our products to consumers – Restricted ability to price impacting margin – Failure to achieve growth targets, loss of market share	– Strategic customer relationship management – Continued acceleration of digital capabilities and expansion of e-commerce and online communication
Environmental	Failure to comply with legislation or meet expectations concerning the environment (e.g., biodiversity impacts, use of natural resources, air emissions, pollution, etc.)	– Negative effect on Nestlé's reputation and/or brands – Corporate fines and/or taxation on products/categories – License to operate challenges (e.g., access to water, etc.) – Litigation	– Nestlé Environmental Requirements Standard – Procedures and processes to comply with environmental legislation – Nestlé Agriculture Framework and Nestlé Responsible Sourcing Core Requirements to support in conservation and restoration of biodiversity and soil health – Commitments to improve operational efficiencies (e.g., transition to renewable energy sources, reduction in air emissions, etc.)
Ethics and compliance	Failure to act with integrity or in a manner consistent with our purpose and values	– Negative effect on Nestlé's reputation and/or brands – Penalties and/or fines – Litigation – Loss of licenses	– <i>Corporate Business Principles</i> and <i>Code of Business Conduct</i> outlining the Group's commitment to integrity – Compliance program and systems, including grievance mechanisms and consequence management
Geopolitical, societal factors	Adverse instability and/or uncertainty (e.g., political instability, conflicts, sanctions, trade wars, boycotts, pandemics or disease outbreaks, labor and/or infrastructure-related risks, etc.)	– Reduction in consumer demand across categories and/or channels – Disruption to Nestlé's ability to do business in a country or region – Disruption to supply chain	– Monitoring and ad-hoc continuity plans to mitigate against events – Group-wide geographical and product category spreads – Decentralized management structure – Procurement strategy

Principal risk *	Description	Potential impact	Key mitigations
Health and safety	Failure to comply with local health and safety regulations and/or nurture safe, healthy workplaces in all countries where Nestlé operates	– Injuries or fatalities – Occupational illness or accidents – Negative effect on Nestlé's reputation and/or brands – Penalties and/or fines – Litigation	– Long-term initiatives to promote safe and healthy behaviors – Nestlé Policy on Safety and Health at Work – Processes and procedures to comply with health and safety legislation – Employee Health Strategy (e.g., #HealthyLives to build personal health, safety and well-being awareness among employees, etc.)
Human rights	Failure to identify and/or prevent human rights violations in direct operations and extended supply chain (e.g., forced labor, child labor, living income and living wage, freedom of association, etc.)	– Negative impact on individuals – Negative effect on Nestlé's reputation and/or brands – Penalties and/or fines – License to operate challenges – Litigation	– Policies, processes and controls to respect and promote human rights, including the Nestlé Human Rights Policy and Nestlé Human Rights Framework and Roadmap – Salient issue action plans – Responsible sourcing programs (e.g., Nescafé Plan, Nestlé Cocoa Plan, etc.) – Grievance mechanisms and consequence management
Macro-financial factors	Volatility and/or sudden shocks impacting macro factors (e.g., forex, interest rates, cost of capital, credit ratings, pension liabilities, etc.)	– Government intervention (e.g., capital controls, price controls, etc.) impacting operations and financial performance – Impeded access to capital markets	– Appropriate governance and risk mitigation measures to actively manage exposures and long-term asset and liability outlook
Non-financial corporate governance	Failure to comply and/or meet stakeholders' expectations with regards to non-financial performance and reporting	– Negative effect on Nestlé's reputation and/or brands – Penalties and/or fines – Litigation	– Board oversight supported by the Sustainability Committee – Leadership provided by the ESG & Sustainability Council – Dedicated ESG Strategy & Deployment Unit – Compliance with relevant non-financial reporting regulations
People retention	Failure to attract and retain skilled, talented employees in a competitive, dynamic marketplace	– Negative effect on Nestlé's reputation and/or brands – Workforce ill-equipped with the skills for the digital age – Failure to achieve growth and profit targets	– Nestlé Total Rewards Policy and Nestlé Human Resources Policy – Initiatives to improve gender balance and cultural diversity – Development strategies to cope with the demands of a changing work force
Product and plastic packaging	Failure to comply with current or future regulation, source relevant replacement packaging and/or develop new innovative solutions	– Specific packaging (e.g., single-use plastic, etc.) and/or elements (e.g., straws, etc.) taxed, banned and/or delisted – Stigmatization and/or obsolescence of products, brands and/or categories – Failure to achieve growth targets, loss of market share	– Transformation of packaging systems, including recyclable or reusable packaging, new packaging materials and collaborations to drive recycling penetration – Nestlé Institute of Packaging Sciences to accelerate functional, safe and environmentally friendly packaging solutions
Product quality and safety	Major event triggered by a serious food safety, product quality or other product-related non-compliance issue	– Serious harm or death – Negative effect on Nestlé's reputation and/or brands – Failure to meet evolving regulatory requirements – Loss of trust – Penalties and/or fines – Litigation	– Nestlé Quality Policy – Processes and controls to ensure high-quality, safe products and prevention of health risks – Quality and food safety culture

Principal risk *	Description	Potential impact	Key mitigations
Regulation	Prolonged negative perceptions concerning health implications of processed food and beverage categories	– Increase in regulation and/or taxes on industry and/or specific categories and/or ingredients – Erosion of consumer confidence in industry – Limitations on marketing, labeling and distribution – Litigation	– Nestlé's <i>Good for You</i> strategy – Policies, including Nestlé Marketing Communication to Children and Nestlé Policy for Implementing the WHO Code
Strategic investment choices	Investment choices evolve over time to include emerging technologies; new business models; creation of, or entry into, new categories; and/or geographic expansion	– Broader exposures for the Group – Acceptance of higher risk and return metrics	– Group's investment choices aligned with strategy and prioritized based on the potential to create value over the long term
Supply chain disruption	Major event impacting raw material sourcing, transport, and/or internal or external manufacturing facilities (e.g., commodity shortages, strikes, sanctions, natural disasters, pandemics or disease outbreaks, conflict, etc.)	– Impeded ability to ensure supply of key products, ingredients and packaging, including sourcing, transporting to operational facilities and distribution to customers – Increase in input prices and/or production and distribution costs	– Business continuity and disaster recovery plans for key sites – Active price risk management on key commodities – Multiple supply options, including localized sourcing where relevant
Supply chain	Failure to ensure a transparent, sustainable and resilient food supply chain	– Product shortages – Negative effect on Nestlé's reputation and/or brands – Penalties and/or fines – License to operate challenges – Increased cost of supply	– Nestlé Agriculture Framework supports the advancement of regenerative food systems – Nestlé Responsible Sourcing Core Requirements sets out non-negotiable requirements, including traceability, and ways of working with direct suppliers and farmers
Systems, technologies, security and privacy	– Failure to leverage data and new technologies to accelerate innovation, streamline processes, drive efficiencies, etc. – Threat of cyber-attacks and/or failure of systems disrupting the reliability, security and privacy of data and/or ability to operate	– Failure to realize anticipated benefits of technology advances – Inability to run operational activities – Loss of confidential information impacting corporate reputation – Loss of consumer trust – Penalties and/or fines – Litigation	– Acceleration of Nestlé's data- and AI-powered digital transformation – Contingencies and policies to protect hardware and software – Nestlé Privacy Policy and Standard to guard against data security threats and comply with an evolving regulatory landscape
Taxation	Change to or new interpretation of existing tax regulations and/or new tax regulations (e.g., OECD Base Erosion and Profit Shifting, BEPS, etc.)	– Failure to comply with tax regulations – Increase in effective tax rates – Increase in the cost of compliance	– Group Tax Management Principles to manage and monitor tax compliance – Processes and tools to ensure compliance with new requirements (e.g., OECD 15% minimum tax, etc.)
Water	– Water shortage, water scarcity, water excess and/or water quality impacting upstream supply chains and/or direct operations – Failure to comply with legislation or meet expectations concerning consumption, withdrawal, waste treatment, discharges, etc.	– Volatility in supply, price and/or quality of raw materials – License to operate challenges (e.g., access to water, etc.) – Corporate fines and/or litigation – Increased consumer and/or stakeholder concern regarding water, impacting reputation	– Nestlé Environmental Requirements Standard, Nestlé Responsible Sourcing Core Requirements and Nestlé Agriculture Framework contribute to framing Nestlé's strategy to manage water sustainably – Processes and controls to comply with local water-related legislation

* Listed in alphabetical order

Factories

North America (NA)	
Canada	2
United States	54
Europe (EUR)	
Belgium	1
Bulgaria	1
Czech Republic	3
Finland	1
France	12
Germany	13
Greece	2
Hungary	2
Ireland	1
Italy	6
Netherlands	1
Poland	5
Portugal	2
Republic of Serbia	1
Russia	6
Slovak Republic	1
Spain	10
Sweden	1
Switzerland	10
Türkiye	3
Ukraine	3
United Kingdom	8

The figure in black after the country denotes the number of factories.

- Powdered and Liquid Beverages
- Water
- Milk products and Ice cream
- Nutrition and Health Science
- Prepared dishes and cooking aids
- Confectionery
- PetCare

Asia, Oceania and Africa (AOA)	
Algeria	2
Angola	1
Australia	6
Bahrain	1
Bangladesh	1
Cameroon	1
Côte d'Ivoire	2
Egypt	2
Ghana	1
India	8
Indonesia	4
Iran	2
Israel	6
Japan	3
Jordan	1
Kenya	1
Lebanon	1
Malaysia	6
Morocco	1
New Zealand	4
Nigeria	3
Pakistan	4
Papua New Guinea	1
Philippines	5
Qatar	1
Senegal	1
Singapore	2
Saudi Arabia	5
South Africa	5
Sri Lanka	1
Thailand	9
United Arab Emirates	2
Vietnam	6
Zimbabwe	1

Latin America (LATAM)									
Argentina	6	●	●	●	●	●	●	●	●
Bolivia	1							●	
Brazil	13	●		●	●	●	●	●	●
Chile	9	●		●	●	●	●	●	●
Colombia	4	●		●	●	●	●	●	●
Cuba	4	●	●	●				●	
Dominican Republic	2			●		●			
Ecuador	4	●		●	●	●	●	●	
Guatemala	2			●		●			
Mexico	11	●	●	●	●	●	●	●	●
Panama	1			●		●			
Peru	1	●		●	●	●	●	●	
Trinidad and Tobago	1	●		●		●			
Uruguay	1	●							
Venezuela	5	●		●		●	●	●	●

Greater China (GC)									
Greater China	23	●		●	●	●	●	●	●

Corporate Governance and Compliance

Corporate Governance

Our principles-based governance is our compass in times of change and provides the foundation for our many actions to create long-term, sustainable value for our shareholders and shared value for all our stakeholders.

Nestlé’s value creation model allows us to continue to invest, renovate and grow. Our unique, iconic brands and products, an unmatched global presence, leading innovation and execution capabilities, and our people, position us for consistent value creation everywhere we operate. We aim to consistently execute behind our Nutrition, Health and Wellness strategy and assure our reputation as a dependable, reliable company.

At the same time, we progress on our path to gradually reduce absolute greenhouse gas (GHG) emissions in our supply chain and to support the transition to a regenerative food system. Our engagement on climate action is in line with our detailed Net Zero Roadmap, which our shareholders endorsed at the 2021 Annual General Meeting. In 2024, we submitted for the first time our report on non-financial matters to an annual vote by shareholders as required by Swiss law. The vote in 2025 will be on our 2024 *Non-Financial Statement* prepared in anticipation of our future obligation to comply with the European Union’s Corporate Sustainability Reporting Directive (CSRD). In addition, we will issue for the first time a voluntary publication *Creating Shared Value at Nestlé 2024*, to highlight particularly relevant actions and accomplishments.

Nestlé’s Board of Directors is engaged in overseeing the direction of the company. We have continued to strengthen the Board by adding new independent directors with diverse experience and skill sets directly relevant to Nestlé; for example, with respect to food systems, fast-moving consumer goods (FMCG), digitalization, marketing, sustainability, geopolitics, and financial and operational expertise. Engagement with our shareholders takes place through our roadshows, investor meetings, analyst calls and Chairman’s Roundtables, where we meet with investors from Asia, North America, Switzerland, Germany, the UK, France and the Netherlands.

The Chair’s and Corporate Governance Committee regularly reviews all aspects of our governance. In 2024, it played an important role in the governance of our

Share capital distribution by geography



leadership transition. Our Sustainability Committee advises on our environmental and social sustainability, including our response to climate change and our human rights due diligence program, as well as the structure and content of our non-financial reporting. The Audit Committee oversees internal and external audit and reviews reports regarding internal controls, compliance, fraud and risk management, as well as the accuracy of our financial and non-financial reporting. The Nomination Committee, chaired by our Lead Independent Director, evaluates Board composition, performance, structure and succession planning, and assesses candidates for nomination to the Board. The Compensation Committee ensures alignment of our remuneration systems with our values, strategies and performance.

Board of Directors of Nestlé S.A.

**Board of Directors of Nestlé S.A.
at December 31, 2024**

Paul Bulcke (1, 2, 4) Chairman	Lindiwe M. Sibanda (1, 5) Professor Extraordinary, University of Pretoria, RSA
Pablo Isla (1, 2, 3, 4) Vice Chairman Lead Independent Director Former Chairman and CEO, Inditex	Luca Maestri (1, 6) Chief Financial Officer, Apple Inc.
Renato Fassbind (1, 2, 6) Former Vice Chairman, Swiss Re AG	Chris Leong (1, 5) Chief Marketing Officer, Schneider Electric
Patrick Aebischer (1, 3) President Emeritus of the Swiss Federal Institute of Technology Lausanne (EPFL)	Rainer Blair (1, 6) President and CEO, Danaher Corporation
Dick Boer (1, 2, 3, 5) Former President and CEO, Ahold Delhaize N.V.	Marie-Gabrielle Ineichen-Fleisch (1, 4) Former State Secretary and Director of the Swiss State Secretariat for Economic Affairs SECO
Dinesh Paliwal (1, 3, 4) Former President and CEO, Harman International Industries Inc.	Geraldine Matchett (1, 6) Former Co-Chief Executive Officer and CFO, DSM-Firmenich AG
Hanne Jimenez de Mora (1, 2, 5) Co-founder, a-connect group	

Peter Brabeck-Letmathe
Chairman Emeritus

David P. Frick
Secretary to the Board

EY (1)
Independent auditors

- (1) Term expires on the date of the Annual General Meeting 2025
- (2) Chair's and Corporate Governance Committee
- (3) Compensation Committee
- (4) Nomination Committee
- (5) Sustainability Committee
- (6) Audit Committee

For further information on the Board of Directors, please refer to the *Corporate Governance Report 2024*.



Paul Bulcke



Pablo Isla



Renato Fassbind



Patrick Aebischer



Dick Boer



Dinesh Paliwal



Hanne Jimenez de Mora



Lindiwe M. Sibanda



Luca Maestri



Chris Leong



Rainer Blair



Marie-Gabrielle Ineichen-Fleisch



Geraldine Matchett



David P. Frick
Secretary to the Board

Executive Board of Nestlé S.A.



Executive Board of Nestlé S.A. at December 31, 2024

From left to right

EVP: Executive Vice President
CEO: Chief Executive Officer

David Rennie
EVP, Head of Nestlé Coffee Brands

Bernard Meunier
EVP, Head of Strategic Business
Units, Marketing and Sales

Stephanie Pullings Hart
EVP, Head of Operations

Sanjay Bahadur
Deputy EVP, Head of Group
Strategy and Business
Development

Anna Mohl
EVP, CEO, Nestlé Health Science

Stefan Palzer
EVP, CTO, Innovation,
Technology, R&D

Leanne Geale
EVP, Group General Counsel



Laurent Freixe
Chief Executive Officer

Béatrice Guillaume-Grabisch
EVP, Head of Group Human Resources and Business Services

Anna Manz
EVP, Chief Financial Officer

Guillaume Le Cunff
EVP, CEO Zone Europe

Remy Ejel
EVP, CEO Zone Asia, Oceania and Africa

David Xiqiang Zhang
EVP, CEO Zone Greater China

Steven Wood Presley
EVP, CEO Zone North America

Lisa Gibby
Deputy EVP, Chief Communications Officer

For further information on the Executive Board, please refer to the *Corporate Governance Report 2024*.

Compliance

Compliance is our commitment to act with honesty, integrity, and respect for our own values, principles and policies, and for the laws and regulations where we operate. It is a non-negotiable requirement for everything we do and enables sustainable business growth. Our comprehensive Compliance Management System, comprised of policies, processes, controls and tools, is regularly reviewed to ensure we proactively uphold our values and address relevant risks, while also considering society's expectations and the increasing regulatory requirements.

Nestlé's Board of Directors and Executive Board oversee and promote good practices throughout the company. Management is supported by our Legal and Compliance function, which provides guidance and functional leadership, as well as by all other functions engaged in our risk- and principles-based compliance program. The Group Compliance Committee ensures a continuous evolution of our Integrated Assurance Framework, while market compliance officers and committees ensure a consistent approach across the Group and help identify local compliance priorities. Compliance is monitored through line management and corporate functions, including Internal Audit and external auditors.

In 2024, we continued to promote mandatory trainings, achieving over 1 052 000 completions on topics such as our *Corporate Business Principles*, *Code of Business Conduct*, sexual harassment prevention, diversity and inclusion, and antitrust. In 2024, we also updated modules on human rights, data privacy and IT security to further enhance best practices across the organization.

In 2024, a new three-year CARE program cycle was launched, through which we assess our sites on specific aspects of our social compliance, including human rights, health and safety, environment and working conditions, with the help of independent external auditors. A total of 252 audits were performed in 2024, covering 337 sites.

Our Speak Up system, independently operated by a third party, allows us to investigate and address potential non-compliance concerns reported by employees or external stakeholders. In 2024, we addressed substantiated complaints on issues such as abuse of power, bullying, labor practices, sexual harassment and conflicts of interest, among others. As a result

of these substantiated cases, 119 employees left our company and 8 contracts with service providers were terminated. We also continued to roll out the Conducting Investigations on Behavior-Related Allegations training to guide our markets and provide a comprehensive toolkit of best practices.

The annual compliance communication plan strengthens and sustains a culture of business ethics and compliance. This fosters good business decisions and enhances the trust in Nestlé by our stakeholders.

Shareholder information

Stock exchange listing

At December 31, 2024, Nestlé S.A. shares are listed on the SIX Swiss Exchange, Zurich (ISIN code: CH0038863350). American Depositary Receipts (ISIN code: US6410694060) representing Nestlé S.A. shares are offered in the USA by Citibank, N.A., New York.

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As to information concerning the share register (registrations, transfers, dividends, etc.), please contact:
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The *Annual Review* is available online as a PDF in English, French and German. The consolidated income statement, balance sheet and cash flow statement are also available as Excel files.

www.nestle.com

April 16, 2025

158th Annual General Meeting

April 17, 2025

Last trading day with entitlement to dividend

April 22, 2025

Ex-dividend date

April 24, 2025

Payment of the dividend

April 24, 2025

2025 three-month sales figures

July 24, 2025

2025 half-year results

October 16, 2025

2025 nine-month sales figures

February 19, 2026

2025 full-year results

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The *Annual Report* 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 factors such as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, and regulatory developments.

The *Annual Report* is published in English, German and French. The English version is binding for the content.

The brands in italics are trademarks used by the Nestlé Group.

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